

# United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Wyoming State Office Reservoir Management Group  
2987 Prospector Drive  
Casper, Wyoming 82604-2968



In Reply Refer To:  
3186  
(3186.1)  
Poker Lake Unit  
NMNM71016X

MAY 18 2018

BEPCO, L.P.  
Attn: Blake Hueske  
810 Houston Street  
Fort Worth, Texas 76102-6298

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

Gentlemen:

The initial Bone Spring Formation Participating Area "O" is hereby approved effective as of December 14, 2015, pursuant to Section 11 of the Poker Lake Unit Agreement, Eddy County, New Mexico. This participating area has been designated NMNM71016Y.

The application establishes an initial Bone Spring Formation Participating Area "O" of 480.00 acres and is based upon the completion of unit well CVX JV PB 7H, located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$  (SHL) of Section 20 and in the SW $\frac{1}{4}$ NW $\frac{1}{4}$  (BHL) of Section 29, T.25S., R.31E., unit tract No. 21A, Lease No. NMLC061634B, with an initial potential of 945 BOPD and 1,085 MCFPD on December 14, 2015, from the Bone Spring Formation.

The application is also based upon the completion of unit well CVX JV BS 34H, located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$  (SHL) of Section 20, T.25S., R.31E., unit tract No. 21A, Lease No. NMLC061634B, and in the NW $\frac{1}{4}$ SW $\frac{1}{4}$  (BHL) of Section 8, T.25S., R.31E., unit tract No. 25A, Lease No. NMNM030458, with an initial potential of 385 BOPD and 572 MCFPD on December 14, 2015, from the Bone Spring Formation.

Copies of the approved request are being distributed to the appropriate agencies and one copy of Exhibits "A" and "B" are returned herewith. Please advise all interested parties of the approval of the initial Bone Spring Formation Participating Area "O" effective as of December 14, 2015.

Any production royalties that are due must be reported and paid within 30 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 (30 CFR 218.54). If you need assistance or clarification, please contact the Office of Natural Resources Revenue (ONRR) at 1-800-525-9167 or 303-231-3856.

If you have any questions, please call the undersigned at (307) 261-7685.

