

United States Department of the Interior

BUREAU OF LAND MANAGEMENT RECEIVED Carlsbad Field Office 620 E. Greene 2014 NOV - 4 Carlsbad, New Mexico 88220-6292 www.nm.blm.gov



NM-72015 3105.2 (P0220)

Devon Energy 333 W Sheridan Avenue Oklahoma City, OK 73102

OCT 28 2014

30-015-22307

Gentlemen:

Communitization Agreement NM72015 was approved June 23, 1978, effective as of May 4, 1978. This agreement communitized the sec. 2: Lots 1,2,7,8,9,10,15, and 16, T. 16 S., R. 27 E., NMPM, Eddy County, New Mexico involving 216.46 acres of State land, and 56.72 acres of Federal land in lease NM8436A, comprising a 273.18 acre well spacing unit as to natural gas and associated liquid hydrocarbons producible from the Wolfcamp, Atoka, Morrow, and Strawn formations.

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 subject well in the above-described communitized spacing unit, CA NM72015 (3001522307), located on State land in sec. 2: Lots 1,2,7,8,9,10,15, and 16, T. 16 S., R. 27 E., produced from the Atoka formation. The well last produced from the communitized formation in June, 2002; however, the well last produced from the Upper Penn formation in May, 2009.

Accordingly, in the absence of a well capable of producing communitized substances in paying quantities, CA NM72015 is considered to have expired by its own terms as of June 30, 2002, the last day of the month during which the Atoka formation last produced; however CA NM 72015 expired May 31, 2009, per the BLM. Lease NMNM8436A, is eligible for a two year extension ending June 30, 2004, pursuant to 43 CFR 3107.4 as a result of the termination of the subject agreement. However, lease NMNM8436A is held by production.

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

Sincerely,

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Steve Caffey Assistant Field Manager, Lands and Minerals

cc:

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