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Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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May 24, 2018

R-13386

Marathon Oil Permian LLC
ATTN: Mr. Matt Brown
5555 San Felipe Street
Houston, TX 77056

Re: Voluntary Termination
South Tobac Exploratory Unit Agreement
Chaves County, New Mexico
Effective May 24, 2018

Dear Mr. Brown:

We have received your letter dated May 23, 2018, requesting voluntary termination of the South Tobac Exploratory Unit Agreement, Chaves County, NM.

Our records reflect the following:

- The South Tobac Exploratory Unit Agreement became effective on June 3, 2011.
- Section 17 of the Unit Agreement titled "Effective Date and Term" states the following: "This agreement may be terminated at any time by not less than seventy-five percent (75%) on an acreage basis of the owners of the working interests, signatory hereto, with the approval of the Commissioner and with notice to the Division."

Pursuant to Section 17 of the Unit Agreement, please be advised that the State Land Office has agreed to terminate the South Tobac Exploratory Unit Agreement effective May 24, 2018.

Please notify the Oil Conservation Division and all interested parties of this action.

One well is currently producing from the South Tobac Exploratory Unit. Upon voluntary termination of the unit, this well will report to the State of New Mexico as a lease well on State Trust Lease VB1521-03. Please refer to your lease agreement for the terms of this lease. The remaining acreage from the unit will expire.

If you have any questions or if we may be of further assistance, please contact Units Manager Marilyn Gruebel at 505.827.5791 or mgruebel@slo.state.nm.us.

Respectfully,

AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

AD/mg

cc: NMOCD – Mr. Daniel Sanchez
RMD – Mr. Roddy Martinez
OGMD and Units Reader Files

**UNIT TERMINATION:
SOUTH TOBAC EXPLORATORY UNIT**

| | | | | | | | | |
|--------------------------------------|-----------------------------------|--|----------------------|--|----------------|---------------|------------|--------------------------------|
| | | UNIT NAME: South Tobac Exploratory Unit | | UNIT #: 300356 | | | | |
| | | OPERATOR: Marathon Oil Permian LLC | | UNIT TYPE: SEXPL | | | | |
| | | OGRID #: 326310 | | | | | | |
| | | COUNTY: Chaves | | Termination Reason: Voluntary Termination | | | | |
| SLO TERMINATION APPROVAL DATE | TERMINATION EFFECTIVE DATE | | TOTAL ACREAGE | STATE | FEDERAL | INDIAN | FEE | SEGREGATION CLAUSE TYPE |
| 5/24/2018 | 5/24/2018 | | 1,280.00 | 1280.00 | 0.00 | 0 | 0.00 | Strict |
| | TOWNSHIP: | RANGE: | SECTION: | DESCRIPTION | | | | |
| | 8S | 33E | 28 | W2 | | | | |
| | | | 29 | ALL | | | | |
| | | | 30 | E2 | | | | |