



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

JUN 08 2018

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

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

Gentlemen:

The initial Bone Spring Formation Participating Area "P" is hereby approved effective as of January 25, 2016, pursuant to Section 11 of the Poker Lake Unit Agreement, Eddy County, New Mexico. This participating area has been designated NMNM71016Z.

The application establishes an initial Bone Spring Formation Participating Area "P" of 240.00 acres and is based upon the completion of unit well CVX JV BS 36H, located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ (SHL) of Section 19, T.24S., R.31E., unit tract No. 32, Lease No. NMNM025533 and in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ (BHL) of Section 30, T.24S., R.31E., unit tract No. 2A, Lease No. NMNM0506A, with an initial potential of 567 BOPD and 1,034 MCFPD on January 25, 2016, from the Bone Spring Formation.

The application is also based upon the completion of unit well CVX JV BS 35H, located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ (SHL) of Section 19, T.24S., R.31E., unit tract No. 32, Lease No. NMNM025533 and in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ (BHL) of Section 30, T.24S., R.31E., unit tract No. 2A, Lease No. NMNM0506A, with an initial potential of 429 BOPD and 746 MCFPD on January 26, 2016, from the Bone Spring Formation.

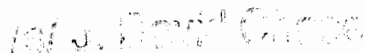
Production from the PLU CVX JV BS Fed Com No. 14H well, located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ (SHL) of Section 19, T.24S., R.31E., unit tract No. 32, Lease No. NMNM025533 and in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ (BHL) of Section 19, T.24S., R.31E., unit tract No. 26A, Lease No. NMLC061705B, is reported and royalties paid based on Communitization Agreement (CA) No. NM136372. The CA was effective August 9, 2012.

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 "P" effective as of January 25, 2016.

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



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EXHIBIT "B"
 SCHEDULE OF LANDS AND TRACT PARTICIPATION
 INITIAL BONE SPRING FORMATION PARTICIPATING AREA "P"
 POKER LAKE UNIT AREA
 EDDY COUNTY, NEW MEXICO
 EFFECTIVE JANUARY 25, 2016

Tract No.	Lease No.	Description	Acres	Participation
2A	NMNM0506A Federal	T24S-R31E, 23rd P.M. Section 30: E/2NW/4	80.00	33.3334%
26A	NMLC061705B Federal	T24S-R31E, 23rd P.M. Section 19: E/2SW/4	80.00	33.3333%
32	NMNM025533 Federal	T24S-R31E, 23rd P.M. Section 19: E/2NW/4	80.00	33.3333%
Totals			240.00	100.0000%

TYPE OF LAND	COMMITTED ACRES	NON-COMMITTED ACRES	PERCENT
FEDERAL	240.00	0.00	100.0000%
STATE	0.00	0.00	0.0000%
PATENTED	0.00	0.00	0.0000%
TOTAL	240.00	0.00	100.0000%