



## 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](http://www.blm.gov/nm)



In Reply Refer To:

December 12, 2017

3181

(3181.2)

West Eumont Unit

NMNM137800X

Forty Acres Energy, LLC

c/o Primary Fuels, LLC

Attn: Chris Fling

P.O. Box 52647

Tulsa, OK 74152

Gentlemen:

Your application of November 6, 2017, filed with the Assistant Field Manager, Lands and Minerals, Bureau of Land Management, Carlsbad, New Mexico, requests the designation of the West Eumont Unit, embracing 7,977.30 acres, in Lea County, New Mexico, as logically subject to operations under unitization provisions of the Mineral Leasing Act, as amended, and acceptance of the proposed form of unit agreement.

The secondary recovery study for this proposed unit estimates that successful secondary operations by waterflooding would result in 16-23 million additional barrels of oil. Pursuant to unit plan regulations 43 CFR 3180, the land requested, as outlined on your plat marked "Exhibit 'A', West Eumont Unit", is acceptable as a logical unit area for the purpose of secondary recovery operations.

The form of unit agreement and exhibits "A", "B", and "C" as submitted with your application will be accepted. One copy of the agreement and exhibits "A", "B" and "C" are being retained by this office.

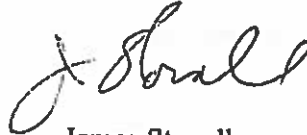
In the absence of any objections not now apparent, a duly executed agreement, identical with said form, modified as indicated, will be approved if submitted in approvable status within a reasonable period of time.

Please be advised that before this office can grant final approval of the West Eumont Unit, the following statement must be submitted notifying this office as to what bonding will be used to cover operations under this unit and the intent to not horizontally segregate Federal leases.

The parties to the \_\_\_\_\_ Unit Agreement request that the Federal Leases committed to this unit not be horizontally segregated. BLM bond No. \_\_\_\_\_ will be used to cover operations under this Unit.

Refer any questions on this matter to Chris Walls, Petroleum Engineer, at (575) 234-2234.

Sincerely,



James Stovall  
Pecos District Manager

Enclosure: Exhibits "A", "B", "C"

cc: NMSO, James Glover, w/exhibits  
ONRR, Glen Reese, w/exhibits  
New Mexico State Land Office, Anchor Holm, w/exhibits  
New Mexico Oil Conservation Division, William Jones, w/exhibits

