

1007-031-4-4-1



# 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 18 2018

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

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

Gentlemen:

The initial Bone Spring Formation Participating Area "N" is hereby approved effective as of November 3, 2014, pursuant to Section 11 of the Poker Lake Unit Agreement, Eddy County, New Mexico. This participating area has been designated NMNM71016V.

The application establishes an initial Bone Spring Formation Participating Area "N" of 557.08 acres and is based upon the completion of unit well CVX JV BS 27H, located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$  (SHL) of Section 3, T.25S., R.31E., unit tract No. 22A, Lease No. NMNM030457, and in the NE $\frac{1}{4}$ SW $\frac{1}{4}$  (BHL) of Section 27, T.24S., R.31E., unit tract No. 3A, Lease No. NMNM0522A, with an initial potential of 487 BOPD and 1,113 MCFPD on November 3, 2014, from the Bone Spring Formation.

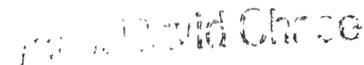
The application is also based upon the completion of unit well CVX JV BS 30H, located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$  (SHL) of Section 3, T.25S., R.31E., unit tract No. 22A, Lease No. NMNM030457, and in the SE $\frac{1}{4}$ SW $\frac{1}{4}$  (BHL) of Section 10, T.25S., R.31E., unit tract No. 25B, Lease No. NMNM031384, with an initial potential of 649 BOPD and 1,152 MCFPD on November 16, 2014, 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 "N" effective as of November 3, 2014.

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  
Chief, Reservoir Management Group

