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|-----------------------|----------|--------------------|------------------------|-----------------|---------------------------|
| DATE IN <u>9-3-10</u> | SUSPENSE | ENGINEER <u>DB</u> | LOGGED IN <u>9-310</u> | TYPE <u>NSL</u> | APP NO. <u>1024632686</u> |
|-----------------------|----------|--------------------|------------------------|-----------------|---------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



BOPCO

PLU 293 #1H/2H

ADMINISTRATIVE APPLICATION CHECKLIST

30-015-35548

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 _____

RECEIVED OGD
 2009 SEP - 1 P 2:45

[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.

Ocean Munds-Dry
 Print or Type Name

Ocean Munds-Dry
 Signature

Attorney
 Title

9-1-10
 Date

omundsdry@hollandhart.com
 e-mail Address



September 1, 2010

HAND-DELIVERED

Mark E. Fesmire, P.E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of BOPCO, L.P. for administrative approval of an unorthodox well location for its Poker Lake Unit 293 Well No. 1H/2H to be drilled from a surface location and penetration point 810 feet from the North line and 1980 feet from the East line of Section 21 and a bottomhole location 1650 feet from the North line and 1950 feet from the East line of Section 27 for the first lateral and a bottomhole location 330 feet from the North line and 330 feet from the East line of Section 17 for the second lateral, Township 24 South, Range 30 East, NMPM, Eddy County, New Mexico.

Dear Mr. Fesmire:

BOPCO, L.P. ("BOPCO") hereby seeks administrative approval pursuant to the provisions of Division Rules 19.15.15.13 and 19.15.16.14 for an unorthodox well location for its Poker Lake Unit 293 Well No. 1H/2H. This well will be located in Sections 16, 17, 21, 22 and 27, Township 24 South, Range 30 East, N.M.P.M., Eddy County, New Mexico and is to be drilled in the Delaware formation at a surface location and a penetration point 810 feet from the North line and 1980 feet from the East line of Section 21 and a bottomhole location 1650 feet from the North line and 1950 feet from the East line of Section 27 for the first lateral and a bottomhole location of 330 feet from the North and East lines of Section 17 for the second lateral, Eddy County, New Mexico. A 760-acre project area has been dedicated to this horizontal well comprised of the NW/4 NE/4, S/2 NE/4 and NE/4 SE/4 of Section 21, the NW/4 SW/4 and S/2 SW/4 of Section 22, the NE/4 NW/4 and the W/2 NE/4 of Section 27, the SW/4 SE/4, SE/4 SW/4, N/2 SW/4, S/2 NW/4, NW/4 NW/4 of Section 16 and the NE/4 NE/4 of Section 17.

This location is unorthodox because the Delaware formation under this acreage is governed by the Division's statewide rules which provide for wells on 40-acre spacing



units to be located no closer than 330 feet to the outer boundary of the spacing unit. The proposed well is unorthodox because portions of the Producing Interval, as defined by Division Rule 19.15.16.7, fall outside of the Producing Area dedicated to the well.

Exhibit A is a plat showing the location of the well. The Project Area for the well is entirely within the boundaries of the Poker Lake Unit which is operated by BOPCO. Also, working interest ownership is common in the Project Area and in the areas towards which the well is encroaching/falls outside the Producing Area.

Exhibit B is the C-102 for this well.

Your attention to this application is appreciated.

