



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Carlsbad Field Office  
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Carlsbad, New Mexico 88220-6292  
www.nm.blm.gov

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2015 FEB 25 P 3:14



NM118917  
3105.2 (P0220)

Caza Operating  
200 N Loraine, #1550  
Midland, TX 79701

**FEB 13 2015**

Gentlemen:

Communitization Agreement NM118917 was approved 8/13/07, effective as of 8/1/07. This agreement communitized the W2 of sec. 15, T. 20 S., R. 34 E., NMPM, Lea County, New Mexico involving 280 acres of Federal land in lease NM99048, and 40 acres of Federal land in lease NM99047, comprising a 320 acre well spacing unit as to natural gas and associated liquid hydrocarbons producible from the Morrow formation.

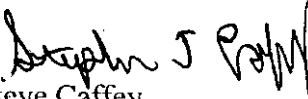
The term of the agreement is for two years and so long thereafter as communitized substances are or can be produced from the communitized area in paying quantities.

Our records show that the subject well in the above-described communitized spacing unit, CA NM118917 (3002538469 S1), Mud Slide Slim 15 Fed 1, located on Federal land in the W2 of sec. 15, T. 20 S., R. 34 E., produced from the Morrow formation. The Morrow formation was plugged and abandoned effective 5/14/2009.

Accordingly, in the absence of a well capable of producing communitized substances in paying quantities, CA NM118917 is considered to have expired by its own terms as of May 30, 2009, the last day of the month during which the Morrow formation was plugged and abandoned. Leases NM99048, and 99047 are eligible for a two year extension ending May 30, 2011, pursuant to 43 CFR 3107.4 as a result of the termination of the subject agreement. Lease NM99048 is held by production. Lease NM99047 is not held by production.

If you have any questions regarding this termination, please contact Edward G. Fernandez,  
Petroleum Engineer at (575) 234-2220.

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