



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:
NM107686
3105.2 NM P0220

Cimarex
600 N Marienfeld St, #600
Midland, TX 79701

JAN 29 2015

Gentlemen:

Communitization Agreement (CA) NM100713 was approved 7/9/2002, effective as of 7/1/2001. This agreement communitized the S2, sec. 31, T. 18 S., R. 31 E., NMPM, Eddy County, New Mexico, involving 35.78 acres of Federal land in lease LC062084, 80 acres of Federal land in lease NM0560352, 35.86 acres in lease NM02460, 80 acres in lease NM0560354, and 80 acres in lease NM99038 comprising a 311.64 acre well spacing unit as to natural gas and associated liquid hydrocarbons producible from the Morrow 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 NM107686 (3001531647), West Shugart 31 Ded Com 1, located on Federal land in the S2, sec. 31, T. 18 S., R. 31 E., NMPM, Eddy County, New Mexico, produced from the communitized formation Morrow. The communitized formation Morrow was abandoned and the well plugged effective 5/17/2009.

Accordingly, in the absence of a well capable of producing communitized substances in paying quantities, CA NM107686 is considered to have expired by its own terms as of 5/31/2009, the last day of the month during which the communitized formation was plugged and abandoned. Leases LC062084, NM0560352, NM02460, NM0560354, and NMNM 99038 are eligible for a two year extension to 5/31/2011, pursuant to 43 CFR 3107.4 as a result of the termination of the subject agreement. Leases LC062084, NMNM0560352, NM NM02460, and NM0560354 are 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

cc:
ONRR, Denver
New Mexico Taxation and Revenue Department, Revenue Processing Division,
NM 9200
NM P0220, File Room

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