

District I
1625 N French Dr., Hobbs, NM 88240
District II
1361 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



Form C-141
Revised October 10, 2003

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

MAY 27 2008
OCD-ARTESIA

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

1801
ISEB0816848800
NSEB0816848515

OPERATOR

Initial Report Final Report

Name of Company BEPCO, L.P.	Contact Gary Gerhard
Address P O. Box 2760 Midland, TX 79705	Telephone No. 432-683-2277
Facility Name Poker Lake Unit #276	Facility Type Wellsite

Surface Owner BLM	Mineral Owner BLM	Lease No. NM05912
-------------------	-------------------	-------------------

30-015-35137

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
G	13	T24S 24S	R29E	1980	FNL	1980	FEL	Eddy

Latitude N 32.219389 Longitude W 103.935917

NATURE OF RELEASE

Type of Release Liquid drilling mud	Volume of Release 25 bbls	Volume Recovered None
Source of Release Frac Tanks	Date and Hour of Occurrence 4/16/08 4:30 PM	Date and Hour of Discovery 4/16/08 4:30 PM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse	

If a Watercourse was Impacted, Describe Fully *

Describe Cause of Problem and Remedial Action Taken *

While transferring drilling mud to frac tanks operator of transfer pump ran frac tanks over Pumps were shut down

Describe Area Affected and Cleanup Action Taken *

Mud ran off location into pasture following shallow gullies out into pasture for approximately 1000' Two backhoes were called out to pick up the impacted dirt and hauled to CRI

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations

Signature: <i>Gary Gerhard</i>	<u>OIL CONSERVATION DIVISION</u>	
Printed Name: Gary Gerhard	Approved by District Supervisor: <i>TCum by SB</i>	
Title: Drilling Engineer	Approval Date: 6-16-08	Expiration Date:
E-mail Address: gegerhard@BessPet.Com	Conditions of Approval	Attached <input checked="" type="checkbox"/>
Date: 5/23/08 Phone: 432-683-2277		2RP-178

* Attach Additional Sheets If Necessary

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



CERTIFIED MAIL—RETURN RECEIPT REQUESTED
7007 2680 0001 6451 2667

June 16, 2008

BEPCO, L.P.
PO Box 2760
Midland, TX 79705

Reference: Poker Lake Unit 276 G-13-24S-29E
API: 30-015-35137 Eddy County New Mexico
2RP-178

Operator,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of a initial report form C-141 (received May 27, 2008) reporting a release of drilling fluids that occurred on April 16, 2008 at the above referenced site. The form C-141 stated that two backhoes were called out to pick up the impacted dirt and hauled to CRI.

The conditions of approval of the C-141 are as follows:

- Delineation samples are to be obtained for analyses.
- In the event contaminants are determined to be present, submit a remediation work plan proposal based on contaminant delineation results, site ranking, and OCD Rules and Guidelines no later than **July 16, 2008**.
- Notify the OCD 48 hours prior to obtaining samples where analyses of samples obtained are to be submitted to the OCD.
- Submit a Final Report C-141 and analyses upon satisfactory completion of activities. (Final confirmation soil analyses will be required.)

A publication outlining OCD guidelines and requirements for site ranking and spill remediation can be found on the OCD website at <http://www.emnrd.state.nm.us/ocd/EH-MiscGuidelines.htm>

Remediation requirements may be subject to other federal, state, local laws and/or regulations.

If I can be of assistance in this matter, you may reach me at the contact information listed below.

Sincerely,

A handwritten signature in black ink, appearing to read "Sherry Bonham", is written over a horizontal line.

Sherry Bonham
NMOCD District 2
1301 W. Grand Avenue
Artesia, NM 88210
575.748.1283.ext 109
sherry.bonham@state.nm.us

