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RECEIVED C.L.L.

Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

RECEIVED JUN 13 2017
COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

Vernon L. Faulconer, Inc.
ATTN: Ms. Susan M. Griffin
PO Box 7995
Tyler, TX 75711

June 6, 2017

RE: 2017 Plan of Development
Hackberry Hills Unit
Eddy County, NM

Dear Ms. Griffin:

The New Mexico Commissioner of Public Lands has this date approved the referenced Plan of Development. Our approval is subject to like approval by all relevant agencies.

We may contact you at a later date regarding the following:

- The possibility of drainage by wells outside the unit area, and
- A need for further development of the unit.

We have noted that production for this unit is marginal. Your current Plan of Development indicates that Faulconer is seeking a farmout agreement that would impact the future of the Hackberry Hills Unit. Please keep us informed of the status of this unit. If conditions warrant, a supplement to the 2017 Plan of Development should be submitted.

Your 2018 Plan of Development should include (1) a continuing evaluation of the possibility of additional resource production within the unit, and (2) a map that illustrates both current and planned unit infrastructure: well locations, tank batteries, gathering systems, and any other facilities that may impact the surface of New Mexico State Trust lands.

If you have any questions or if we may be of further assistance, please contact Units Manager Marilyn Gruebel at 505.827.5791.

Respectfully,

A handwritten signature in black ink, appearing to read "Aubrey Dunn".

AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

AD/mg

cc: A rectangular area of text has been redacted with a black box.

BLM – Chris Walls
Units and OGMD Reader Files