



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.nm.blm.gov



IN REPLY REFER TO:
NM117278
3105.2 NM P0220

Cimarex
600 N Marienfeld St, #600
Midland, TX 79701

2/9/2015

Gentlemen:

Communitization Agreement (CA) NM117278 was approved 11/16/2006, effective as of 5/1/06. This agreement communitized the W2, sec. 8, T. 19 S., R. 34 E., NMPM, Lea County, New Mexico, involving 160 acres of Federal land in lease NM6868, and 160 acres of Federal land in lease NM4315 comprising a 320 acre well spacing unit as to natural gas and associated liquid hydrocarbons producible from the Morrow formation.

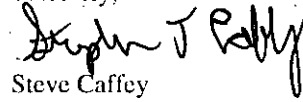
The term of the agreement is for two years and so long thereafter as communitized substances are or can be produced from the communitized area in paying quantities.

Our records show that the well in the above-described communitized spacing unit, CA NM117278 (3002537192), Pipeline A Fed Com 3, located on Federal land in the W2, sec. 8, T. 19 S., R. 34 E., NMPM, Lea County, New Mexico, produced from the communitized formation Morrow. The communitized formation Morrow was abandoned and the well plugged effective 11/19/2009.

Accordingly, in the absence of a well capable of producing communitized substances in paying quantities, CA NM117278 is considered to have expired by its own terms as of 11/30/2009, the last day of the month during which the communitized formation was plugged and abandoned. Leases NM6868, and NM4315 are eligible for a two year extension to 11/30/2011, pursuant to 43 CFR 3107.4 as a result of the termination of the subject agreement. Leases NM 6868, and NM4315 are held by production.

Please contact Edward G. Fernandez, Petroleum Engineer, (575) 234-2220, or at the letterhead address if any additional information is required.

Sincerely,


Steve 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

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