

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] OPERATOR/Applicant Name: \_\_\_\_\_ OGRD: \_\_\_\_\_  
 (If one well) Lease/Well Name: \_\_\_\_\_  
 Well API No. 30- \_\_\_\_\_ - \_\_\_\_\_

[2] 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

[3] 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  
U.S. Bureau of Land Management
- [E]  Notification and/or Concurrent Approval by SLO  
Commissioner of Public Lands, State Land Office
- [F]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [G]  Waivers are Attached

[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

FAX TRANSMITTAL SHEET

TO: *Will Jones - OCD*  
*N.M. Energy, Minerals &*  
*Natural Resources Dept.*

FAX: *(505) 476-3462*  
PHONE:

FROM: **CARLOS CRUZ**  
**Bass Enterprises Production Co.**

FAX: **(432) 687-0329**  
PHONE: **(432) 683-2277**

Number of pages + Cover Sheet: 3

OCTOBER 22, 2007

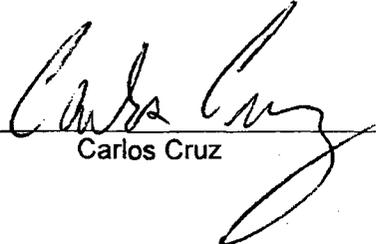
TO: MR. WILL JONES  
FROM: CARLOS CRUZ  
RE: POKER LAKE UNIT #227, API# 30-015-33929  
330' FSL & 560' FEL, SECTION 30, T-24S, R-30E  
NASH DRAW (DELAWARE) FIELD  
EDDY COUNTY, NEW MEXICO

As I mentioned to you in our phone conversation, we have had to cement squeeze 6 sets of perforations in our Poker Lake Unit #227 well due to the fact that our nearby producing well was being watered-out. The squeezed zones are 5450'-5482', 5566'-5590', 5688'-5695', 6200'-6234', 6332'-6342', and 6600'-6640' (please see attached wellbore diagram). After squeezing the top 3 sets of perforations we tested the casing to 500 psi; tested O.K. However after setting the packer at 6853 feet and continuing water injection we noticed that we were still watering-out the producing well. We then opted to squeeze the next 3 sets of perforations. Again we re-tested the casing to 500 psi prior to drilling-out the bottom 3 sets of perforations and this time we had a leak-off of about 275 psi in 3 minutes. What I would like to propose is that we use 2 packers to isolate the problem. I would like to set a packer at approximately 5400+/- feet and another at 6853+/- feet. With this packer configuration we would be able to test the casing for mechanical integrity from 5400 feet to surface and inject water below the lower packer without disturbing the squeezed sets of perforations. We would still be working within our allowable permitted injection interval of 4930 feet to 7347 feet; as per Administrative Order SWD-1064.

I would greatly appreciate your help with this matter.

cc

Changed  
Due To  
Waste ISSUES

  
Carlos Cruz

LEASE: POKER LAKE UNIT WELL #: 227  
 FIELD: NASH DRAW DELAWARE  
 LOCATION: 330' FSL & 560' FEL, SECTION 30, T24S, R30E  
 COUNTY: EDDY ST: NM API: 30-015-33929

\*PROPOSED\*

KB: 3237'  
 GL: 3217'  
 SPUD DATE: 8/14/2005  
 COMP DATE: 10/1/2005

**SURFACE CASING**

SIZE:	8-5/8"	
WT/GRD:	32# K55	0-454'
WT/GRD:	32# J55	454-540'
CSA:	540'	
SX:	510	PREM+
SX:	50	PREM+
CIRC:	N	
TOC:	53'	
TOC:	SURF	TOP OUT
HOLE SIZE:	12-1/4"	0-636'

**INTERMEDIATE CASING**

SIZE:	7"	
WT/GRD:	23#	L-80FL4S
CSA:	3700'	
SX:	285	INTERFILL A
SX:	100	PREM+
SX:	100 (1")	PREM+
CIRC:	Y (via 1")	
TOC:	1570'	TS
TOC:	SURF (1")	SQZD
HOLE SIZE:	7-7/8"	636-3720'

**PRODUCTION CASING**

SIZE:	4-1/2"	
WT/GRD:	11.6#	J55
CSA:	7605'	
SX:	270	PREM+ W/N2
CIRC:	NO	
TOC:	4840' KB	TS
HOLE SIZE:	6-1/8"	3720-7610'

**TUBING DATA**

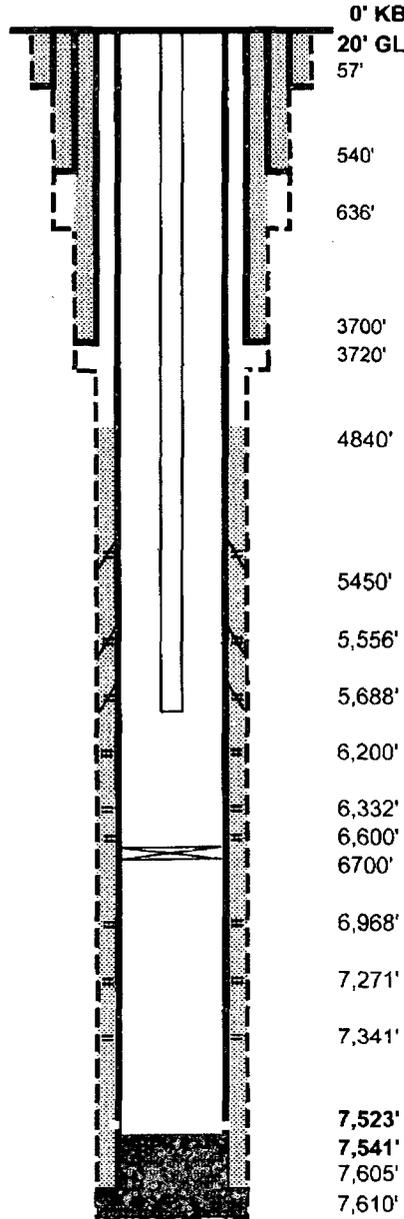
(163 JTS) 2-3/8" 4.7# J-55 Seal Tite IPC TBG  
 2-3/8" NPL IPC PIN - PIN EUE 8RD  
 LOKSET NICKEL PLATED EXT/INT PC PKR  
 PKR @ 5403-5407'

