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**Aubrey Dunn**  
**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](http://www.nmstatelands.org)

June 6, 2018

Manzano, LLC  
C/O: Mr. Jared Hembree  
Hinkle Shanor LLP  
PO Box 10  
Roswell, NM 88202

Re: Preliminary Approval  
West Crossroads San Andres Unit  
Lea County, New Mexico

Dear Mr. Hembree:

We have received the unexecuted copy of the unit agreement that Manzano, LLC submitted for the proposed West Crossroads San Andres Unit area, Lea County, New Mexico. This agreement meets the general requirements of the New Mexico State Land Office, and preliminary approval has been granted this date 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 include the following:

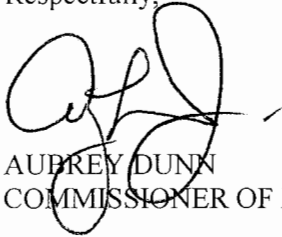
1. Application directed to the Commissioner of Public Lands requesting final approval and setting forth the tracts that have been committed and the tracts that have not been committed.
2. Pursuant to Rule 19.2.100.51, a statement of facts showing that:
  - a. The agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy.
  - b. Under the proposed unit operation, the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas in place under its lands in the proposed unit area.
  - c. 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. The unit agreement is in other respects for the best interest of the Trust.

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3. All ratifications from the Lessees of Record and Working Interest Owners. All signatures should be acknowledged by a notary and contain original signatures.
4. Approval order from the New Mexico Oil Conservation Division. State Land Office approval is conditioned upon approval by the New Mexico Oil Conservation Division.
5. One copy of the Unit Operating Agreement (if applicable).
6. A \$700 filing fee. The filing fee is \$100 for each section or partial section included in the unit, whether federal, state, or privately owned.

If you have any questions or if we may be of further assistance, please contact Units Manager Marilyn Gruebel at 505.827.5791 or [mgruebel@slo.state.nm.us](mailto:mgruebel@slo.state.nm.us).

Respectfully,



AUBREY DUNN  
COMMISSIONER OF PUBLIC LANDS

AD/mg

cc: NMOCD, Attn: Mr. Daniel Sanchez  
RMD, Attn: Mr. Roddy Martinez  
OGMD and Units Reader Files