



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

New Mexico State Office

P.O. Box 27115

Santa Fe, New Mexico 87502-0115

www.blm.gov/nm



IN REPLY REFER TO

NMNM 4958

NMNM 136298

3107/3103 (NM92200-mjd)

September 21, 2016

CERTIFIED-RETURN RECEIPT REQUESTED

7013 1710 0001 6574 6843

DECISION

Lessee:

Dugan Production Corporation

P. O. Box 420

Farmington, NM 87499-0420

Unit: Kimbeto Wash Unit Federal/Indian
Exploratory Unit

Agreement No.: NMNM 135255X

Base Lease: NMNM 4958

Segregated Lease: NMNM 136298

Lease Date: May 1, 1968

Unit Effective: March 1, 2016

Oil and Gas Lease Segregated Rental Due

A portion of the lands in your Federal Oil and Gas Lease, NMNM 4958, have been committed to the Kimbeto Wash Federal Exploratory Unit Agreement. The lease is, hereby, segregated effective **March 1, 2016**. The lease covering lands within the unit will retain the original serial number, NMNM 4958. The lands outside the unit area will receive a new serial number.

Base Lease: NMNM 4958

Lands committed to the unit area:

T. 23 N., R. 9 W., NMPM

Sec. 17: SE

San Juan County

Containing 160.00 acres

Segregated Lease: NMNM 136298

Lands outside of the unit:

T. 23 N., R. 9 W., NMPM

Sec. 6: SE

Sec. 7: E2

T. 24 N., R. 9 W., NMPM

Sec. 19: E2W2

Sec. 19: Lots 1-4

Sec. 30: E2W2, W2SE, SESE

Sec. 30: Lots 1-4

Sec. 31: E2

San Juan County

Containing 1,561.01 acres

NOTED

HI
MTP
UG
LISE
COAL
POT
GEO
9/27/16

The base lease, Federal Oil and Gas Lease NMNM 4958, is held by production in the Kimbeto Wash Unit.

The segregated lease, NMNM 136298, will continue as long as the base lease continues to exist, but not less than two years from the effective date of the unit or as long, thereafter, as oil or gas is produced in paying quantities from the segregated lease.


Since there is no production on the segregated lease, NMNM 136298, it reverts back to rental status on March 1, 2016, the unit effective date. The first rental at the rate of \$0.50 per acre per year in the amount of \$781.00 was due May 1, 2016, the first anniversary date after the effective date of the unit.

The lessee is allowed 30 days from receipt of this decision to pay the rental in the amount of \$781.00 to the Office of Natural Resources Revenue, P. O. Box 25627, Denver, CO 80225-0627, to keep the lease in good standing. If the rental is not paid within 30 days, the segregated lease shall automatically terminate pursuant to 43 CFR 3103.2-2.

The continuation of the segregated lease depends upon timely receipt of advance rental payments as provided in 43 CFR 3103.2-2. Failure to pay the rental timely will result in automatic termination of the lease.

All future correspondence with regard to the lands in the segregated portion shall make reference to the new serial number, NMNM 136298.

If you have any questions, you may contact Margie Dupre at (505) 954-2142 or e-mail at mdupre@blm.gov.


Gloria S. Baca
Supervisory Land Law Examiner
Branch of Adjudication

cc:
ONRR, Attn: Shannon Hahn
NMF0000 (D. Mankiewicz)
Unit File NMNM 135255X

WPX Energy Production, LLC-Unit Operator
P. O. Box 3102
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