



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District

Carlsbad Field Office

620 E. Greene

Carlsbad, New Mexico 88220-6292

www.blm.gov/nm



NM71003X
3180 (P0220)

Reference:
Unit Termination
Northeast Square Lake Unit – NM71003X
Eddy County, New Mexico

1213107
C13443

CERTIFIED – RETURN RECEIPT REQUESTED:
7012 2210 0001 2089 4421

MAY 05 2015 3:34
RECEIVED OGD

Canyon E&P Company
106 N Denton Tap Rd #210-253
Coppell, TX 75019

Gentlemen:

The Northeast Square Lake Unit (NM71003X), Eddy County, New Mexico, is terminated effective January 31, 2011, pursuant to 43 CFR 3186.1.20.b and per Unit Agreement Article 21(c), which states the following: "The term of this agreement shall remain in effect for such term and so long as Unitized Substances can be produced in paying.." This termination is subject to like approval by the State Commissioner of Public Lands.

Our records indicate that Northeast Square Lake Unit last produce on January 2011 from Unit wells #13 and #7., Eddy County, New Mexico. It has been determined that the Northeast Square Lake Unit is not capable of production in paying quantities since January 2011.

Thus, it has been determined that no successor Unit Operator has been selected or qualified and approved by the Authorized Officer of the BLM and thus the Unit is terminated effective January 31, 2011. This termination is subject to like approval by the State Commissioner of Public Lands.

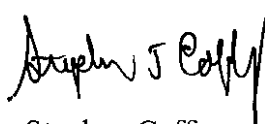
Pursuant to 43 CFR 3183.4(b), Public Interest requirement has been fulfilled, and the following leases NMNM04421, NMNM026332, NMNM026418 and NMNM081381A are entitled to a two year extension pursuant to 43 CFR 3107.3-2 and 3107.4. This two year extension will expire January 31, 2013.

Copies of this letter are being distributed to the appropriate Federal agencies. It is requested that you furnish notice of this termination to each working interest owner, lessee and lessor.

If you have any questions regarding this termination, please contact Edward G. Fernandez, Petroleum Engineer at (575) 234-2220.

A person contesting a decision shall request a State Director review of the Written Order. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen J. Caffey".

Stephen Caffey
Assistant Field Manager,
Lands and Minerals

cc:

ONRR, Denver (357B-1, Antoinette Contreras, Stacey Kaiser)

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD-Artesia

New Mexico State Land Office

Lease Record of Lessee:

Trigg Oil and Gas

O'Neill Joseph I Jr

Chevron USA Inc.

NM (9210)

NM (P0220-CFO, File R-oom)