



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Albuquerque Field Office
435 Montañito Rd. N.E.
Albuquerque, New Mexico 87107-4935
www.nm.blm.gov



IN REPLY REFER TO:
NMNM 101526
3183 (010-amj)

AUG 26 1999

CERTIFIED--RETURN RECEIPT REQUESTED
Z 271 986 901

RECEIVED
AUG 30 1999

Merrion Oil and Gas
Attn: Martha Goats
610 Reilly Avenue
Farmington, NM 87401

JOHN F. BROWN #1
C-27-34N-2W

OIL CON. DIV.
DIST. 3

Dear Ms. Goats:

Enclosed is an approved copy of Communitization Agreement NMNM 101526 involving 80.00 acres of land in Federal lease NMNM 02599 and 80.00 acres of Fee land, Rio Arriba County, New Mexico, comprising a 160.00 acre well spacing unit.

The agreement communitizes all rights as to crude oil, natural gas or associated liquid hydrocarbons from the Pictured Cliffs Formation in the NW $\frac{1}{4}$, section 27, T. 24 N., R. 2 W., NMMPM, Rio Arriba County, New Mexico, and is effective May 1, 1998. You are requested to furnish all interested principals with appropriate evidence of this approval.

Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

If you have any questions please contact Angie Medina-Jones of my staff at (505) 761-8910.

Sincerely,

Douglas K. Siddell
Acting Team Lead, Lands and Minerals

Enclosure

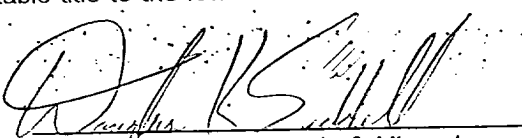
cc:
NMOCD
NM (010) Cuba Field Station
NM (93200)
NM (95510) - w/enclosure
MMS (MS-3133/Reference Data Branch)-w/Exhibit A&B

DETERMINATION - APPROVAL - CERTIFICATION

Pursuant to the authority vested in the Secretary of the Interior, under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer, of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached communitization agreement covering the NW¼ of section 27, T. 24 N., R. 2 W., Rio Arriba County, New Mexico, as to crude oil, natural gas or associated liquid hydrocarbons producible from the Pictured Cliffs formation. This approval will become invalid should the public interest requirements under section 3105.2-3(e) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.
- D. Approval of this agreement does not warrant or certify that the applicant and other working interest owners thereof hold legal or equitable title to the leases which are committed hereto.

Approved: August 26, 1999


Acting Team Lead, Lands & Minerals

Effective: May 1, 1998

Contract No.: Com. Agrmt. NMNM 101526

APPROVAL CERTIFICATION