

BOPCO, L.P.
201 MAIN ST.
FORT WORTH, TEXAS 76102-3131
817/390-8400

August 10, 2011

FEDERAL EXPRESS

Bureau of Land Management
Carlsbad District Office
620 E. Green St.
Carlsbad, New Mexico 88220
Attn: Mr. Wesley Ingram

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attention: Mr. Pete Martinez

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

Re: 2011 Plan of Development Amendment
Poker Lake Unit
Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the Poker Lake Unit Agreement dated March 18, 1952, BOPCO, L.P., Operator of the referenced unit, hereby submits an Amendment to our 2011 Plan of Development for the Poker Lake Unit.

FUTURE DEVELOPMENT

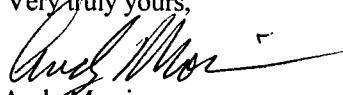
Poker Lake Unit ND 19 Federal SWD No. 1, New Mexico - This well will be drilled at a legal location being 516' FNL & 705' FEL, Section 19, T24S-R30E, Eddy County, New Mexico to a proposed depth of 16,275' to dispose of water in the Devonian Formation.

EFFECTIVE DATE

This Plan of Development Amendment became effective on August 10, 2011.

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one (1) signed original to the undersigned for our records.

Very truly yours,


Andy Morrison

AM:ca

ACCEPTED AND AGREED this 17TH day of AUGUST, 2011.

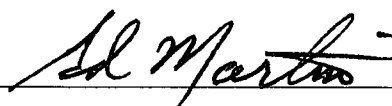
BUREAU OF LAND MANAGEMENT

By: _____

COMMISSIONER OF PUBLIC LANDS

By: _____

NEW MEXICO OIL CONSERVATION DIVISION

By: 

RECEIVED OOD
AUG 11 11:40

A. MORRISON

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

432-683-2277

FAX: 432-687-0329

August 5, 2011

Re: Notice of Application for Authorization
to Complete this well as a SWD Well
ND: "19" Federal SWD #1
Eddy County, New Mexico
File: 100-WF: ND19FedSWD1.C108

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

Mr. Jones:

Enclosed please find BOPCO, L.P.'s Application for Authorization to Drill and Complete this well for disposal purposes only into the ND 19 Federal SWD, #1 Located in Section 19, T24S, R30E, Eddy County, New Mexico.

The subject well is on Federal land and a complete copy of the application has been sent to the BLM's Carsbad office via Certified Mail, Cert #7160-3901-9846-4321-5476. Please find a copy of the notice attached. I will provide a copy of the signed receipt card when it returns.

If additional information is required, please contact Sandra J. Belt at the letterhead address, phone number or via email at sjbelt@basspet.com.

Sincerely,



Sandra J. Belt
Sr. Regulatory Clerk

sjb
Attachments

CC: BLM

| | | | | | |
|---------|----------|----------|-----------|------|--------|
| DATE IN | SUSPENSE | ENGINEER | LOGGED IN | TYPE | APP NO |
|---------|----------|----------|-----------|------|--------|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



ND "19" Federal SWD #1

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.

Sandra J. Belt
 Print or Type Name

Sandra J. Belt
 Signature

Dr. Regulatory Clerk
 Title

8-4-11
 Date

sjbelt@basspet.com
 e-mail Address

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE : _____ Secondary Recovery _____ Pressure Maintenance X Disposal _____ Storage
Application qualifies for administrative approval? _____ Yes _____ No

II. OPERATOR: BOPCO, L.P.

ADDRESS : P O Box 2760 Midland Tx 79702

CONTACT PARTY : Sandra J. Belt ext. 149

PHONE : (432)683-2277

III. WELL DATA: Complete the data required on the reverse side of this form for each well processed for injection.
Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____ Yes X No

If yes, give the Division order number authorizing the project _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted.)

