



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 14 2018

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

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

Gentlemen:

The initial Bone Spring Formation Participating Area "K" is hereby approved effective as of July 9, 2013, pursuant to Section 11 of the Poker Lake Unit Agreement, Eddy County, New Mexico. This participating area has been designated NMNM71016S.

The application establishes an initial Bone Spring Formation Participating Area "K" of 440.00 acres and is based upon the completion of unit well CVX JV BS 15H, located in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ (SHL) of Section 19 and in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ (BHL) of Section 18, T.24S., R.30E., unit tract No. 9, Lease No. NMNM02860, with an initial potential of 377 BOPD and 877 MCFPD on July 9, 2013, from the Bone Spring Formation.

The application is also based upon the completion of unit well CVX JV BS 16H, located in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ (SHL) of Section 19, T.24S., R.30E., unit tract No. 9, Lease No. NMNM02860, and in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ (BHL) of Section 31, T.24S., R.30E., unit tract No. 52, Lease No. NMLC069627A, with an initial potential of 377 BOPD and 877 MCFPD on July 10, 2013, 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 "K" effective as of July 9, 2013.

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 "B"
 SCHEDULE OF LANDS AND TRACT PARTICIPATION
 INITIAL BONE SPRING FORMATION PARTICIPATING AREA "K"
 POKER LAKE UNIT
 EDDY COUNTY, NEW MEXICO
 EFFECTIVE JULY 9, 2013

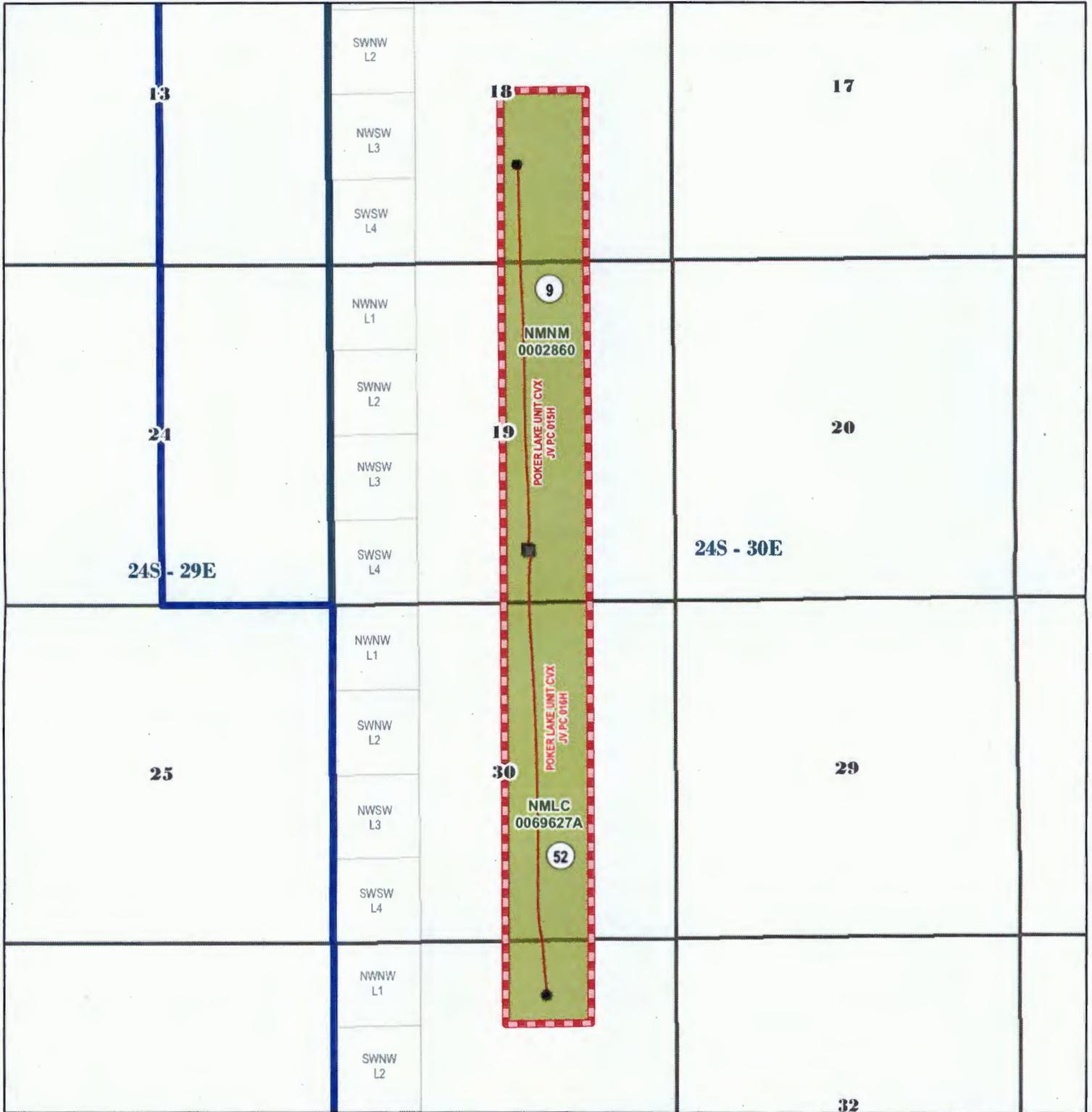
Tract No.	Lease No.	Description	Acres	Participation
9	NMNM02860 Federal	T24S-R30E, 23rd P.M. Section 18: W/2SE/4 Section 19: W/2E/2	240.00	54.5455%
52	NMLC069627A Federal	T24S-R30E, 23rd P.M. Section 30: W/2E/2 Section 31: NW/4NE/4	200.00	45.4545%
Totals			440.00	100.0000%

TYPE OF LAND	COMMITTED ACRES	NON-COMMITTED ACRES	PERCENT
FEDERAL	440.00	0.00	100.0000%
STATE	0.00	0.00	0.0000%
PATENTED	0.00	0.00	0.0000%
TOTAL	440.00	0.00	100.0000%

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Exhibit "A"
Initial Bone Spring Formation Participating Area "K"
Poker Lake Unit
Eddy County, New Mexico
Effective July 9, 2013



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



Lead GIS Dept: D:\arcwork\Projects\J48071\Projects\J48071_PLOT_BSP_PA_K_BoneSpring_0812013.mxd

RECEIVED 05/14/16 11:30 AM DLH WHPD/CASPER FIELD OFFICE