



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



IN REPLY REFER TO:
NM126316
3105.2 (P0220)

30-025-39944

HOBBS OCD

MAY 25 2011

RECEIVED

Your Reference:
Request for Approval of Communitization Agreement
Township 25 South, Range 33 East
Section 14: W/2 W/2
Lea County, New Mexico

MAY 19 2011

EOG Resources, Inc.
P.O. Box 2267
Midland, Texas 79702

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM126316, involving 40 acres of Federal land in lease NM-124212, and 120 acres of Federal land in lease NM-108503, in Lea County, New Mexico, which comprises a 160.00 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation in the W2W2 of sec. 14, T. 25 S., R. 33 E., NMPM, and is effective February 22, 2011. 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.

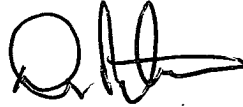
Any production royalties that are due must be reported and paid within 90 days of the Bureau of Land Management's approval date or the payors will be assessed interest for late payment under the Federal Oil and Gas Royalty Management Act of 1982 (See 30 CFR 218.54). If you need assistance or clarification, please contact 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 G. Fernandez, Petroleum Engineer at (575) 234-2220.

JUN 16 2011

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

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Peterson', with a long horizontal stroke extending to the right.

Don Peterson
Assistant Field Manager,
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver (357B-1, Antoinette Contreras, Stacey Kaiser)

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 the W2W2 of sec. 14, T. 25 S., R. 33 E., NMPM, Lea County, New Mexico, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (e) 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:



Authorized Officer

Effective: February 22, 2011

Contract No.: Com. Agr. NM126316