SBlackburn:12/5/2017:WEumontDes



Exhibit "B" Subject to Title Verification

| Unit/Tract Number | Description                                                         | Section | Township | Range | 1/4 of Acres | Lease and/or Assignment No. | Basic Royalty | Lessee of Record         | Royalty & Overriding Royalty Owner and Estimated Interest | Working Interest Owner and Annuity (All numbers estimated) | Percent of Participation in Unit |
|-------------------|---------------------------------------------------------------------|---------|----------|-------|--------------|-----------------------------|---------------|--------------------------|-----------------------------------------------------------|------------------------------------------------------------|----------------------------------|
| 1                 | 23-41/21NE/4; NW/4;<br>28-W/21NW/4; NE/4NW/4;<br>W/21NE/4; SE/4NW/4 | 21, 28  | 20S      | 36E   | 480          | NM-18264                    | 12.5%         | Foley, et al             | None                                                      | Deed Estate<br>Forty Acres                                 | 50%                              |
| 2                 | SE/4NW/4                                                            | 33      | 20S      | 34E   | 40           | NM-18264                    | 12.5%         | Foley, et al             | None                                                      | Forty Acres                                                | 100%                             |
| 3                 | SE/4NE/4                                                            | 28      | 20S      | 34E   | 40           | NM-18264                    | 12.5%         | Foley, et al             | 62.5%<br>Edward Deck Dead<br>James A. Saunders Trust*     | Forty Acres                                                | 100%                             |
| 4                 | 28-W/21; 27-E/21NE/4                                                | 36, 27  | 20S      | 34E   | 400          | NM-18264                    | 12.5%         | Foley, et al             | 62.5%<br>Edward Deck Dead<br>James A. Saunders Trust*     | Forty Acres                                                | 100%                             |
| 5                 | 21-1/2; 22-5/2; NW/4                                                | 21, 22  | 20S      | 34E   | 800          | NM-18264                    | 12.5%         | ConocoPhillips, et al    | None                                                      | Agriette<br>Chevron<br>ConocoPhillips<br>UPZ               | 25%<br>25%<br>25%<br>25%         |
| 6                 | 26-SW/4SE/4; 35-W/2NE; SE/4NE                                       | 24, 35  | 20S      | 34E   | 160          | LC-0487418                  | 12.5%         | Foley, et al             | None                                                      | Forty Acres                                                | 100%                             |
| 7                 | 26-SE/4; 35-NE/4                                                    | 24, 35  | 20S      | 34E   | 80           | NM-18264                    | 12.5%         | Foley, et al             | None                                                      | Forty Acres                                                | 100%                             |
| 8                 | NE/2SE/4                                                            | 26      | 20S      | 34E   | 80           | LC-0045784                  | 12.5%         | Robert Industries, et al | 5%<br>Brent Spidle Cline                                  | Forty Acres                                                | 100%                             |
| 9                 | SW/4                                                                | 34      | 20S      | 34E   | 160          | LC-003116                   | 12.5%         | Foley, et al             | 5%<br>Carmel Sade Hodgeburt<br>New Mexico Oil Corp        | Forty Acres                                                | 100%                             |
| 10                | NW/4                                                                | 35      | 20S      | 34E   | 160          | NM-18264                    | 12.5%         | Apache, et al            | 4.75%<br>David H. Lusa*                                   | Big Al                                                     | 90%                              |
| 11                | SE/4NW/4                                                            | 34      | 20S      | 34E   | 80           | BO-0120-0001                | 12.5%         | Chevron                  | 4.75%<br>David H. Lusa*                                   | Greg M. McDonald                                           | 0.1%                             |
| 12                | W/2NE                                                               | 26      | 20S      | 34E   | 80           | BO-0120-0001                | 12.5%         | Robert Industries, et al | 4.75%<br>David H. Lusa*                                   | David H. Lusa                                              | 0.1%                             |
| 13                | NE/4; 35-NE/4                                                       | 2       | 21S      | 35E   | 310          | BO-1327-002                 | 12.5%         | Chevron                  | 4.75%<br>David H. Lusa*                                   | James O. Duncan                                            | 0.1%                             |
| 14                | E/4NE                                                               | 26      | 20S      | 34E   | 80           | BO-1327-002                 | 12.5%         | Chevron                  | 4.75%<br>David H. Lusa*                                   | McGee Drilling Corp.                                       | 0.1%                             |
| 15                | NE/4NW/4; SW/4SW                                                    | 1       | 21S      | 35E   | 80           | BO-0124-001                 | 12.5%         | Chevron                  | 4.75%<br>David H. Lusa*                                   | Day                                                        | 100%                             |
| 16                | NW/4SW/4; SE/4SW                                                    | 1       | 21S      | 35E   | 80           | BO-0124-001                 | 12.5%         | Chevron                  | 4.75%<br>David H. Lusa*                                   | McGee Drilling Corp.                                       | 100%                             |
| 17                | NE/4                                                                | 33      | 20S      | 34E   | 160          | BO-1324-007, 009            | 12.5%         | Foley                    | 4.75%<br>David H. Lusa*                                   | Forty Acres                                                | 100%                             |
| 18                | NW/2SE/4                                                            | 27      | 20S      | 34E   | 80           | BO-1324-011                 | 12.5%         | Foley                    | 4.75%<br>David H. Lusa*                                   | Forty Acres                                                | 100%                             |
| 19                | SW/4SE                                                              | 27      | 20S      | 34E   | 40           | BO-1324-011                 | 12.5%         | Robert Industries        | 4.75%<br>David H. Lusa*                                   | Forty Acres                                                | 100%                             |
| 20                | SE/4                                                                | 27      | 20S      | 34E   | 40           | BO-1324-011                 | 12.5%         | Robert Industries        | 4.75%<br>David H. Lusa*                                   | Forty Acres                                                | 100%                             |
| 21                | W/2SE; 34/5E                                                        | 28      | 20S      | 34E   | 110          | BO-1327-012                 | 12.5%         | Foley                    | 4.75%<br>David H. Lusa*                                   | Forty Acres                                                | 100%                             |
| 22                | NW/4                                                                | 33      | 20S      | 34E   | 160          | BO-1327-011                 | 12.5%         | EOG Resources            | 4.75%<br>David H. Lusa*                                   | Forty Acres                                                | 100%                             |
| 23                | lots 11, 12, 13, 14                                                 | 1       | 21S      | 35E   | 160          | BO-0124-001                 | 12.5%         | EOG Resources            | 4.75%<br>David H. Lusa*                                   | Forty Acres                                                | 100%                             |
| 24                | NW/4                                                                | 33      | 20S      | 34E   | 160          | BO-0124-001                 | 12.5%         | EOG Resources            | 4.75%<br>David H. Lusa*                                   | Forty Acres                                                | 100%                             |
| 25                | NE/4                                                                | 33      | 20S      | 34E   | 160          | BO-0124-001                 | 12.5%         | EOG Resources            | 4.75%<br>David H. Lusa*                                   | Forty Acres                                                | 100%                             |
| 26                | lot 3                                                               | 3       | 21S      | 35E   | 37.2         | BO-0124-001                 | 12.5%         | EOG Resources            | 4.75%<br>David H. Lusa*                                   | Forty Acres                                                | 100%                             |
| 27                | lots 4, 5, 6                                                        | 3       | 21S      | 35E   | 117.78       | BO-0124-001                 | 12.5%         | EOG Resources            | 4.75%<br>David H. Lusa*                                   | Forty Acres                                                | 100%                             |
| 28                | NW/4                                                                | 33      | 20S      | 34E   | 160          | BO-0124-001                 | 12.5%         | EOG Resources            | 4.75%<br>David H. Lusa*                                   | Forty Acres                                                | 100%                             |

