



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
New Mexico State Office  
301 Dinosaur Trail  
Santa Fe, New Mexico 87508  
[www.blm.gov/new-mexico](http://www.blm.gov/new-mexico)



## In Reply Refer To:

3105 (NM925)  
NMNM 140622

## Reference:

Communitization Agreement  
San Juan 29-5 Unit #17C  
Section 5: Lots 1, 2, S2NE, SE.  
T. 29 N., R. 5 W., N.M.P.M.  
Rio Arriba County, NM

**SEP - 6 2019**

**30-039-29465 SAN JUAN 29 5 UNIT #017C [318837]**

Hilcorp San Juan LP  
1111 Travis Street  
Houston, TX 77002

## To Whom It May Concern:

Enclosed is one approved Communitization Agreement (CA) NMNM 140622, involving 161.24 acres of Federal minerals in lease NMSF 078343, and 160 acres of Federal minerals in lease NMSF 078642 located in Rio Arriba County, New Mexico. This acreage comprises 321.24 acre spacing unit.

The agreement communitizes all rights as to natural gas and associated liquid hydrocarbons gas producible from the Pictured Cliffs formation beneath the Lots 1, 2, S2NE, SE, of Section 5, T.29 N., R.5 W., NMPM, and is effective April 1, 2018. You are requested to furnish all interested principals with appropriate evidence of this approval.

CA number NMNM 140622 as assigned above, must be posted on the well and facility signs for the San Juan 29-5 Unit #17C well. The sign shall include the well name and number, Operator name, lease serial number, Communitization number, the quarter-quarter section, section, township and range, county, and state. (43 CFR 3162.6).

Pursuant to the terms and conditions of the approved CA and 43 CFR 3162.4 Well Records and Reports, you are required to file your well completion report within 30 days of the wells' completion. Within five (5) days of commencement of production, you are also required to file a notice of production startup. Penalties for non-compliance with such requirements are applicable to all wells and facilities on State or privately owned mineral lands committed to a unit or CA, which affects Federal or Indian interests, notwithstanding any provision of the unit or CA to the contrary. Upon approval of the CA, production and royalty reports are due to the Office of Natural Resources Revenue (ONRR). The submission of form MMS-4054, Oil and Gas

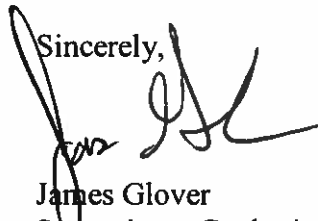
Operations Report (OGOR), must begin once drilling is completed. OGORs must be submitted to ONNR by the 15<sup>th</sup> day of the second month following the production month. Royalty payments, along with the form MMS-2014, Report of Sales and Royalty Remittance, are due on or before the last day of the month following the month during which oil or gas was produced and sold.

If the communitized well(s) are producing, any production royalties that are due must be reported and paid within 90 days of the Bureau of Land Management's approval date or the payors will be assessed interest for late payment under the Federal Oil and Gas Royalty Management Act of 1982 (See 30 CFR 218.54).

If you have any questions concerning reporting, locate your company contact at <http://www.onrr.gov/ReportPay/PDFDocs/operasgn.pdf>. Questions concerning Form 2014, call 1-800-525-9167 and Oil and Gas Operations Reports, call 1-800-525-7922.

If you have any questions regarding the Communitization Agreement, please contact Margie Dupre at either [mdupre@blm.gov](mailto:mdupre@blm.gov) or 505 954-2142.

Sincerely,

A handwritten signature in black ink, appearing to read 'James Glover', is written over the word 'Sincerely,'.

James Glover  
Supervisory Geologist  
Branch of Reservoir Management  
Division of Minerals

Enclosure 1 - Approved Communitization Agreement

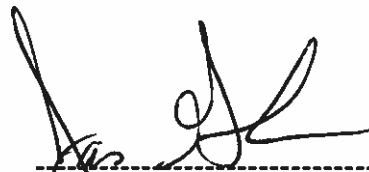
cc: ONRR, MS-357 B1, Denver, CO  
NMOCD, Santa Fe (w/o encl.)  
NM Tax & Rev. Dept  
NMSO (92000)  
NM925 - CA File

Determination – Approval – Certification

Pursuant to the authority nested 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 the Lots 1,2, S2NE, SE of sec. 5, T. 29 N., R. 5 W., NMPM, as to all producible hydrocarbons from the Pictured Cliffs formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.
- 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: **SEP - 6 2019**



James Glover  
Supervisory Geologist  
Branch of Reservoir Management  
Division of Minerals

Effective: April 1, 2018

Contract No: Com. Agr. NMNM 140622