



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:

NM134552

3105.2 (P0220)

06/17/2016

Reference:

Termination:

Communitization Agreement (CA) NM134552

Eddy County, NM

OXY USA INC

5 Greenway Plaza, Ste. 110

Houston, TX 77046

Gentlemen:

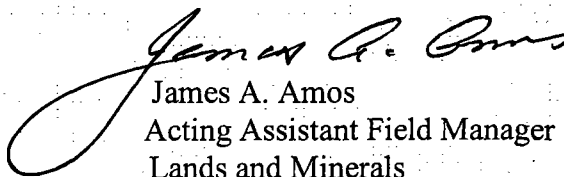
Communitization Agreement (CA) NM134552 was approved May 19, 2015, effective as of October 1, 2013. This agreement communitized the W2E2 of Section 33-T. 23 S., R. 29 E., NMPM, Eddy County, New Mexico involving 80 acres of Federal land in lease NM86024 and 80 of Federal land in lease NM19848 comprising a 160 acre well spacing unit as to all rights to all producible hydrocarbons from the Bone Spring formation.

This well is currently being reported under an established 160 acre well spacing. Due to drainage caused from the drilling of other wells within this spacing, the agreement was created using the wrong spacing. Therefore, per operator request, this CA NM134552 is hereby terminated effective October 1, 2013 and will be replaced by CA NM135945. All production currently on the terminated agreement CA NM134552 will need to be resubmitted to the new CA NM135945 from month of first production, January 2014 forward.

All leases within the CA are eligible for a two year extension, pursuant to 43 CFR 3107.4 as a result of the termination of the subject agreement. However, the leases are currently held by production and are now committed to CA NM135945.

Please contact Edward G. Fernandez, Petroleum Engineer at (575) 234-2220 or Deborah Ham at (575) 234-5965 if you have any questions.

Sincerely,


James A. Amos
Acting Assistant Field Manager
Lands and Minerals

cc:

ONRR, Denver

New Mexico Taxation and Revenue Department, Revenue Processing Division,

NM 9200

NM P0220, File Room