**PERFORATION DATA**

09/05 PERF 7271-87' LBC Y, 7341-47' LBC Z  
 F/ "Y" & "Z" 30kg PW PAD+94kg PW W/ 10k#  
 14/30 LP+1kg 7-1/2% HCL ACID+3kg PW FLUSH  
 PERF 6968-91' "U" F/ 29.8kg PW PAD+94kg PW  
 W/ 10k# 14/30 LP+4.2kg PW FLUSH

**Squeezed Perforations, 8/24/2007**

5450'-5482' PL52  
 5566'-5590' Cabin Lake  
 5688'-5695' LCC  
 500 bbs of Gel Polymer  
 100 sx of Thixotropic  
 100 sx of Class C



0' KB  
 20' GL  
 57' 16" CONDUCTOR  
 540' 8-5/8" 32# K55/J55 CSG  
 636' 12-1/4" HOLE  
 3700' 7" 23# L80 CSG  
 3720' 7-7/8" HOLE  
 4840' TOC (TS) KB (4820' GL)  
 5450' PERF 5450-82' 4 JSPF 90° PHSG  
 SQZD 8/22/07  
 5,556' PERF 5566-90' 4 JSPF 90° PHSG  
 SQZD 8/22/07  
 5,688' PERF 5688-95' 4 JSPF 90° PHSG  
 SQZD 8/22/07  
 6,200' PERF 6200-34' 4 JSPF 90° PHSG  
 6,332' PERF 6332-42' 4 JSPF 90° PHSG  
 6,600' PERF 6600-40' 4 JSPF 90° PHSG  
 6700' CIBP  
 6,968' PERF 6968-91' MBC U 1 JSPF 0° PHSG  
 7,271' PERF 7271-87' LBC Y 1 JSPF 0° PHSG  
 7,341' PERF 7341-47' LBC Z 2 JSPF 0° PHSG  
 7,523' FC  
 7,541' PBTD TAG  
 7,605' 4-1/2" 11.6# J55 CSG  
 7,610' 6-1/8" HOLE (7614' LOG)

PBTD: 7541' (7521' GL)  
 TD: 7610'  
 7614' LOG

Updated: 8/30/2007  
 Author: ezg  
 Engr: CCC

*before 1st sqz, PKR set @ 5407'*  
*before 2nd sqz, PKR set @ 6853'*

*all squeezed*

Form 3160-5  
(April 2004)

**UNITED STATES OPERATOR'S COPY**  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM 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.

5. Lease Serial No.  
**NMLC069627**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
**NMNM71016**

8. Well Name and No.  
**POKER LAKE UNIT #227**

9. API Well No.  
**30-015-33929**

10. Field and Pool, or Exploratory Area  
**NASH DRAW - DELAWARE**

11. County or Parish, State  
**EDDY  
NM**

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well  
 Oil Well     Gas Well     Other

2. Name of Operator  
**BEPCO, L.P.**

3a. Address  
**P.O. BOX 2760 MIDLAND TX 79702-2760**

3b. Phone No. (include area code)  
**(432)683-2277**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**SEC 30, T24S, R30E, SESE UL P, 330' FSL & 560' FEL  
LAT. 32.10559 N LAT. & LONG. 103.54501 W**

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input 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 checked="" 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/Squeeze Perfs
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

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 recomplete 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 recompletion 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. made the decision to squeeze delaware perfs from 5450'-5695' in this disposal well due to communication with the Horned Toad 36 State #1H in section 36.  
MIRU PU, release Baker 4-1/2" Loc-Set packer and POOH with 2-3/8" tubing.  
PU and RIH wireline and 4-1/2" CIBP and set @ 5760'. POOH w/ wireline. RIH w/ Baker 4-1/2" Retrievmatic pkr on 2-3/8" work-string tubing and set @ 5722'. Test CIBP to 3000 psi.  
PUH to 5374' and test 2-3/8" annulus to 1000 psi. POOH w/2-3/8" tubing. RIH w/ Baker 4-1/2" 11.6# cement retainer & 172 jts 2-3/8" tbg to 5402'. Pump 500 bbls of Marathon gel product and SI overnight.  
MIRU BJ Services and squeeze delaware perfs with 100 sacks of Thixotropic cement and 100 sxs of Class C cement + additives followed by 2 bbls of fresh water. Shut down for 20 minutes. Re-establish injection and hesitate squeeze.  
POOH w/2-3/8" tubing and RD BJ Services. WOC for 24 hrs.  
MIRU reverse unit & drill out cement & retainer to CIBP @ 5760'. Push CIBP to PBD. POOH and lay down workstring.  
PU & RIH w/ 4-1/2" Baker Loc-Set packer and 186 jts 2-3/8" tubing and set pkr. @ 6166'. Pressure test 2-3/8" x 4-1/2" annulus to 500 psi. RD and return well to injection.

**BEPCO - WTD PRODUCTION**  
  
SEP 24 2007  
  
**RECEIVED**

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

Signature *Ann Moore*

Title **PRODUCTION CLERK**

Date **09/12/2007**

**ACCEPTED FOR THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by *Harold A. Glass*

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, fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)