

Ray Powell, M.S., D.V.M.

State of New Mexico Commissioner of Public Lands

310 OLD SANTATE TRAIL P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148

February 12, 2013

BOPCO, L.P. 201 Main Street, Suite 2900 Fort Worth, Texas 76102-3131

Attention: Mr. Andy Morrison

Re: PLU Big Sinks 25 Federal Well No. 1H (30-015-39018) Commercial Well Determinations Bone Spring Formation Eddy County, New Mexico

Dear Mr. Morrison:

We are in receipt of your letter of September 12, 2012 together with the commercial determination data for the PLU Big Sinks 25 Federal Well No. 1H located in Unit Letter O of Section 25-24S-30E.

The Bureau of Land Management, by their letter of January 23, 2013, advised this office that the PLU Big Sinks 25 Federal Well No. 1H was determined to be capable of producing in paying quantities from the Bone Spring formation

Please be advised that the Commissioner of Public Lands concurs with the Bureau of Land Management's determinations that the PLU Big Sinks 25 Federal Well No. 1H is a commercial well in the Bone Spring formation and is entitled to participate in the Bone Spring Participating Area

Please submit an application for the appropriate expansion of the Bone Spring Participating Area to this office for approval.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M. COMMISSIONER OF PUBLIC LANDS

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Oil, Gas and Minerals Division (505) 827-5744 RP/LR/jm cc: Reader File, OCD-Attention: Mr. Ed Martin BLM/Carlsbad, Attention: Mr. Wesley Ingram TRD-Santa Fe, Attention: Ms. Joan Ishimoto

COMMISSIONER'S OFFICE Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org