



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



NM127282
3105.2 (P0220)

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Cog Operating
550 W. Main Street, #100
Midland, TX 79701

MAR 06 2015

Gentlemen:

Communitization Agreement (CA) NM127282 was approved 9/20/11, effective as of 6/1/11. This agreement communitized the W2E2 of sec. 4, T. 26 S., R. 29 E., NMPM, Eddy County, New Mexico involving 80 acres of Federal land in Federal lease NM115417, and 80 acres in Federal lease NM53231, comprising a 160 acre well spacing unit as to natural gas and associated liquid hydrocarbons producible from the Horizontal Bone Spring 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 subject well in the above-described communitized spacing unit, CA NM127282 (3001537832), located on Federal land in the W2E2 of sec. 4, T. 26 S., R. 29 E., NMPM, produced from the Horizontal Bone Spring formation. The Horizontal Bone Spring formation perforation was plugged and abandoned effective 3/15/14.

Accordingly, in the absence of a well capable of producing communitized substances in paying quantities, CA NM127282 is considered to have expired by its own terms as of 3/31/14, the last day of the month during which the Horizontal Bone Spring formation was abandoned. Leases NM115417, and NM53231 are eligible for a two year extension ending 3/31/16, pursuant to 43 CFR 3107.4 as a result of the termination of the subject agreement. Leases NM115417 and NM53231 are held by production.

Questions? Please call Edward G. Fernandez, Petroleum Engineer, (575) 234-2220.

Sincerely,

Steve Caffey, Asst. Field Manager

cc: ONRR,
NM Tax and Revenue
NM 9200
File