

DATE IN 05/15/09	SUSPENSE	ENGINEER W. Jones	LOGGED IN 05/15/09	TYPE DHC	APP NO. 0913547093
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ABOVE THIS LINE FOR DIVISION USE ONLY

RECEIVED

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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

2009 MAY 15 AM 11 34



30-015-35138
Poker Lake Unit 274
BOPCO, LP
260737

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
XX 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] XX 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.

Valerie Truax
Print or Type Name

Valerie Truax
Signature

Regulatory Administrative Assistant
Title

May 12, 2009
Date

vtruax@basspet.com
e-mail Address

District I
1625 N. French Drive, 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 Department

Form C-107A
Revised June 10, 2003

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

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

DAE-4192

BOPCO, L.P. P.O. Box 2760 Midland, TX 79702
Operator Address

POKER LAKE UNIT 274 UL O, SEC 12, T24S, R29E EDDY
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 260737 Property Code 306402 API No. 30-015-35138 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE <i>UNDES</i>	INTERMEDIATE ZONE	LOWER ZONE <input checked="" type="checkbox"/>
Pool Name	Nash Draw (Dela./BS/Ava)		Pierce Crossing (BS) E
Pool Code	47545		96473
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6571'-6935'		7616'-9160'
Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	41.2		42.4
Producing, Shut-In or New Zone	Producing		SI
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 05/08/2009 Rates: 58/35/114	Date: Rates:	Date: 02/13/2009 Rates: 33/204/49
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 64 % 15 %	Oil Gas % %	Oil Gas 36 % 85 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐

Will commingling decrease the value of production? Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

See attached

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Valerie Truax TITLE Regulatory Admin Assistant DATE 05/12/2009

TYPE OR PRINT NAME Valerie Truax TELEPHONE NO. () (432)683-2277

E-MAIL ADDRESS vltruax@basspet.com

POKER LAKE UNIT #274

The Poker Lake Unit #274 was originally completed in the 1st and 2nd Bone Springs through perforation at 7616-9160'. Before plug back to test the Delaware Lower Brushy Canyon W & Brushy Canyon U sands, the Bone Springs was producing at 33 BOPD, 204 MCFD and 49 BWPD. After setting a CIBP at 7010', the well was completed in the LBC "W", BC "U" and LBC "T" at 6915-35', 6673-6798' & 6571-76'. Last recorded tests for these perms is 58 BOPD, 35 MCF and 114 BWPD. Production for the Bone Spring will be allocated at 36% for oil and 85% for gas. Production for the Delaware will be allocated at 64% for oil and 15% for gas.

DISTRICT I

1620 N. French Dr., Hobbs, NM 58240

DISTRICT II

1301 W. Grand Avenue, Artesia, NM 58210

DISTRICT III

1000 Rio Brasos Ed., Artesia, NM 57410

DISTRICT IV

1220 S. 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 87505

Form 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 30-015-35138	Pool Code 96473	Pool Name Pierce Crossing (BS) E
Property Code 306402	Property Name POKER LAKE UNIT	Well Number 274
OGRID No. 260737	Operator Name BOPCO, L.P.	Elevation 3110'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	12	24 S	29 E		360	SOUTH	2310	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 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

159.56 ACRES	159.56 ACRES	<p>OPERATOR CERTIFICATION</p> <p>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><u>William R. Dannels</u> Signature Date 8/7/06</p> <p><u>W.R. Dannels</u> Printed Name</p>	
159.76 ACRES	159.76 ACRES		<p>SURVEYOR CERTIFICATION</p> <p>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>Date Surveyed 02-28-06</p> <p>Signature & Seal Professional Surveyor</p> <p>Certificate No. 7977</p> <p>BASIN SURVEYS</p>

LA - N32°13'32.9"
CBNE - W103°58'13.1"
(NAD-83)

3105.9' 3114.5' 3106.5' 3109.7' 2310'

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DISTRICT IV

1220 S. 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 30-015-35138	Pool Code 47545	Pool Name Nash Draw (Delaware/BS/Avalon Sand)
Property Code 306402	Property Name POKER LAKE UNIT	Well Number 274
OGRID No. 260737	Operator Name BOPCO, L.P.	Elevation 3110'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	12	24 S	29 E		360	SOUTH	2310	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 N	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

159.56 ACRES	159.56 ACRES	<p>OPERATOR CERTIFICATION</p> <p>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 undivided 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>William R. Dannels</i> Signature 8/7/06 Date</p> <p>W.R. Dannels Printed Name</p>
159.76 ACRES	159.76 ACRES	
<p>LAT - N32°13'32.9" LONG - W103°56'13.1" (NAD-83)</p> <p>3105.9' 3114.5' 3106.5' 3109.7'</p> <p>2310'</p>		<p>SURVEYOR CERTIFICATION</p> <p>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>DATE SURVEYED 02-06-06 SIGNATURE & SEAL OF PROFESSIONAL SURVEYOR No. 0485 Certificate No. DARY L. Jones 7977</p> <p>BASIN SURVEYS</p>

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
BOPCO, L.P.3a. Address
P.O. Box 2760 Midland TX 797023b. Phone No. (include area code)
(432)683-2277

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

UL O, 360' FSL, 2310' FEL, SEC. 12, T24S
, R29E

5. Lease Serial No.

NMNM 05912

6. If Indian, Allottee or Tribe Name

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

NMNM 71016X

8. Well Name and No.

POKER LAKE UNIT #274

9. API Well No.

30-015-35138

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 Downhole
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Commingle Dela.
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	& Bone Spring

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.)

BOPCO, LP respectfully requests permission to downhole commingle the production between the Nash Draw (Delaware/BS/Avalon) and the Pierce Crossing (Bone Spring) East in this wellbore. On a sundry notice approved by the BLM on 11/28/2008, BOPCO, L.P. was granted permission to temporarily zone abandon the Pierce Crossing (Bone Spring) East perforations at 7616'-9160' and then to perforate the Delaware/BS/Avalon from 6571'-6935'. The wellbore has been producing from the Delaware interval since March 2009.

BOPCO, L. P. requests permission to drill out 2 CIBPs @ 7010' & 7050' and produce both formations simultaneously. The interest ownership is the same in both of these unitized zones.

The NMOCD has also been petitioned for approval to downhole commingle these two zones.

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

Valerie Truax

Title Regulatory Admin Assistant

Signature

Date 05/12/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Date

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)