



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



In Reply Refer To:
NM-82102
3105.2 (P0130)

Sovereign Eagle, LLC
P.O. Box 968
Roswell, NM 88202-0968

RECEIVED

MAR 29 2011
HOBBSUCD

30-041-20846

MAR 23 2011

Gentlemen:

Communitization Agreement (CA) NM-82102 was approved February 9, 1990, effective as of January 2, 1990. This agreement communitized production from the N½ sec. 22, T. 2 S., R. 29 E., NMPM, Roosevelt County, New Mexico and involved 160.00 acres of Federal land in lease NM-61345 and 160.00 acres of Fee land comprising a 320.00-acre well spacing unit. The agreement communitized all rights as to natural gas and associated liquid hydrocarbons producible from the Montoya and Pennsylvanian formations.

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 first well in the above-described communitized spacing unit, your No. 1-Morrison Com. located on Fee land in the NE¼NE¼ sec. 22 has produced almost continuously from the communitized formation (Pennsylvanian) since being connected to the gas sales line on January 12, 1990. A Notice of Intent to Plug this well dated June 22, 2009 was Accepted For Record on June 25, 2009. Although the well was never plugged, the CA NM-82102 was inadvertently expired effective June 22, 2009 based on the premise that the well had been plugged June 22, 2009 by our letter of February 17, 2011.

Since your No. 1-Morrison is a well capable of producing communitized substances in paying quantities, the termination of CA NM-82102 is considered to be rescinded, and CA NM-82102 will remain in full force and effect as of the original approval date of February 9, 1990 and of the original effective date of January 2, 1990. Please accept our sincere apology for the confusion that this inadvertent mistake caused.

Please contact David Glass, Petroleum Engineer at (575) 627-0275 or at the letterhead address if any additional information is required.

Sincerely,

/s/ Angel Mayes

Angel Mayes
Assistant Field Manager,
Lands and Minerals

cc:
~~N~~MOCD-Hobbs