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2010 MAR 2 PM 1 23

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

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www.nmstatelands.org

February 26, 2010

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

Attn: Ms. Barbara Nelson

Re: Voluntary Termination
Patsy State Exploratory Unit
Chaves County, New Mexico

Dear Ms. Nelson:

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

Pursuant to Article 17 of the Patsy State Exploratory Unit Agreement, please be advised that this office has terminated the Patsy State Exploratory Unit Agreement effective February 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

-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

***AMENDED COPY- Subsequent Joinder Tract 3--B10411-49**

UNIT NAME: PATSY STATE EXPLORATORY UNIT
OPERATOR: YATES PETROLEUM CORPORATION
COUNTY: CHAVES

DATE APPROVED	OCC CASE NO. OCC ORDER NO.	TOTAL ACREAGE	STATE	FEDERAL	INDIAN FEE	SEGREGATION CLAUSE	TERM
<u>Committed</u>							
EFFECTIVE 03/01/2005	CASE NO. 13415 ORDER NO. R-12293	3160.20	3160.20	0	0	STRICT	5 YEARS SO LONG AS

APPROVALS
SLO--03-01-2005
OCD--02-25-2005

COMMITTED LANDS:

TOWNSHIP 11 SOUTH, RANGE 31 EAST

SECTION 35: E/2

TOWNSHIP 12 SOUTH, RANGE 31 EAST

SECTION 2: LOTS 1-4, S/2N/2, N/2S/2, SW/4SW/4, S/2SE/4
SECTION 10: ALL
SECTION 11: ALL
SECTION 14: N/2
SECTION 15: ALL

TERMINATED
EFFECTIVE DATE 2-26-2010
APPROVAL DATE 2-26-2010

***Subsequent Joinder -- Tract 3 -- 400 acres -- Effective 07-01-2005**