



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

State of New Mexico
Commissioner of Public Lands

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SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

December 29, 2011

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

Attention: Mr. Andy Morrison

Re: Poker Lake Unit
Initial Bone Spring Participating Area "C"
Eddy County, New Mexico

Dear Mr. Morrison:

We are in receipt of your application of November 3, 2011 requesting approval of the Initial Bone Spring Participating Area "C" for the Poker Lake Unit, Eddy County, New Mexico.

By their letter of November 25, 2011 and December 22, 2011 the Bureau of Land Management has advised this office of their approval to the above-mentioned participating area.

The Commissioner of Public Lands concurs with the Bureau of Land Management and has this date approved the above-mentioned participating area effective as follows:

INITIAL BONE SPRING PARTICIPATING AREA "C"
Effective July 16, 2009

WELL	DESCRIPTION	ACRES
PLU Pierce Canyon 28 Federal #1H	T-24S-30E Sec. 28: E/2E/2 Sec. 33: E/2E/2	320.00

Our approval is subject to like approval by all other appropriate agencies.

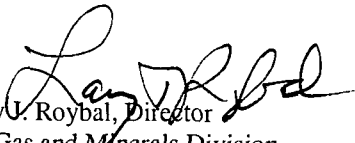
BOPCO
December 29, 2011
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If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

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

BY:


Larry U. Roybal, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/LR/pm

cc: Reader File,

OCD-Attention: Mr. Ed Martin

BLM-Attention: Mr. Wesley Ingram

TRD-Attention: Mr. Valdean Severson



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



RECEIVED OCL

2011 DEC 28 A 9:29

NMNM71016K
3180 (P0220)

Your Reference:
Application for Initial Bone Spring Participating Area "C"
Poker Lake Unit
Eddy County, New Mexico

DEC 22 2011

CERTIFIED—RETURN RECEIPT REQUESTED
7008 3230 0002 0987 6063

BOPCO, L.P.
201 Main St.
Fort Worth, Texas 76102-3131

Gentlemen:

The following is an amendment to the previous letter dated November 25, 2011, to correct location descriptions of Exhibits A and B. Your application dated November 3, 2011, with Exhibits "A" and "B", requesting approval for the Initial Bone Spring Participating Area "C", Poker Lake Unit, is hereby approved and is effective July 16, 2009, pursuant to Section 11 of the Poker Lake Unit Agreement, Eddy County, New Mexico.

The boundary included in the Initial Bone Spring Participating Area "C", contains 320.00 acres and is described as follows:

Township 24 South, Range 30 East, Eddy County, New Mexico
Section 28: E/2 E/2
Section 33: E/2 E/2

The Initial Bone Spring Participating Area "C", contains 320.00 acres and is based upon the completion of the PLU Pierce Canyon 28 Federal #1H Unit well, located in the E/2 E/2 of sec. 28, T. 24 S., R. 30 E., as a discovery well capable of producing unitized substances in paying quantities.

This Initial Bone Spring Participating Area "C" has been assigned number NMNM71016K for production and accounting reporting purposes. If you have any questions regarding this letter,

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please contact Edward G. Fernandez, Petroleum Engineer at the Division of Lands and Minerals at (575) 234-2220.

Copies of this approval letter are being distributed to the appropriate Federal agencies and one copy is returned herewith. Please advise all interested parties of the Initial Bone Spring Participating Area "C", NMNM71016K (AFS-891000303-J), Poker Lake Unit, and the effective date of July 16, 2009.

Since there is a well currently producing, this approval requires the submission of a Payor Information Form MMS-4025 to the Office of Natural Resource Revenue (ONRR) within 30 days (30 CFR 210.51). Please notify the designated payor or payors as soon as possible regarding this requirement. Any producing 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 Resource Revenue at 1-800-525-9167 or 303-231-3504.

Sincerely,



for Don Peterson
Assistant Field Manager,
Lands and Minerals

1 Enclosure

cc: ONRR, Denver (MS357B-1)
Commissioner of Public Lands
New Mexico Taxation & Revenue Dept.
Revenue Processing Division
NMOCD
NM9210
NMP0220, (CFO I&E)



Initial Bone Spring Participating Area "C"
(7-16-09) 320 Acre Area

BEPCO, L.P.

