



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:
NM112724
3105.2 NM P0220

Yates Petroleum
105 S. 4th Street
Artesia, NM 88210

JAN 30 2015

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2015 FEB -4 P

Gentlemen:

Communitization Agreement (CA) NM112724 was approved 1/11/05, effective as of 8/2/04. This agreement communitized the W2, sec. 34, T. 16 S., R. 27 E., NMPM, Eddy County, New Mexico involving 120.00 acres of Federal land in lease NMNM101583, 40 acres of Federal land in lease NM93191, and 160 acres of State land comprising a 320 acre well spacing unit as to natural gas and associated liquid hydrocarbons producible from the Morrow, Strawn, and Atoka 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 well in the above-described communitized spacing unit, CA NM112724 (3001533276), Bleu BBP Fed Com 1, located on Federal land in the W2, sec. 34, T. 16 S., R. 27 E., NMPM, Eddy County, New Mexico, produced from the communitized formation Morrow. The communitized formation Morrow was abandoned and the well plugged effective 5/1/2005.

Accordingly, in the absence of a well capable of producing communitized substances in paying quantities, CA NM112724 is considered to have expired by its own terms as of 5/31/2005, the last day of the month during which the communitized formation was plugged and abandoned. Leases NMNM101583, and NMNM93191 are eligible for a two year extension to 5/31/2007 pursuant to 43 CFR 3107.4 as a result of the termination of the subject agreement. However, these leases are 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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CORRECTION ON LEASE NM93191

Gentlemen:

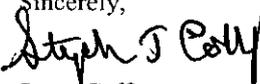
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Accordingly, in the absence of a well capable of producing communitized substances in paying quantities, CA NM112724 is considered to have expired by its own terms as of 5/31/2005, the last day of the month during which the communitized formation was plugged and abandoned. Leases NMNM101583, and NMNM93191 are eligible for a two year extension to 5/31/2007 pursuant to 43 CFR 3107.4 as a result of the termination of the subject agreement. Lease NM101581 is held by other production. Lease NM93191 is not 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

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ONRR, Denver
New Mexico Taxation and Revenue Department, Revenue Processing Division,
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NM P0220, File Room

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