

11/30/07 DATE IN	SUSPENSE	Brooks ENGINEER	12/3/07 LOGGED IN	NSL TYPE	PKVR0733728014 APP NO.
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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



RECEIVED
Bepco, L.P.
Pocker Lake Unit #296
5576
2007 NOV 30 PM

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.

<u>James Bruce</u> Print or Type Name	<u>James Bruce</u> Signature	<u>Attorney for Applicant</u> Title	<u>11/30/07</u> Date
		<u>jamesbruce@aol.com</u> e-mail Address	

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

November 30, 2007

Mark E. Fesmire, P.E.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

Pursuant to Division Rule 104.F(2), BEPCO, L.P. applies for approval of an unorthodox oil well location for the following well:

<u>Well:</u>	Poker Lake Unit Well No. 296
<u>Location:</u>	300 feet FSL & 1200 feet FEL
<u>Well unit:</u>	SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 32, Township 24 South, Range 30 East, N.M.P.M., Eddy County, New Mexico

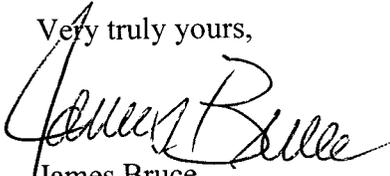
The well will be drilled to a depth sufficient to test the Delaware/Bone Spring formation (Nash Draw-Delaware/Bone Spring Avalon Sand Pool). The pool is spaced on statewide rules, with 40 acre spacing and wells to be located no closer than 330 feet to a quarter-quarter section line. A Form C-102 is attached as Exhibit A.

The location was originally orthodox. However, the Bureau of Land Management (the surface/mineral owner) wanted to minimize surface disturbance, and the wellsite is next to an existing lease road additional lease road. See Exhibit B. Also, although not shown on the plat, the wellsite avoids a pipeline in the area. The well was moved south and west of an orthodox location to conform to these matters. Finally, for geophysical reasons, applicant desires to stay in the southern portion of the well unit.

All of Section 32 is covered by State Lease B-10685-1, and the offsetting N $\frac{1}{2}$ §5-25S-30E is covered by State Lease B-10678-1. Exhibit C. Besides being fully committed to the Poker Lake Unit, the two leases have common working interest and royalty ownership. Therefore, there is no adversely affected interest owner, and notice has not been given to anyone.

Please contact me if you need any further information on this application.

Very truly yours,



James Bruce

Attorney for BEPCO, L.P.

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		Well Number 296
OGRID No.	Operator Name BEPCO, L.P.		Elevation 3241'

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	32	24 S	30 E		300	SOUTH	1200	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		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

	<p>OPERATOR CERTIFICATION</p> <p><i>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.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p>
	<p>SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>OCTOBER 05 2007</p> <p>Date Surveyed _____</p> <p>Signature & Seal of Professional Surveyor _____</p> <p>W.C. _____ 2006</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

