



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
6251 College Blvd. - Suite A
Farmington, New Mexico 87402
www.blm.gov/nm



IN REPLY REFER TO:
NMNM 133061 (CA)
3105 (NMF0110)

August 5, 2014

Burlington Resources Oil & Gas Company
Attn: Valerie Wells
San Juan Business Unit
3401 E 30th St. Room 420
Farmington, Nm 87402

Dear Ms. Wells:

Enclosed is one approved Communitization Agreements (CA) NMNM 133061, involving 193.85 acres of federal minerals in lease NMSF 078509 and 120.00 acres more or less of fee minerals, located in San Juan County, New Mexico. This acreage comprises of 313.85 acres, more or less, for the San Juan 32-9 Unit No. 23A well. On December 18, 1998 the SJ 32-9 Unit No. 23A well was deemed non-commercial.

The agreement communitizes all rights as to natural gas and associated liquid hydrocarbons gas producible from the Pictured Cliffs formation in Lots 5,6,7,8,12, N $\frac{1}{2}$ SW, SESW (W $\frac{1}{2}$) of Section 5, T31 N., R 9 W. NMPM, and is effective September 29, 1997. You are requested to furnish all interested principals with appropriate evidence of this approval.

CA number NMNM133061 as assigned above, must be posted on the well and facility signs for the San Juan 32-9 Unit No 23A well. The signs shall include the well name and number, Operator name, lease serial number, Communitization number, the quarter-quarter section, section, township and range, county, and state. (43 CFR 3162.6).

Pursuant to the terms and conditions of the approved CA and 43 CFR 3162.4 Well Records and Reports, you are required to file your well completion report within 30 days of the wells' completion. Within five (5) days of commencement of production, you are also required to file a notice of production startup. Penalties for non-compliance with such requirements are applicable to all wells and facilities on State or privately owned mineral lands committed to a unit or CA, which affects Federal or Indian interests, notwithstanding any provision of the unit or CA to the contrary.

Upon approval of the CA, production and royalty reports are due to the Office of Natural Resources Revenue (ONRR). The submission of form MMS-4054, Oil and Gas Operations

Report (OGOR), must begin once drilling is completed. OGORs must be submitted to ONRR by the 15th day of the second month following the production month. Royalty payments, along with the form MMS-2014, Report of Sales and Royalty Remittance, are due on or before the last day of the month following the month during which oil or gas was produced and sold.

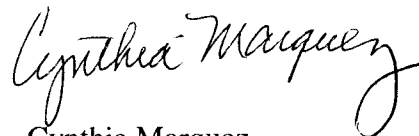
If the communitized well(s) are producing, any production royalties that are due must be reported and paid within 90 days of the Bureau of Land Management's approval date or the payors will be assessed interest for late payment under the Federal Oil and Gas Royalty Management Act of 1982 (See 30 CFR 218.54).

If you have any questions concerning reporting on Form 2014s, please call your ONRR company contact located at <http://www.onrr.gov/FM/PDFDocs/coassign.pdf> or call 1-800-525-9167.

If you have questions concerning reporting on Oil and Gas Operations Reports, please call your ONRR company contact located at <http://www.onrr.gov/FM/PDFDocs/operasgn.pdf> or call 1-800-525-7922.

If you have any questions regarding the Communitization Agreement, please contact me at the above address or telephone (505) 564-7741.

Sincerely,

A handwritten signature in black ink that reads "Cynthia Marquez". The signature is fluid and cursive, with the first name "Cynthia" and last name "Marquez" clearly legible.

Cynthia Marquez
Land Law Examiner
Petroleum Management Branch

Enclosure 1 - Approved Communitization Agreement, SJ 32-9 Unit Letter
cc: ONRR, MS-357 B1, Denver, CO
NMOCD, Santa Fe (w/o encl.)
NM Tax & Rev. Dept.
NMSO (93000) (w/o encl.)



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:

December 18, 1998

San Juan 32-9 Unit (Pictured Cliffs PA)
3162.7 (07400)

Burlington Resources Oil & Gas Company
P.O. Box 4289
Farmington, N.M. 87499-4289

RE: San Juan 32-9 Unit
Commerciality Determinations
Pictured Cliffs
San Juan County, New Mexico

Dear Ms. Wimsatt:

In response to your letter dated June 23, 1998, the Farmington Field Office (FFO) has reviewed the data you submitted for a commerciality determination for the following wells completed in the Pictured Cliffs formation.

Well Name & Number	Dedication	Lease	Completion Date	Determination
San Juan 32-9 Unit #106	E/2 17, T31N, R9W	NMSF078386	12/30/91	Commercial
San Juan 32-9 Unit #107	W/2 9, T31N, R9W	NMSF080376	3/13/92	Commercial
San Juan 32-9 Unit #111	E/2 8, T31N, R9W	NMSF078438	9/27/92	Commercial
San Juan 32-9 Unit #112	E/2 9, T31N, R9W	NMSF080376	10/28/92	Commercial
San Juan 32-9 Unit #115	W/2 1, T31N, R10W	NMSF078507	7/12/94	Commercial
San Juan 32-9 Unit #41A	E/2 31, T32N, R9W	NMSF078509	7/29/94	Commercial
San Juan 32-9 Unit #67	E/2 24, T32N, R10W	NMSF078504	8/23/94	Non-Commercial
San Juan 32-9 Unit #37A	E/2 32, T32N, R9W	E3150-11NM	5/14/96	Non-Commercial
San Juan 32-9 Unit #47A	W/2 4, T31N, R9W	NMSF080133	5/21/96	Non-Commercial
San Juan 32-9 Unit #42A	E/2 6, T31N, R9W	NMSF078509	8/26/96	Non-Commercial
San Juan 32-9 Unit #3	E/2 1, T31N, R10W	NMSF078507	11/7/96	Commercial
San Juan 32-9 Unit #23A	W/2 5, T31N, R9W	NMNM10305	9/29/97	Non-Commercial

After completing our economic evaluation, we are in concurrence with the above determinations.

The wells that are determined to be commercial wells are to be included in the Pictured Cliffs participating area. It is required that a revision be submitted to include these wells in the San Juan 32-9 Unit Pictured Cliffs Participating area. The non-paying wells will be reported under the lease number.

Under provisions of 43 CFR 3165.3, you may request an Administrative Review of the order(s) described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P. O. Box 27115, Santa Fe, New Mexico 87502-0115. Such request shall not result in a suspension of the order(s) unless the reviewing official so determines. Procedures governing appeals from instructions, orders or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et seq.

If you have any questions concerning this matter, please contact Wayne Townsend at the above address or telephone (505) 599-6359.

Sincerely,

Duane W. Spencer
Team Leader, Petroleum Management Team