

DATE IN 10/17/07	SUSPENSE	ENGINEER R. Ezeanyim	LOGGED IN 10/17/07	TYPE CTB	APP NO. PTDSD729052495
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

Title

Date

e-mail Address

BEPCO, L.P.
P. O. Box 2760
Midland, Texas 79702

432-683-2277

FAX: 432-687-0329

October 12, 2007

**Re: Surface Commingle Application
Horned Toad 36 State #2H
Nash Draw (Delaware. BS. Aval.
Eddy County, New Mexico
File: 100-WF: HT 36 State2. CPL**

2007 OCT 17 AM 11 36

RECEIVED

Oil Conservation Division
1220 S. St. Francis
Santa Fe, New Mexico 87505

Gentlemen:

BEPCO, L.P. respectfully requests that you grant permission for surface commingling of production from the above captioned well. This request is to amend the previously granted PCL -275, most recently approved by your office on June 4, 2007, by adding an additional well on the Horned Toad 36 State Lease.

Additionally, BEPCO desires to correct PCL-275 to be a Lease Commingle only, where all production is from the Nash Draw (Delaware). The previously submitted and granted applications represented that the Horned Toad 36 State #7 production was from the Corral Canyon, NW (Delaware). The well was originally permitted in this field, but completed in the Nash Draw and never corrected on the commingle permit.

Copies of this application are being submitted to the The State Land Office in Santa Fe, the District OCD in Artesia, and the BLM in Carlsbad.

If you should have any questions, or need further data, please contact Ann Moore at the above letterhead address or via email at camoore@basspet.com.

Sincerely,



Ann Moore
Production Clerk

cam
Attachments

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: BEPKO, L.P.

OPERATOR ADDRESS: P.O. BOX 2760 MIDLAND, TX 79702-2760

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☒ Federal

Is this an Amendment to existing Order? ☒ Yes ☐ No If #Yes#, please include the appropriate Order No. PLC-275

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☐ No If #yes#, describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☒ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☒ No 100% BEPCO Ownership

(4) Measurement type: ☒ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

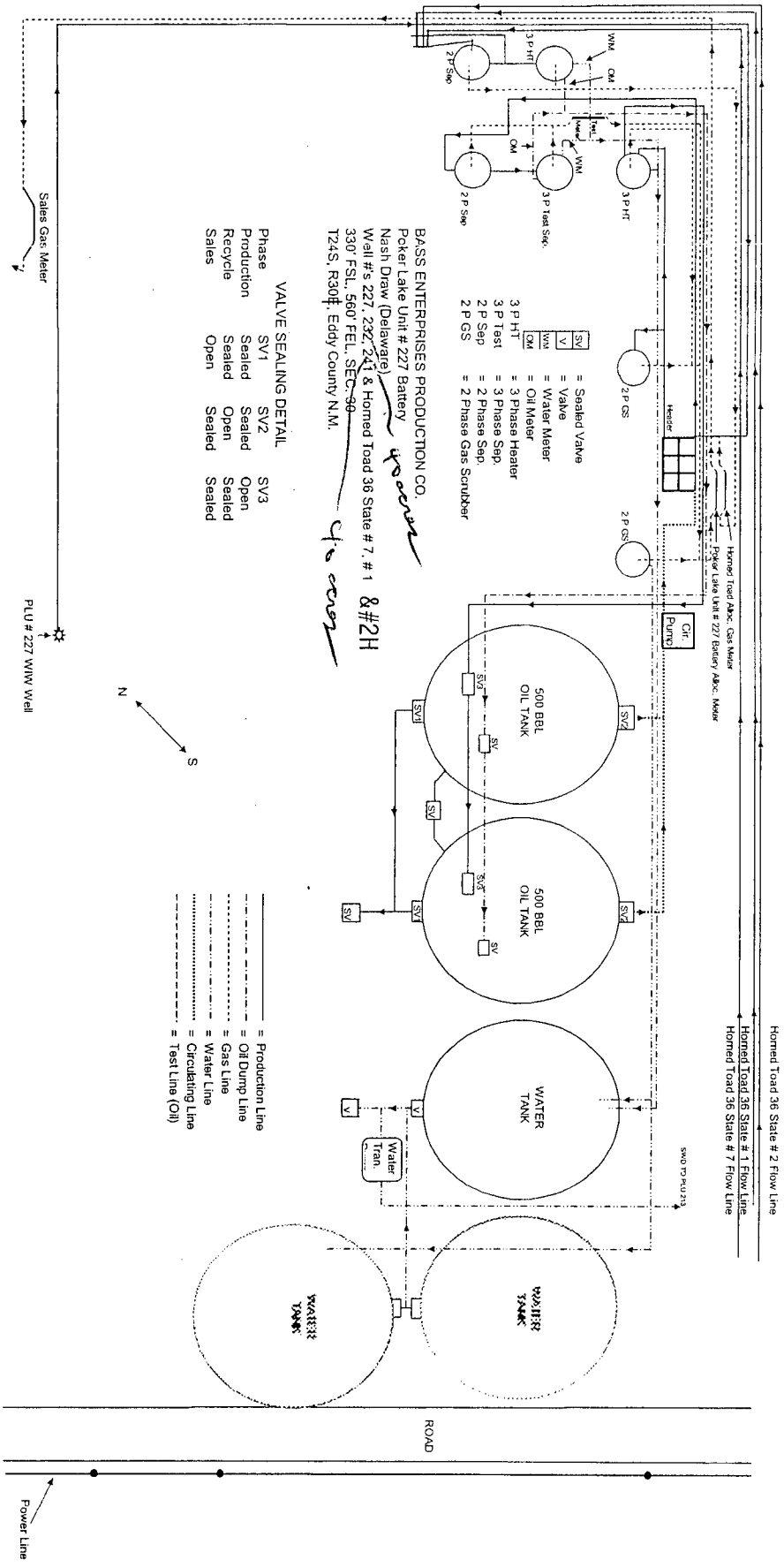
SIGNATURE: Ann Moore TITLE: PRODUCTION CLERK