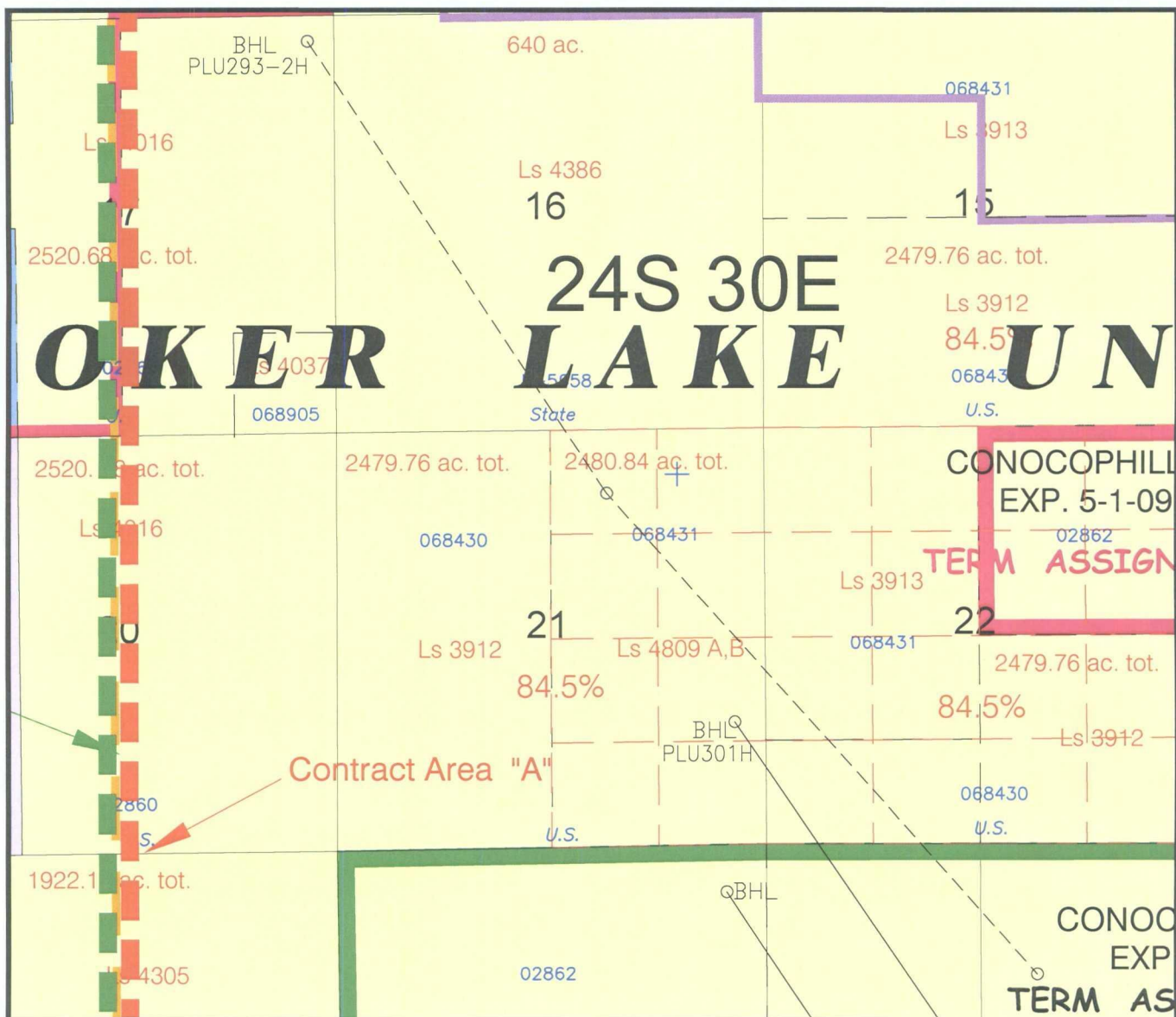
Sincerely,

A handwritten signature in cursive script that reads "Ocean Munds-Dry".

Ocean Munds-Dry
ATTORNEY FOR BOPCO, L.P.

Enclosures

cc: OCD District Office



0 2000 4000 6000
SCALE IN FEET



BOPCO, L.P.

POKER LAKE UNIT

Eddy County, New Mexico

**Bass/Chesapeake
Exploration Agreement**

DATE: 09-01-10

INTER./DRAFT. BY:

AM/EMT

FILE:

PLU-Rem-Pg41q-3.dwg

EXHIBIT

A

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

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

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

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---------------|--------------------------------------|--------------------|
| API Number | Pool Code | Pool Name |
| Property Code | Property Name POKER LAKE UNIT 293 | Well Number 1H |
| OGRID No. | Operator Name BOPCO, L.P. | Elevation 3343' |

