REGETYED NOV2 9 1990 OIL CON. DIV.

DIST. 3

Sim#7

NM-85731 (CA) 3105 (019)

NOV. 2 8 1990

Robert L. Bayless P.O. Box 168 Farmington, NM 87499

Gentlemen:

Enclosed are two approved copies of Communitization Agreement NM-85731, involving 57.71 acres of land in Federal lease SF-079484-A and 104.21 acres of Fee land, Rio Arriba County, New Mexico, comprising a 161.92 acre well spacing unit.

The agreement communitizes all rights as to natural gas and associated liquid hydrocarbons producible from the Pictured Cliffs formation in lots 3 and 7, NWSE, all of H.E. Survey 291 that falls within the SE/4 (equivalent SE/4) sec. 12, T. 30 N., R. 4 W., NMPM, and is effective July 1, 1990. You are requested to furnish all interested principals with appropriate evidence of this approval.

If you have any questions, please contact Carol Balkus at the above address or telephone (505) 327-5344.

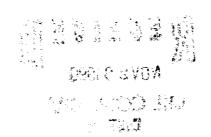
Sincerely,

s John L. Keller

John L. Keller, Chief Branch of Mineral Resources

cc: Minerals Management Service, Reference Data BR MS-652, RMP, P.O. Box 5760, Denver, CO 80217 93C-1 (w/o encl)

Alvin Yepa (w/o) encl) 019:CBalkus:lc:112390



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