



Stephanie Garcia Richard
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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COMMISSIONER'S OFFICE

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September 25, 2020

Kaiser-Francis Oil Company
P.O. Box 21468
Tulsa, Oklahoma 74121-1468

Attention: Mr. Mike Raines

Re: Bell Lake Unit (Contracted)
Bell Lake Unit South Well #219H API (30-025-44020)
Bell Lake Unit South Well #319H API (30-025-44021)
Bell Lake Unit South Well #330H API (30-025-44618)
Bell Lake Unit South Well #112H API (30-025-45858)
Paying Quantities Determination - Bone Spring Formation (Excluding the Bone Spring Lime formation)
Approval of the Expansion of the Initial Bone Spring Participating Area "A" (Excluding the Bone Spring Lime Formation)
Lea County, New Mexico

Dear Mr. Raines:

We are in receipt of Kaiser Francis's letter dated September 20, 2020 and accompanying data for determining production in paying quantities for the Bell Lake Unit for the above wells and approval of the Expansion of the Initial Bone Spring Participating Area "A" (Excluding the Bone Spring Lime Formation).

Please be advised that the New Mexico State Land Office concurs with Kaiser Francis's determination that the referenced wells are capable of producing unitized substances in paying quantities. In addition, the Commissioner of Public Lands hereby approves the Expansion of the Initial Bone Spring Participating Area "A" (Excluding the Bone Spring Lime Formation). The effective Date of this Participating Area is September 18, 2018.


Well Name & Number	Surface Location	Pool/Formation	Completion Date	NM State Land Office Determination
Bell Lake Unit North #219H API # 30-025-44020	U/L L-01-T24S-R33E	[98264] Bell Lake; Bone Spring, South	9-19-2018	Commercial
Bell Lake Unit North #319H API # 30-025-44021	U/L L-01-T24S-R33E	[98264] Bell Lake; Bone Spring, South	9-19-2018	Commercial
Bell Lake Unit North #330H API # 30-025-44618	U/L I-06-T24S-R34E	[98264] Bell Lake; Bone Spring, South	11-16-2018	Commercial
Bell Lake Unit North #112H API # 30-025-45858	U/L H-06-24S-R34E	[98259] Ojo Chiso; Bone Spring, Southwest	7-31-2019	Commercial

Expanded Initial Bone Spring Participating Area "A" (Excluding the Bone Spring Lime Formation)
acreage and allocation schedule:

<u>Type of Land</u>	<u>Committed Acres</u>	<u>Non-Committed Acres</u>	<u>Percent</u>
Federal	1198.76	0.00	29.4689%
State	2550.12	0.00	62.6892%
Patent	<u>93.82</u>	<u>225.18</u>	<u>7.8419%</u>
Total	3842.70	225.18	100.0000%

If you have any questions, or if we may be of further help, please contact Units Manager Scott Dawson at (505) 827-5791 or sdawson@slo.state.nm.us

Respectfully,


STEPHANIE GARCIA RICHARD
COMMISSIONER OF PUBLIC LANDS

SGR/sd

OCD - Attn: Mr. Leonard Lowe
SLO RMD - Attn: Ms. Billie Luther
BLM Field Office - Attn: Mr. Chris Walls, Mr. David J. Chase,
BLM Santa Fe Office - Attn: Mr. Mustafa Haque
Units Reader File