



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Pecos District
Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



IN REPLY REFER TO:
NM72123
3105.2 (P0220)

OCT 31 2014

30-015-23266

Cimarex Energy Corporation
600 N. Marienfeld Street, Suite 600
Midland, Texas 79701

Gentlemen:

1. Communitization Agreement (CA) NM72123 was approved September 16, 1980, effective as of March 12, 1980. This agreement communitized all of the N/2 of sec. 27, T. 18 S., R. 29 E., NMPM, Eddy County, New Mexico involving 160.00 acres of Federal land in lease NMLC067132, and 160.00 acres of Federal land in lease NM030752, Eddy County, New Mexico, which comprises a 320.00 acre well spacing unit as to natural gas and associated liquid hydrocarbons producible from the Cisco, Canyon, Strawn, Atoka, and Morrow formations.

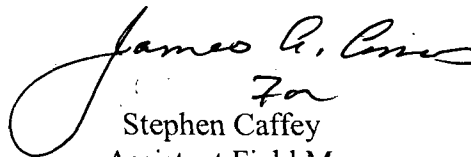
The term of the agreement is for two years and so long thereafter as communitized substances are or can be produced from the communitized area in paying quantities.

Our records show that the last well in the above-described communitized spacing unit, Cimarex Energy Company, Empire A Com 1, CA NM72123 (3001523266), located on Federal land in the N2 of sec. 27, T. 18 S., R. 29E., last produced from the communitized formations December 1, 2009. Our records show that the above-mentioned well and the communitized formation has been plugged and abandoned since July 30, 2012.

Accordingly, in the absence of a well capable of producing communitized substances in paying quantities, CA NM72123 is considered to have expired by its own terms as of December 1, 2009. Leases NMLC067132, and NM030752 are eligible for a two year extension ending December 1, 2011, pursuant to 43 CFR 3107.4 as a result of the termination of the subject agreement. Leases NMLC067132, and NM030752 are held by production.

Please contact Edward G. Fernandez, Petroleum Engineer at 575-234-2220 if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "James G. Caffey".

For
Stephen 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