EXHIBIT "A"

Eddy County, New Mexico

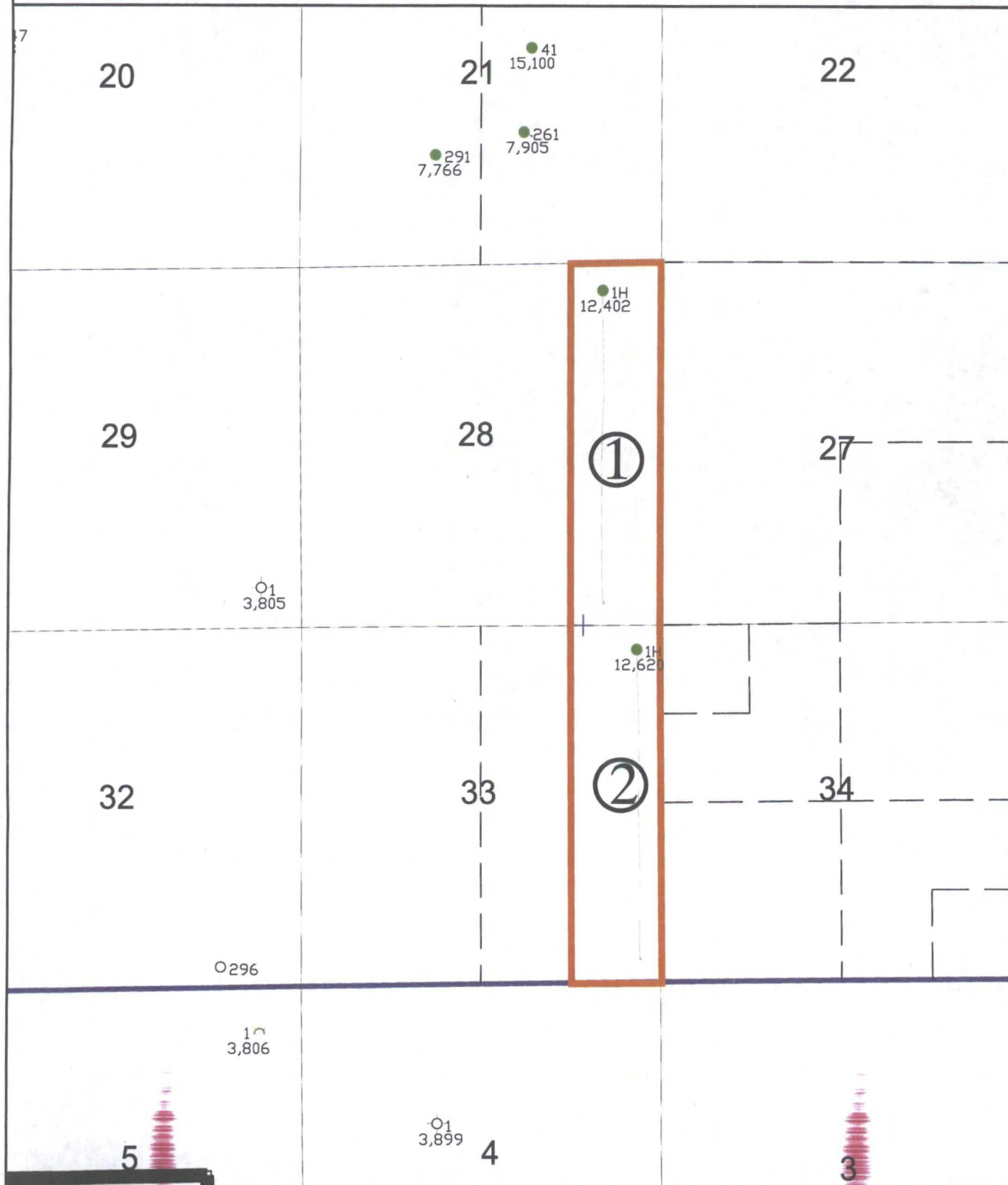


EXHIBIT "B"

Initial Bone Springs Participating Area "C" Poker Lake Unit Eddy County, New Mexico

<u>Tract No.</u>	<u>Lease No.</u>	<u>Description</u>	<u>Participating Acres</u>	<u>Percentage of Participation</u>	<u>Working Interest Owners</u>
1	NMNM-02862	Section 28 T24S-R30E: E/2 E/2	160.00	50.0000%	50.00% BMT O&G NM, L.L.C. SRBI O&G NM, L.L.C. LMBI O&G NM, L.L.C. KEYSTONE O&G NM, L.L.C. THRU LINE O&G NM, L.L.C. Chesapeake Energy - 50.00%
2	NMLC-068430	Section 33 T24S-R30E: E/2 E/2	160.00	50.0000%	50.00% CTV O&G NM, L.L.C. SRBI O&G NM, L.L.C. LMBI O&G NM, L.L.C. KEYSTONE O&G NM, L.L.C. THRU LINE O&G NM, L.L.C. Chesapeake Energy - 50.00%