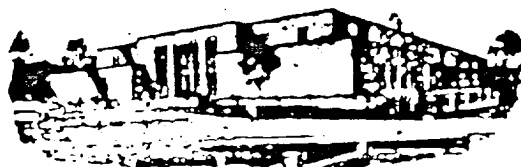


# State of New Mexico



PHIL R. LUCERO  
COMMISSIONER



## Commissioner of Public Lands

P. O. BOX 1148  
SANTA FE, NEW MEXICO 87501

### COMMUNITIZATION AGREEMENT

RECEIVED

STATE OF NEW MEXICO) KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF Chaves)

OCT 13 1981

O. C. D.  
ARTESIA, OFFICE

THAT THIS AGREEMENT \* is entered into as of the 18th day of February, 1981, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, The Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 7-11-47, New Mexico Statutes, Annotated, 1955 Laws, in the interest of conservation of oil and gas and the prevention of waste, to consent to and approve the development or operation of State lands under agreements made by lessees of oil and gas leases thereon, jointly or severally with other oil and gas lessees of State lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy and Minerals Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized area on an acreage or other basis found by the Commissioner to be fair and equitable.

WHEREAS, the parties hereto, being oil and gas lessees of record, covering lands subject to this agreement, insofar as such leases cover the lands hereinafter described, which leases are more particularly, described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes, and

WHEREAS, said leases, insofar as they cover the Pennsylvanian Formation (hereinafter referred to as "said formation") in and