



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

FEB 08 2019

R-279B

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

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

Gentlemen:

The fifth revision to the Bone Spring Formation Participating Area "B" is hereby approved effective as of April 1, 2018, 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 1,720.31 acres to 2,000.31 acres and is based upon the completion of unit well 161H, located in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ (SHL) of Section 21, T.22S., R.30E., unit tract No. 11, Lease No. NMNM06808, and in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ (BHL) of Section 14, T.22S., R.30E., unit tract No. 19, Lease No. NMNM069877A, with an initial potential of 1,386 BOPD and 1,281 MCFPD on April 13, 2018, 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 fifth revision to the Bone Spring Formation Participating Area "B" effective as of April 1, 2018.

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,

/s/ J. David Chase

J. David Chase
Chief, Reservoir Management Group

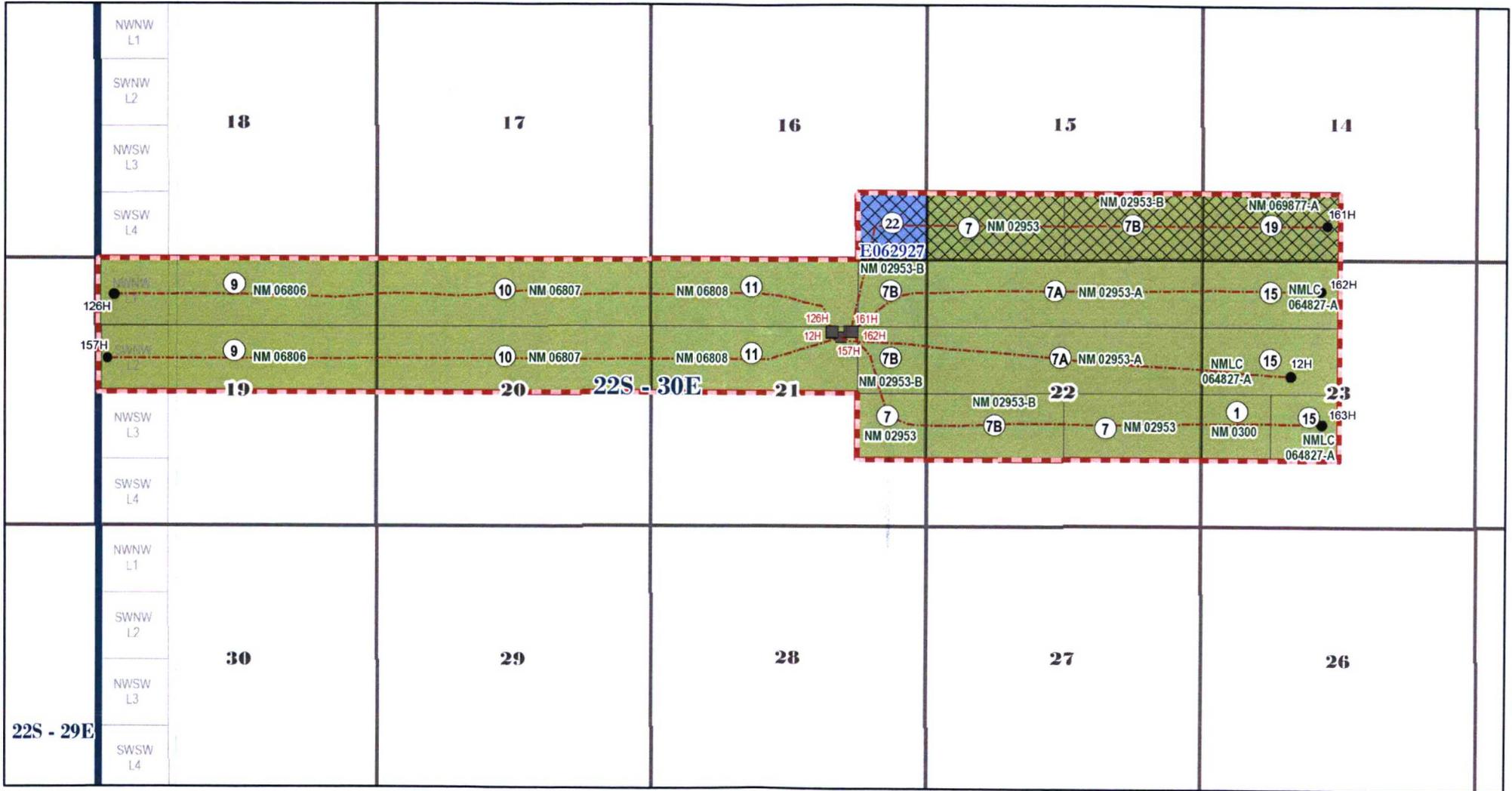
1 Enclosure

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

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



EXHIBIT "A"
FIFTH REVISION BONE SPRING PARTICIPATING AREA "B"
161H, JAMES RANCH UNIT
EDDY COUNTY, NM
EFFECTIVE APRIL 1, 2018



- JAMES RANCH UNIT OUTLINE
- CAPABLE WELL (SHL)
- CAPABLE WELL (BHL)
- CAPABLE WELLBORE
