



United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
ROSWELL FIELD OFFICE  
2909 West Second Street  
Roswell, New Mexico 88201-2019

IN REPLY REFER  
NMNM84636  
3105.2 (06200)

Yates Petroleum Corporation  
Attention: Randy Patterson  
105 S. 4<sup>th</sup> Street  
Artesia, NM 88210

**AUG 25 1998**

Gentlemen:

Communitization Agreement NMNM84636 was approved April 18, 1991 effective as February 15, 1991. This agreement communitized the N1/2, Section 13, T, 20 S. R. 24 E. NMPM, Eddy County, New Mexico involving 160.00 acres of Federal land in leases NM-86241 and NM-043625 and 160.00 acres of Fee land as to crude oil and natural gas producible from the Canyon (Upper Penn) 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 well dedicated to the above-described communitized spacing unit, your No. 3 Ceniza AGZ Com located on Fee land in the SW1/4NW1/4 sec. 13 was completed in the Canyon formation 7786 -7870 feet on April 22, 1991. Production from this formation ceased and the well was plugged back and recompleted in the Morrow formation as a gas well on January 2, 1998.

Accordingly, in the absence of a well capable of producing communitized substances in paying quantities, Communitization Agreement NMNM84636 is considered to have expired by its own terms as of January 2, 1998, the date the well was recompleted from an oil well to a gas well in the Morrow formation.

Sincerely,

(ORIG. SGO.) ARMANDO A. LOPEZ

Armando A. Lopez  
Acting Assistant Field Office Manager,  
Lands and Minerals

CC:  
NMOCD, Santa Fe