Sincerely,



J. David Chase  
Chief, Reservoir Management Group

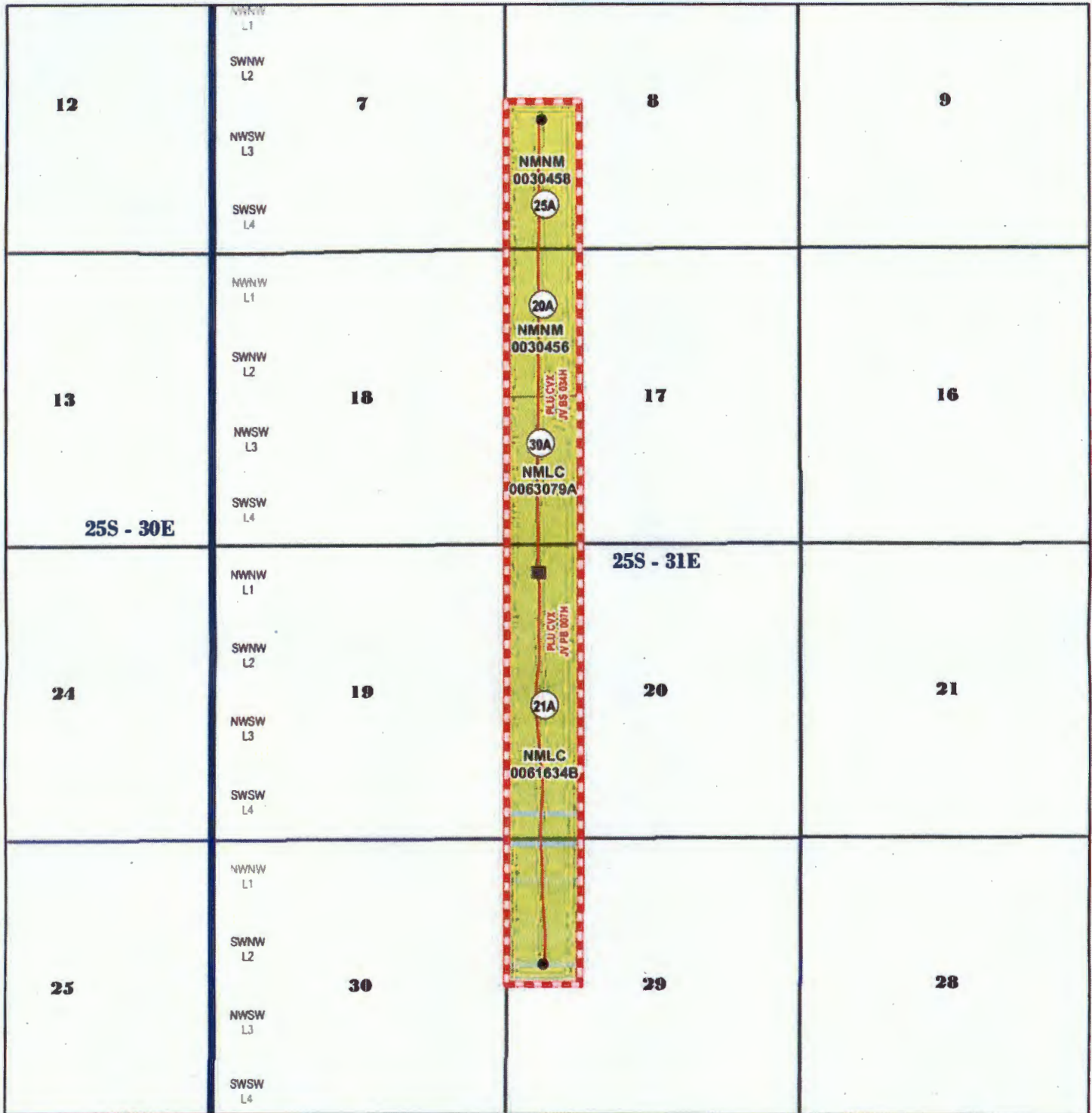
1 Enclosure

Encl. 1 - Exhibits "A" and "B"

cc: NMSO, James Glover  
CFO, Chris Walls  
ONRR, Glen Reese  
New Mexico State Land Office, Anchor Holm  
New Mexico Oil Conservation Division, William Jones



Exhibit "A"  
Initial Bone Spring Formation Participating Area "O"  
Poker Lake Unit  
Eddy County, New Mexico  
Effective December 14, 2015



- CAPABLE WELL (SHL)
- CAPABLE WELL (BHL)
- ~ CAPABLE WELLBORE
- POKER LAKE UNIT OUTLINE
- PROPOSED BONE SPRING PA "O"
- FEDERAL ACREAGE WITHIN PA "O" ONLY



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EXHIBIT "B"  
 SCHEDULE OF LANDS AND TRACT PARTICIPATION  
 INITIAL BONE SPRING FORMATION PARTICIPATING AREA "O"  
 POKER LAKE UNIT AREA  
 EDDY COUNTY, NEW MEXICO  
 EFFECTIVE DECEMBER 14, 2015

Tract No.	Lease No.	Description	Acres	Participation
20A	NMNM030456 Federal	T25S-R31E, 23rd P.M. Section 17: W/2NW/4	80.00	16.6667%
21A	NMLC061634B Federal	T25S-R31E, 23rd P.M. Section 20: W/2W/2 Section 29: W/2NW/4	240.00	50.0000%
25A	NMNM030458 Federal	T25S-R31E, 23rd P.M. Section 8: W/2SW/4	80.00	16.6667%
30A	NMLC063079A Federal	T25S-R31E, 23rd P.M. Section 17: W/2SW/4	80.00	16.6666%
<b>Totals</b>			<b>480.00</b>	<b>100.0000%</b>

TYPE OF LAND	COMMITTED ACRES	NON-COMMITTED ACRES	PERCENT
FEDERAL	480.00	0.00	100.0000%
STATE	0.00	0.00	0.0000%
PATENTED	0.00	0.00	0.0000%
<b>TOTAL</b>	<b>480.00</b>	<b>0.00</b>	<b>100.0000%</b>

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