

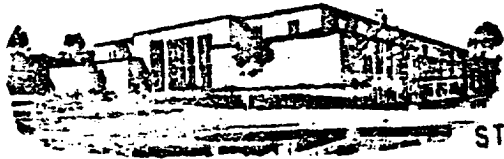
State of New Mexico



PHIL R. LUCERO
COMMISSIONER

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STATE LAND OFFICE
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SANTA FE, N.M.

Commissioner of Public Lands

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

COMMUNITIZATION AGREEMENT

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

THAT THIS AGREEMENT * is entered into as of the 15th day of January
19 79, 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 pro-
duction 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