



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District
Carlsbad Field Office
620 E. Greene

Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



NMNM68292X
3180 (P0220)

Reference:

Bell Lake Unit Area (NM68292X)
Application for Initial Atoka A Participating Area
Township 23 South, Range 34 East, NMPM
Lea County, New Mexico

AUG 13 2014

CERTIFIED—RETURN RECEIPT REQUESTED
7012 2210 0001 2089 4957

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

Gentlemen:

Your application received on June 30, 2014 with Exhibit "A" and "B", requesting approval for a second Initial Atoka Participating Area, Bell Lake Unit, is hereby approved and is effective April 4, 2000, pursuant to Section 11 of the Bell Lake Unit Agreement, Lea County, New Mexico. The new Participating Area (PA) is hereby designated as the Initial Atoka B Participating Area G, whereas "Atoka B" describes the second Atoka participating Area within the Unit. This is subject to like approval by the State Commissioner of Public Lands.

The boundary included in the Initial Atoka B Participating Area G contains 319.92 acres and is described as follows:

Township 24 South, Range 34 East, Lea County, New Mexico

Section 5: SW/4, S/2 NW4

Section 5: Lots 3 and 4

containing 319.92 acres, more or less

The Initial Atoka B Participating Area G contains 319.92 acres and is based upon the completion of Bell Lake Unit Unit #14 well (Atoka completion), located in the SENW of sec. 5, T. 24 S., R. 34 E., as a discovery well capable of producing unitized substances in paying quantities.

This Initial Atoka B Participating Area G has been assigned number NMNM68292G (891001066G) for production and accounting reporting purposes. If you have any questions regarding this letter, please contact Edward G. Fernandez, Petroleum Engineer at the Division of Lands and Minerals at (575) 234-2220.

Copies of this approval letter are being distributed to the appropriate Federal agencies and one copy is returned herewith. Please advise all interested parties of the Initial Atoka A PA G Area, NM68292G, Bell Lake Unit, and the effective date of April 4, 2000.

Since there is a well currently producing, this approval requires you to furnish all interested parties with the appropriate evidence of this approval and any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

Sincerely,



Steve Caffey
Assistant Field Manager,
Lands and Minerals

Enclosure

cc: ONRR, Denver (MS357B-1)
New Mexico Taxation & Revenue Dept.
Revenue Processing Division
NMOCD
NM9210
NMP0220,(CFO I&E)