

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Albuquerque Field Office
435 Montano Rd. N.E.
Albuquerque, New Mexico 87107-4935
www.nm.blm.gov



IN REPLY REFER TO:
NMNM 101529
3183 (010-amj)

AUG 26 1999

CERTIFIED--RETURN RECEIPT REQUESTED
Z 271 986 902

RECEIVED
AUG 30 1999

OIL CON. DIV.
DIST. 3

NM&O Operating Company
Attn: Deborah Greenwich
6 East Fifth, Ste. 200
Tulsa, OK 74103:

*GRANITE Island #1
F-23-25V-2W*

Dear Ms. Greenwich:

Enclosed is an approved copy of Communitization Agreement NMNM 101529 involving 80.00 acres of land in Federal lease NMNM 03991, 80.00 acres of land in Federal lease NMNM 01385 and 160.00 acres of Fee land, Rio Arriba County, New Mexico, comprising a 320.00 acre well spacing unit.

The agreement communitizes all rights as to crude oil and associated natural gas from the Blanco Mesa Verde Formation in the W $\frac{1}{2}$, section 23, T. 25 N., R. 2 W., NMPM, Rio Arriba County, New Mexico, and is effective January 1, 1998. You are requested to furnish all interested principals with appropriate evidence of this approval.

Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

If you have any questions please contact Angie Medina-Jones of my staff at (505) 761-8910.

Sincerely,

Douglas K. Siddell
Acting Team Lead, Lands and Minerals

Enclosure

cc:

NMOCD

NM (010) Cuba Field Station

NM (93200)

NM (95510) - w/enclosure

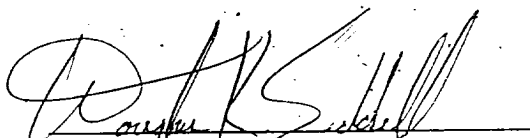
MMS (MS-3133/Reference Data Branch)-w/Exhibit A&B

DETERMINATION - APPROVAL - CERTIFICATION

Pursuant to the authority vested in the Secretary of the Interior, under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer, of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached communitization agreement covering the W $\frac{1}{2}$ of section 23, T. 25 N., R. 2 W., Rio Arriba County, New Mexico, as to crude oil and associated natural gas producible from the Pictured Cliffs formation. This approval will become invalid should the public interest requirements under section 3105.2-3(e) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.
- D. Approval of this agreement does not warrant or certify that the applicant and other working interest owners thereof hold legal or equitable title to the leases which are committed hereto.

Approved: August 26, 1999



Acting Team Lead, Lands & Minerals

Effective: January 1, 1998

Contract No.: Com. Agrmt. NMNM 101529

APPROVAL CERTIFICATION