



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



NM109675
3105.2 (P0220)

RKI EX. & Prod.
210 Park Ave., #900
Oklahoma City, OK 73102

Gentlemen:

Communitization Agreement (CA) NM109675 was approved 8/27/03, effective as of 11/1/02. This agreement communitized the E2 of sec. 13, T. 16 S., R. 29 E., NMPM, Eddy County, New Mexico involving 120 acres of land in Federal lease LC061638, and 200 acres in Federal lease NM0556811 comprising a 320 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 subject well in the above-described communitized spacing unit, CA NM109975 (3001532290), Grizzly Adams 13 Fed Com 1, located on Federal land in the E2 of sec. 13, T. 16 S., R. 29 E., produced from the Atoka formation. The Atoka formation perforation was plugged and abandoned effective 11/9/2013.

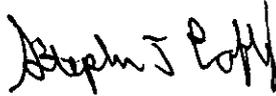
Accordingly, in the absence of a well capable of producing communitized substances in paying quantities, CA NM109675 is considered to have expired by its own terms as of 11/30/13, the last day of the month during which the Atoka formation was abandoned. Leases NMLC061638, and NM0556811 are eligible for a two year extension ending 11/30/2015, pursuant to 43 CFR 3107.4 as a result of the termination of the subject agreement. However, leases NMLC061638 and NM0556811 are held by production.

JAN 29 2015

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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 "Stephen J. Caffey".

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