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RECEIVED



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

March 26, 2010

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210-2118

Attn: Ms. Barbara Nelson

Re: Voluntary Termination Cohiba State Exploratory Unit Eddy County, New Mexico

Dear Ms. Nelson:

Your letter of March 8, 2010 has been received by this office. As operator of the captioned unit, your letter requests the voluntary termination of the Cohiba State Exploratory Unit Agreement. Enclosed with your letter of March 8, 2010 are ratifications of over 99% of the working interest owners requesting the unit termination.

Pursuant to Article 17 of the Cohiba State Exploratory Unit Agreement, please be advised that this office has terminated the Cohiba State Exploratory Unit Agreement effective March 26, 2010.

Please notify 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 & Minerals Division PL/JB/pm pc: Reader File NMOCD Attention: Mr. Ed Martin

TRD-Attention: Mr. Valdean Severson RMD-Attn: Mr. Kurt McFall

COMMISSIONER'S OFFICE

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

-State Land Office Beneficiaries -

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UNIT NAME: COHIBA STATE EXPLORATORY UNIT OPERATOR: YATES PETROLEUM CORPORATION COUNTY: EDDY

	FEDERAL	INDIAN FEE	SEGREGATION	TERM
EFFECTIVE 879.20 879.20 03/30/2005 879.20 879.20	0	0	STRICT	5 YEARS SO LONG AS

APPROVALS

SLO--03-30-2005 OCD--03-22-2005 CASE NO. 13444 ORDER NO. R-12316

<u>TOWNSHIP 25 SOUTH, RANGE 27E</u> SECTION 1: LOTS 1, 2, 3, 4, S/2N/2, SW/4,W/2SE/4 SECTION 12: W/2



2010 MAR 9 PM State of New Mexico Commissioner of Public Lands

PATRICK H. LYONS COMMISSIONER

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

March 3, 2010

Yates Petroleum Corporation 105 South Fourth Street . Artesia, New Mexico 88210-2118

Attn: Mr. Cody Moore

Re: 2010 Plans of Development Cohiba State Unit Eddy County, New Mexico

Dear Mr. Moore:

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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.

Our records reflect that this unit has an auto elimination date of March 30, 2010.

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

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JAMI BAILEY, Director Oil, Gas and Minerals Division

PL/JB/jm xc: Reader File OCD-Ed Martin

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