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PATRICK H. LYONS
COMMISSIONER

State of New Mexico 2008 MAR 28 PM 2 02
Commissioner of Public Lands

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COMMISSIONER'S OFFICE

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March 26, 2008

Concho
550 West Texas Avenue, Suite 1300
Midland, Texas 79701

Attn: Brent Robertson

Re: Designation of Successor Unit Operator
Pearsall Queen Sand Unit
Eddy County, New Mexico

Dear Mr. Robertson:

We have been notified that Concho is operating the Pearsall Queen Sand Unit, Eddy County, New Mexico. Our records reflect that Mack Energy Corporation is still the operator of record for this unit. Since a change of operator has not been approved by this office, Concho is operating the Pearsall Queen Sand Unit without authority.

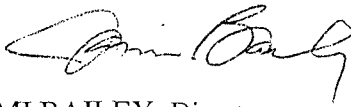
In view of the above, please submit within (30) days, a resignation from Mack Energy Corporation and the designation of Concho as successor unit operator to this office for approval. Concho must also accept the duties and responsibilities as the successor unit operator in writing.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

By:


JAMI BAILEY, Director
Oil, Gas and Minerals division
PL/JB/jm
xc: Reader File
OCD
BLM
Mack Energy Corporation

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