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

XIII. Applicants must complete the 'Proof of Notice' section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Sandra J. Belt ext. 149

TITLE: Sr. Regulatory Clerk

SIGNATURE: Sandra J. Belt

DATE: 08/05/2011

E-MAIL ADDRESS: sibelt@basspet.com

* If the information required under Sections VI, VII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstance of the earlier submittal: _____

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township, and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include: *Attached*

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, NM 87505 within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

III. Well Data

A. 1) Lease name: ND "19" Federal SWD
Well #: 1
Section: 19
Township: T24S
Range: 30E
Footage: 516' FNL & 705' FEL

2) Casing Info:

| Casing size | Set depth | Sacks cmt | Hole size | TOC | Method |
|-------------------------------|---------------|-----------|-----------|-----------|------------|
| 30", 157.68#, X52, PE | 80 | | 36" | Surface | Circulated |
| 20, 94#, J-55, BTC | 750 | 1575 | 26" | Surface | Circulated |
| 13-3/8", 68#, HC55, BTC | 3,485 | 2,725 | 17-1/2" | Surface | Circulated |
| 9-5/8", 53.50#, L-80, LT&C ** | 11,000 | 1,475 | 17-1/4" | Surface | Circulated |
| 7-5/8", 39#, HCL-80, FJ | 10,700-15,575 | 5,625 | 8-1/2" | TO T.O.L. | Circulated |
| **DV Tool @ 5,500' | | | | | |

- 3) Tubing to be used (size, lining material, setting depth):
4-1/2" 12.75#, L-80, RTS-8 IPC tbg set @15,500'.
- 4) Name, model, and depth of packer to be used:
4-1/2" Baker FA Lokset Nickel Plated EXT/INT PC Pkr set @ 15,500'.

- B. 1) Name of the injection formation and, if applicable, the field or pool name:
Devonian
- 2) The injection interval and whether it is perforated or open hole:
Open hole from 15,572 - 16,275 O.H.
- 3) State if the well was drilled for injection or, if not, the original purpose of the well:
Newly drilled well for injection.
- 4) Give the depths of any other perforated intervals and detail on the sacks of cement or BPs used to seal off such perforations:
NA
- 5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any:
Higher: Bone Spring - 7,282' Lower: None

C-108 DATA

- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each wells type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

There are not wells that penetrate the proposed injection zone.

- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected: **20,000 average, 25,000 maximum BWPD**
 2. Whether the system is open or closed: **closed**
 3. Proposed average and maximum injection pressure: **3,114 psi average, 2,000 psi maximum**
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water: **Water will be produced from same reservoir (Devonian).**
 5. If injection is for disposal purposes into a zone not productive of oil & gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water: **N/A**

- VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with TDS of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval:

Lithologic Detail Carbonate

Geological Name Devonian

Thickness: 703'

Depth: 15,572 - 16,275'

The Rustler Formation is a known source of fresh water throughout this geographic area. Average depth of Rustler is 148-540'. No sources of fresh water are known to exist below the proposed disposal zone.

- IX. Describe the proposed stimulation program, if any:
The open hole section from 15,572-16,275' will be acidized with approximately 50 gallons 15% NEFE HCl per foot for a total of 35,150 gallons.
- X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted.)
Logs will be submitted. This will be a newly drilled well.
- XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
No known fresh water wells within one mile of proposed well, however, there is a stock tank (livestock watering) in Section 19. This stock tank is getting water from a water well in Sec. 7 approximately 2 miles north at well #158.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrology connection between the disposal zone and any underground sources of drinking water.
Applicant hereby affirms that he has examined the available geologic and engineering data and finds no evidence of open faults, or other hydrologic connection between the disposal zone and any underground source of drinking water.

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

Kathy McCarroll, being first duly sworn, on oath says:

That she is the Classified Supervisor of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

| | |
|---------|------|
| July 8 | 2011 |
| July 9 | 2011 |
| July 10 | 2011 |

That the cost of publication is \$126.02 and that payment thereof has been made and will be assessed as court costs.

