



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 "M"
Poker Lake Unit
Eddy County, New Mexico

Gentlemen:

The initial Bone Spring Formation Participating Area "M" is hereby approved effective as of June 30, 2014, pursuant to Section 11 of the Poker Lake Unit Agreement, Eddy County, New Mexico. This participating area has been designated NMNM71016U.

The application establishes an initial Bone Spring Formation Participating Area "M" of 280.00 acres and is based upon the completion of unit well CVX JV RR 9H, located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ (SHL) of Section 32, T.25S., R.30E., unit tract No. 59, state lease, and in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ (BHL) of Section 29, T.25S., R.30E., unit tract No. 38, Lease No. NMLC064894, with an initial potential of 426 BOPD and 1,110 MCFPD on June 30, 2014, 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 "M" effective as of June 30, 2014.

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

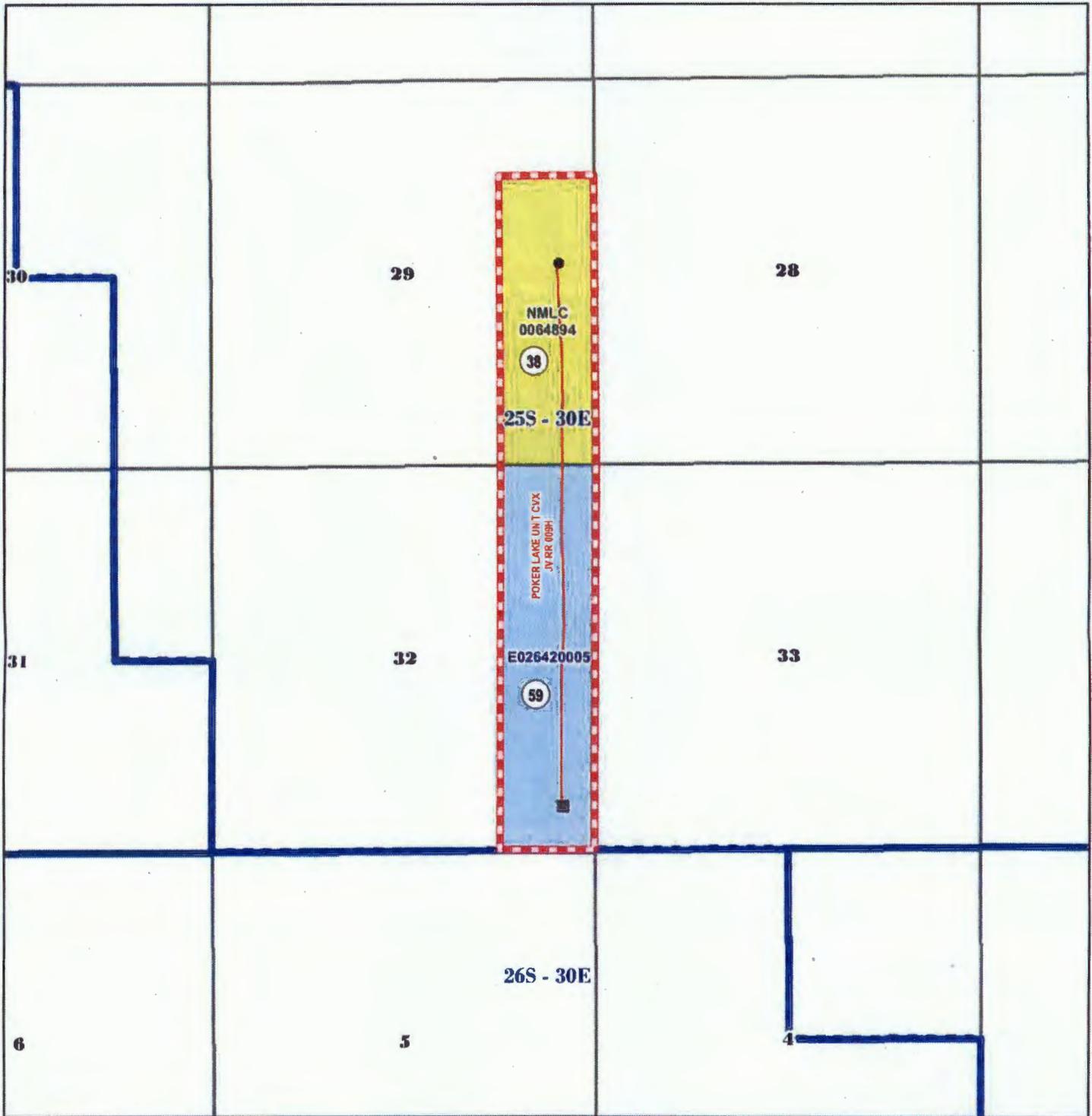
1 Enclosure

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 "M"
 Poker Lake Unit
 Eddy County, New Mexico
 Effective June 30, 2014



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



Land 68 Dept Oil & Natural Resources (M&O) Project, NMLC 0064894, JV RR 009H, 20140630

EXHIBIT "B"
 SCHEDULE OF LANDS AND TRACT PARTICIPATION
 INITIAL BONE SPRING FORMATION PARTICIPATING AREA "M"
 POKER LAKE UNIT AREA
 EDDY COUNTY, NEW MEXICO
 EFFECTIVE JUNE 30, 2014

Tract No.	Lease No.	Description	Acres	Participation
38	NMLC064894 Federal	T25S-R30E, 23rd P.M. Section 29: SE/4NE/4, E/2SE/4	120.00	42.8571%
59	E026420005 State	T25S-R30E, 23rd P.M. Section 32: E/2E/2	160.00	57.1429%
Totals			280.00	100.0000%

TYPE OF LAND	COMMITTED ACRES	NON-COMMITTED ACRES	PERCENT
FEDERAL	120.00	0.00	42.8571%
STATE	160.00	0.00	57.1429%
PATENTED	0.00	0.00	0.0000%
TOTAL	280.00	0.00	100.0000%

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