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## 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)  
James Ranch Unit  
NMNM70965X

MAY 28 2019

XTO Energy Inc.  
Attn: Kenneth Hilger  
Land Dept. Loc.115  
22777 Springwoods Village Pkwy  
Spring, Texas 77389-1425

Re: Sixth Revision to the Bone Spring Formation Participating Area "B"  
James Ranch Unit  
Eddy County, New Mexico

Gentlemen:

The sixth revision to the Bone Spring Formation Participating Area "B" is hereby approved effective as of March 1, 2019, pursuant to Section 11 of the James Ranch Unit Agreement, Eddy County, New Mexico.

The application enlarges the Bone Spring Formation Participating Area "B" from 2,000.31 acres to 4,800.04 acres and is based upon the completion of unit well No. 192H, located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$  (SHL) of Section 25, (SHL outside Unit, Lease No. NMNM089052), and in the SW $\frac{1}{4}$ NE $\frac{1}{4}$  (BHL) of Section 28, T.22S., R.30E., unit tract No. 12, Lease No. NMNM0307337, with an initial potential of 3,792 BOPD and 6,648 MCFPD on March 29, 2019, from the Bone Spring Formation.

Also, the application is based upon the completion of unit well No. 193H, located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$  (SHL) of Section 25, T.22S., R.30E. (SHL outside Unit, Lease No. NMNM089052), and in the NW $\frac{1}{4}$ SE $\frac{1}{4}$  (BHL) of Section 28, T.22S., R.30E., unit tract No. 12, Lease No. NMNM0307337, with an initial potential of 3,018 BOPD and 5,273 MCFPD on March 19, 2019, from the Bone Spring Formation.

Also, the application is based upon the completion of unit well No. 194Y, located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$  (SHL) of Section 25, unit tract No. 12, (SHL outside Unit, Lease No. NMNM089052), and in the SW $\frac{1}{4}$ SE $\frac{1}{4}$  (BHL) of Section 28, T.22S., R.30E., unit tract No. 12, Lease No. NMNM0307337, with an initial potential of 4,868 BOPD and 8,664 MCFPD on March 29, 2019, 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 sixth revision to the Bone Spring Formation Participating Area "B" effective as of March 1, 2019.

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 Lewis Tromp, Petroleum Engineer, at (307) 261-7628.

Sincerely,

/s/ J. David Chase

J. David Chase  
Chief, Reservoir Management Group

1 Enclosure

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

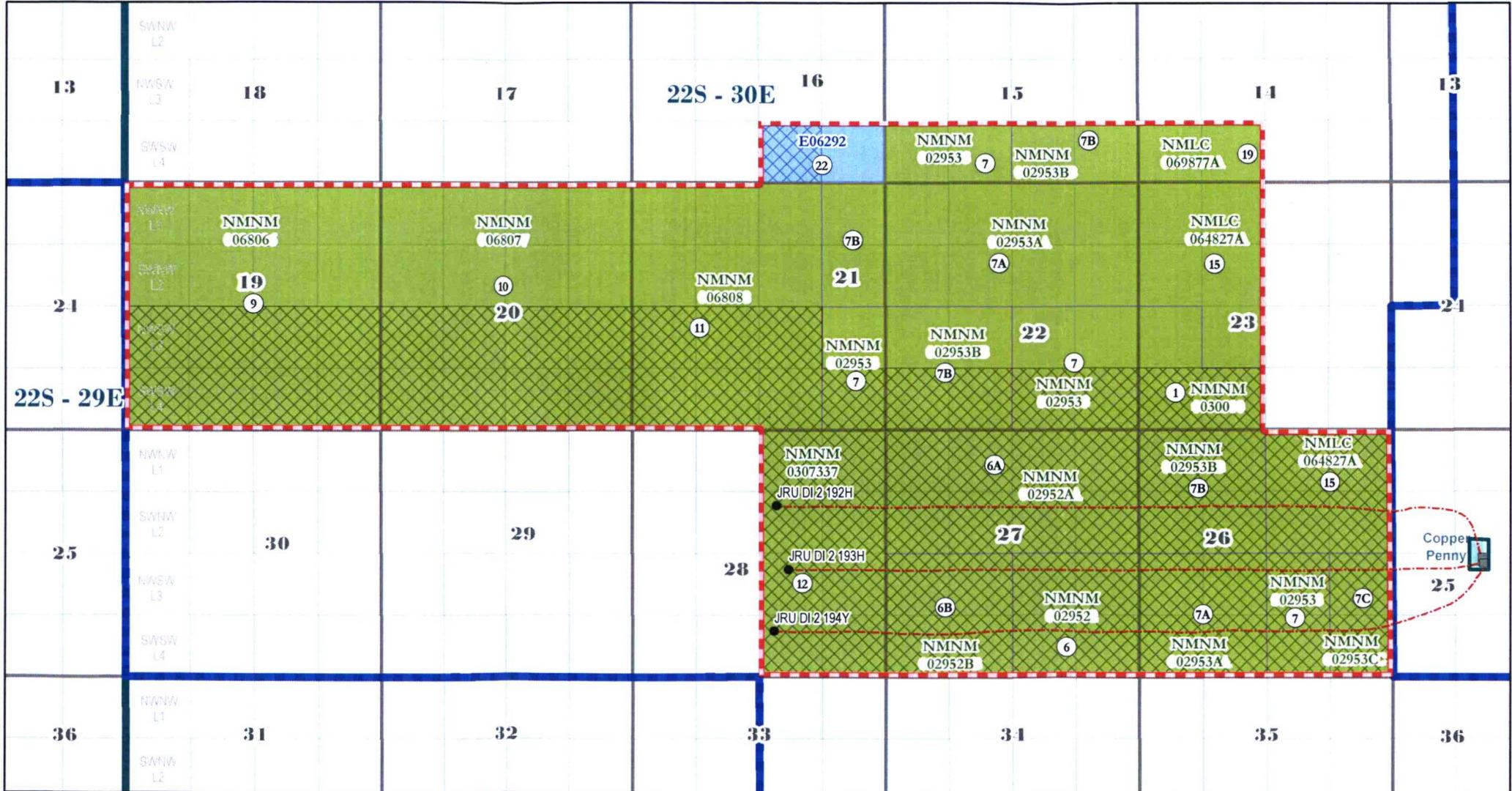
cc: NMSO, James Glover w/Encl. 1  
CFO, Chris Walls w/Encl. 1  
ONRR – RRM (email: leases.blm@onrr.gov) w/Encl. 1  
New Mexico State Land Office, Randy Bayliss w/Encl. 1  
✓New Mexico Oil Conservation Division, William Jones w/Encl. 1

