



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
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Pecos District
Carlsbad Field Office
2015 JAN 27 P 620 E-Greene
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm

IN REPLY REFER TO:
NM104033
3105.2 (P0220)

OXY USA WTP Ltd.
Box 50250
Midland, TX 79710-0250

January 12, 2015

Gentlemen:

Communitization Agreement NM104033 was approved 10/4/2000, effective as of 7/1/1999. This agreement communitized the W2 of sec. 24, T. 17 S., R. 27 E., NMPM, Eddy County, New Mexico involving 200.00 acres of Federal land in lease NMNM025527A, and 120.00 acres of State land which comprise a 320.00 acre well spacing unit as to natural gas and associated liquid hydrocarbons producible from the Morrow formation.

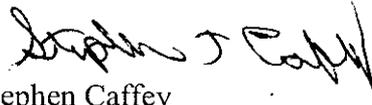
The term of the agreement is for two years and so long thereafter as communitized substances are or can be produced from the communitized area in paying quantities.

Our records show that the well, OXY Chopsticks Fed 2, 3001531743, in the above-described communitized spacing unit, NMNM104033, under the W2 of sec. 24, T. 17 S., R. 27 E., NMPM, produced from the Morrow formation. The Morrow was plugged and abandoned effective 12/22/2008.

Accordingly, in the absence of a well capable of producing communitized substances in paying quantities, CA NMNM104033 is considered to have expired by its own terms as of 12/31/2008, the last day of the month in which the well was plugged and abandoned. Lease NMNM025527A is eligible for a two year extension ending 12/31/2010, pursuant to 43 CFR 3107.4 as a result of the termination of the subject agreement. Lease NMNM025527A is held by other production.

Please contact Edward G Fernandez, Petroleum Engineer at 575-234-2220 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen J. Caffey". The signature is written in a cursive style with a large initial 'S'.

Stephen Caffey
Assistant Field Manager,
Lands and Minerals

cc:

ONRR, Denver

New Mexico Taxation and Revenue Department, Revenue Processing Division,

NM 9200

NM P0220, File Room