DATE: 10/11/2007

TYPE OR PRINT NAME ANN MOORE

TELEPHONE NO.: (432)683-2277

E-MAIL ADDRESS: camoorebasspet.com

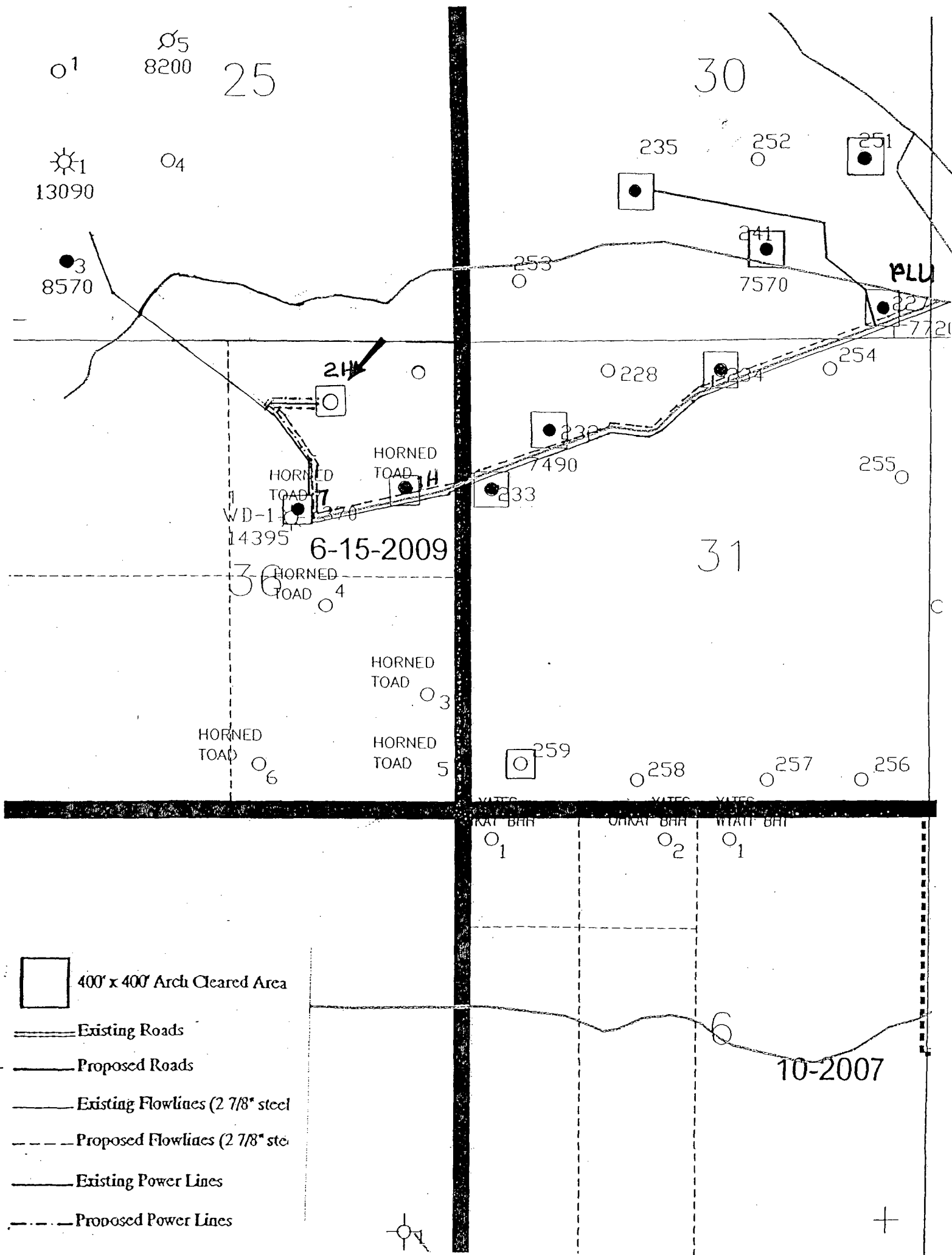


BASS ENTERPRISES PRODUCTION CO.
 Packer Lake Unit # 227 Battery
 Nash Draw (Delaware)
 Well #s 227, 232, 241 & Horned Toad 36 State # 7, # 1 & # 2H
 330' FSL, 560' FEL, SEC-90
 124S, R304, Eddy County N.M.

VALVE SEALING DETAIL

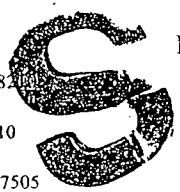
Phase	SV1	SV2	SV3
Production	Sealed	Sealed	Open
Recycle	Sealed	Open	Sealed
Sales	Open	Sealed	Sealed

- = Production Line
- - - = Oil Dump Line
- = Gas Line
- . - . = Water Line
- - - - = Circulating Line
- - - - = Test Line (Oil)



Cam

District I
1625 N French Dr, Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505



State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

OCT 01 2007
Submit to appropriate District Office
OCD-ARTESIA ☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address BEPCO, L.P P O. Box 2760 Midland, Texas 79702		OGRID Number 001801
Property Code 35100	Property Name Horned Toad 36 State	Well No 2H
Proposed Pool 1 Nash Draw (Delaware, Bone Spring, Avalon Sd)		Proposed Pool 2

Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	36	24S	29E		220	North	240	East	Eddy

Proposed Bottom Hole Location If Different From Surface

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	36	24S	29E		990	North	330	East	Eddy

Additional Well Information

Work Type Code N	Well Type Code O	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 3113' GL
Multiple No	Proposed Depth 7500' MD 5487' TVD	Formation Delaware	Contractor Adobe Drilling	Spud Date 10/15/2007
Depth to Groundwater 150'		Distance from nearest fresh water well 2-1/2 miles		Distance from nearest surface water 2 miles
Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume 1500 bbls Drilling Method Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	13-3/8"	48#	907' MD	829	Surface
