



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

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2010 MAY 19 10 53 AM
COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

May 11, 2010

CMH, LLC
3224 Candelaria, NE
Albuquerque, New Mexico 87107

Attn: Mr. Ben Donegan

Re: 2010-2011 Plans of Development
Cat Head Mesa Unit
Socorro County, New Mexico

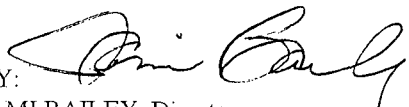
Dear Mr. Donegan:

The Commissioner of Public Lands has, of this date, approved the referenced Plan of Development. Our approval is subject to like approval by all other appropriate agencies. The possibility of drainage by wells outside the unit area, and the need for further development of the unit may exist; therefore, we may contact you at a later date regarding these possibilities.

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

PL/JB/jm
xc-Reader File
OCD-Ed Martin
BLMC- Wesley Ingram

-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



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COMMISSIONER'S OFFICE

2010 NOV 6 PM 5:05
Phone (505) 827-5760

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www.nmstatelands.org

November 2, 2010

CHM, LLC
3224 Candelaria NE
Albuquerque, NM 87107

Attn: Mr. Ben Donegan

Re: Cat Head Mesa Unit
Terminated Effective August 31, 2010
Socorro County, New Mexico

Dear Mr. Donegan:

The Bureau of Land Management by their letter of October 13, 2010 terminated the Cat Head Mesa Unit Agreement effective August 31, 2010 for failure to timely drill and pay the required rentals.

Please be advised that the Commissioner of Public Lands concurs with the Bureau of Land Management and has this date also terminated the Cat Head Mesa Unit effective August 31, 2010.

Please provide notice to 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

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division
PL/JB/pm

pc: Reader File,
BLM Roswell-Attn.: Mr. David Glass
OCD-Attn.: Mr. Ed Martin

-State Land Office Beneficiaries -

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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-2019
www.nm.blm.gov



In Reply Refer To:
NM-106852-X
3180 (P0130)

OCT 13 2010

CHM, LLC
3224 Candelaria NE
Albuquerque, NM 87107

Gentlemen:

The suspension of operations for the Cat Head Mesa Unit Agreement, Socorro County, New Mexico was approved by our letter dated November 4, 2009. This was a six-month suspension effective November 4, 2009 and terminated May 4, 2010. The suspension that terminated May 4, 2010 included all Federal leases committed to the unit.

Rentals for Federal leases committed to the Cat Head Mesa Unit were due August 31, 2010. The rentals have not been paid therefore the Cat Head Mesa Unit Agreement numbered NMNM-106852-X terminated August 31, 2010. Diligent drilling operations were not pursued in the development of the unit area as defined in the Public Interest Requirement 43 CFR 3183.4(b) therefore the committed Federal leases are considered terminated August 31, 2010. The terminated Federal leases are; NM-91532, NM-91533, NM-91534, NM-91535, NM-91536, NM-91537, NM-91538, NM-91539, NM-91540, NM-91587, NM-93025, NM-93026, NM-93028, NM-93029 and NM-97648. The Federal leases contain a total of 26,499.79 acres more or less.

The Cat Head Mesa Unit No. 4 well located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 23, T. 4 S., R. 9 E., NMPM on Federal Lease NM-91538 was plugged on September 23, 2008 and approved on April 7, 2009. Bond Coverage under your \$25,000.00 Statewide BLM Bond Number NMB000597 will be maintained until surface restoration requirements are completed and final abandonment is approved. The Socorro Field Office should advise the BLM New Mexico State Office when such action has been completed.

If you have any questions regarding this letter, please call David Glass, Petroleum Engineer at the Division of Lands and Minerals at (575) 627-0275.

Sincerely,

/s/ Angel Mayes

Angel Mayes
Assistant Field Manager,
Lands and Minerals

2010 OCT 19 AM 8 34

cc:
MMS-Denver

Commissioner Of Public Lands-State Of New Mexico ✓

NMOCD-Santa Fe

LLNM (92100)

LLNM (P0130, Unit Agrmt. File No. NMNM-106852-X)

2010 OCT 19 PM 8 34