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PATRICK H. LYONS  
COMMISSIONER

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State of New Mexico  
Commissioner of Public Lands

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COMMISSIONER'S OFFICE

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January 15, 2009

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

Attn: Mr. Robert Bullock

Re: Termination  
Hoyt State Exploratory Unit  
Effective January 15, 2009  
Lea County, New Mexico

13638

Dear Mr. Bullock:

A review of the Hoyt State Exploratory Unit reveals the following:

- The Hoyt State Exploratory Unit was approved effective December 14, 2006.
- The Hoyt State Exploratory Unit Well No. 1 was plugged and abandoned on December 15, 2007.
- Pursuant to Article 8 of the Exploratory Unit agreement, the second Exploratory Unit well was due to be commenced on or before June 15, 2008.
- Our letter of May 12, 2008 granted Yates Petroleum Corporation a drilling extension to January 15, 2009 within which time to spud the next exploratory unit well.
- Your phone call of January 7, 2009 advised this office that the second well will not be drilled and therefore the Unit will terminate by its own terms.

In view of the above, please be advised that, pursuant to Article 8 of the agreement, the Hoyt State Exploratory Unit has been terminated effective January 15, 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 and Minerals Division

PI/JB/pm

cc: Reader File  
OCD-Santa Fe Attention Mr. Ed Martin  
TRD-Santa Fe Attention Mr. Valdean Severson

-State Land Office Beneficiaries -

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