SECTION 32, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

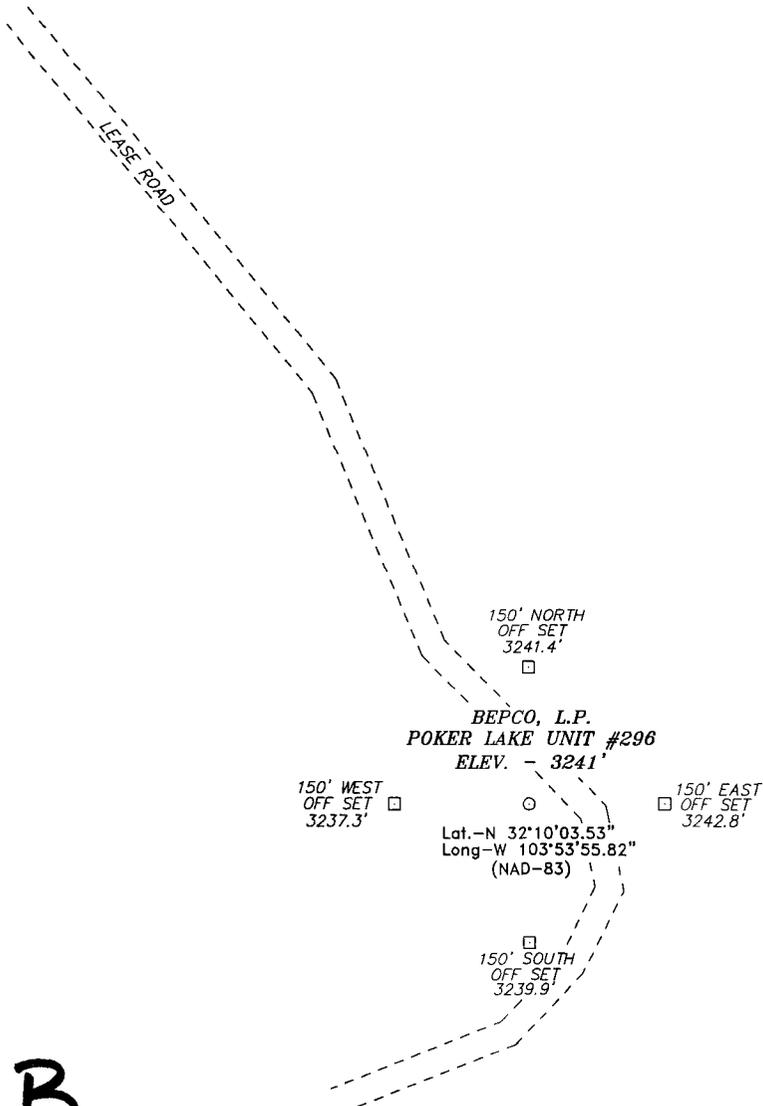


EXHIBIT **B**



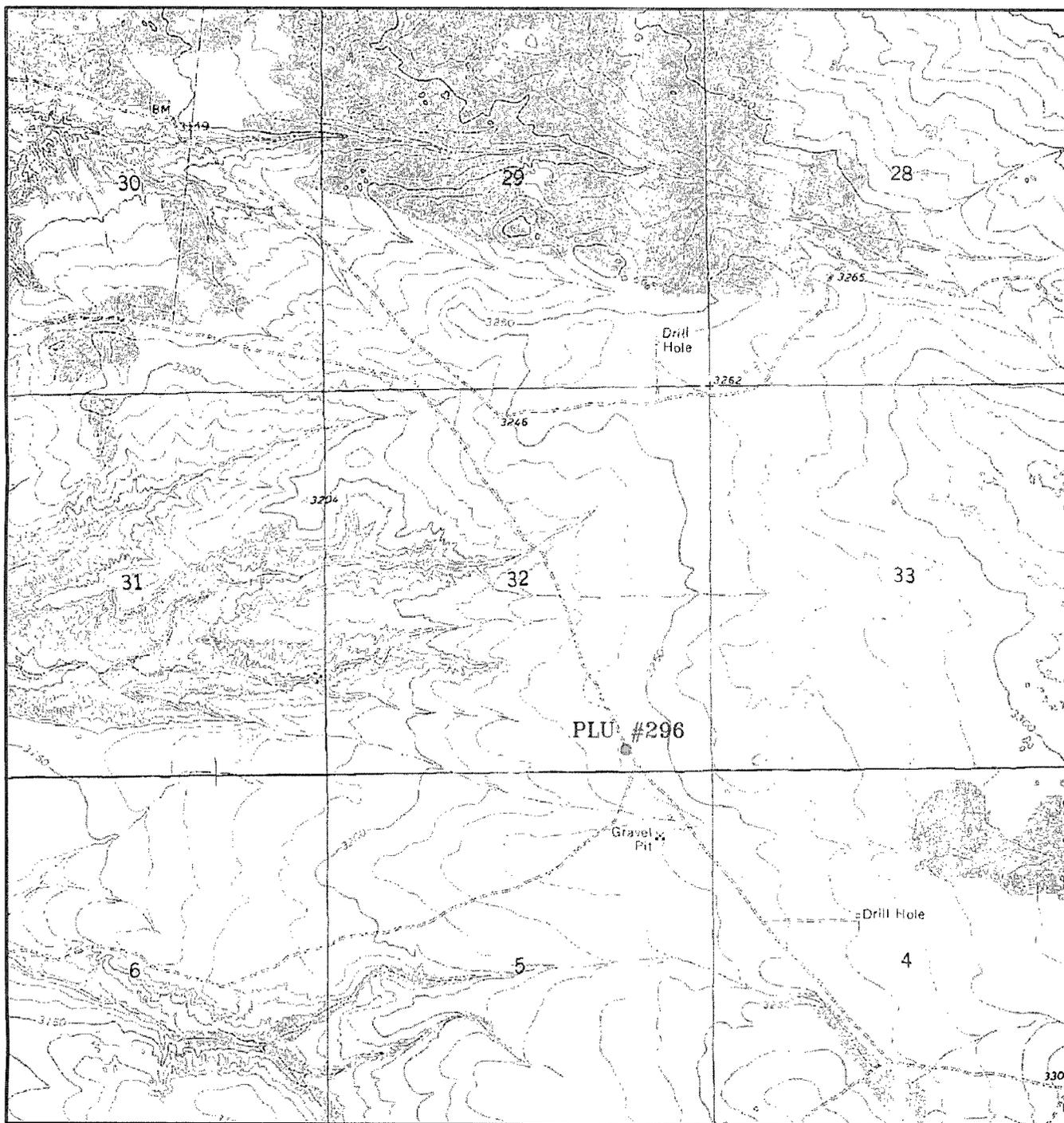
DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF CO. RD. 787 (TWIN WELLS)
 AND CO. RD. 748 (McDONALD), GO WEST APPROX 3.7
 MILES TO LEASE ROAD, ON LEASE ROAD GO
 SOUTHERLY APPROX. 1.5 MILES TO PROPOSED
 LOCATION.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 18586 Drawn By: J. SMALL
 Date: 10-10-2007 Disk: 18586W JMS

BEPCO, L.P.	
REF: POKER LAKE UNIT #296 / WELL PAD AND TOPO	
THE POKER LAKE UNIT #296 LOCATED 300'	
FROM THE SOUTH LINE AND 1200' FROM THE EAST LINE OF	
SECTION 32, TOWNSHIP 24 SOUTH, RANGE 30 EAST,	
N.M.P.M., EDDY COUNTY, NEW MEXICO.	
Survey Date: 10-09-2007	Sheet 1 of 1 Sheets



