



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

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IN REPLY REFER TO:  
NM121861  
3105.2 NM P0220

Mewbourne  
Box 5270  
Hobbs, NM 88241

March 5, 2015

Gentlemen:

Communitization Agreement (CA) NM121861 was approved 1/23/09, effective as of 8/1/08. This agreement communitized sec. 19: Lots 1, 2, E2NW and NE, T. 19 S., R. 33 E., NMPM, Lea County, New Mexico involving 242.75 acres of Federal land in lease NM65976, and 80 acres of Federal land in lease NMLC064790 comprising a 322.75 acre well spacing unit as to natural gas and associated liquid hydrocarbons producible from the 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 well in the above-described communitized spacing unit, CA NM121861 (3002539160), Norte 19 Fed Com 1, located on Federal land in sec. 19: Lots 1, 2, E2NW and NE, T. 19 S., R. 33 E., NMPM, Lea County, New Mexico, produced from the communitized formation Morrow. The communitized formation Morrow was abandoned and the well plugged effective 12/17/09.

Accordingly, in the absence of a well capable of producing communitized substances in paying quantities, CA NM121861 is considered to have expired by its own terms as of 12/31/09, the last day of the month during which the communitized formation was plugged and abandoned. Leases NM65976, and NMLC064790 are eligible for a two year extension to 12/31/2011, pursuant to 43 CFR 3107.4 as a result of the termination of the subject agreement. Leases NM65976, and NMLC064790 are held by other 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

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