



Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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February 27, 2018

R-2669

Remnant Oil Operating, LLC
PO Box 5375
Midland, TX 79704

RE: TERMINATION OF PEARSALL QUEEN SAND UNIT
Lea County, NM

CERTIFIED LETTER #
7016 0340 0000 2491 4470

Our records reflect the following:

- Remnant became the operator for the Pearsall Queen Sand Unit effective June 1, 2016.
- The last reported production for this unit was November 2016.

Section 22 (Effective Date and Term) of the Pearsall Queen Sand Unit Agreement states the following:

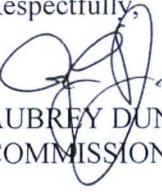
The term of this Agreement shall be for and during the time that Unitized Substances are produced in paying quantities from the Unit Area and so long thereafter as drilling, reworking or other operations (including secondary recovery operations) are prosecuted thereon without cessation of more than ninety (90) consecutive days, unless sooner terminated by Working Interest Owners in the manner hereinafter provided.

The U.S. Bureau of Land Management sent you a letter dated January 17, 2018, that also stated the terms of the unit agreement. In that letter, the BLM terminated the Pearsall Queen Sand Unit.

Pursuant to Section 22 of the Unit Agreement, the Commissioner of Public Lands has terminated the Pearsall Queen Sand Unit effective the same date as BLM termination (January 17, 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
BLM Carlsbad – Attn: Mr. Chris Walls
BLM NM9200 – Attn: Ms. Adrienne Brumley
RMD – Attn: Mr. Roddy Martinez
OGMD & Units Reader Files

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