



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



OCT 01 2018 PM 01:45

IN REPLY REFER TO:
NMNM138383
3105.2 (P0220)

09/24/2018

Reference:

Communitization Agreement
Poker Lake Unit CVX JV PC #018H
Section 07: SWNE, W2SE,
Section 18: W2NE, NWSE.
T. 24 S., R. 30 E., N.M.P.M.
Eddy County, NM

BOPCO, LP
810 Houston Street
Fort Worth, TX 76102

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM138383 involving 120 acres of Federal land in lease NMLC 068545, and 120 acres of Federal land in lease NMNM 02860, Eddy County, New Mexico, which comprise a 240 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the SWNE, W2SE Sec. 07 and W2NE, NWSE Sec. 18, T. 24 S., R. 30 E., NMPM, Eddy County, NM, and is effective October 18, 2013. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

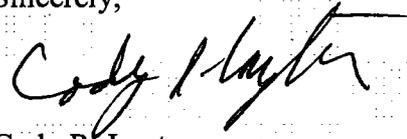
Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact Chris Walls, Petroleum Engineer at (575) 234-2234, Deborah Ham at (575) 234-5965 or Margie Dupre at (505) 954-2142.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,



Cody R. Layton
Assistant Field Manager,
Lands and Minerals

1 Enclosure:
1 - Communitization Agreement

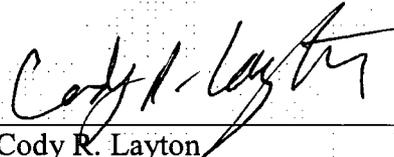
cc:
ONRR, Denver
NM Taxation & Revenue Dept. (Revenue Processing Div.)
NMOCD
NM (9200)
NM (P0220-CFO, File Room)

Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering the SWNE, W2SE of sec. 07 and W2NE, NWSE of sec. 18, T. 24 S., R. 30 E., NMPM, as to all producible hydrocarbons from the Bone Spring formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.
- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved: 09/24/2018



Cody R. Layton
Assistant Field Manager
Lands and Minerals

Effective: October 18, 2013

Contract No.: Com. Agr. NMNM138383



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In Reply Refer to
NM138383
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM138383

Date of Completion:	02/12/2014
Date of First Production:	02/12/2014
Field:	Pierce Canyon
Operator, Well Name & No, API Number:	BOPCO, LP; PLU CVX JV PC Fed Com 18H; 30-015-41281
Surface Location:	Sec. 18, SESW, T. 24 S., R. 30 E.
Bottom Location:	Sec. 7, SWNE, T. 24 S., R. 30 E.
Total Depth:	16,692 MD; 9,864 TVD
Surface Elevation:	3,159 GL
Producing Formation:	Bone Spring (10,137 – 16,648)
Well Capable of Production in Paying Quantities:	Yes
Initial Daily Production:	Oil 610 BBL; Gas 832 MCF; Water 422 BBL
Current Status:	Producing Oil Well

Remarks: CA NM138383, effective 10/18/2013, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath Sec.7, SWNE, W2SE and Sec. 18, W2NE, NWSE, T. 24 S., R. 30 E., NMPM, and comprises 120 acres of Federal land in lease NMLC068545 and 120 acres of Federal land in lease NMNM02860 for a 240 acre well spacing unit whose leases are held by actual production. Per penetration of wellbore for production, surface location not within agreement boundary. If you have any questions regarding this memorandum, please call Deborah Ham at (575) 234-5965.

/S/ **Deborah Ham**
09/24/2018

cc:
ONRR-MS 63230B
First Production File
LLNM (P0220, File Room)