



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)
Poker Lake Unit
(NMNM71016X)

MAY 11 2018

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

Re: Initial Bone Spring Formation Participating Area "J"
Poker Lake Unit
Eddy County, New Mexico

Gentlemen:

The initial Bone Spring Formation Participating Area "J" is hereby approved effective as of October 17, 2012, pursuant to Section 11 of the Poker Lake Unit Agreement, Eddy County, New Mexico. This participating area has been designated NMNM71016R.

The application establishes an initial Bone Spring Formation Participating Area "J" of 160.00 acres and is based upon the completion of unit well CVX JV BS 13H, located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ (SHL) and in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ (BHL) of Section 35, T.24S., R.30E., unit tract No. 26A, Lease No. NMLC061705B, with an initial potential of 549 BOPD and 749 MCFPD on October 17, 2012, 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 "J" effective as of October 17, 2012.

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,

J. David Chase

J. David Chase
Chief, Reservoir Management Group

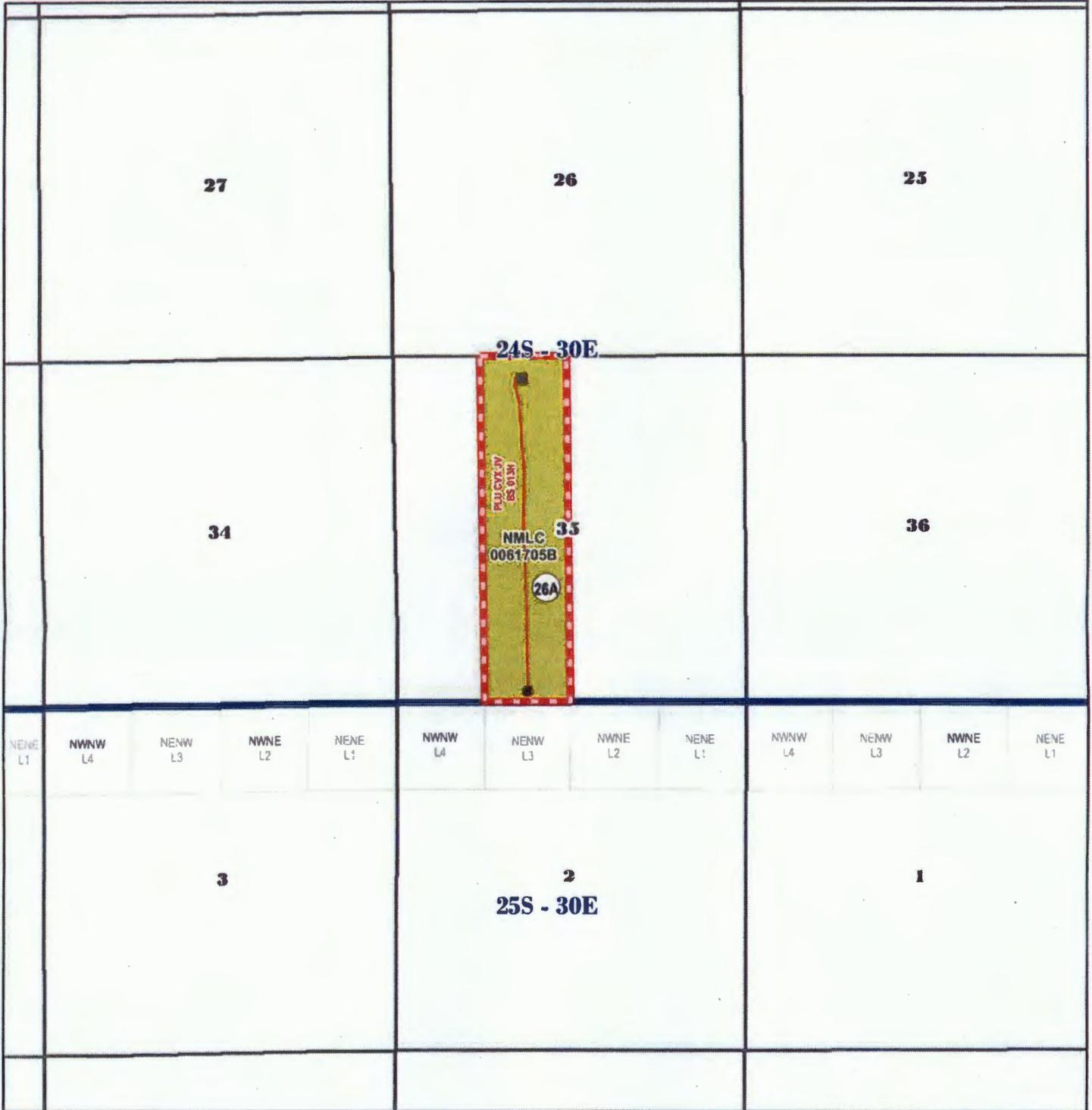
1 Enclosure

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



Exhibit "A"
Initial Bone Spring Formation Participating Area "J"
Poker Lake Unit
Eddy County, New Mexico
Effective October 17, 2012



- POKER LAKE UNIT OUTLINE
- CAPABLE WELL (BHL)
- CAPABLE WELL (BHL)
- CAPABLE WELLBORE
- PROPOSED BONE SPRING PA "J"
- FEDERAL ACREAGE WITHIN PA "J" ONLY

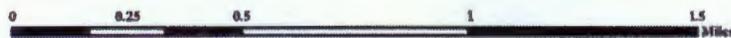


EXHIBIT "B"
 SCHEDULE OF LANDS AND TRACT PARTICIPATION
 INITIAL BONE SPRING FORMATION PARTICIPATING AREA "J"
 POKER LAKE UNIT
 EDDY COUNTY, NEW MEXICO
 EFFECTIVE OCTOBER 17, 2012

Tract No.	Lease No.	Description	Acres	Participation
26A	NMLC061705B	T24S-R30E, 23rd P.M.	160.00	100.0000%
	Federal	Section 35: E/2W/2		
Totals			160.00	100.0000%

TYPE OF LAND	COMMITTED ACRES	NON-COMMITTED ACRES	PERCENT
FEDERAL	160.00	0.00	100.0000%
STATE	0.00	0.00	0.0000%
PATENTED	0.00	0.00	0.0000%
TOTAL	160.00	0.00	100.0000%

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