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PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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

2009 NOV 10 PM 12:02
COMMISSIONER'S OFFICE
Phone (505) 827-5760
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www.nmstatelands.org

November 3, 2009

Cano Petroleum, Inc.
Burnett Plaza
801 Cherry Street
Suite 3200, Unit 25
Fort Worth, TX 76102-6882

Attn: Ms. Sandra Durazo

Re: Resignation/Designation of Successor Unit Operator
Cato Unit
Chaves County, New Mexico

Dear Ms. Durazo:

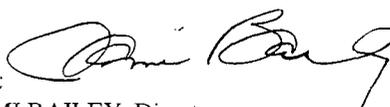
We are in receipt of your resignation/designation of successor unit operator, wherein UHC New Mexico Corporation has resigned as unit operator of the Cato Unit and designated Cano Petroleum, Inc. as the successor unit operator.

The Commissioner of Public Lands has this date approved the resignation of UHC New Mexico Corporation and the designation of Cano Petroleum, Inc. as the successor unit operator of this unit. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

This change in operators is effective February 01, 2007. In accordance with this approval, Cano Petroleum, Inc. is now responsible for all operations and the reporting of all production from this unit.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Director
Oil/Gas and Minerals Division
PL/JB/jm
xc: Reader File
OCD-Santa Fe, Attn: Mr. Ed Martin
TRD-Attn: Mr. Valdean Severson

-State Land Office Beneficiaries -

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