

Marine Federal c: PC



United States Department of the Interior

LATIGO LAND DEPT.  
**RECEIVED**

JAN 07 2004

BUREAU OF LAND MANAGEMENT

Roswell Field Office

2909 West Second Street

Roswell, New Mexico 88201

IN REPLY REFER TO:

NMNM-107368

3160 (513)

JAN 07 2005

Latigo Petroleum, Inc.  
Fasken Center Tower II  
550 W. Texas, Suite 700  
Midland, Texas 79701  
Attn: Ricky Cox

Gentlemen:

Your letter dated December 14, 2004, requests a communitization agreement covering the N $\frac{1}{2}$  of Section 19, T. 25 S., R. 27 E., NMPM, Eddy County, New Mexico based on geology. Your isopach map of the Morrow E sand submitted with your letter to this office, depicts a northeast-southwest trend with the bulk of the deposit occurring in the N $\frac{1}{2}$ , sec. 19. This is in agreement with the trend of the Morrow fields in the White City Penn field located 1 $\frac{1}{2}$  miles to the northwest. Therefore this office agrees with your request to consolidate O&G leases NMNM-109756 and NMNM-107368 under a communitization agreement for the N $\frac{1}{2}$  of sec. 19, T. 25 S., R. 27 E., NMPM.

If you have any questions please call John S. Simtz at (505) 627-0288 or the Division of Land and Minerals at (505) 627-0272.

Sincerely,

Larry D. Bray  
Assistant Field Manager,  
Lands and Minerals

*[Faint, illegible text, likely a carbon copy or bleed-through from the reverse side of the page.]*

NMOCD CASE NO. 13464

MAY 19, 2005

LATIGO PETROLEUM, INC.

EXHIBIT NO. 3