



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



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IN REPLY REFER TO:
NM72477
3105.2 (P0220)

CERTIFIED—RETURN RECEIPT REQUESTED
7008 3230 0002 0987 7992

NOV 14 2014

Yates Petroleum Corporation
105 S. Fourth Street
Artesia, NM 88210

30-015-24862

Gentlemen:

Communitization Agreement NM72477 was approved 2/13/1985, effective as of 9/ 1/ 1984. This agreement communitized the E2 of sec. 4, T. 18 S., R. 31 E., NMPM, Eddy County, New Mexico involving 160.08 acres of Federal land in lease NM28095, and 160.00 acres in Federal land in lease LC029389B, comprising a 320.08 acre well spacing unit as to natural gas and associated liquid hydrocarbons producible from the **Morrow** 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.

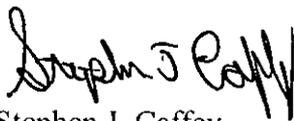
Our records show that the gas well in the above-described communitized spacing unit, Harvey Yates' Can-Ken 4 Fed 1, (3001524862), located on Federal land in the E2 of sec. 4, T. 18 S., R. 31 E., NMPM, Eddy County, New Mexico, was plugged and abandoned effective 5/19/1985.

Accordingly, in the absence of a well capable of producing communitized substances in paying quantities, CA NM72477 is considered to have expired by its own terms as of March 31, 1985, the last day of the month during which the well was plugged and abandoned.

All leases within the CA are eligible for a two year extension, pursuant to 43 CFR 3107.4 as a result of the termination of the subject agreement, ending March 31, 2005. Leases NM28095, and LC029389b are held by production actual.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen J. Caffey". The signature is written in a cursive style with a large initial 'S'.

Stephen J. 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