Surface Location

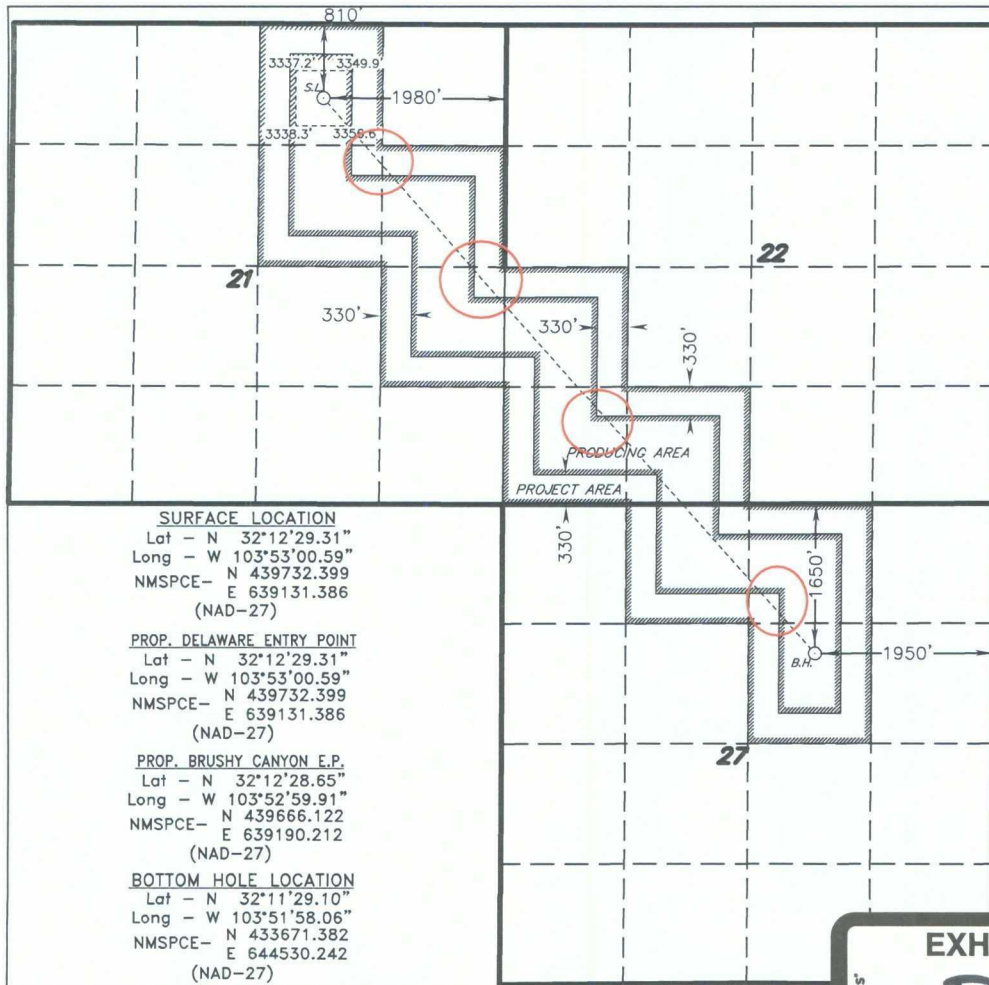
| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| B | 21 | 24 S | 30 E | | 810 | NORTH | 1980 | 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 |
| G | 27 | 24 S | 30 E | | 1650 | NORTH | 1950 | EAST | EDDY |

| | | | |
|-----------------|-----------------|--------------------|-----------|
| Dedicated Acres | Joint or Infill | 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



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.

Signature _____ Date _____

Printed Name _____

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.

JULY 1, 2009

Date Surveyed _____

Signature & Seal of Professional Surveyor _____

W.C. [Signature]

No. Gary L. Jones 7977

ASIN SURVEYS

EXHIBIT

B

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, September 21, 2010 3:56 PM
To: 'Ocean Munds-Dry'
Subject: BOPCO, LP; Poker Lake Unit 293 #1H/2H

Dear Ocean

I have in hand your application for NSL approval for this multilateral, horizontal well. As I read the application, NSL approval is requested for both laterals. However, the C-102 attached depicts only the project area for what you have called the first lateral.

I would appreciate your furnishing also a C-102 showing the projected course of the well and the designated project area for the second lateral also.

Thanks

David