| 29 | 100 7.8             | 2  | 215 | 35E | 80     | ED-1439-004 | 12.5% | Robert-Francis | Robert-Francis Oil Co. | 12.5% | Fort Acres                                                                                                                                                                                                                                                                                                                                                                                                                                | 100%              | 0.075131073 |
|----|---------------------|----|-----|-----|--------|-------------|-------|----------------|------------------------|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------|
| 30 | SE/4                | 3  | 215 | 35E | 160    | EO-1640-011 | 12.5% | Friday         | None                   |       | Fort Acres<br>Unknown 4                                                                                                                                                                                                                                                                                                                                                                                                                   | 91.75%            | 0.002005491 |
| 31 | lots 4, 5, 6        | 2  | 215 | 35E | 117.71 | EO-1673-002 | 12.5% | Devon, et al   | None                   |       | Fort Acres<br>Stambler<br>Devon Energy (below current production)                                                                                                                                                                                                                                                                                                                                                                         | 97%<br>3%<br>100% | 0.000615326 |
| 32 | W/2SW/4             | 2  | 215 | 35E | 80     | EO-1673-002 | 12.5% | Devon, et al   | None                   |       | Fort Acres<br>Devon Energy (below current production)                                                                                                                                                                                                                                                                                                                                                                                     | 50%<br>50%        | 0.001007246 |
| 33 | E/2SW/4             | 2  | 215 | 35E | 80     | EO-1673-002 | 12.5% | Devon, et al   | None                   |       | Fort Acres<br>Stambler<br>Devon Energy (below current production)                                                                                                                                                                                                                                                                                                                                                                         | 100%<br>97%<br>3% | 0.001135377 |
| 34 | N/2NE/4             | 32 | 205 | 35E | 80     | EO-1731-002 | 12.5% | 272 Unlawful   | None                   |       | *Primary (surface to top of the queen)<br>100%<br>272 (top of the queen & below)<br>100%                                                                                                                                                                                                                                                                                                                                                  |                   | 0.001002046 |
| 35 | S/2NE/4             | 32 | 205 | 35E | 80     | EO-1731-002 | 12.5% | 272 DeLaware   | None                   |       | *Primary (surface to top of the queen)<br>100%<br>272 (top of the queen & below)<br>100%                                                                                                                                                                                                                                                                                                                                                  |                   | 0.002011265 |
| 36 | lots 11, 12, 13, 14 | 2  | 215 | 35E | 160    | EO-1731-010 | 12.5% | Friday         | None                   |       | Fort Acres<br>Devon Energy (below current production)                                                                                                                                                                                                                                                                                                                                                                                     | 100%              | 0.019215657 |
| 37 | N/2SW/4 SE/2SW      | 28 | 205 | 34E | 120    | EO-1746-003 | 12.5% | EOG Resources  | EOG Resources/Conoco   | 12.5% | Fort Acres<br>Devon Energy (below current production)                                                                                                                                                                                                                                                                                                                                                                                     | 100%              | 0.002459719 |
| 38 | SW/2W               | 28 | 203 | 34E | 40     | EO-5146-003 | 12.5% | EOG Resources  | None                   |       | EOG (Shallow Rights)<br>100%<br>G.M. Nelson (Shallow Rights)<br>100%<br>Alan O. Johnson (Shallow Rights)<br>100%<br>Primary (Shallow Rights)<br>90%<br>Stanley Souder (Shallow Rights)<br>100%<br>Robert G. Olson (Shallow Rights)<br>100%<br>Hirvey S. & Paula L. Olson (Shallow Rights)<br>100%<br>Robert Bowers (Shallow Rights)<br>100%<br>L.H.A. Enterprises (Shallow Rights)<br>100%<br>L.H.A. Enterprises (Shallow Rights)<br>100% |                   | 0.001154417 |



