

United States Department of the Interior

BUREAU OF LAND MANAGEMENT Roswell District Office P. O. Box 1397 Roswell, New Mexico 88201

IN REPLY REFER TO:

NM061P35-86C344 3105.2 (065)

AUG 1 5 1986



Attention: Robert R. Donnelly P. O. Drawer 3488 Midland, TX 79702

The Eastland Oil Company

Gentlemen:

Communitization Agreement NM061P35-86C344 was approved April 18, 1986, effective as of March 20, 1986. This agreement communitized lots 1, 2, S½NE½, SE½, section 5, T. 23 S., R. 29 E., NMPM., Eddy County, New Mexico, involving 280.80 acres of land in Federal lease NM-59383 and 40.00 acres of Fee land, comprising a 320.00 acre spacing unit.

The agreement communitized all rights as to dry gas and associated liquid hydrocarbons producible from the Atoka formation.

Pursuant to Section 10 of the agreement and with receipt of your request to terminate the said communitization agreement in light of additional geologic information, and with the necessary signatures, Communitization Agreement NM061P35-86C344 is considered terminated by mutual agreement of the parties to this agreement, effective August 1, 1986.

Sincerely,

Francis R. Cherry, Jr District Manager