12-1/4"	9-5/8"	36#	3860' MD	864	Surface
8-3/4"	5-1/2"	17#	7500' MD	635	3040'

Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone Describe the blow out prevention program, if any. Use additional sheets if necessary.

SURFACE IS OWNED BY THE STATE OF NEW MEXICO. ATTACHED IS A DRILLING PROGNOSIS AND A BOP DIAGRAM

As stated in the attached drilling plan this well will be a horizontal well with KOP of approximately 5000' TVD an azimuth of 110.31°, build angle of 12.00°/100', and a bottom hole target of 7500' MD (lateral displacement +/- 1850') TVD 5487'. See attached directional plan and 8 point drilling plan for details.

BEPCO's surface location is unorthodox, however at the top of the Lower Cherry Canyon the well path will be 330' FNL & 520' FWL of Quarter section line. BEPCO does not plan to perforate above the top of Lower Cherry Canyon.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief I further certify that the drilling pit will be constructed according to NMOC guidelines ☒ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

Printed name: Annette Childers *Annette Childers*
Title: Administrative Assistant
E-mail Address: machilders@basspet.com
Date: 9-28-07 Phone: 432-683-2277

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARANT

Title:

DISTRICT II GEOLOGIST

Approval Date: OCT 01 2007

Expiration Date: OCT 01 2008

Conditions of Approval Attached ☐

NSC - Drill only
Required

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV

1220 St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505Form C-102
Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 47545	Pool Name Nash Draw (Delaware, Bone Spring, Avalon Sd)
Property Code 35100	Property Name HORNE TOAD "36" STATE	Well Number 2H
OGRID No. 001801	Operator Name BEPCO, L.P.	Elevation 3113'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	36	24 S	29 E		220	NORTH	2410	EAST	EDDY

