Certified Letter #

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Aubrey Dunn 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

Chevron North American Exploration and Production Company ATTN: Mr. Ryan Warmke

6301 Deauville Blvd. Midland, TX 79706

February 1, 2018

RE: 2017 Plan of Operations

LOVINGTON PADDOCK UNIT

Lea County, NM

Dear Mr. Warmke:

The New Mexico State Land Office has this date approved the referenced Plan of Operation with the following condition(s):

• Keep us apprised of Chevron's actions in decommissioning the unit. At some point, the active wells will no longer produce in sufficient quantities to support the unit, and the unit will require termination.

Your 2018 Plan of Operations must address the above 2017 condition(s) and include:

- a summary of operations from the previous year as well as a forecast of operations for the current year;
- a listing of the status of all wells (both active and inactive) in the unit;
- plans for further resource development within the unit; and
- a map or photo that illustrates both current and planned infrastructure for the unit: well locations, tank batteries, gathering systems, and any other facilities that may impact the surface of New Mexico State Trust lands.

This Plan of Operations is due by March 1, 2018. If you do not provide a plan addressing the condition(s) and including the requested information, we will confer with the Bureau of Land Management about recourse from both agencies.

If you require additional information, please contact Units Manager Marilyn Gruebel at 505.827.5791.

Respectfully.

AUBREY DUNN

COMMISSIÓNER OF PUBLIC LANDS

AD/mg

cc: OCD - Daniel Sanchez

BLM - Chris Walls

SLO Legal

OGMD and Units Reader Files