

RECEIVED



2009 JUN 4 PM 1 21
PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

May 28, 2009

LimpusJones, Inc.
111 South Kentucky Avenue
Roswell, NM 88203-4518

Attn: Ms. Bonita L. Jones

Re: Final Approval
Thunderhead Unit
Chaves County, New Mexico

14284

Dear Ms. Jones:

This office is in receipt of your letter of May 19, 2009, wherein on behalf of Primero Operating, Inc., you have requested final approval to the Thunderhead Unit Agreement, Chaves County, New Mexico.

Please be advised that the Commissioner of Public Lands has this date granted final approval to the Thunderhead Unit Agreement, Chaves County, New Mexico. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed are (5) Certificates of Approval.

Your \$120.00 filing fee has been received.

Please notify this office when the Bureau of Land Management approves this unit and when the initial well has been spudded. In addition, please also submit continuous daily drilling reports until the initial well is completed.

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

BY:

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
PL/JB/pm

pc: Reader File,
OCD-Santa Fe, Attn: Mr. Ed Martin
TRD-Attn: Mr. Valdean Severson
RMD-Attn: Mr. Kurt McFall
John Simitz

✓

-State 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

UNIT NAME: THUNDERHEAD UNIT
OPERATOR: PRIMERO OPERATING, INC.
COUNTY: CHAVES

DATE APPROVED	OCD CASE NO. OCD ORDER NO.	TOTAL ACREAGE	STATE	FEDERAL	INDIAN FEE	SEGREGATION CLAUSE	TERM
EFFECTIVE 5/28/2009	CASE NO. 14284 ORDER NO. R-13110-A	2,558.40	799.46	1,718.84	40.00	MODIFIED	SO LONG AS

APPROVALS

SLO-5/28/2009
OCD-4/30/2009
BLM-5/22/2009

TOWNSHIP 4 SOUTH, RANGE 27 EAST

STATE LANDS

SECTION 3: Lot(s) 1, 2, 3, 4, S/2 N/2, S/2
SECTION 4: Lot(s) 1, 2, 3, 4, S/2 N/2, S/2
SECTION 9: ALL
SECTION 10: N/2, N/2 S/2, S/2 SW/4, SW/4 SE/4

EXHIBIT "B"
SCHEDULE OF OWNERSHIP OF OIL AND GAS INTERESTS
THUNDERHEAD UNIT AREA
CHAVES COUNTY, NEW MEXICO

TR #	DESCRIPTION OF LAND	# OF ACRES	SERIAL NO/EXP.	BASIC ROYALTY & PERCENTAGE OF MINERALS	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE (NET)	WORKING INTEREST & PERCENTAGE
FEDERAL LANDS:							
1	T4S-R27E, N1/2PM Sec 3: Lots 1, 2, 4, S1/2NE1/4, SE1/4NW1/4, N1/2SW1/4, SE1/4SW1/4, SE1/4	718.94	NMNM-102905 Effective 6/1/08 Expires 5/31/09	USA 12.50% Royalty 100.0000%	Yates Petroleum Corporation Yates Drilling Company ABO Petroleum Corporation Myco Industries, Inc. Total Gross: 100.0000%	4-28-09 None 4-28-09 4-28-09 4-28-09	Yates Petroleum Corporation 40.0000% Yates Drilling Company 20.0000% ABO Petroleum Corporation 20.0000% Myco Industries, Inc. 20.0000% Total Net WI: 100.0000%
FC							
2	T4S-R27E, N1/2PM Sec 9: SW1/4NE1/4, N1/2NW1/4, SW1/4NW1/4, SW1/4, N1/4SE1/4	1,000.00	NMNM-102906 Effective 6/1/99 Expires 5/31/09	USA 12.50% Royalty 100.0000%	Yates Petroleum Corporation Yates Drilling Company ABO Petroleum Corporation Myco Industries, Inc. Total Gross: 100.0000%	4-28-09 None 4-28-09 4-28-09 4-28-09	Yates Petroleum Corporation 40.0000% Yates Drilling Company 20.0000% ABO Petroleum Corporation 20.0000% Myco Industries, Inc. 20.0000% Total Net WI: 100.0000%
FC							
4	FEDERAL TRACT(S) TOTALING 1,718.94 ACRES OR 67.19% OF UNIT AREA						
STATE LANDS:							
3	T4S-R27E, 6th PM Sec 3: Lot 3, SW1/4NW1/4, SW1/4SW1/4	119.69	V0-8365 Effective 11/1/08 Expires 10/31/13	State of New Mexico 16.6667% Royalty	Branex Resources, Inc.	3/27/09 2.0000%	4-3-09 100.0000%
FC							
4	T4S-R27E, 6th PM Sec 4: Lot 1, 3, 4, S1/2N1/2, NW1/4SW1/4, SE1/4SW1/4, NE1/4SE1/4, SW1/4SE1/4	439.77	V0-8366 Effective 11/1/08 Expires 10/31/13	State of New Mexico 16.6667% Royalty	Branex Resources, Inc.	3/27/09 2.0000%	4-3-09 100.0000%
FC							
5	T4S-R27E, 6th PM Sec 9: N1/2NE1/4, SE1/4NE1/4, S1/4SE1/4, SE1/4NW1/4	240.00	V0-8367 Effective 11/1/08 Expires 10/31/13	State of New Mexico 16.6667% Royalty	Branex Resources, Inc.	3/27/09 2.0000%	4-3-09 100.0000%
FC							
STATE TRACT(S) TOTALING 799.46 ACRES OR 31.25% OF UNIT AREA				FEDERAL TRACT(S) TOTALING 1,718.94 ACRES OR 67.19% OF UNIT AREA			

