



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



RECEIVED OCD

2015 JUN 23 P 3:30

IN REPLY REFER TO:
NM134673
3105.2 (P0220)

Reference:

Mooses Tooth 29 26 33 Fed Com 1H
T. 26 S., R. 33 E.,
Section 29, W2W2
Section 32, NWNW
Lea County, NM

JUN 18 2015

Chevron Mid-Continent Bus. Unit
Box 2100
Houston, TX 77252

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM134673 involving 160 acres of Federal land in lease NM27506, and 40 acres of Fee land, Lea County, New Mexico, which comprise a 200 acre well spacing unit.

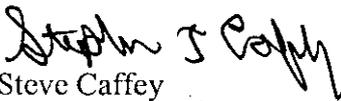
The agreement communitizes all rights to all producible hydrocarbons from the Lower Bone Spring formation beneath the W2W2 of sec. 29, and the NWNW of sec. 32, T. 26 S., R. 33 E., NMPM, and is effective 3/1/2015. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact Edward G. Fernandez, Petroleum Engineer at (575) 234-2220.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,



Steve Caffey
Assistant Field Manager,
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver (357B-1, Antoinette Contreras, Stacey Kaiser)

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

Determination - Approval - Certification

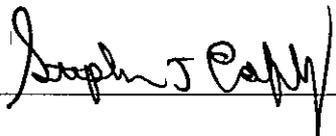
Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- 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 W2W2 of sec. 29, and the NWNW of sec. 32, T. 26 S., R. 33 E., NMPM, as to all producible hydrocarbons from the Lower Bone Spring formation. This approval will become invalid if 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.

Approved:



Authorized Officer

Effective: 3/1/2015

Contract No.: Com. Agr. NMI34673



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Carlsbad, New Mexico 88220-6292
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In Reply Refer to
NM134673
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Comm. Agreement NM134673

Date of Completion: 3/11/15
Date of First Production: 3/11/15
Field: WC-025 G-07 S263329D
Operator, Well Name & No, API Number: Chevron USA; Mooses Tooth 29 26 33 Fed Com 1H;
3002542168
Surface Location: sec. 29, T. 26 S., R. 33 E.
Total Depth: MD: 16,501' TVD
Surface Elevation: 3,203' GL
Producing Formation: Lower Bone Spring (10,583 – 16,392)
Well Capable of Production in Paying Quantities: Yes
Initial Daily Production: Oil 116 BBL; Gas 235 MCF; Water 3,325 BBL
Current Status: Producing Oil Well
Remarks: CA NM134673, effective 3/1/15, communitizes production of all gas and fluid hydrocarbons in the Lower Bone Spring formation beneath the W/2W/2 of sec. 29, and NWNW sec. 32, T. 26 S., R. 33 E., NMPM, and comprises 160 acres of Federal land in lease NM27506, and 40 acres of Fee land, for a 200 acre well spacing unit, whose leases are held by actual production.

If you have any questions regarding this memorandum, please email Arthur Morrison at ajmorrison@blm.gov.

/S/ Arthur Morrison
6/18/15

cc:
ONRR-MS 63230B
First Production File
LLNM (P0220, File Room)