



Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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February 27, 2018

R-2863

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

RE: TERMINATION OF HIGH LONESOME PENROSE UNIT
Eddy County, NM

CERTIFIED LETTER #
7016 0340 0000 2491 4470

Our records reflect the following:

- Remnant became the operator for the High Lonesome Penrose Unit effective June 1, 2016.
- The last reported production for this unit was November 2015.

Section 17 (Effective Date and Term) of the High Lonesome Penrose Unit Agreement states the following:

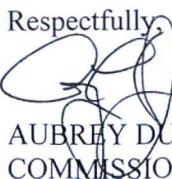
Should production cease, this unit agreement shall terminate automatically as of the first day of the month following such cessation; however, it shall not terminate after cessation of production so long as drilling, reworking or other operations (including secondary recovery operations) are prosecuted thereon without cessation of more than ninety (90) consecutive days, and so long thereafter as unitized substances so established or restored can be produced aforesaid, 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 High Lonesome Penrose Unit.

Pursuant to Section 17 of the Unit Agreement, the Commissioner of Public Lands has terminated the High Lonesome Penrose 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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