



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



IN REPLY REFER TO:

NM135869

3105.2 (P0220)

Reference:

05/23/2016

Hummingbird South Fed Com 1H

T. 17 S., R. 31 E.

Sec. 1: N2S2

Eddy County, NM

Apache Corporation

303 Veterans Airpark Lane, Suite 3000

Midland, TX 79705-9909

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM135869 involving 80 acres of Federal land in lease NMLC031844, 40 acres of Federal land in lease NMLC049998B and 40 acres of Federal land in lease NMNM034696, Eddy County, New Mexico, which comprises a 160 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Glorieta Yeso formation beneath the N2S2 of sec. 1, T. 17 S., R. 31 E., NMPM, and is effective 06/01/2015. 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.

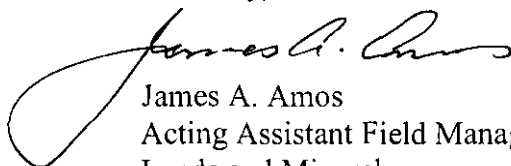
Approval of this agreement does not constitute an adjudication of any state, local government or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state or local government interests is accurate.

Any production royalties that are due must be reported and paid within 90 days of the Bureau of Land Management's approval date or the payors will be assessed interest for late payment under the Federal Oil and Gas Royalty Management Act of 1982 (See 30 CFR 218.54). If you need assistance or clarification, please contact 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 or Deborah Ham at (575) 234-5965.

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

Sincerely,

A handwritten signature in black ink, appearing to read "James A. Amos". The signature is fluid and cursive, with a large loop at the end.

James A. Amos
Acting 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)

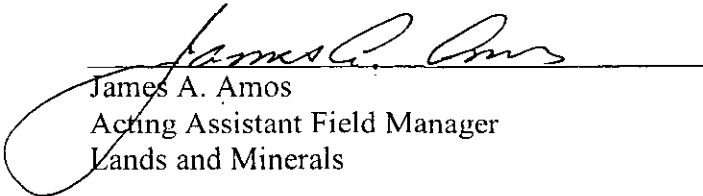
NM (P0220-CFO, File Room)

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 N2S2 of Sec. 1, T. 17 S., R. 31 E., NMPM, as to all producible hydrocarbons from the Glorieta Yeso formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) 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:


James A. Amos
Acting Assistant Field Manager
Lands and Minerals

Effective: 06/01/2015

Contract No.: Com. Agr. NM135869



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In Reply Refer to
NM135869
3107 (P0220)

Memorandum

To: State Director (9210)

From: Legal Instrument Examiner (P0220)

Subject: First Production, Communitization Agreement NM135869

Date of Completion:	04/08/2015
Date of First Production:	08/03/2015
Field:	Fren
Operator, Well Name & No, API Number:	Apache Corporation; Humingbird South Fed Com 1H; 3001542631
Surface Location:	NWSW, sec. 1, T. 17 S., R. 31 E.
Bottom Location:	NESE, sec. 1, T. 17 S., R. 31 E.
Total Depth:	10,174' MD; 5,085' TVD
Surface Elevation:	4,002' GL
Producing Formation:	Glorieta Yeso (5,286' – 10,147')
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 412 BBL; Gas 763 MCF; Water 1,648 BBL
Current Status:	Producing Oil Well

Remarks: CA NM135869, effective 06/01/2015, communitizes production of all gas and fluid hydrocarbons in the Glorieta/Yeso formation beneath Sec.1, T. 17 S., R. 31 E., NMPM, and comprises 80 acres of Federal land in lease NMLC031844, 40 acres of Federal land in lease NMLC049998B and 40 acres of Federal land in lease NMNM034696, Eddy County, New Mexico, for a 160 acre spacing unit, whose leases are held by actual production.

If you have any questions regarding this memorandum, please call Deborah Ham at (575) 234-5965.

/S/ Deborah Ham
05/23/2016

cc:
ONRR-Denver
First Production File
LLNM (P0220, File Room)