



**Aubrey Dunn**  
COMMISSIONER

*State of New Mexico*  
*Commissioner of Public Lands*

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COMMISSIONER'S OFFICE

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May 11, 2015

Certified Mail  
Return Receipt Requested

Maverick Operating, LLC/ Maverick Oil and Gas Corporation  
1004 N. Big Spring, Suite 121  
Midland, TX 79701

ATTN: Mr. Ben Kimbrough

RE: Oil and Gas Leases on NM State Trust Lands

Dear Mr. Kimbrough:

Maverick has invoked Paragraph 14 of Lease No. V0-8724-0 for the State 12 #1 well. After further consideration, we have found that:

1. Paragraph 14 requires that the lessee conduct "bona fide drilling or reworking operations" on the wellbore.
2. Such operations must be "diligently prosecuted".
3. Use of a "spudder" rig and the intermittent rate of it's associated drilling, does not constitute diligent progress.

Therefore, absent any additional information showing an indication of lease operations which are required by Paragraph 14 of the leases, the following lease will be terminated on November 11, 2015:

V0-8724-0      State 12 #1

If you have any questions, please do not hesitate to contact Ed Martin at 505-827-5746 or [emartin@slo.state.nm.us](mailto:emartin@slo.state.nm.us)

NEW MEXICO STATE LAND OFFICE

30-025-41842

AUBREY DUNN  
COMMISSIONER OF PUBLIC LANDS

AD/TGW/EM/ah

cc: Teresa Mitchell, Maverick Operating, LLC  
Jackie Lathan, Maverick Operating, LLC, P.O. Box 5270, Hobbs, NM 88241  
Bureau of Land Management, ATTN: Ed Fernandez, Carlsbad District  
New Mexico Oil Conservation Division, Hobbs and Artesia Districts

**NM OIL CONSERVATION**  
ARTESIA DISTRICT  
MAY 15 2015  
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