

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
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NM-71803 3105.2 (P0220)

30-015-20767

OCT 2 4 2014

CONOCOPHILLIPS Box 7500 Bartlesville, OK 74005-7500

Gentlemen:

Communitization Agreement (CA) NM71803 was approved December 1, 1972, effective as of November 3, 1972. This agreement communitized the W2 of sec. 8, T. 23 S., R.27 E., NMPM, Eddy County, New Mexico involving 160 acres of land in Federal lease NM0540701A, and 160 acres of Fee land, 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 NM71803 (3001520767), located on Fee land in the W2 of sec. 8, T. 23 S., R. 27 E., produced from the Morrow formation. The Morrow formation last produced August, 1997.

Accordingly, in the absence of a well capable of producing communitized substances in paying quantities, CA NM71803 is considered to have expired by its own terms as of August 31, 1997, the last day of the month during which the Morrow formation last produced. Lease NMNM0540701A, is eligible for a two year extension ending August 31, 1999, pursuant to 43 CFR 3107.4 as a result of the termination of the subject agreement. However, lease NMNM540701A is held by production from CA NMNM71822.

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