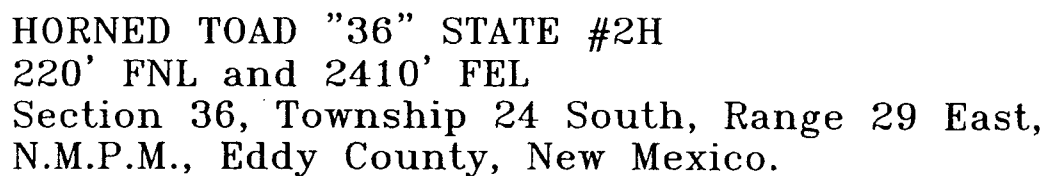
Bottom Hole Location If Different From Surface

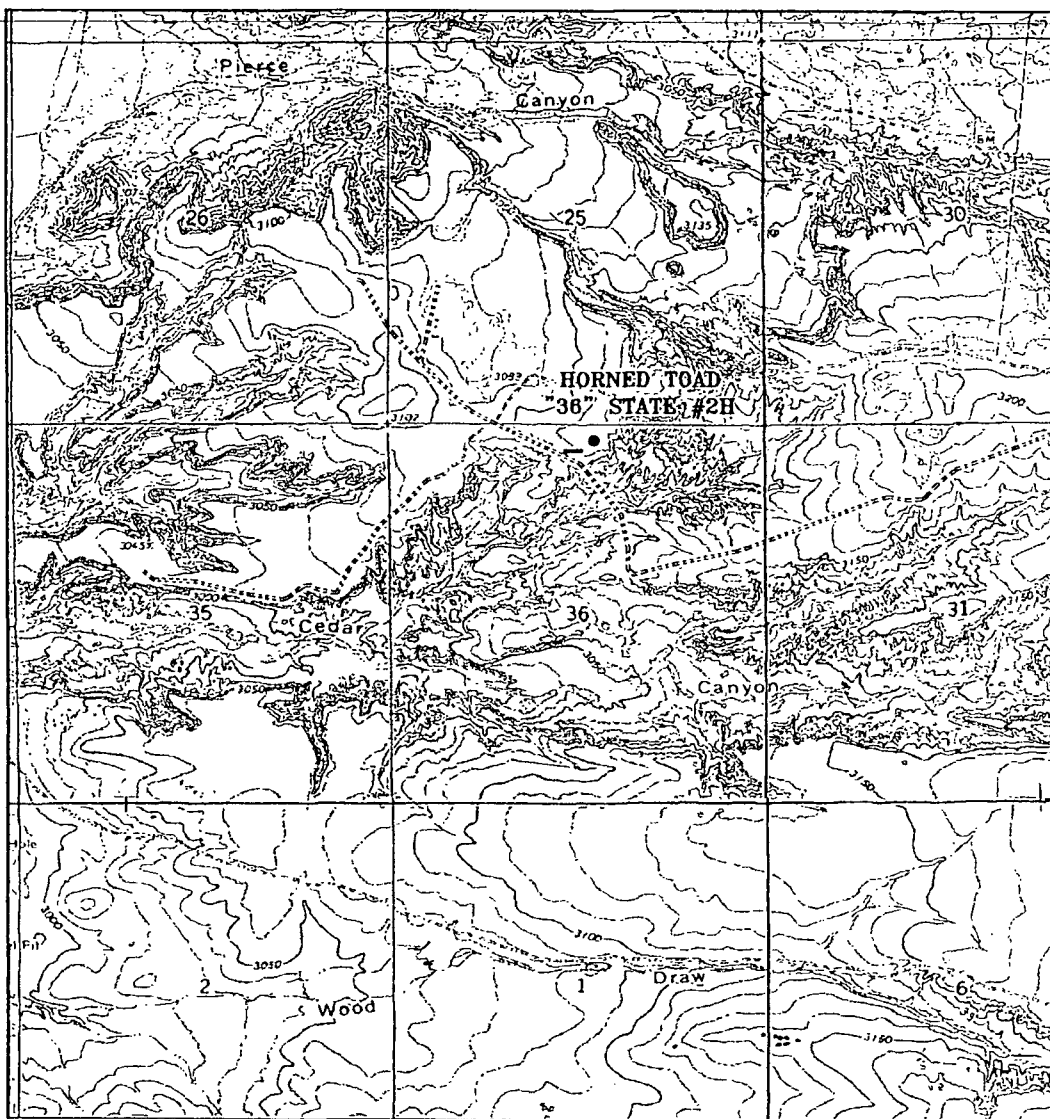
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	36	24 S	29 E		990	NORTH	330	EAST	EDDY