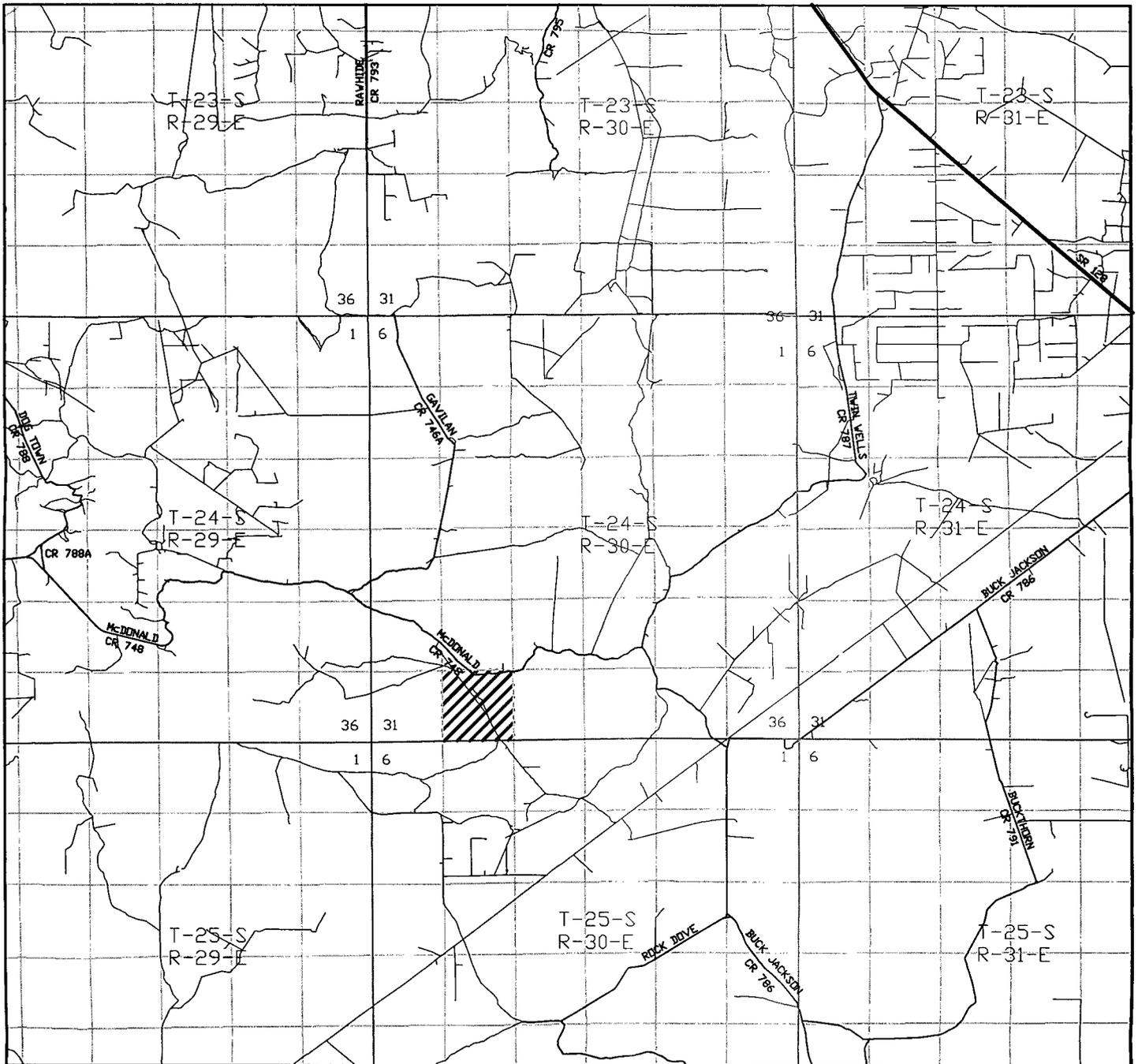
POKER LAKE UNIT #296
 300' FSL and 1200' FEL
 Section 32, Township 24 South, Range 30 East,
 N.M.P.M., Eddy County, New Mexico.

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 18586T
Survey Date:	10-09-2007
Scale:	1" = 2000'
Date:	10-10-2007

BEPCO, L.P.



POKER LAKE UNIT #296
 300' FSL and 1200' FEL
 Section 32, Township 24 South, Range 30 East,
 N.M.P.M., Eddy County, New Mexico.


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 Hobbs, New Mexico 88241
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 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number: JMS 18586TR
 Survey Date: 10-09-2007
 Scale: 1" = 2 MILES
 Date: 10-10-2007

BEPCO, L.P.

