



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



NOV 14 2012

IN REPLY REFER TO:
SRM-1172 (NM-71979)
3105.2 (P0130)

HOBBS OCD

NOV 16 2012

Three Rivers Operating Company
1122 South Capital Of Texas Highway, Suite 325
Austin, TX 78746

RECEIVED

Gentlemen:

Communitization Agreement SRM-1172 (Case Recordation No. NM-71979) was approved August 9, 1977, effective as of June 1, 1977. This agreement communitized N $\frac{1}{2}$ sec. 17, T. 11 S., R. 30 E., NMPM, Chaves County, New Mexico involving 160.00 acres of Federal land in lease NM-17051, 120.00 acres of Federal land in lease NM-0557565, and 40.00 acres of Fee land comprising a 320.00-acre spacing unit as to natural gas and associated liquid hydrocarbons producible from the Atoka formation.

The term of the agreement is for two years and so long thereafter as communitized substances are or can be produced from the communitized area in paying quantities.

Our records show that the well in the above-described communitized spacing unit, your No. 1-Beall Federal Com located on Federal lease NM-0557565 in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ sec. 17 last produced from the communitized formation during July 2008. Our certified letter of August 2, 2012, giving you sixty (60) days in which to commence testing, reworking, or drilling operations was received by your office on August 6, 2012. No operations to restore production were commenced within the 60 days allowed by the certified 60-day letter.

Accordingly without a well capable of producing communitized substances in paying quantities, CA SRM-1172 is considered to have expired by its own terms as of July 31, 2008, the last day of the month during which the well last produced. A Notice of Intention to Abandon (NIA) your well No. 1-Beall Federal Com should be filed with this office within 30 days after receipt of this letter. Leases NM-17051 and NM-0557565 committed to CA SRM-1172 are eligible for a two year extension to July 31, 2010, pursuant to 43 CFR 3107.4 as a result termination of subject agreement. Without production or other activity to extend leases NM-17051 and NM-0557565, they are considered to have terminated July 31, 2010.

30-005-20483

NOV 19 2012

If you have any questions regarding this letter, please call David Glass of this office at (575) 627-0275.

Sincerely,

/s/ Angel Mayes

Angel Mayes
Assistant Field Manager,
Lands and Minerals

cc:
~~N~~MOCD-Hobbs