Dedicated Acres 80	Joint or Infill N	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>SURFACE LOCATION LAT - N32°10'49.86" LONG - W103°56'14.02" SPC- N.: 429632.267 E.: 663884.383 (NAD-83)</p>				<p>OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Gary E. Gerhard</i> 9/27/07 Signature Date</p> <p>Gary E. Gerhard Printed Name</p>			
<p>162.31 ACRES</p>		<p>161.82 ACRES</p>		<p>ENTRY POINT LAT - N32°10'48.76" LONG - W103°56'10.57" SPC- N.: 429522.267 E.: 664181.526 (NAD-83)</p>		<p>BOTTOM HOLE LOCATION LAT - N32°10'42.19" LONG - W103°55'49.84" SPC- N.: 428864.554 E.: 665966.048 (NAD-83)</p>	
<p>161.69 ACRES</p>		<p>161.20 ACRES</p>		<p>SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>SEPTEMBER 21, 2007 Date Surveyed</p> <p><i>Gary L. Jones</i> Signature & Seal Professional Surveyor</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>			





HORNE TOAD '36" STATE #2H

220' FNL and 2410' FEL

Section 36, Township 24 South, Range 29 East,
N.M.P.M., Eddy County, New Mexico.

basin
surveys
focused on excellence
in the oilfield

P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-3074 - Fax
basinsurveys.com

W.O. Number: JMS 18629T

Survey Date: 09-21-2007

Scale: 1" = 2000'

Date: 09-24-2007

BEPCO, L.P.

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-33929	Pool Code 47545	Pool Name NASH DRAW - DELAWARE
Property Code 001796	Property Name POKER LAKE UNIT	Well Number 227
OGRID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3218'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	30	24 S	30 E		330	SOUTH	560	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill I	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 1 40.62 acres	40.62 acres	40.72 acres	40.72 acres
LOT 2 40.63 acres	40.63 acres	40.71 acres	40.71 acres
LOT 3 40.65 acres	40.65 acres	40.69 acres	40.69 acres
LOT 4 40.66 acres	40.66 acres	40.68 acres	40.68 acres

LAT - N32°10'55.9"
LONG - W103°54'50.1"

3212.0' 3221.1' 3208.9' 3208.6' 560'

SWD-1064A

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

William R. Dannels
Signature
W.R. DANNELS
Printed Name
DIVISION DRILLING SUPT.
Title
12/28/04
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

NOVEMBER 24, 2004

Date Surveyed
Signature
Professional Surveyor
NEW MEXICO
W.O. No. 4785
Certificate No. Gary L. Jones 7977

BEPCO, L.P.
P. O. Box 2760
Midland, Texas 79702

432-683-2277

FAX: 432-687-0329

October 12, 2007

**Re: Surface Commingle Application
Horned Toad 36 State #2H
Nash Draw (Delaware. BS. Aval.
Eddy County, New Mexico
File: 100-WF: HT 36 State2. CPL**

State of New Mexico
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87504-1148

Mr. Lyons:

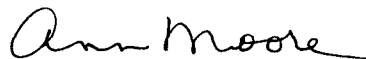
BEPCO, L.P. respectfully requests that you grant permission for surface commingling of the above captioned well. This request is to amend the previously granted PCL -275, most recently approved by your office on June 4, 2007, by adding an additional well on the Horned Toad 36 State Lease.

Additionally, BEPCO desires to correct PCL-275 to be a Lease Commingle only, where all production is from the Nash Draw (Delaware). The previously submitted and granted applications represented that the Horned Toad 36 State #7 production was from the Corral Canyon, NW (Delaware). The well was originally permitted in this field, but completed in the Nash Draw and never corrected on the commingle permit.

Copies of this application are being submitted to the State OCD in Santa Fe, the District OCD in Artesia, and the BLM in Carlsbad. Please find the enclosed fee for this application.

If you should have any questions, or need further data, please contact Ann Moore at the above letterhead address or via email at camoore@basspet.com.