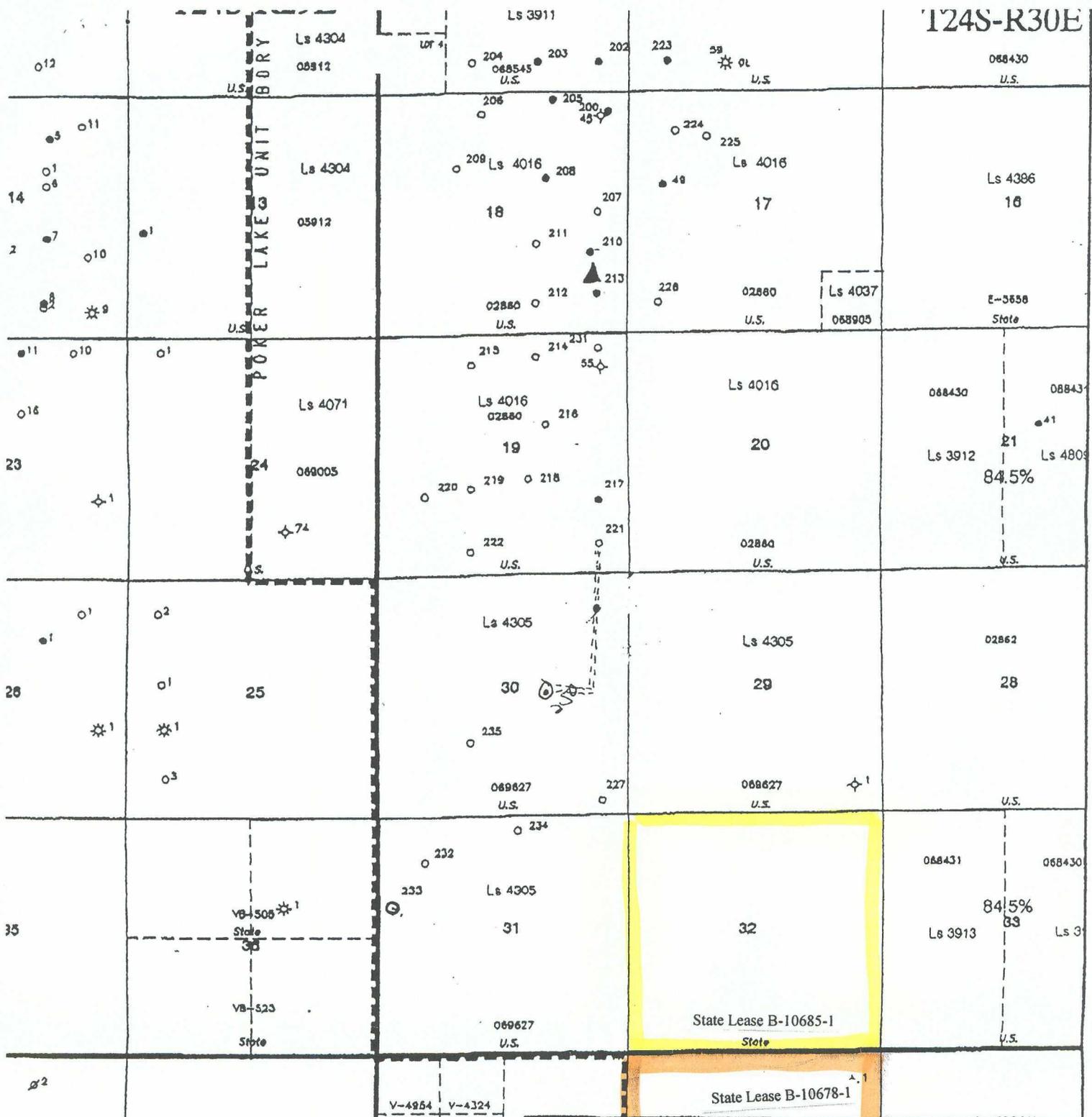


EXHIBIT C

Bass Enterprises Production Co.
POKER LAKE UNIT
Nash Draw Delaware Field
Eddy County, New Mexico

0 3000 6000 9000
 SCALE IN FEET

DATE 3-23-05 INTER/DRAFT BY SHJ/PO FILE pln land.dwg pg7