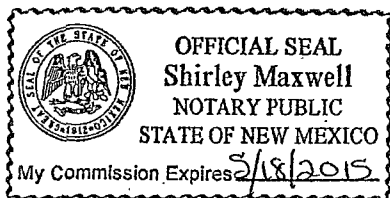
Kathy McCarroll

Subscribed and sworn to before me this

13th day of July, 2011

Shirley Maxwell

My commission expires May 18, 2015
Notary Public



NOTICE OF APPLICATION FOR SALT WATER DISPOSAL WELL PERMIT

BOPCO, L.P. has applied to the New Mexico Oil Conservation Division for a permit to dispose of produced salt water into a porous formation not productive of oil or gas.

The applicant proposes to dispose of produced water into the ND #19 Federal SWD #1 (Devonian Formation). The proposed disposal well is located 9 miles East of Malaga, New Mexico, in Section 19, T24S, R30E, and Eddy County, New Mexico. The produced salt water will be disposed at a subsurface depth of 15,572 to 16,275 feet.

Any questions concerning this application should be directed to Sandra J. Bell, Senior Regulatory Clerk, BOPCO, L.P., P.O. Box 2760, Midland, Texas 79702-2760, (432) 582-2277.

Interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 S. 1st Street, Santa Fe, New Mexico 87505, within 15 days.

RECEIVED

JUL 15 2011

BOPCO WTD PRODUCTION

ROB COCHRAN CONSULTING, INC.**"COST EFFECTIVE OPERATIONS THROUGH CHEMICAL PROGRAM OPTIMIZATION"**P.O. BOX 2154
MIDLAND, TEXAS 79702**ROB COCHRAN**
OILFIELD & INDUSTRIAL CHEMICAL CONSULTANTOFFICE: (432) 520-5810
HOME: (432) 694-9870
MOBILE: (432) 557-7877**WATER ANALYSIS REPORT**

| | |
|---------------------------------|----------------------------------|
| Report for : Michael Lyon | Date sampled : 3-24-05 |
| cc : Bass Enterprises | Date reported : 3-29-05 |
| cc : Escudero | Field, lease or well : PLU 213 |
| cc : Escudero | County : Eddy State : New Mexico |
| Company : Bass Enterprises | Formation : |
| Address : Midland Texas | Depth : |
| Service Engineer : Larry Rippee | Submitted by : Mike Rippee |

CHEMICAL COMPOSITION :

mg/L

| | |
|-------------------------------------|--------|
| Chloride (Cl) | 118000 |
| Iron (Fe) | 45 |
| Total Hardness | 8600 |
| Calcium (Ca) | 1523 |
| Magnesium (Mg) | 1166 |
| Bicarbonates (HCO ₃) | 597 |
| Carbonates (CO ₃) | 0 |
| Sulfates (SO ₄) | 2120 |
| Hydrogen sulfide (H ₂ S) | 0 |
| Sodium (Na) | 73896 |
| Total dissolved solids | 197304 |
| Specific Gravity | 1.121 |
| Density (#/gal.) | 9.342 |
| pH | 6.90 |

Poker Lake Unit #213
Delaware**CaCO₃ Stability Index :**

| | |
|---------|------|
| 86 F = | .67 |
| 104 F = | .9 |
| 122 F = | 1.16 |
| 140 F = | 1.45 |
| 176 F = | 2.12 |

CaSO₄ Sol. @ 82 F = 6066CaSO₄ Present = 3004Comments: Carbon dioxide = 420
Resistivity: .0467 Ohm-meters @70°F

PROPOSED WELLBORE DIAGRAM

Lease: ND "19" Federal SWD Well No.: 1
Injection
Reservoir: Devonian
Location: 516' FNL & 705' FEL S19-T24S-R30E
County: EDDY St: NM API: 30-015-

Surface Csg.

Size: 20"
Wt 94#
Grd J-55, BTC
Set @: 750'
Sxs cmt: 1575
TOC: Surface
Hole Size: 26"

Intermediate Csg.

Size: 13 3/8"
Wt 68#
Grd HC-55, BTC
Set @: 3485'
Sxs Cmt: 2725
TOC: Surface
Hole Size: 17 1/2"

Production Csg.

