

JUL 12 2019 PM01:56



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)
Big Eddy Unit
NMNM68294X

30-015-41076

XTO Energy Inc.
Attn: Greg Davis
EMHC.W4.4A.541
22777 Springwoods Village Pkwy
Spring, Texas 77389-1425

JUL 08 2019

Re: Paying Well Determination
Big Eddy Unit No. 265H
SHL: NE $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 34, T.19S., R.31E. (NMNM02447)
BHL: NW $\frac{1}{4}$ NE $\frac{1}{4}$, Sec. 33, T.19S., R.31E. (NMLC69705)
Big Eddy Unit
Eddy County, New Mexico

Gentlemen:

We have determined that under existing conditions the Big Eddy Unit (BEU) No. 265H well is **not** capable of producing unitized substances from the Wolfcamp Formation in unit paying quantities. The well was completed in the Wolfcamp Formation on September 12, 2013. Since the well was determined to be a nonpaying unit well, a drilling and spacing unit must be established for the well so that a communitization agreement can be approved by the New Mexico State Office.

If you have any questions, please call Lewis Tromp, Petroleum Engineer at (307) 261-7628.

Sincerely,

/s/ J. David Chase

J. David Chase
Chief, Reservoir Management Group

cc: CFO, Chris Walls
NMSO, James Glover