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Aubrey Dunn
COMMISSIONER

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Commissioner of Public Lands

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R-11168.A

February 14, 2018

Kinder Morgan
ATTN: Mr. Jesse Arenivas
1001 Louisiana St, Suite 1000
Houston, TX 77002

Certified Letter #
7016 0340 0000 2491 4449

RE: TERMINATION OF COTTONWOOD CANYON CARBON DIOXIDE GAS UNIT
Catron County, NM

Dear Mr. Arenivas:

Our records indicate that Kinder Morgan is the operator of the Cottonwood Canyon Carbon Dioxide Gas Unit, which contains New Mexico State Trust acreage. Based on New Mexico Oil Conservation Division records, this unit is non-productive.

Our records reflect the following:

- The unit was formed in 2007 and was contracted in 2015. It currently contains 535.52 acres, all of which is State Trust acreage (Lease LH4762-02).
- Wells in this unit were non-productive and have been plugged.

Section 20 (c) (Effective Date and Term) of the Cottonwood Canyon Carbon Dioxide Gas Unit Agreement states the following:

This agreement shall...automatically terminate...unless a valuable discovery of unitized substances in paying quantities has been made..., in which event this agreement shall remain in effect for such term and so long thereafter as unitized substances can be produced...as to State lands in quantities sufficient to pay for the cost of producing same from wells on unitized land. ...Should production cease and diligent drilling operations to restore production or new production are not in progress or reworking within sixty (60) days and production is not restored or should new production not be obtained in paying quantities on committed lands within this unit area, this agreement will automatically terminate effective the last day of the month in which the last unitized production occurred;..."

Pursuant to Section 20 of the Unit Agreement, the Cottonwood Canyon Carbon Dioxide Gas Unit has been terminated effective February 14, 2018.

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

Respectfully,

AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

AD/mg

cc: NMOCD – Attn: Mr. Daniel Sanchez
OGMD Leasing – Attn: Mr. Rubel Sanchez
RMD – Attn: Mr. Roddy Martinez
OGMD & Units Reader Files

**UNIT TERMINATION:
COTTONWOOD CANYON CARBON DIOXIDE GAS UNIT**

		UNIT NAME: Cottonwood Canyon Carbon Dioxide Gas Unit				UNIT #: 300328				
		OPERATOR: Kinder Morgan				UNIT TYPE: Federal Exploratory				
		OGRID #: 34945								
		COUNTY:								
SLO APPROVAL DATE	EFFECTIVE DATE	OCD CASE NO.	OCD ORDER NO.	OCD APPROVAL DATE	TOTAL ACREAGE	STATE	FEDERAL	INDIAN	FEE	SEGREGATION CLAUSE TYPE
2/14/2018	2/14/2018				535.52	535.52				Modified
		TOWNSHIP:	RANGE:	SECTION:	DESCRIPTION					
		01S	21W	16	E2					
		01S	21W	16	E2W2					
		01S	21W	16	1					
		01S	21W	16	2					
		01S	21W	16	3					
		01S	21W	16	4					