



United States Department of the Interior

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



APR 03 2018 PM 02:40

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

R-153

MAR 28 2018

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

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

Gentlemen:

The initial Bone Spring Formation Participating Area "I" is hereby approved effective as of November 30, 2011, pursuant to Section 11 of the Poker Lake Unit Agreement, Eddy County, New Mexico. This participating area has been designated NMNM71016Q.

The application establishes an initial Bone Spring Formation Participating Area "I" of 160.50 acres and is based upon the completion of unit well CVX JV BS 7H, located in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ (SHL) and in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ (BHL) of Section 2, T.25S., R.30E., unit tract No. 66, state lease, with an initial potential of 499 BOPD and 1,183 MCFPD on November 30, 2011, 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 "I" effective as of November 30, 2011.

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

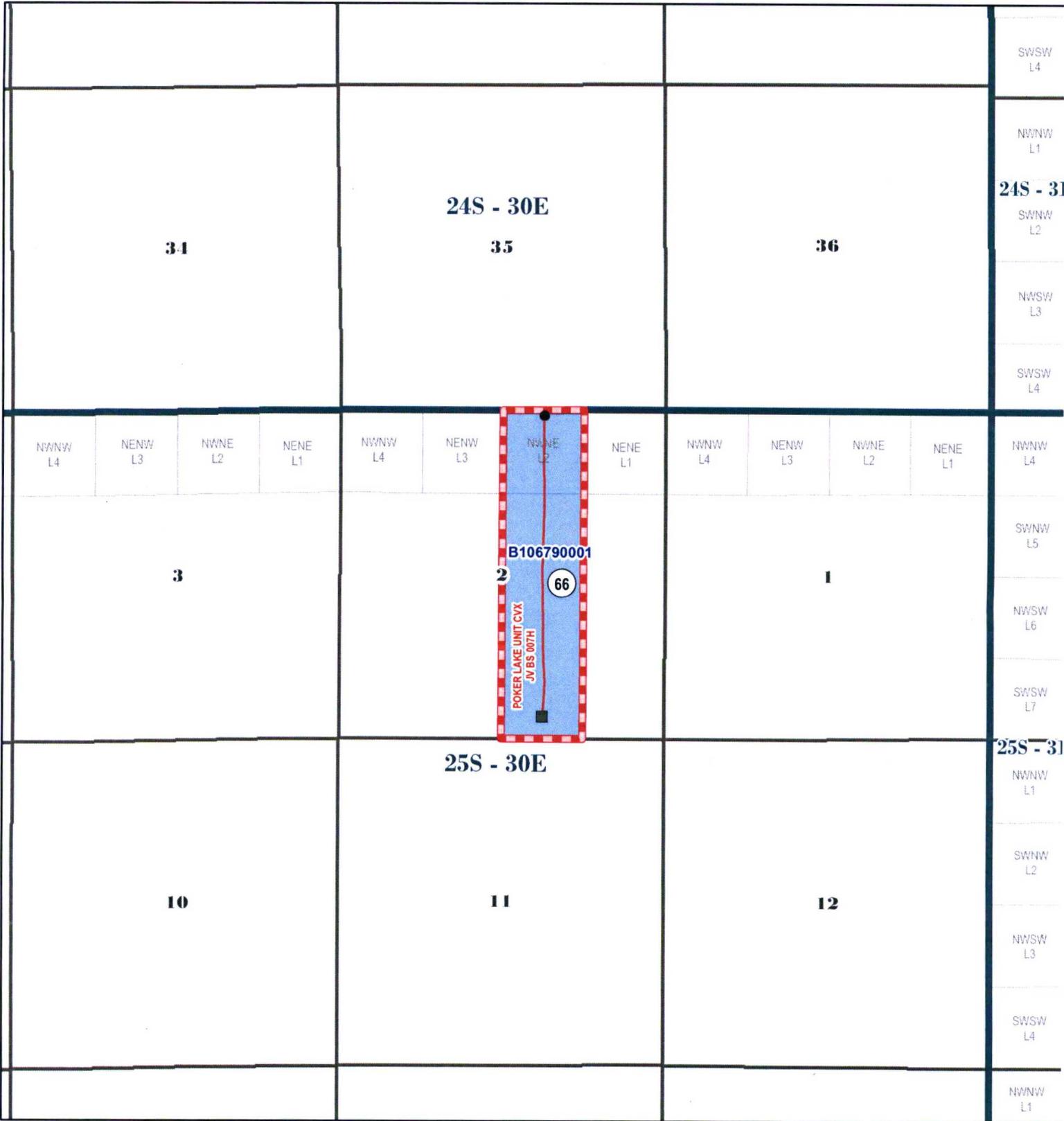
1 Enclosure

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

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



Exhibit "A"
Initial Bone Spring Formation Participating Area "I"
Poker Lake Unit
Eddy County, New Mexico
Effective November 30, 2011



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

0 0.25 0.5 1 1.5 Miles



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EXHIBIT "B"
 SCHEDULE OF LANDS AND TRACT PARTICIPATION
 INITIAL BONE SPRING FORMATION PARTICIPATING AREA "I"
 POKER LAKE UNIT AREA
 EDDY COUNTY, NEW MEXICO
 EFFECTIVE NOVEMBER 30, 2011

Tract No.	Lease No.	Description	Acres	Participation
66	State	T25S-R30E, 23rd P.M. Section 2: Lot 2 (40.50 acres), SW/4NE/4, W/2SE/4	160.50	100.0000%
Totals			160.50	100.0000%

TYPE OF LAND	COMMITTED ACRES	NON-COMMITTED ACRES	PERCENT
FEDERAL	0.00	0.00	0.0000%
STATE	160.50	0.00	100.0000%
PATENTED	0.00	0.00	0.0000%
TOTAL	160.50	0.00	100.0000%