Sincerely,



Ann Moore
Production Clerk

cam
Attachments

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
BEPCO, L.P.3a. Address
P.O. BOX 2760 MIDLAND TX 79702-27603b. Phone No. (include area code)
(432)683-22774. Location of Well (Footage, Sec., T., R., M., or Survey Description)
220' FNL, 2410' FEL, SEC 36, R24S, T29E

5. Lease Serial No.

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

HORNED TOAD 36 STATE # 2H

9. API Well No.

30-015-

10. Field and Pool, or Exploratory Area

Nash Draw (Delaware, BS, Aval)

11. County or Parish, State

EDDY

NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other COMMINGLING
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	& OFF LEASE
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	STORAGE

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

BEPCO, L. P. respectfully requests permission for Surface Commingling and Off Lease Storage for the referenced well to the Poker Lake Unit #227 Battery located 330 FSL, 560 FEL of Section 30, R30E, T24S, Eddy County, NM. PLU Battery #227 currently has a commingling permit, PCL-275, which allows commingling with the Horned Toad 36 State #1 and #7 wells. BEPCO will lay a 2-7/8" steel flowline that will be laid within 30' of the center line of the existing lease road. A 3 phase separator will be installed at the 227 Battery. The existing power line consisting of 12,470 volts 3 phase running from the Horned Toad 36 State #7 well will be utilized. The Oil, Water and Casing head gas will be metered separately from the production on BLM land. A copy of OCD form C-107-B (Application for Surface Commingling) is attached.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

ANN MOORE

Title PRODUCTION CLERK

Signature



Date 10/11/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

BEPCO, L.P.

RECEIVED
P.O. Box 2760
Midland, Texas 79702

432-683-2277

2007 DEC 31 AM 11 51

FAX: 432-687-0329

December 20, 2007

**Re: Surface Commingle Application
Horned Toad 36 State #2H
Nash Draw (Delaware. BS. Avalon)
Eddy County, New Mexico
File: 100-WF: HT 36 State2H.CPL**

Oil Conservation Division
Attention: Mr. William V. Jones
1220 S. St. Francis
Santa Fe, New Mexico 87505

Mr. Jones:

Please find the additional information you requested via an email dated December 17, 2007 for the commingle application for the above captioned well to the Poker Lake Unit #227 Battery.

The attached spreadsheet answers most of your questions and the attached map visually represents the dedicated acreage for each producer and the boundries of the Horned Toad Lease. Additionally, the Site Security diagram has been corrected to show the additional Poker Lake Nash Draw (Delaware) Wells that are coming into the battery.

Please let me know if you need anything further to process this application. I hope your are successful at getting the C-107B amended to include a request for this data upon submission of the application. I will look forward to working with you in the future. I can be contacted at the above letterhead address or via email at camoore@basspet.com.

