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NM-85729 (CA)
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NOV 29 1989

Southland Royalty Company
P.O. Box 4289
Farmington, NM 87499

Gentlemen:

Enclosed are two approved copies of Communitization Agreement NM-85729 involving 240.71 acres of land in Federal lease NM-17775 and 75.56 acres of Fee land, Rio Arriba County, New Mexico, comprising a 316.27 acre well spacing unit.

The agreement communitizes all rights as to natural gas and associated liquid hydrocarbons producible from the Fruitland Coal formation in the S/2 sec. 35, T. 31 N., R. 4 W., NMPM, and is effective October 1, 1989. You are requested to furnish all interested principals with appropriate evidence of this approval.

If you have any questions, please contact Carol Balkus at the above address or telephone (505) 327-5344.

Sincerely,

/s/ John L. Keller

John L. Keller, Chief
Branch of Mineral Resources

(Vh cosa Canyon #)
M-35-31-4
cc: Minerals Management Service, Reference Data BR MS-652, RMP,
P.O. Box 5760, Denver, CO 80217
943C-1 (w/o encl)
~~NMCCB (w/o encl) - fee~~
Alvin Yepa (w/o encl)
019:CBalkus:lc:112390