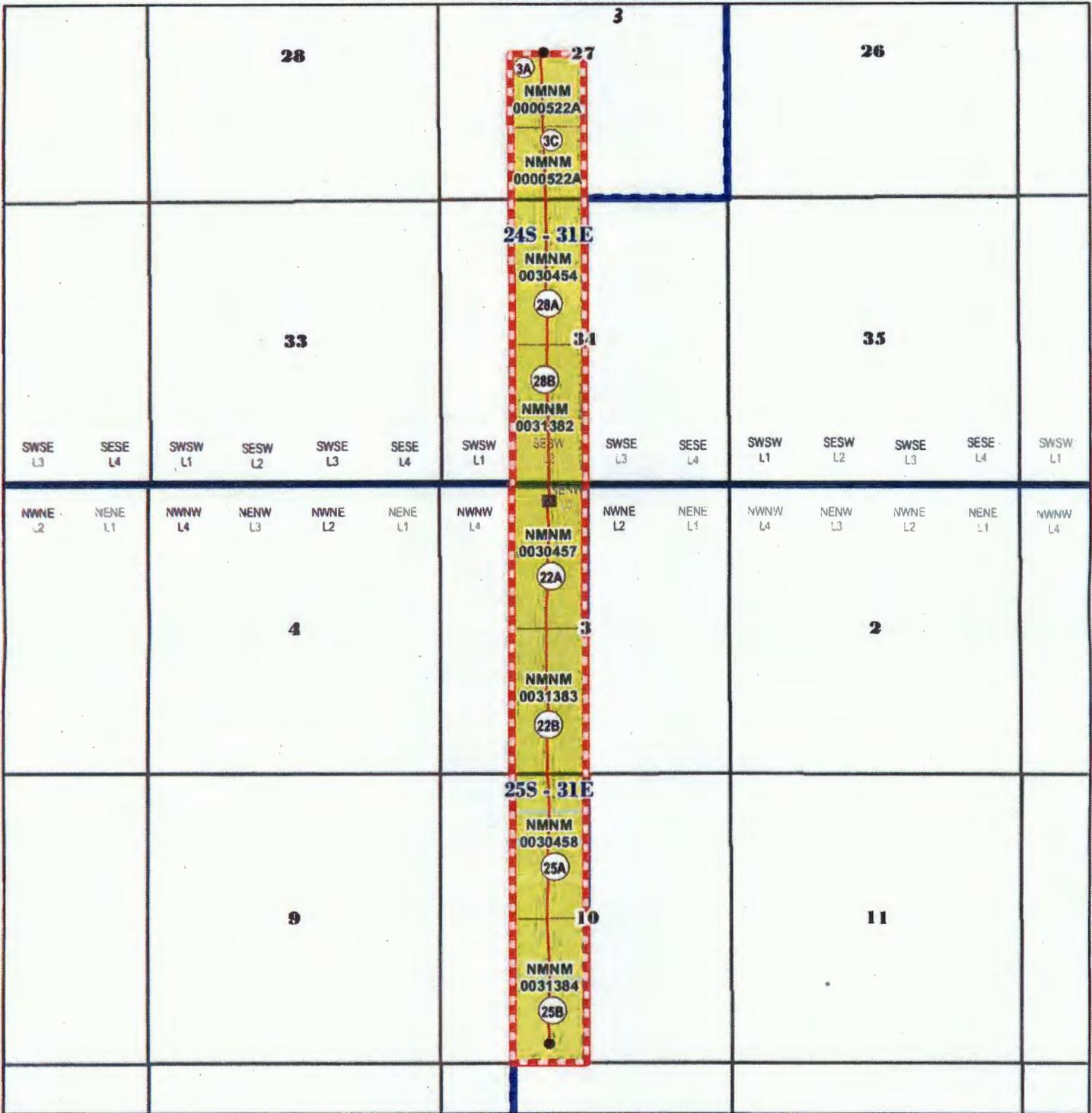
1 Enclosure

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 "N"**  
**Poker Lake Unit**  
**Eddy County, New Mexico**  
**Effective November 16, 2014**



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



RECEIVED 05/16/16 10:10 AM DLH WHPD/CASPER FIELD OFFICE

EXHIBIT "B"  
 SCHEDULE OF LANDS AND TRACT PARTICIPATION  
 INITIAL BONE SPRING FORMATION PARTICIPATING AREA "N"  
 POKER LAKE UNIT  
 EDDY COUNTY, NEW MEXICO  
 EFFECTIVE NOVEMBER 3, 2014

Tract No.	Lease No.	Description	Acres	Participation
3A	NMNM0522A Federal	T24S-R31E, 23rd P.M. Section 27: NE/4SW/4	40.00	7.1803%
3C	NMNM0522A Federal	T24S-R31E, 23rd P.M. Section 27: SE/4SW/4	40.00	7.1803%
22A	NMNM030457 Federal	T25S-R31E, 23rd P.M. Section 3: Lot 3 (39.88), SE/4NW/4	79.88	14.3391%
22B	NMNM031383 Federal	T25S-R31E, 23rd P.M. Section 3: E/2SW/4	80.00	14.3606%
25A	NMNM030458 Federal	T25S-R31E, 23rd P.M. Section 10: E/2NW/4	80.00	14.3606%
25B	NMNM031384 Federal	T25S-R31E, 23rd P.M. Section 10: E/2SW/4	80.00	14.3606%
28A	NMNM030454 Federal	T24S-R31E, 23rd P.M. Section 34: E/2NW/4	80.00	14.3606%
28B	NMNM031382 Federal	T24S-R31E, 23rd P.M. Section 34: NE/4SW/4, Lot 2 (37.20)	77.20	13.8579%
<b>Totals</b>			<b>557.08</b>	<b>100.0000%</b>

TYPE OF LAND	COMMITTED ACRES	NON-COMMITTED ACRES	PERCENT
FEDERAL	557.08	0.00	100.0000%
STATE	0.00	0.00	0.0000%
PATENTED	0.00	0.00	0.0000%
<b>TOTAL</b>	<b>557.08</b>	<b>0.00</b>	<b>100.0000%</b>

RECEIVED 05/17/16 02:11 PM DLH WHPD/CASPER FIELD OFFICE