



United States Department of the Interior
FEDERAL INDIAN MINERALS OFFICE
BIA-ONRR-BLM

6251 College Boulevard, Suite B
Farmington, New Mexico 87402



SURNAME

CLB-41261
X

IN REPLY REFER TO:
CA

April 22, 2014

ConocoPhillips Company
San Juan Business Unit
3401 E. 30th St. PO. Box 4289
Farmington, New Mexico 87499-4289

Dear Sir or madam:

Enclosed is an approved copy of Communitization Agreement (CA) No. NMNM 132338, Navajo Allotted Lease Nos. N0-G-0651-1131 and N0-G-0652-1132, located within San Juan County, New Mexico. This acreage comprises a 320.00 acres more or less spacing unit for the Huerfanito Unit Com 174, API No. 30-045-29885 Allotted Well.

The agreement communitizes all rights as to oil gas and associated gas, gas and associated liquids, hydrocarbons producible from only the Fruitland Coal formation in the S/2 of Section 24, Township 27 North, Range 9 West, NMPM, and is effective as of June 12, 2000. You are requested to furnish all interested principals with appropriate evidence of this approval.

All wells and facilities under this CA must bear appropriate signage in accordance with Title 43 of the Code of Federal Regulations, Section 3162.6 (Section 43 CFR 3162.6). Sign shall include the well name and number, Operator name, lease number, communitization number, the quarter-quarter section, section, township and range, county, and state.

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) is 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 (Section 30 CFR 218.54). If you need assistance or clarification, please contact the ONRR at 1-800-525-9167.

If you have any questions, you may contact Ms. Bitsoi, Realty Specialist at telephone (505) 564-7642.

Sincerely,


Jerry DeGroat,
Acting Director, FIMO

Enclosures

cc: BLM, Farmington District Office
ONRR Royalty Mgmt. Prog., Box 25165, MS 357B1, Denver, CO 80225-5165
TR-4618-P5 Indian Lease Case File
FIMO (ONRR/BIA) Chrono file
TYPED: CLBITSOI: 04/22/2014; RETYPED: 04/26/2014

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