Sincerely,



Ann Moore
Production Clerk

Cam

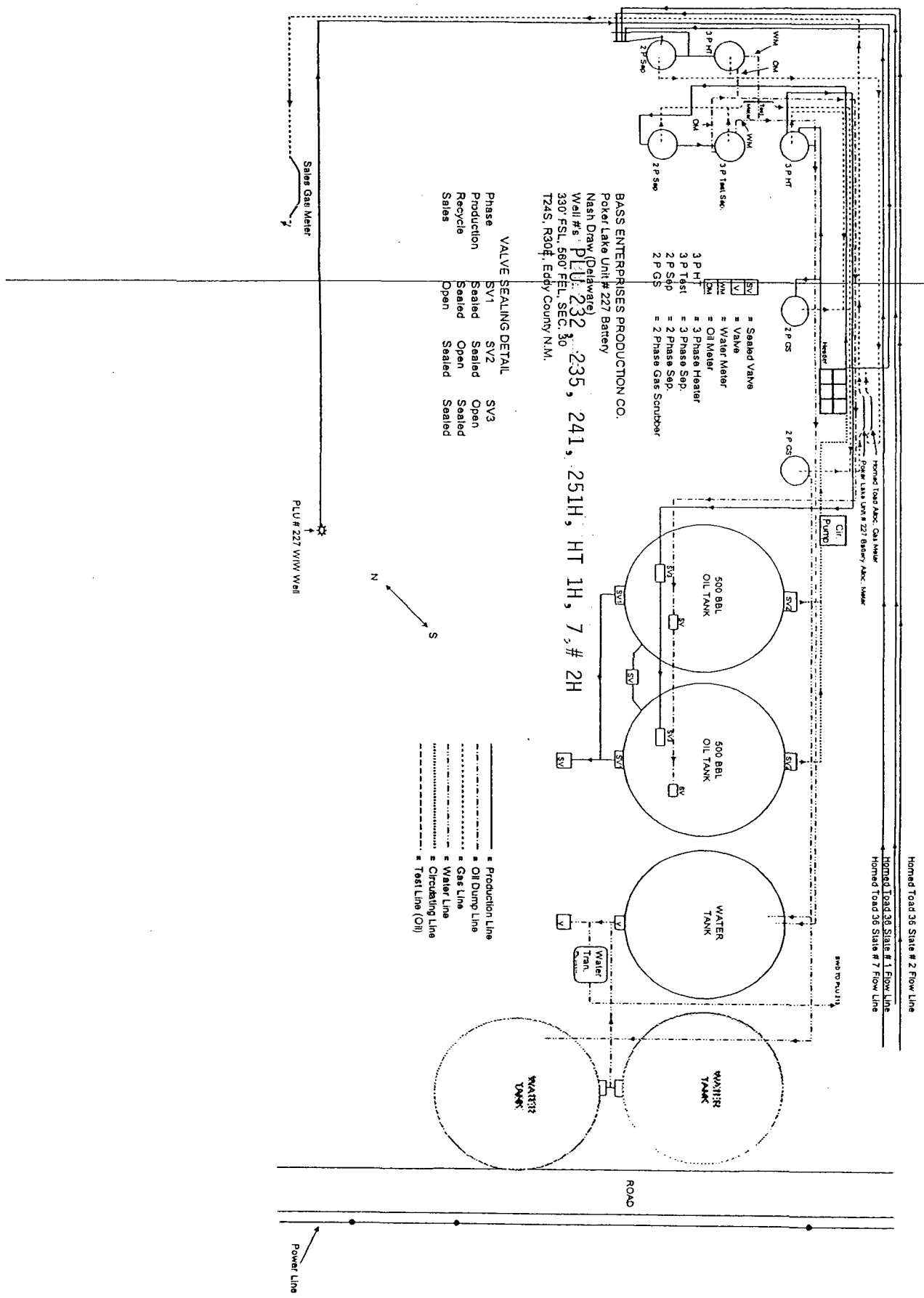
Attachments

POKER LAKE UNIT #227 TANK BATTERY COMMINGLED WELLS

ALL NASH DRAW (DELAWARE/BS/AVALON) POOL CODE 47545

Lease & Well No.	Type of Wellbore	Dedicated Acreage	Unit Letter	Sec. TS. RE
PLU 227 WIW	Vertical	NA Active WIW	P	Sec. 30, T24S. R30E
PLU 232	Vertical	40 acres	D	Sec. 31, T24S, R30E
PLU 235	Vertical	40 acres	K	Sec. 30, T24S. R30E
PLU 241	Vertical	40 acres	O	Sec. 30, T24S. R30E
PLU 251H	Horizontal	160 acres	G, H, I, J	Sec. 30, T24S. R30E
Horned Toad 36 St. #1H	Horizontal	120 acres	H, I, P	Sec. 36, T24S, R29E
Horned Toad 36 St. #2H	Horizontal	80 acres	A, B	Sec. 36, T24S, R29E
Horned Toad 36 St. #7	Vertical	40 acres	G	Sec. 36, T24S, R29E

Oil is loaded from the oil storage tanks at this site and trucked from this location by Shell Trading US.
 Gas is sold at this site at the Sales Gas Meter on the South side of the battery as shown on the
 Site security diagram and is sold to Southern Union Gas Services.

