



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:
NM117178
3105.2 NM P0220

Mewbourne
Box 5270
Hobbs, NM 88241

FEB 06 2015

Gentlemen:

Communitization Agreement (CA) NM117178 was approved 10/20/06, effective as of 7/1/06. This agreement communitized the W2, sec. 10, T. 20 S., R. 25 E., NMPM, Eddy County, New Mexico involving 120.00 acres of Federal land in lease NM14758 and 200.00 acres of Fee land comprising a 320 acre well spacing unit as to natural gas and associated liquid hydrocarbons producible from the Pennsylvanian formation.

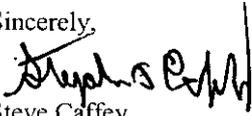
The term of the agreement is for two years and so long thereafter as communitized substances are or can be produced from the communitized area in paying quantities.

Our records show that the well in the above-described communitized spacing unit, CA NM117178 (3001534606), Long Draw 10 Fee Com 1, located on Fee land in the W2, sec. 10, T. 20 S., R. 25 E., NMPM, Eddy County, New Mexico, produced from the communitized formation Pennsylvanian. The communitized formation Pennsylvanian was abandoned and the well plugged effective 11/9/09.

Accordingly, in the absence of a well capable of producing communitized substances in paying quantities, CA NM117178 is considered to have expired by its own terms as of 11/30/09, the last day of the month during which the communitized formation was plugged and abandoned. Lease NM14758 is 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. Lease NM14758 is held by other 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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