CERTIFICATE OF APPROVAL BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO OF COMMUNITIZATION ACCEPTENT

There having been presented to the undersigned Commissioner of Public Lands of the State of New Maxico for examination, the attached Communitization Agreement for the development and operation of the SE of Section 36, Township 20 South, Range 36 East, N.M.P.M., Lea County, New Maxico, dated <u>OctoBER 191955</u>, which has been executed or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement the Commissioner finds:

- (a) That such Agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area;
- (b) That under the operations proposed, the State will receive its fair share of the recoverable oil or gas in place under its land in the area affected;
- (c) That the Agreemant is in other respects for the best interest of the State;
- (d) That the Agreement provides for the operation of the area as a unit for the allocation of production and the sharing of proceeds on an acreage basis as specified in the Agreement.

NOW, THEREFORE, by virtue of the authority conferred upon me by Chap. 88 of the Laws of the State of New Mexico, 1943, as amended by Chap. 162 of the laws of New Mexico, 1951, I, the undersigned, Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly concerving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases subracing lands of the State of New Mexico within the communitized area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid Chap. 88 of the Laws of the State of New Mexico, 1943, as amended by Chap. 162 of the Laws of the State of New Mexico, 1951.

IN WITNESS WEEREOF, this Cortificate of Approval is executed, with seal affixed, this <u>2/3+</u> day of <u>Fubruary</u>, 1956.

Eswald

Commissioner of Public Lands of the State of New Mexico