



O# R-6443
C# 6989

Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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MCBU Business Unit
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Midland, TX 79706

Certified Letter #
7015 0640 0003 4824 3728

February 1, 2018

RE: 2017 Plan of Development and Operation
LANCASTER SPRING UNIT
Eddy County, NM

Dear Ms. Samuels:

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

- Provide an analysis of development potential for other target formations in the area. The unit agreement specifies the unit interval as: "All oil, gas, natural gasoline, and associated fluid hydrocarbons in any and all formations of the unitized land..." If action is not taken soon, the current active wells will no longer produce in sufficient quantities to support the unit, and the unit will require termination.

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

- a summary of the status of the development of the unit area and the development contemplated for the current year;
- a listing of the status of all wells (both active and inactive) in 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 Development and Operation 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
COMMISSIONER OF PUBLIC LANDS

AD/mg

cc: OCD – Daniel Sanchez
BLM – Chris Walls
SLO Legal
OGMD and Units Reader Files