



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.nm.blm.gov



IN REPLY REFER TO:
NM101339
3105.2 NM P0220

EOG Resources, Inc.
Box 2267
Midland, TX 79702

Lease NMNM0558579 Correction

FEB 23 2015

Gentlemen:

Communitization Agreement (CA) NM101339 was approved 9/24/1998, effective as of 5/28/1997. This agreement communitized the N2, sec. 35, T. 17 S., R. 30 E., NMPM, Eddy County, New Mexico involving 160.00 acres of Federal land in lease NMNM0384576, 40.00 acres of Federal land in lease LC060525, and 120.0 acres of Federal land in lease NM0558579 comprising a 320.00 acre well spacing unit as to natural gas and associated liquid hydrocarbons producible from the Atoka formation.

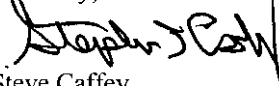
The term of the agreement is for two years and so long thereafter as communitized substances are or can be produced from the communitized area in paying quantities.

Our records show that the well in the above-described communitized spacing unit, CA NM101339 (3001526969), Cedar Lake 35 Fed Com 1, located on Federal land in the N2, sec. 35, T. 17 S., R. 30 E., NMPM, Eddy County, New Mexico, produced from the communitized formation Atoka. The communitized formation Atoka was abandoned and the well plugged effective 8/13/2014.

Accordingly, in the absence of a well capable of producing communitized substances in paying quantities, CA NM101339 is considered to have expired by its own terms as of 8/31/2014, the last day of the month during which the communitized formation was plugged and abandoned. Leases NMNM0384576, LC060525, and NM0558579 are eligible for a two year extension to 8/31/2016, pursuant to 43 CFR 3107.4 as a result of the termination of the subject agreement. However, leases NMLC060525, and NMNM0558579 are held by production. Lease NMNM0384576 is not held by production.

Please contact Edward G. Fernandez, Petroleum Engineer, (575) 234-2220, or at the letterhead address if any additional information is required.

Sincerely,


Steve Caffey
Assistant Field Manager,
Lands and Minerals

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