- PROPOSED BONE SPRING PA "B"
- FEDERAL ACREAGE WITHIN PA "B"
- STATE ACREAGE WITHIN PA "B"
- REVISED ACREAGE

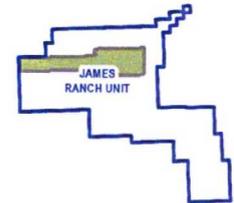


EXHIBIT "B"
 SCHEDULE OF LANDS AND TRACT PARTICIPATION
 FIFTH REVISION BONE SPRING FORMATION PARTICIPATING AREA "B"
 JAMES RANCH UNIT
 EDDY COUNTY, NEW MEXICO
 EFFECTIVE APRIL 1, 2018

Tract No.	Lease No.	Description	Acres	Participation
1	NMNM0300 Federal	T22S-R30E, 23rd P.M. Section 23: NW/4SW/4	40.00	1.9997%
7	NMNM02953 Federal	T22S-R30E, 23rd P.M. Section 21: NE/4SE/4 Section 22: N/2SE/4 Section 15: S/2SW/4	200.00	9.9985%
7A	NMNM02953A Federal	T22S-R30E, 23rd P.M. Section 22: N/2	320.00	15.9975%
7B	NMNM02953B Federal	T22S-R30E, 23rd P.M. Section 21: E/2NE/4 Section 22: N/2SW/4 Section 15: S/2SE/4	240.00	11.9981%
9	NMNM06806 Federal	T22S-R30E, 23rd P.M. Section 19: NE/4; E/2NW/4; Lot 1 (40.23); Lot 2 (40.08)	320.31	16.0130%
10	NMNM06807 Federal	T22S-R30E, 23rd P.M. Section 20: N/2	320.00	15.9975%
11	NMNM06808 Federal	T22S-R30E, 23rd P.M. Section 21: NW/4; W/2NE/4	240.00	11.9981%
15	NMLC064827A Federal	T22S-R30E, 23rd P.M. Section 23: NW/4; NE/4SW/4	200.00	9.9985%
19	NMNM069877A Federal	T22S-R30E Section 14: S/2SW/4	80.00	3.9994%
22	E 062967 State	T22S-R30E, 23rd P.M. Section 16: SE/4SE/4	40.00	1.9997%
Totals			2000.31	100.0000%

TYPE OF LAND	COMMITTED ACRES	NON-COMMITTED ACRES	PERCENT
FEDERAL	1960.31	0.00	98.0003%
STATE	40.00	0.00	1.9997%
PATENTED	0.00	0.00	0.0000%
TOTAL	2000.31	0.00	100.0000%