

Aubrey Dunn COMMISSIONER

State of New Mexico Commissioner of Public Lands

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

Pogo Oil & Gas Operating, Inc. ATTN: Mr. Nicholas Holbrook 1515 Calle Sur, Suite 174 Hobbs, NM 88240

R-1.443

Certified Letter #

7016 0340 0000 2491 4395

February 13, 2018

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

Dear Mr. Holbrook:

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

- As the new operator of Lancaster Spring Unit, submit either resignation/designation of unit operator documents or the Notice of Unit Operator Transfer found on our website: http://www.nmstatelands.org/
- Provide a plan to address declining production from the unit.

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,

UBREX DUNN

COMMISSIONER OF PUBLIC LANDS

AD/mg

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