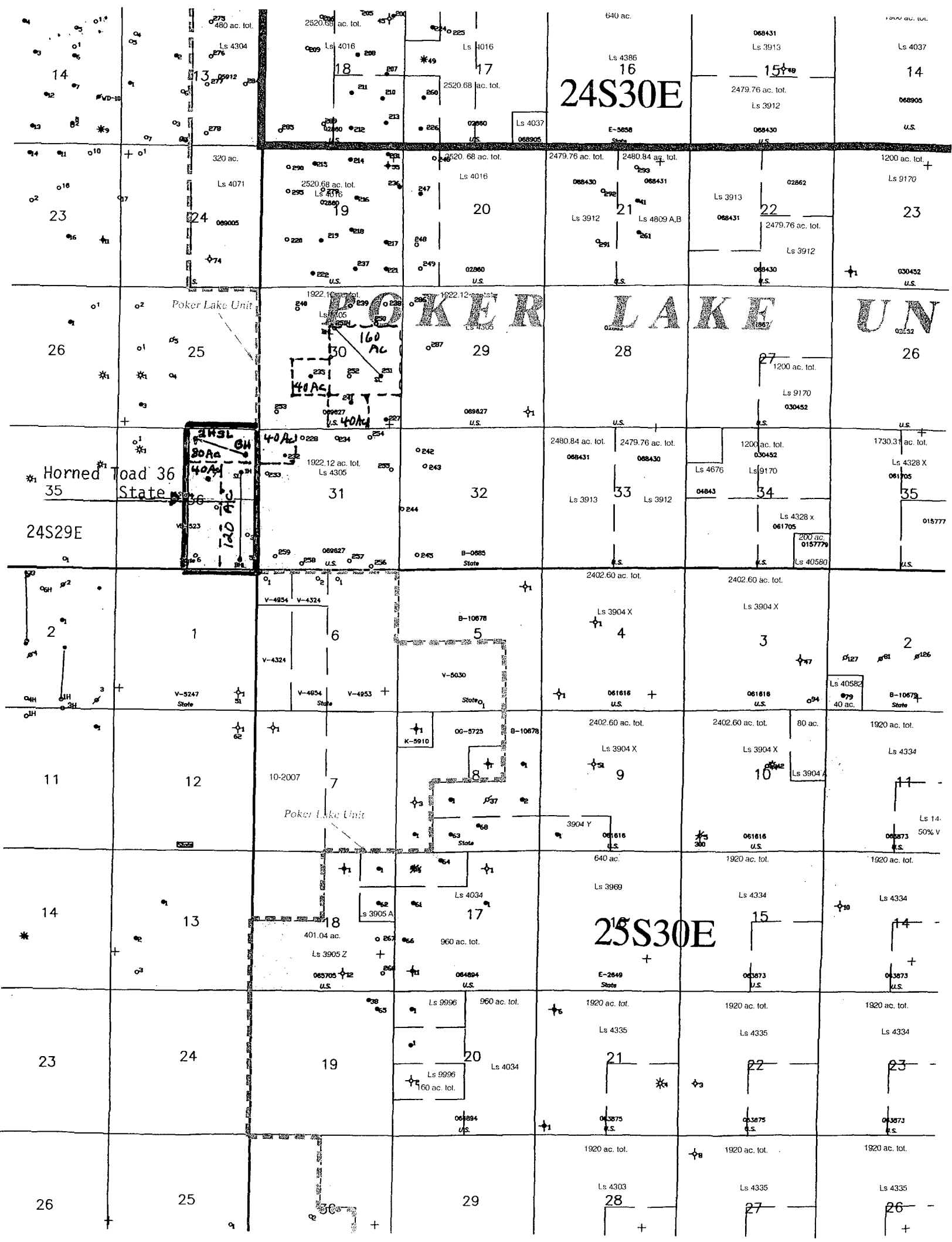


BASS ENTERPRISES PRODUCTION CO.
 Poker Lake Unit # 227 Battery
 Nash Draw (Delaware)
 Well #s: **PLU: 232, 235, 241, 251H, HT 1H, 7, # 2H**
 330' FSL, 560' FEL, SEC. 30
 T24S, R30E, Eddy County N.M.

VALVE SEALING DETAIL

Phase	SV1	SV2	SV3
Production	Sealed	Sealed	Open
Recycle	Sealed	Open	Sealed
Sales	Open	Sealed	Sealed

—	= Production Line
- - -	= Oil Dump Line
· · ·	= Gas Line
—	= Water Line
- - -	= Circulating Line
· · ·	= Test Line (Oil)



PATRICK H. LYONS
COMMISSIONER

RECEIVED

2007 NOV 13 PM 4:42

November 8, 2007



State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

BEPCO, L.P.
P. O. Box 2760
Midland, Texas 79702

Attention: Ms. Ann Moore

Re: Surface Commingling
Off Lease Storage and Measurement
Horned Toad "36" State Well No. 2-H Sec. 36-24S-29E
Poker Lake Unit Well No. 227-P Tank Battery Sec. 30-24S-30E
Eddy County, New Mexico

Dear Ms. Moore:

We have received your letter of October 12, 2007 requesting our approval for surface commingling and off-lease storage and measurement for the above captioned well. This application amends the previously approved application by adding an additional well on the Horned Toad 36 State Lease.

It is our understanding that production from the Horned Toad "36" State Well No. 2 will be metered separately prior to any commingling at the Poker Lake Unit Well No. 227 central tank battery located in the SE/4 of Section 30-24S-30E. All production will be from the Nash Draw; Delaware/BS (Avalon Sand) pool.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Your \$30.00 dollar filing fee has been received.

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University

November 8, 2007

BEPCO, L.P..

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If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director

Oil, Gas and Minerals Division

PL/JB/pm

pc: Reader File,

OCD-Attention: David Catanach

BLM-Roswell Attn: Mr. John Simitz