

13007

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PATRICK H. LYONS COMMISSIONER

State of New Mexico 2008 MRR 20 PR Commissioner of Public Lands Phon Fax

Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

March 18, 2008

310 OLD SANTA FE TRAIL P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148

Lime Rock Resources Heritage Plaza 1111 Bagby Street Suite 4600 Houston, Texas 77002

Attention: Ms. Debra D. Sandefer

Re:

Voluntary Termination

Otis State Unit

Lea County, New Mexico

Dear Ms. Sandefer:

Your letter of March 14, 2008 has been received by this office. As successor operator of the captioned unit, your letter requests the voluntary termination of the Otis State Unit Agreement. Enclosed with your letter of February 25, 2008 are ratifications of over 99% of the working interest owners requesting the unit termination.

Pursuant to Article 17 of the Otis State Unit Agreement, please be advised that this office has terminated the Otis State Unit Agreement effective March 18, 2008.

Please notify all interested parties of this action.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS

COMMISSIONER OF PUBLIC LANDS

JAMI BAILEY, Director

Oil, Gas & Minerals Division

PL/JB/pm

pc: Reader File

NMOCD Attention: Mr. Ed Martin TRD-Attention: Mr. Valdean Severson

RMD-Attn: Mr. Kurt McFalstate Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM •NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute •NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University

RECEIVED

MAR 25

OPERATOR: YATES PETROLEUM CORPORATION UNIT NAME: OTIS STATE EXPLORATORY UNIT

COUNTY: LEA

INDIAN FEDERAL STATE ACREAGE TOTAL OCC ORDER NO. OCC CASE NO. **APPROVED** DATE

3050.84 3050.84 **ORDER NO. R-11920** CASE NO. 13007 EFFECTIVE 03/24/2003

SO LONG AS 5 YEARS

STRICT

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TERM

SEGREGATION CLAUSE

> OCD--03-20-2003 SLO--03-24-2003

APPROVALS

TOWNSHIP 15 SOUTH, RANGE 34 EAST

SECTION 19: Lots 1, 2, 3, 4, E/2, E/2W/2 SECTION 30: Lots 1, 2, E/2, E/2NW/4 SECTION 20: ALL SECTION 17: All SECTION 8: All

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