



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



NMNM-71041A
3180 (P0220)

Your Reference:

NMNM-71041A

Southeast Monument (SEMU) Unit

Nineteenth Revision of Grayburg San Andres Participating Area

Township 20 South, Range 37 & 38 East, NMPM

Lea County, New Mexico

Date: March 23, 2016

CERTIFIED—RETURN RECEIPT REQUESTED

7014 2120 0001 4869 6881

ATTN: Mr. Joey Moppert

MCBU – NM Permian

600 N. Dairy Ashford

P10-05-5040

Houston, Texas 77079

2016 MAR 28 P 2:07
RECEIVED

To Mr. Joey Moppert:

Your application dated March 15, 2016 with Exhibit "A", "B" and "C" requesting approval of the Nineteenth Revision of the Grayburg San Andres Participating Area, SEMU, is hereby approved and is effective May 9, 2013, pursuant to Section 11 of the SEMU Agreement, Lea County, New Mexico.

The Nineteenth Revision of the SEMU Grayburg San Andres Participating Area results in the addition of 40.00 acres to the participating area, for a total of 2643.58 acres and is based upon the completion of the SEMU Tubb No. 158 well, as capable of producing unitized substances in paying quantities.

The Nineteenth Revision of the SEMU Grayburg San Andres Participating Area now includes the following described lands:

Township 20 South, Range 37 East, N.M.P.M.

Section 24: SW/4 SW/4 40.00 acres

The Nineteenth Revision of the Grayburg San Andres Participating Area now includes all of the following described lands:

Township 20 South, Range 37 East, N. M. P. M.

Section 13: SW/4 NE/4, SE/4, NW/4 SW/4 and S/2 SW/4
Section 14: S/2 NE/4 and SE/4
Section 23: N/2 NE/4
Section 24: NW/4 NW/4, SW/4 SW/4, E/2 W/2, and E/2
Section 25: NE/4 and N/2 E/4

Township 20 South, Range 38 East, N. M. P. M.

Section 18: Lots 3 and 4, SE/4 SW/4, SW/4 SE/4
Section 19: Lots 1, 2, 3 and 4, E/2 W/2, SE/4, NW/4 NE/4 and S/2 NE/4
Section 30: N/2, N/2 SW/4 and NW/4 SE/4

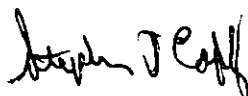
Containing 2643.58 acres (More or Less)

Copies of this approval letter are being distributed to the appropriate Federal agencies and one copy is returned herewith. As Operator, please advise all interested parties of the Nineteenth Revision of the SEMU Participating Area, NM71041A (892000321E - ONRR), Lea Unit, and the effective date of May 9, 2013.

For production and accounting reporting purposes all submissions pertaining to the Grayburg San Andres participating area should refer to NM71041A (892000321E - ONRR). If you have any questions regarding this letter, please contact Mr. Edward G. Fernandez, Petroleum Engineer at the Division of Lands and Minerals at 575.234.2220.

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,



Stephen 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)