|    |                   |    |     |     |     |             |       |             |      |                                                                                                                                                                                                                                                                           |      |             |
|----|-------------------|----|-----|-----|-----|-------------|-------|-------------|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------------|
| 59 | 5/25/4            | 35 | 205 | 36E | 80  | White Hairs | 12.5% | Qty         | None | Qty<br>COT Exchange (top of the queen & below) 20%<br>Concha (top of the queen & below) 20%<br>Crump (top of the queen & below) 20%<br>Forty Acres (surface to top of the queen) 100%<br>Qty (top of the queen & below) 20%<br>W.E. Harper (top of the queen & below) 20% | 100% | 0.004910732 |
| 60 | SE/4              | 33 | 205 | 36E | 160 | Col         | 12.5% | Forty Acres | None |                                                                                                                                                                                                                                                                           |      | 0.003584109 |
| 61 | SW/4              | 33 | 205 | 36E | 160 | Col         | 12.5% | Forty Acres | None |                                                                                                                                                                                                                                                                           |      | 0.002051061 |
| 82 | Box 9, 10, 11, 12 | 3  | 215 | 35E | 0   | VB-1465     | 28.8% | Membrane    | None | Forty Acres                                                                                                                                                                                                                                                               | 100% | 0.03707633  |

\* Significant Tite Defect

**Exhibit "B-1"**

**Total Tract Participation by Wt Owner**

|                            |             |
|----------------------------|-------------|
| 3MG Corp                   | 0.000112564 |
| A. Earl Jones              | 0.000007800 |
| Alan O. Johnson            | 0.000002228 |
| Apache                     | 0.008444899 |
| Big Al                     | 0.064974433 |
| Bill W. Nelson             | 0.000002228 |
| Brazos Ltd Partner         | 0.021456601 |
| Carl W. Burnett            | 0.000004457 |
| Chevron                    | 0.005266561 |
| COG Exchange               | 0.000127863 |
| Concho                     | 0.006715333 |
| ConocoPhillips             | 0.002507114 |
| Craig M. McDonnold         | 0.000010530 |
| Crump                      | 0.000095897 |
| CWM 200B                   | 0.000227269 |
| CWM200B II                 | 0.000077187 |
| Darrell W. Marker          | 0.000004457 |
| David H. Esscx             | 0.000035601 |
| Deck Estate                | 0.003290587 |
| Devon Energy               | 0.001736803 |
| Don B. & Doloris Scott     | 0.000006686 |
| Don Scott                  | 0.000008914 |
| EOG                        | 0.000083570 |
| Forty Acres                | 0.809099276 |
| G. H. Nelson               | 0.000004457 |
| GFW Ventures               | 0.001752747 |
| Harvey S. & Paula J. Olson | 0.000008914 |
| Homer H. Lawson            | 0.000015600 |
| Hudspeth Family            | 0.000188356 |
| J. C. Heinrich             | 0.000003343 |
| James O. Duncan            | 0.000049139 |
| Kaiser-Francis             | 0.002005691 |
| L. H. R. Enterprises       | 0.000004457 |
| LeaCo                      | 0.012659244 |
| Marian Kelly Trust         | 0.002636860 |
| Marion Bowers Trust        | 0.000004457 |
| McDonnold Operating Inc.   | 0.001945874 |

