



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



Apache Corp.

FEB 18 2015

Permian Land Dept.

IN REPLY REFER TO:
NM134086
3105.2 (P0220)

Reference:
Modified Communitization Agreement
Section 3, 4, 5, 6, 7, 8, 9, 10.
Township 17 South, Range 31 East, N.M.P.M.
Eddy County, NM

FEB 11 2015

Apache Corporation
303 Veterans Airpark Ln
Midland, TX 79705-9909

Gentlemen:

Enclosed is an approved copy of a Modified Communitization Agreement NM134086 involving 639.56 acres of Federal land in lease NMLC029426A, 1919.88 acres of Federal land in lease NMLC029426B, 1885.00 acres of Federal land in lease NMLC029435B and 606.92 acres of Federal land in lease NMLC029435A, Eddy County, New Mexico, which comprise a 5,051.36-acre, more or less, spacing unit.

This Agreement communitizes all rights to all producible hydrocarbons from the Glorieta/Yeso formation beneath sections 3, 4, 5, 6, 7, 8, 9, 10, of Township 17 South, Range 31 East, NMPM, Eddy County, NM, and is effective November 1, 2013. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

The Designation and Approval of a Modified Communitization Agreement will be subject to Item 11 and the approval of the Plan of Development and Operation for the Communitized Area as stated in Items 13 and 14 of the subject agreement.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

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

Case No. 15316

Apache
Exhibit 3

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,

A handwritten signature in black ink, appearing to read "George MacDonell". The signature is fluid and cursive, with the first name "George" written in a larger, more prominent script than the last name "MacDonell".

George MacDonell
Field Manager

1 Enclosure:

1 - Modified Communitization Agreement

cc:

ONRR, Denver

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

NM (P0220-CFO, File Room)

Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering Sections 3, 4, 5, 6, 7, 8, 9, 10, of Township 17 South, Range 31 East, NMPM, Eddy County, NM, as to all producible hydrocarbons from the Glorieta/Yeso formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (e) are not met.

Approval also requires operator to submit copies of sundries or any other documentation regarding activity with wells within this acreage to the Bureau of Land Management (BLM), Carlsbad Field Office pursuant to Items 9, 11, 12, 13 and 14 of the approved Communitization Agreement.

- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:



George MacDonell Field Manager
Authorized Officer

Effective: November 1, 2013

Contract No.: Mod. Com. Agr. NM134086