

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



February 3, 2017

Nemo Fund I, LLC
C/o Mr. James Bruce, Esq.
PO Box 1056
Santa Fe, NM 87504

RE: Request for final approval of Unitization
Larry San Andres Exploratory Unit
Division Order R-14216 issued September 27, 2016, in Case No. 15522

Dear Mr. Bruce:

Reference is made to your request on behalf of Nemo Fund I, LLC ("Nemo") dated January 11, 2017.

Pursuant to Ordering Paragraphs (4) and (6) of the above referenced order, the Division has received:

- a. the executed counterpart of the Unit Agreement;
- b. copies of the ratification of the interest owners in the Unit; and
- c. evidence of the December 12, 2016, final approval of the Unit Agreement by the Commissioner of Public Lands.

The requirements in this order have been satisfied; therefore, the Division recognizes this Unit as being effective, as of December 12, 2016.

All provisions of Order No. R-14216 remain in full force and effect.

If you have any questions, please contact William V. Jones at 505.476.3477.

Sincerely,

A handwritten signature in dark ink that reads "David R. Catanach".

DAVID R. CATANACH
Director

DRC/wvjj

cc: Oil Conservation Division – Hobbs District Office
Case No. 15522
State Land Office – Oil, Gas, and Minerals Division

JAMES BRUCE
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January 11, 2017

David Catanach, Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Request for final approval of unitization
Nemo Fund I, LLC
Larry San Andres Exploratory Unit
Order No. R-14216

Dear Mr. Catanach:

Pursuant to Ordering Paragraphs (4) and (6) of the above order, enclosed are (i) an executed counterpart of the Unit Agreement, (ii) copies of the ratifications of the interest owners in the unit, and (iii) the final approval of the Unit Agreement from the Commissioner of Public Lands.

Nemo Fund I, LLC respectfully requests issuance of a letter from the Division recognizing the effectiveness of the Unit Agreement as of the effective date of the Commissioner's final approval.

Thank you.

Very truly yours,


James Bruce

Attorney for Nemo Fund I, LLC