



# 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:  
NM135945  
3105.2 (P0220)

06/17/2016

Reference:  
Communitization Agreement  
Cypress 33 Fed Com 5H  
T. 23 S., R. 29 E.,  
Sec. 33: Entire Section  
Eddy County, NM

OXY USA INC.  
5 Greenway Plaza, Ste. 110  
Houston, TX 77046

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM135945 involving 320 acres of Federal land in lease NMNM86024 and 320 acres of Federal land in lease NMNM19848, Eddy County, New Mexico, which comprise a 640 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the Entire Section of sec. 33, T. 23 S., R. 29 E., NMPM, and is effective 03/01/2013. 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.

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state or local government interests is accurate.

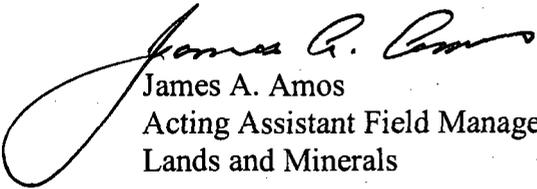
Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact Edward Fernandez, Petroleum Engineer at (575) 234-2220 or Deborah Ham at (575) 234-5965.

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

Sincerely,

  
James A. Amos  
Acting Assistant Field Manager,  
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

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

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

NMOCD

NM (9200)

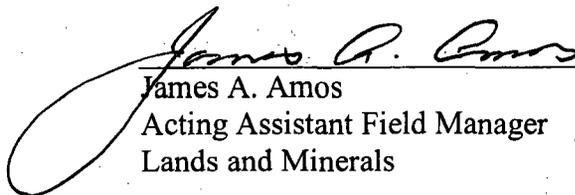
NM (P0220-CFO, File Room)

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 Entire Section of sec. 33, T. 23 S., R. 29 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) 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.

Approved:

  
James A. Amos  
Acting Assistant Field Manager  
Lands and Minerals

Effective: 03/01/2013

Contract No.: Com. Agr. NM135945



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## BUREAU OF LAND MANAGEMENT

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In Reply Refer to  
NM135945  
3107 (P0220)

### Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM135945

Date of Completion: 03/20/2013  
Date of First Production: 03/27/2013  
Field: Cedar Canyon  
Operator, Well Name & No, API Number: Oxy USA Inc.; Cypress 33 Fed Com 5H; 30-015-40768  
Surface Location: NENE, sec.33, T. 23 S., R. 29 E.  
Bottom Location: SESE, sec. 33, T. 23 S., R. 29 E.  
Total Depth: 12,929 MD; 8,737 TVD  
Surface Elevation: 2,996 GL  
Producing Formation: Bone Spring (8,814 – 12,770)  
Well Capable of Production in Paying Quantities: Yes  
Initial Daily Production: Oil 211 BBL; Gas 555 MCF; Water 445 BBL  
Current Status: Producing Oil Well

Remarks: CA NM135945, effective 03/01/2013, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath sec. 33: Entire Section, T. 23 S., R. 29 E., NMPM, and comprises 320 acres of Federal land in lease NMNM86024 and 320 acres of Federal land in lease NMNM19848 for a 640 acre spacing unit, whose leases are held by actual production.

If you have any questions regarding this memorandum, please call Deborah Ham at (575) 234-5965.

**/S/ Deborah Ham**  
06/17/2016

cc:  
ONRR-MS 63230B  
First Production File  
LLNM (P0220, File Room)  
NM