



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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Carlsbad Field Office  
620 E. Greene  
Carlsbad, New Mexico 88220-6292  
www.blm.gov  
2015 JAN 21



NM106850  
3105.2 (P0220)

January 15, 2015

Devon Energy  
333 W Sheridan Avenue  
Oklahoma City, OK 73102

Gentlemen:

Communitization Agreement NM106850 was approved 10/12/01, effective as of 9/1/01. This agreement communitized the N2 of sec. 7, T. 19 S., R. 31 E., NMPM, Eddy County, New Mexico involving 80 acres of Federal land in lease NM54112, 40 acres of Federal land in lease NM0560355, and 193.44 acres of Federal land in lease NM100561 comprising a 313.44 acre well spacing unit as to natural gas and associated liquid hydrocarbons producible from the 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 subject well in the above-described communitized spacing unit, CA NM106850 (3001531876), located on Federal land in the N2 of sec. 7, T. 19 S., R. 31 E., NMPM, Eddy County, New Mexico produced from the Morrow formation. The Morrow formation was plugged, and the well abandoned effective 4/24/2004.

Accordingly, in the absence of a well capable of producing communitized substances in paying quantities, CA NM106850 is considered to have expired by its own terms as of 4/30/2004, the last day of the month during which the Morrow formation was plugged and abandoned. Leases NMNM54112, NM0560355, and NM100561 are eligible for a two year extension ending 4/30/2006, pursuant to 43 CFR 3107.4 as a result of the termination of the subject agreement. However, leases NMNM54112, NM0560355, and NM100561 are held by production.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Caffey", written over the printed name.

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