Size: 9 5/8"
Wt 53.5#
Grd L-80, LT&C
Set @: 11,000'
Sxs Cmt: 6575
TOC: Surface
Hole Size: 17 1/4"

Liner

Size: 7 5/8"
Wt 39#
Grd HCL-80, FJ
Set @: 10,700' - 15,575'
Sxs Cmt: 525
TOC: 10,700'
Hole Size: 8 1/2"

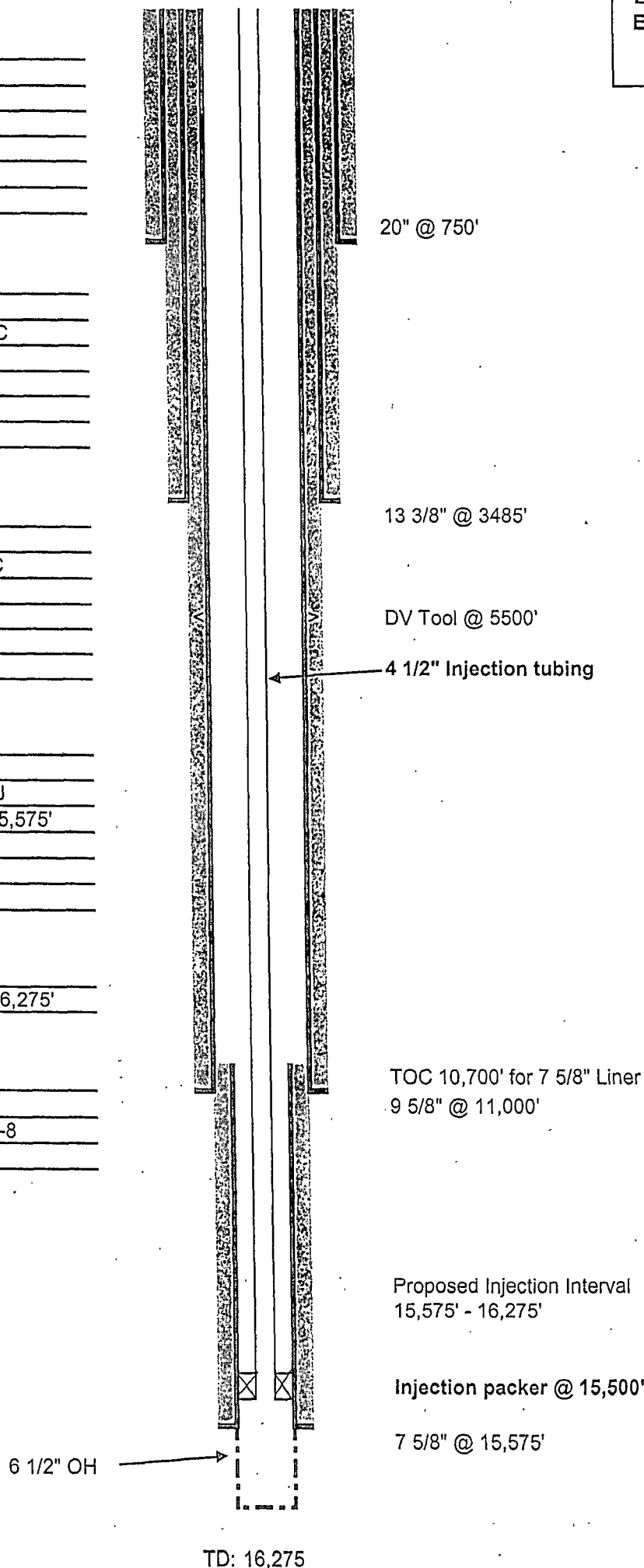
Open Hole

Size: 6 1/2"
Depth: 15,575' - 16,275'

Tubing

Size: 4 1/2" IPC
Wt 12.75#
Grd L-80, RTS-8
Set @: 15,500'

Elevation GL:
Elevation KB:
Spud:
Completed



Updated: 8/4/2011
Author: crm
Engr: CCC

