



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:
NM123965
3105.2 NM P0220

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

3/5/15

Gentlemen:

Communitization Agreement (CA) NM123965 was approved 11/12/09, effective as of 10/1/09. This agreement communitized Lots 2, 3, SWNE, and SENW, sec. 5, T. 17 S., R. 29 E., NMPM, Eddy County, New Mexico, involving 39.90 acres of Federal land in lease NM011331, 39.78 acres of Federal land in lease NM0397622, and 80 acres of State land comprising a 159.68 acre well spacing unit as to natural gas and associated liquid hydrocarbons producible from the Abo 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 NM123965 (3001535959), Picketwire 5 Fed Com1, located on Federal land in Lots 2, 3, SWNE, and SENW, sec. 5, T. 17 S., R. 29 E., NMPM, Eddy County, New Mexico, produced from the communitized formation Abo. The communitized formation Abo was abandoned and the well plugged effective 9/27/13.

Accordingly, in the absence of a well capable of producing communitized substances in paying quantities, CA NM123965 is considered to have expired by its own terms as of 9/30/13, the last day of the month during which the communitized formation was plugged and abandoned. Leases NM011331, and NM0397622 are eligible for a two year extension to 9/30/15, pursuant to 43 CFR 3107.4 as a result of the termination of the subject agreement. Lease NM011331 is held by production. Lease NM0397622 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

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

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