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THUNDERHEAD UNIT AREA
CHAVES COUNTY, NEW MEXICO

TR #	DESCRIPTION OF LAND	# OF ACRES	SERIAL NO/EXP.	BASIC ROYALTY & PERCENTAGE OF MINERALS	LESSEE OF RECORD & PERCENTAGE	OVERRIDING ROYALTY & PERCENTAGE (NET)	WORKING INTEREST & PERCENTAGE
PATENTED LANDS:							
6	T4S-R27E, 6th PM NC	40.00	Book - 03/26/12	5-5-09	Sandra K. Hood, MWSSI 33.33333%	4-3-09	4-3-09
					Branex Resources, Inc.	None	33.33333%
			Unleased		Steven L. Garcia, etux Donna Jean	None	12.50000%
			Book - 03/26/12	5-6-09	William Harold Snyder, Trustee of the Snyder Family Trust	4-3-09	4-3-09
					Branex Resources, Inc.	None	27.50000%
			Unleased		Garry L. Jones, SMSP	None	5.83333%
			Book 384-1090 Exp. 12-9-09	5.2083% 18.75% Royalty	CRJ Resources, LLC	4-2-09	4-2-09
					Yates Petroleum Corporation	0.010851%	3.64583%
					Yates Drilling Company	0.021701%	0.52083%
					ABO Petroleum Corporation	0.032552%	0.52083%
					Sharbro Oil Ltd., Co.	0.032552%	0.52083%
					Total Gross: 100.000%	Total Net ORI: 0.065104%	Total Net WI: 5.20833%
			Book 384-1090 Exp. 12-9-09	5.2083% 18.75% Royalty	L M Robinson, LLC	4-2-09	4-2-09
					Yates Petroleum Corporation	0.010851%	3.64583%
					Yates Drilling Company	0.021701%	0.52083%
					ABO Petroleum Corporation	0.032552%	0.52083%
					Sharbro Oil Ltd., Co.	0.032552%	0.52083%
					Total Gross: 100.000%	Total Net ORI: 0.065104%	Total Net WI: 5.20833%
			Book 384-1090 Exp. 12-9-09	5.2083% 18.75% Royalty	Herring's Carter Minerals, LLC	4-2-09	4-2-09
					Yates Petroleum Corporation	0.010851%	3.64583%
					Yates Drilling Company	0.021701%	0.52083%
					ABO Petroleum Corporation	0.032552%	0.52083%
					Sharbro Oil Ltd., Co.	0.032552%	0.52083%
					Total Gross: 100.000%	Total Net ORI: 0.065104%	Total Net WI: 5.20833%
			Book 384-1090 Exp. 12-9-09	2.6042% 18.75% Royalty	Marjory J. Dye Trust	4-2-09	4-2-09
					Yates Petroleum Corporation	0.005425%	1.82292%
					Yates Drilling Company	0.010851%	0.26042%
					ABO Petroleum Corporation	0.032552%	0.26042%
					Sharbro Oil Ltd., Co.	0.032552%	0.26042%
					Total Gross: 100.000%	Total Net ORI: 0.032552%	Total Net WI: 2.604167%
			Book 384-1090 Exp. 12-9-09	1.7361% 18.75% Royalty	Carter Legacy, LLC	4-2-09	4-2-09
					Yates Petroleum Corporation	0.003617%	1.21528%
					Yates Drilling Company	0.007234%	0.17361%
					ABO Petroleum Corporation	0.010851%	0.17361%
					Sharbro Oil Ltd., Co.	0.010851%	0.17361%
					Total Gross: 100.000%	Total Net ORI: 0.021701%	Total Net WI: 1.73611%

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	Tract 6 Continued		Book 384-1090 Exp. 12-9-09	Brian Murphy-Dye 0.8681% 18.75% Royalty	Yates Petroleum Corporation 70.000% Yates Drilling Company 10.000% ABO Petroleum Corporation 10.000% Sharbro Oil Ltd, Co. 10.000%	4-2-09 2 Dry Creek Investments: 0.001808% John H. Webb 0.003617% 3 Robert E. Eubanks, etux, Ann Eubanks 0.005425% Total Net ORI: 0.010851%	4-2-09 Yates Petroleum Corporation 0.60764% Yates Drilling Company 0.08681% ABO Petroleum Corporation 0.08681% Sharbro Oil Ltd, Co. 0.08681% Total Net WI: 0.868056%
1	PATENTED TRACT(S) TOTALING			40.00	ACRES OR 1.56%	OF UNIT AREA	
8	TRACT(S) TOTALING			2,558.40	ACRES IN UNIT AREA		