



United States Department of the Interior

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



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

FEB 27 2018

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

Re: First Revision to the Bone Spring Formation Participating Area "D"
Poker Lake Unit
Eddy County, New Mexico

Gentlemen:

The first revision to the Bone Spring Formation Participating Area "D" is hereby approved effective as of April 1, 2011, pursuant to Section 11 of the Poker Lake Unit Agreement, Eddy County, New Mexico.

The application enlarges the Bone Spring Formation Participating Area "D" from 160.00 acres to 480.00 acres and is based upon the completion of unit well 3H, located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ (SHL) of Section 22, T.24S., R.30E., unit tract No. 42, Lease No. NMLC068430, and in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ (BHL) of Section 22, T.24S., R.30E., unit tract No. 10, Lease No. NMNM02862, with an initial potential of 348 BOPD and 151 MCFPD on April 8, 2011, from the Bone Spring Formation.

The application is also based upon the completion of unit well 4H, located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ (SHL) of Section 27, T.24S., R.30E., unit tract No. 33, Lease No. NMNM030452, and in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ (BHL) of Section 27, T.24S., R.30E., unit tract No. 10, Lease No. NMNM02862, with an initial potential of 36 BOPD and 292 MCFPD on April 19, 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 first revision to the Bone Spring Formation Participating Area "D" effective as of April 1, 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