



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:

NM82523

3105.2 (P0220)

Reference:

Communitization Agreement NM82523

East Turkey Track Fed Com 1

S2, sec. 23

T. 18 S., R. 29 E.

Eddy County, New Mexico

NOV 18 2014

CERTIFIED—RETURN RECEIPT REQUESTED

7008 3230 0002 0987 8050

30-015-26269

MYCO Industries, Inc.

P.O. Box 840

Artesia, NM 88211-0840

Gentlemen:

Communitization Agreement NM82523 was approved 7/12/1990, effective as of 11/22/1989. The agreement communitizes all rights to all producible hydrocarbons from the Permo-Penn, Strawn, Atoka and Morrow formations in the S2 of sec. 23, T. 18 S., R. 29 E., NMPM Eddy County, New Mexico involving 40 acres of Federal land in lease NM0437524, 120 acres of Federal land in lease NM17223, and 160 acres of State land which comprise a 320 acre well spacing unit.

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 subject well in the above-described communitized spacing unit, CA NM82523 (3001526269), E. Turkey Track Fed Com 1, located on Federal land in the S2, sec. 23, T. 18 S., R. 29 E., produced from the Morrow formation. The Morrow formation was plugged and abandoned effective 9/15/1991.

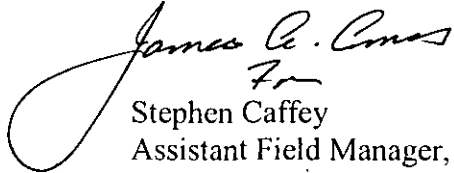
Accordingly, in the absence of a well capable of producing communitized substances in paying quantities, CA NM82523 is considered to have expired by its own terms as of 9/30/91, the last day of the month during which the Morrow formation was plugged and abandoned. Leases NM0437524, and NM17223 are eligible for a two-year extension ending 9/30/93, pursuant to 43 CFR 3107.4 as a result of the termination of the subject agreement. Leases NM0437524, and NM17223 are held by production actual.

If you have any questions regarding this approval, please contact Edward G. Fernandez,

Petroleum Engineer at (575) 234-2220.

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

Sincerely,


Stephen Caffey
Assistant Field Manager,
Lands and Minerals

cc:

ONRR, Denver (357B-1, Antoinette Contreras, Stacey Kaiser)

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

NM (P0220-CFO, File Room)