



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

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

January 20, 2010

CMW Interests, Inc.
24 Smith Road, Suite 405
Midland, Texas 79705

Attention: Mr. Mark Wheeler

Re: Final Approval
Uno State Exploratory Unit Agreement
Lea County, New Mexico

Dear Mr. Wheeler:

This office is in receipt of your letter of January 14, 2010, wherein on behalf of Pedernales Production, LP, you have requested final approval to the Uno State Exploratory Unit Agreement, Lea County, New Mexico.

Please be advised that the Commissioner of Public Lands has this date granted final approval to the Uno State Exploratory Unit Agreement, Lea County, New Mexico. Our approval is subject to like approval by the New Mexico Oil Conservation Division. It is our understanding that all tracts are committed to the unit at this time.

Enclosed are (5) Certificates of Approval.


Your \$90.00 filing fee has been received.

Please notify this office when the initial well has been spudded. In addition, you are required to submit continuous daily drilling reports until the initial well is completed.

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: 
for JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
PL/JB/pm

pc: Reader File,
OCD-Santa Fe, Attn: Mr. Ed Martin
TRD-Attn: 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

OCD

RECEIVED

2010 JAN 26 PM 1 32

UNIT NAME: UNO STATE EXPLORATORY UNIT
OPERATOR: CMW INTERESTS, INC.
COUNTY: LEA

DATE APPROVED	OCD CASE NO. OCD ORDER NO.	TOTAL ACREAGE	STATE	FEDERAL	INDIAN FEE	SEGREGATION CLAUSE	TERM
EFFECTIVE 1/20/2010	CASE NO. 14405 ORDER NO. R-13207	1,600	1,600	0	0	STRICT	5 YEARS & SO LONG AS

APPROVALS

SLO-1/20/2010
OCD-12/28/2009

TOWNSHIP 14 SOUTH, RANGE 34 EAST

SECTION 23: N/2
SECTION 24: ALL
SECTION 25: ALL

RECEIVED
2009 NOV 20 PM 1 36



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November 18, 2009

CMW Interests, Inc.
24 Smith Road, Suite 405
Midland, Texas 79705

Attention: Mr. Mark Wheeler

Re: Preliminary Approval
Uno State Exploratory Unit Agreement
Lea County, New Mexico

Dear Mr. Wheeler:

This office has received the unexecuted copy of the unit agreement which you have submitted on behalf of Pedernales Production, LP for the proposed Uno State Exploratory Unit area, Lea County, New Mexico. This agreement meets the general requirements of the Commissioner of Public Lands, who has this date granted you preliminary approval as to form and content.

Preliminary approval shall not be construed to mean final approval of this agreement in any way and will not extend any short-term leases, until final approval and an effective date have been given.

When submitting your agreement for final approval, please submit the following:

1. Application for final approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been committed.
2. Pursuant to Rule 19.2.100.51, applications for approval shall contain a statement of facts showing:
 - a. That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy.
 - b. That under the proposed unit operation, the State of New Mexico will receive its fair share of the recoverable oil and gas in place under its lands in the proposed unit area.
 - c. That each beneficiary institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the unit area.
 - d. That such unit agreement is in other respects for the best interest of the trust.
3. All ratifications from the Lessees of Record and Working Interest Owners. All signatures should be acknowledged by a notary and one set must contain original signatures.

-State Land Office Beneficiaries -

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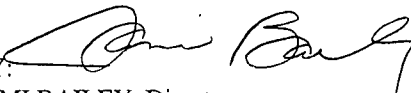
4. Order of the New Mexico Oil Conservation Division. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division.
5. Please submit two copies of the Unit Agreement.
6. A copy of the Unit Operating Agreement (if applicable).
7. Copies of all the well records for the initial unit well
8. It is our understanding that the operator will initially be drilling lay down spaced horizontal wells. Please be advised that in the event the operator drills a horizontal well that includes any uncommitted lands, the operator will then be required to submit the appropriate Communitization Agreement covering the committed and uncommitted lands to this office for approval.
9. Pedernales Production, LP does not have the required bond filed with this office. Pedernales Production, LP must submit a \$20,000 multi-lease blanket bond to this office prior to final approval.

The filing fee for a unit agreement is \$30.00 for every section or partial section thereof. Please submit a \$90.00 filing fee.

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
RP/JB/pm

pc: Reader File,
NMOCD - Attn: Mr. Ed Martin