



Stephanie Garcia Richard
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August 29, 2019

Apache Corporation
ATTN: Ms. Laci Lawrence
303 Veterans Airpark Lane, Suite 3000
Midland, TX 79705-9909

Re: TERMINATION OF FIRE EAGLE STATE SAN ANDRES UNIT
Lea County, New Mexico

Dear Ms. Lawrence:

Our records indicate that Apache Corporation is the Operator of Record for the Fire Eagle State San Andres Unit area, Lea County, New Mexico.

Our records reflect the following:

- The Fire Eagle State San Andres Unit Agreement was approved effective June 16, 2016.
- Section 8 of the Unit Agreement titled "Drilling to Discovery" states the following:
"The unit operator shall, within sixty (60) days after the effective date of this agreement, commence operations upon an adequate test well for oil and gas upon some part of the lands embraced within the unit area..."
- The initial test well for Fire Eagle State San Andres Unit was completed on November 2, 2016 (New Mexico Oil Conservation Division's well report for 30-025-43313 Fire Eagle State San Andres Unit #002H). Apache did not timely commence another well within six (6) months by May 2, 2017.
- The initial test well was subsequently plugged on 4/4/2019.

Please be advised that the Eagle State San Andres Unit is terminated as of May 2, 2017. Please notify all interested parties of this action.

If you have any questions or if we may be of further assistance, please contact Units Manager Scott Dawson at 505.827.5791 or sdawson@slo.state.nm.us.

Respectfully,

Stephanie Garcia Richard/JR

STEPHANIE GARCIA RICHARD
COMMISSIONER OF PUBLIC LANDS

SGR/sd

cc: NMOCD – Attn: Mr. Will Jones
SLORMND – Attn: Ms. Billie Luther
Units Reader Files