**EXHIBIT "A"**  
**6TH REVISION BONE SPRING FORMATION PARTICIPATING AREA "B"**  
**192H, 193H, 194Y JAMES RANCH UNIT**  
**EDDY COUNTY, NM**  
**EFFECTIVE MARCH 1, 2019**



Date: 5/9/2019

Land GIS Dept: O:\Arcview\Projects\Kelli\_\Project\_MXD\PD\_KenHilger\_JRU\_BSPG\_PA\_B\_6THREVISID.mxd



- JAMES RANCH UNIT OUTLINE
- BLM DRILL ISLAND
- CAPABLE WELL (BHL/ VERTICAL)
- CAPABLE WELL (SHL)
- CAPABLE WELLBORE
- PROPOSED BONE SPRING PA "B"
- STATE ACREAGE WITHIN PA
- FEDERAL ACREAGE WITHIN PA
- REMOVED ACREAGE

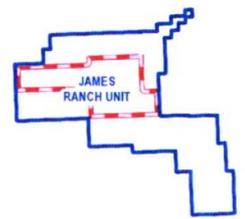
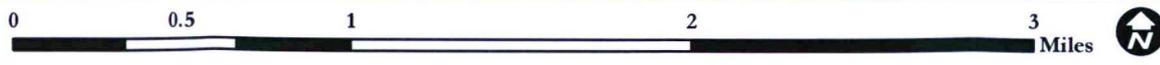


EXHIBIT "B"  
SCHEDULE OF LANDS AND TRACT PARTICIPATION  
SIXTH REVISED BONE SPRING PARTICIPATING AREA "B"  
192H, 193H, 194Y, JAMES RANCH UNIT  
EDDY CO, NM  
EFFECTIVE MARCH 1, 2019

Tract No.	Lease No.	Description	Acres	Participation
1	NMNM0300 Federal	T22S-R30E, 23rd P.M. Section 23: S/2SW/4; NW/4SW/4	120.00	2.5000%
6	NMNM02952 Federal	T22S-R30E, 23rd P.M. Section 27: SE/4	160.00	3.3333%
6A	NMNM02952A Federal	T22S-R30E, 23rd P.M. Section 27: N/2	320.00	6.6666%
6B	NMNM02952B Federal	T22S-R30E, 23rd P.M. Section 27: SW/4	160.00	3.3333%
7	NMNM02953 Federal	T22S-R30E, 23rd P.M. Section 21: NE/4SE/4; SE/4SE/4 Section 22: N/2SE/4; S2SE/4 Section 15: S/2SW/4 Section 26: W/2SE/4	400.00	8.3333%
7A	NMNM02953A Federal	T22S-R30E, 23rd P.M. Section 22: N/2 Section 26: SW/4	480.00	9.9999%
7B	NMNM02953B Federal	T22S-R30E, 23rd P.M. Section 21: E/2NE/4 Section 22: N/2SW/4; S/2SW/4 Section 15: S/2SE/4 Section 26: NW/4	480.00	9.9999%
7C	NMNM02953C Federal	T22S-R30E, 23rd P.M. Section 26: E/2SE/4	80.00	1.6667%
9	NMNM06806 Federal	T22S-R30E, 23rd P.M. Section 19: NE/4; E/2NW/4 L1(40.23),L2 (40.08),L3(39.94),L4(39.79); E/2SW/4; SE/4	640.04	13.3340%
10	NMNM06807 Federal	T22S-R30E, 23rd P.M. Section 20: N/2; S/2	640.00	13.3332%
11	NMNM06808 Federal	T22S-R30E, 23rd P.M. Section 21: NW/4; W/2NE/4; SW/4; SW/4SE/4; NW/4SE/4	480.00	9.9999%
12	NMNM0307337 Federal	T22S-R30E, 23rd PM Section 28: E/2	320.00	6.6666%
15	NMLC064827A Federal	T22S-R30E, 23rd P.M. Section 23: NW/4; NE/4SW/4 Section 26: NE/4	360.00	7.4999%
19	NMLC069877A Federal	T22S-R30E Section 14: S/2SW/4	80.00	1.6667%
22	E 06292 State	T22S-R30E, 23rd P.M. Section 16: SE/4SE/4; SW/4SE/4	80.00	1.6667%
<b>Totals</b>			<b>4800.04</b>	<b>100.0000%</b>

TYPE OF LAND	COMMITTED ACRES	NON-COMMITTED ACRES	PERCENT
FEDERAL	4720.04	0.00	98.3333%
STATE	80.00	0.00	1.6667%
PATENTED	0.00	0.00	0.0000%
<b>TOTAL</b>	<b>4800.04</b>	<b>0.00</b>	<b>100.0000%</b>