



## United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Pecos District  
Roswell Field Office  
2909 West Second Street  
Roswell, New Mexico 88201-2019  
[www.nm.blm.gov](http://www.nm.blm.gov)



IN REPLY REFER TO:  
NMNM-143144  
3105.2 (P0130)

Reference:

Communitization Agreement  
Powell River Federal Comm H  
SHL: Section 14: SESE  
BHL: Section 23: SESE  
T. 15 S., R. 29 E., N.M.P.M.  
Chaves County, NM

Mack Energy Corporation  
Attn: Staci Sanders  
P.O. Box 960  
Artesia, NM 88211-0960

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM-143144 involving 80.00 acres of Federal land in lease NMNM-138832 and 80.00 acres of Federal land in a lease NMNM-127444, Chaves County, New Mexico, which comprise a 160.00 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the San Andres formation beneath the E/2NE and E/2SE of Section 23, T. 15 S., R. 29 E, NMPM, Chaves County, NM, and is effective May 01, 2021 or the date of onset production, whichever is earliest. 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.

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

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 Jennifer Sanchez, Petroleum Engineer at (575) 627-0237.

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

Sincerely,

RUBEN  
SANCHEZ

Digitally signed by RUBEN SANCHEZ  
Date: 2021.03.30 09:58:21 -0600

Ruben Sanchez  
Assistant Field Manager,  
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

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

NMOCD

NM (9200) State Director

NM State Land Comm. (Only CA with "State" or "Fee" acreage)

NM (P0130-RFO, File Room) -Lease Files NMNM-138832 and NMNM-127444 and CA File NMNM-143144

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 the E/2NE and E/2SE of Section 23, T. 15 S., R. 29 E., NMPM, as to all producible hydrocarbons from the San Andres formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.

Approval also requires operator to submit copies of sundries or any other documentation regarding activity with this well to the Bureau of Land Management (BLM), Roswell Field Office pursuant to Item 9 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:

**RUBEN  
SANCHEZ**

Digitally signed by RUBEN  
SANCHEZ  
Date: 2021.03.30 11:32:27  
-06'00'

---

Ruben Sanchez  
Assistant Field Manager  
Lands and Minerals

Effective: May 01, 2021 or the date of onset production, whichever is earliest.

Contract No.: Com. Agr. NMNM-143144