|                                   |              |
|-----------------------------------|--------------|
| McGee Drilling Corp.              | 0.000005014  |
| Mewbourne Development             | 0.000192966  |
| Mewbourne Energy Partners         | 0.000086674  |
| Mewbourne Oil Co.                 | 0.001985498  |
| Oxy                               | 0.009576400  |
| Primary Fuels                     | 0.004114377  |
| R.O. Williams & Mel Van Craighead | 0.000092446  |
| RBA-BOC Permian                   | 0.005819546  |
| Robert Bowers                     | 0.000013371  |
| Robert O. Olson                   | 0.000004457  |
| Roland R. Nabors                  | 0.000004457  |
| SCR Energy Capital, LLC           | 0.005196105  |
| Seth Family                       | 0.000188356  |
| Silverridge Corp                  | 0.000178287  |
| Stanley Studer                    | 0.000008914  |
| Stumhoffer Estate                 | 0.003243810  |
| Unknown 4                         | 0.000125356  |
| Vanguard                          | 0.006054611  |
| W.E. Harper                       | 0.000125356  |
| Wade F. Spillman                  | 0.000004457  |
| Westbrook                         | 0.001375247  |
| XTO                               | 0.000312076  |
| Yarborough                        | 0.011872841  |
| ZPZ                               | 0.003830870  |
| Total                             | 0.9999894889 |

**Exhibit "C"**  
**West Eumont Unit**  
**Total Participation By Tract #**  
**Sum of Tract Participation**

| Tract # | Total    |
|---------|----------|
| 1       | 0.006017 |
| 2       | 0.000501 |
| 3       | 0.026020 |
| 4       | 0.200691 |
| 5       | 0.010028 |
| 6       | 0.056462 |
| 7       | 0.002959 |
| 8       | 0.003920 |
| 9       | 0.051903 |
| 10      | 0.031044 |
| 11      | 0.002876 |
| 12      | 0.002134 |
| 13      | 0.008128 |
| 14      | 0.033380 |
| 15      | 0.002759 |
| 16      | 0.027598 |
| 17      | 0.114277 |
| 18      | 0.001320 |
| 19      | 0.000510 |
| 20      | 0.013149 |
| 21      | 0.014082 |
| 22      | 0.003101 |
| 23      | 0.004399 |
| 24      | 0.005938 |
| 25      | 0.010171 |
| 26      | 0.001375 |
| 27      | 0.001286 |
| 28      | 0.002006 |
| 29      | 0.071627 |
| 30      | 0.002006 |
| 31      | 0.049686 |
| 32      | 0.001003 |
| 33      | 0.001735 |
| 34      | 0.001003 |

|       |          |
|-------|----------|
| 35    | 0.001011 |
| 36    | 0.018892 |
| 37    | 0.003460 |
| 38    | 0.001155 |
| 39    | 0.015921 |
| 40    | 0.000576 |
| 41    | 0.001189 |
| 42    | 0.024650 |
| 43    | 0.001286 |
| 44    | Deleted  |
| 45    | 0.001425 |
| 46    | 0.002006 |
| 47    | 0.002086 |
| 48    | 0.002919 |
| 49    | 0.004536 |
| 50    | 0.000722 |
| 51    | 0.002304 |
| 52    | 0.005196 |
| 53    | 0.001825 |
| 54    | 0.003014 |
| 55    | 0.001273 |
| 56    | 0.103098 |
| 57    | 0.004074 |
| 58    | 0.001946 |
| 59    | 0.004911 |
| 60    | 0.003684 |
| 61    | 0.002052 |
| 62    | 0.019685 |
| TOTAL | 0.999989 |