



RECEIVED

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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

2009 APR 17 AM 10:58
COMMISSIONER'S OFFICE
Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

April 13, 2009

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210-2118

Attn: Ms. Barbara Nelson

Re: Voluntary Termination
Lacy J State Exploratory Unit
Lea County, New Mexico

13244

Dear Ms. Nelson:

Your letter of March 25, 2009 has been received by this office. As operator of the captioned unit, your letter requests the voluntary termination of the Lacy J State Exploratory Unit Agreement. Enclosed with your letter of March 25, 2009 are ratifications of over 99% of the working interest owners requesting the unit termination.

Pursuant to Article 17 of the Lacy J State Exploratory Unit Agreement, please be advised that this office has terminated the Lacy J State Exploratory Unit Agreement effective April 13, 2009.

Please notify all interested parties of this action.

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 & Minerals Division
PL/JB/pm

pc: Reader File
NMOCD Attention: Mr. Ed Martin
TRD-Attention: Mr. Valdean Severson
RMD-Attn: Mr. Kurt McFall
Jeff Albers

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University

UNIT NAME: LACY J STATE EXPLORATORY UNIT
OPERATOR: YATES PETROLEUM CORPORATION
COUNTY: LEA

DATE APPROVED	OCC CASE NO. OCC ORDER NO.	TOTAL ACREAGE	STATE	FEDERAL	INDIAN FEE	SEGREGATION CLAUSE	TERM
<u>EFFECTIVE</u> 04/15/2004		7478.84	7478.84	0	0	STRICT	5 YEARS SO LONG AS

APPROVALS

SLO--04-15-2004
OCD--04-08-2004
CASE NO. 13244
ORDER NO. R-12128

TERMINATED
EFFECTIVE DATE 4-13-2009
APPROVAL DATE 4-13-2009

TOWNSHIP 12 SOUTH, RANGE 34 EAST

SECTION 3: LOTS 1, 2, 3, 4, S/2N/2, S/2
SECTION 4: LOTS 1, 2, 3, 4, S/2N/2, S/2
SECTION 5: LOTS 1, 2, 3, 4, S/2N/2, SE/4
SECTION 6: LOTS 1, 2, 3, 4, 5, 6, 7, SE/4, S2/NE/4, E/2SW/4, SE/4NW/4
SECTION 7: LOTS 1, 2, 3, 4, E/2, E/2W/2
SECTION 8: ALL
SECTION 9: ALL
SECTION 10: ALL
SECTION 15: ALL
SECTION 16: ALL
SECTION 17: ALL
SECTION 18: LOTS 1, 2, 3, 4, E/2W/2, E/2