



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joarna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

October 26, 2006

BEPCO, L.P.
c/o Mr. James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504

Attention: Mr. James Bruce

Re: **Poker Lake Unit Well No. 102**
API No. 30-015-35162
1140' FNL & 2310' FWL, Unit C,
Section 25, T-24 South, R-30 East, NMPM,
Eddy County, New Mexico

Administrative Order NSL-5471

Dear Mr. Bruce:

Reference is made to the following:

- (a) your application on behalf of BEPCO, L.P. ("BEPCO") for a non-standard well location (*administrative application reference No. pTDS0629349406*) for the Poker Lake Unit Well No. 102 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on October 20, 2006; and
- (b) the Division's records pertinent to your request.

BEPCO requests authority to drill its Poker Lake Unit Well No. 102 in the **Southwest Poker Lake-Delaware Pool** (Oil – 96047) at an unorthodox oil well location 1140 feet from the North line and 2310 feet from the West line (Unit C) of Section 25, Township 24 South, Range 30 East, NMPM, Eddy County, New Mexico. The NE/4 NW/4 of Section 25 is to be dedicated to the well forming a standard 40-acre oil spacing and proration unit. The Southwest Poker Lake-Delaware Pool is currently governed by Division Rule 19.15.3.104.B(1).

Division records show that the Poker Lake Unit Well No. 102 will be the first well drilled in the Southwest Poker Lake-Delaware Pool within the NE/4 NW/4 of Section 25.

The N/2 of Section 25 is a single Federal lease (Federal Lease No. LC-061705-B) with common ownership throughout, therefore, there are no adversely affected offsets to the subject 40-acre tract.

Accordingly, the applicant was not required, and did not provide notice to any offset operator and/or interest owner.

BEPCO's evidence demonstrates that the proposed non-standard well location is necessitated by topographic considerations within the NE/4 NW/4 of Section 25

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox oil well location in the Southwest Poker Lake-Delaware Pool is hereby approved.

Sincerely,



Mark E. Fesmire, P.E.
Division Director

MES/drc

cc: New Mexico Oil Conservation Division - Artesia
Bureau of Land Management-Carlsbad