United States Department of the Interior

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

DEC 18 2019 AM08:05

In Reply Refer To:
3186
(3186.1)
Bell Lake Unit
NMNM68292X

NSL-7384

Case 563
R-355

DEC 0 9 2019

Kaiser-Francis Oil Co.
Attn: Mike Raines
P.O. Box 21468
Tulsa, OK 74121-1468

Re: Initial Bone Spring Formation Participating Area "B"
Bell Lake Unit
Lea County, New Mexico

Gentlemen:

The initial Bone Spring Formation Participating Area "B" is hereby approved effective as of March 30, 2018, pursuant to Section 11 of the Bell Lake Unit Agreement, Lea County, New Mexico. This participating area has been designated NMNM68292I.

The application establishes an initial Bone Spring Formation Participating Area "B" of 480.03 acres and is based upon the completion of unit well No. 230H, located in the NE¼SE¼ (SHL) of Section 6, T.23S., R.34E., unit tract No. 7, lease No. NMNM01244A, and in the NE¼NE¼ (BHL) of Section 31, T.22S., R.34E., unit tract No. 42a, lease No. NMLC70544A, with an initial potential of 1,132 BOPD and 1,982 MCFPD, 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 "B" effective as of March 30, 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 Dave Chase at (307) 261-7628.

SCANNED

Sincerely,

/S/ J. David Chase

J. David Chase
Chief, Reservoir Management Group

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

cc: NMSO, James Glover w/Encl. 1
CFO, Chris Walls w/Encl. 1
ONRR – RRM (email: leases.blm@onrr.gov) w/Encl. 1
New Mexico State Land Office, Scott Dawson w/Encl. 1
New Mexico Oil Conservation Division, William Jones w/Encl. 1

EXHIBIT "A"
UNIT MAP WITH PA BOUNDARY
INITIAL BONE SPRING PARTICIPATING AREA "B"
BELL LAKE UNIT
LEA COUNTY, NM
EFFECTIVE MARCH 30,2018

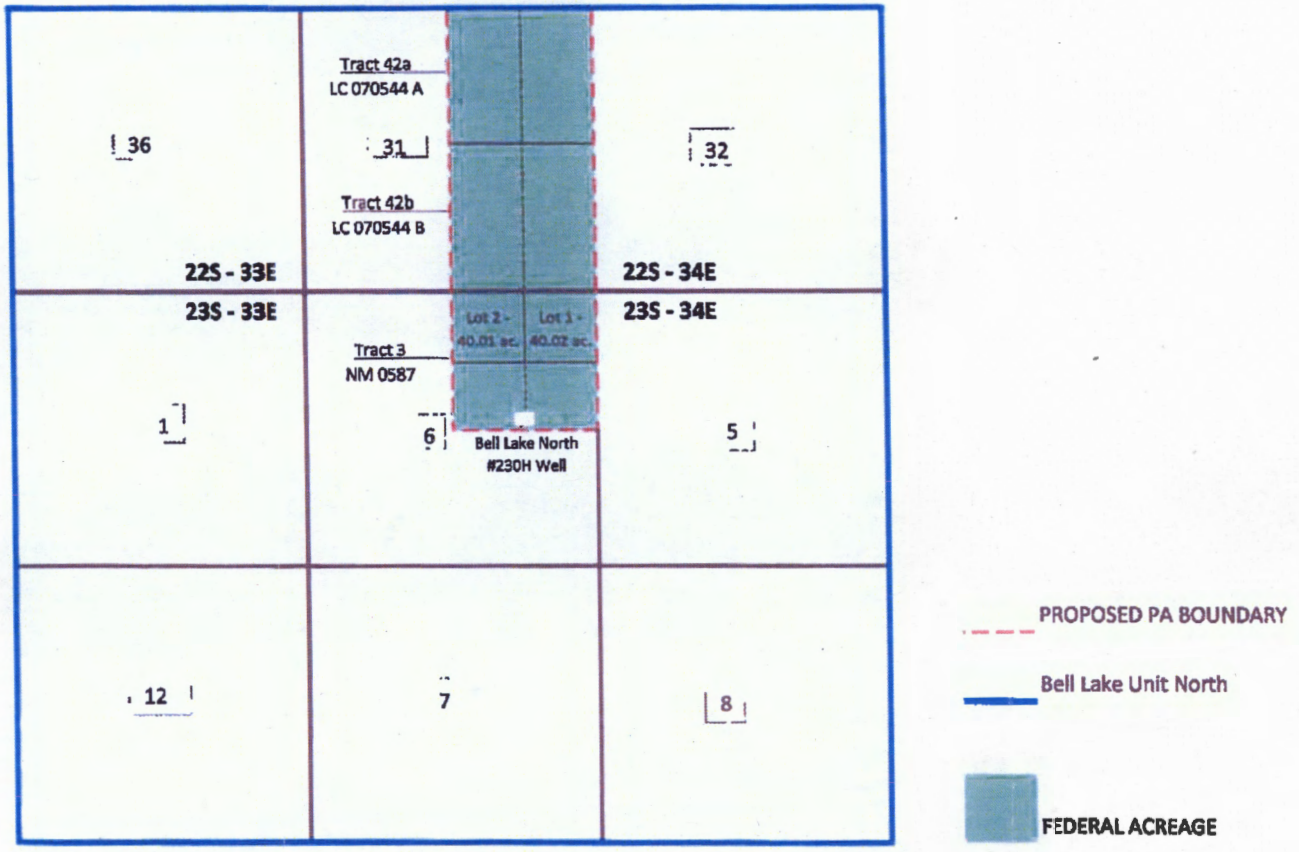

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EXHIBIT "B"
LAND DESCRIPTION AND ALLOCATION SCHEDULE
INITIAL BONE SPRING PARTICIPATING AREA "B"
BELL LAKE UNIT
LEA CO, NM
EFFECTIVE March 30, 2018

Tract No.	Lease No.	Description	Acres	Participation
3	NM 0587	T23S-R34E		
	Federal	Section 6: Lot 1 (40.02) and Lot 2 (40.01) and S/2 NE/4	160.03	33.3374%
42a	LC 070544-A	T22S-R34E		
	Federal	Section 31: NE/4	160.00	33.3313%
42b	LC 070544-B	T22S-R34E		
	Federal	Section 31: SE/4	160.00	33.3313%
TOTAL			**480.03**	**100.0000%**

TYPE OF LAND	COMMITED ACRES	NON-COMMITED ACRES	PERCENT
FEDERAL	480.03	0.00	100.0000%
STATE	0.00	0.00	0.0000%
PATENTED	0.00	0.00	0.0000%
TOTAL	**480.03**	**0.00**	**100.0000%**

END OF EXHIBIT B

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