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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad, New Mexico 88220-6292



NM72091 3105.2 (P0220)

Murchison Oil and Gas 1100 Mira Vista Boulevard Plano, Texas OCT 30 2014 30-015-122958

Gentlemen:

Communitization Agreement NM72091 was approved February 29, 1980, effective as of December 1, 1979. This agreement communitized the W/2 of sec. 22, T. 17 S., R. 27 E., NMPM, Eddy County, New Mexico involving 280 acres of Federal land in lease NM025527A, and 40 acres of unleased Federal land, comprising a 320 acre well spacing unit as to natural gas and associated liquid hydrocarbons producible from the Wolfcamp, and Atoka-Morrow 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 NM72091 (3001522958), located on Federal land in the W/2 of sec. 22, T. 17 S., R. 27 E., produced from the Atoka formation. The well last produced from the Atoka formation on May 1, 1999.

Accordingly, in the absence of a well capable of producing communitized substances in paying quantities, CA NM72091 is considered to have expired by its own terms as of May 31, 1999, the last day of the month during which the Atoka formation last produced. Lease NMNM025527A, is eligible for a two year extension ending May 31, 2001, pursuant to 43 CFR 3107.4 as a result of the termination of the subject agreement. However, lease NMNM025527A is held by production.

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

Sincerely,

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