



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District
Carlsbad Field Office

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



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IN REPLY REFER TO:
NM72152
3105.2 (P0220)

CERTIFIED—RETURN RECEIPT REQUESTED
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NOV 04 2014

Yates Petroleum Corporation
105 S. Fourth Street
Artesia, NM 88210

Gentlemen:

Communitization Agreement NM72152 was approved March 13, 1981, effective as of November 1, 1980. This agreement communitized the E2 of sec. 23, T. 20 S., R. 24 E., NMPM, Eddy County, New Mexico involving 280 acres of Federal land in lease NM86241, and 40 acres in Federal land in lease NM27055, comprising a 320 acre well spacing unit as to natural gas and associated liquid hydrocarbons producible from the Cisco and Morrow formations.

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.

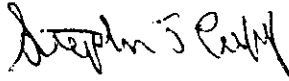
Our records show that the last well in the above-described communitized spacing unit, Yates Petroleum Corporation's Hillview AHE 2 (3001523541), located on Federal land in the E2 of sec. 23, T. 20 S., R. 24 E., NMPM, Eddy County, New Mexico, was plugged with CIBP on 3/24/2005.

Accordingly, in the absence of a well capable of producing communitized substances in paying quantities, CA NM72152 is considered to have expired by its own terms as of March 31, 2005, the last day of the month during which the well was plugged back.

All leases within the CA are eligible for a two year extension, pursuant to 43 CFR 3107.4 as a result of the termination of the subject agreement, ending March 31, 2007. Leases NM86241, and NM27055 are held by production.

Please contact Edward G. Fernandez, Petroleum Engineer (575) 234-22205982 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen J. Caffey".

Stephen J. 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