



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

RECEIVED OGD

2014 NOV -4 P 3:38

Carlsbad Field Office

620 E. Greene

Carlsbad, New Mexico 88220-6292

www.nm.blm.gov



NM-71899

3105.2 (P0220)

30-015-21201

OCT 28 2014

Devon Energy
333 W Sheridan Avenue
Oklahoma City, OK 73102

Gentlemen:

Communitization Agreement NM71899 was approved November 13, 1974, effective as of November 1, 1974. This agreement communitized the N2 of sec. 9, T. 21 S., R. 26 E., NMPM, Eddy County, New Mexico involving 200 acres of State land, and 120 acres of Federal land, comprising a 320 acre well spacing unit as to natural gas and associated liquid hydrocarbons producible from the Morrow formation.

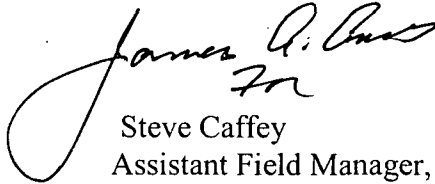
The term of the agreement is for one year and so long thereafter as communitized substances are or can be produced from the communitized area in paying quantities.

Our records show that the subject well in the above-described communitized spacing unit, CA NM71899 (3001521201), located on State land in the N2 of sec. 9, T. 21 S., R. 26 E., produced from the Morrow formation. The Morrow formation last produced September 1, 2008.

Accordingly, in the absence of a well capable of producing communitized substances in paying quantities, CA NM71899 is considered to have expired by its own terms as of September 30, 2008, the last day of the month during which the Morrow formation last produced. Leases NMNM3606, and NM0400877 are eligible for a two year extension ending September 30, 2010, pursuant to 43 CFR 3107.4 as a result of the termination of the subject agreement. However, leases NMNM3606, and NMNM0400877 are held by production.

If you have any questions regarding this termination, please contact Edward G. Fernandez,
Petroleum Engineer at (575) 234-2220.

Sincerely,

A handwritten signature in black ink, appearing to read "James A. Caffey" with a stylized flourish at the end.

Steve Caffey
Assistant Field Manager,
Lands and Minerals

cc:

ONRR, Denver
New Mexico Taxation and Revenue Department, Revenue Processing Division,
NM 9200
NM P0220, File Room