

|        |          |                 |                  |     |      |                |
|--------|----------|-----------------|------------------|-----|------|----------------|
| 6/5/08 | SUSPENSE | ENGINEER Brooks | LOGGED IN 6/5/08 | NSL | TYPE | PKUR0815752595 |
|--------|----------|-----------------|------------------|-----|------|----------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



BEPCO, LP  
 Poker Lake Unit #256  
 5768

**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

RECEIVED  
 2008 JUN 5 PM 2 00

[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.

James Bruce  
 P.O. Box 1056  
 Santa Fe, New Mexico 87504

*James Bruce*  
 Signature

Attorney for Applicant  
 Title Date

jamesbruc@aol.com  
 e-mail Address

6/4/08

**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](mailto:jamesbruc@aol.com)

June 4, 2008

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. 256-H                                                                                                                                                                        |
| <u>Surface location:</u>         | 130 feet FSL & 1060 feet FEL                                                                                                                                                                          |
| <u>Terminus location:</u>        | 2605 feet FSL & 1745 feet FWL                                                                                                                                                                         |
| <u>Well unit (project area):</u> | NE $\frac{1}{4}$ SW $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$ , and S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 31,<br>Township 24 South, Range 30 East, N.M.P.M., Eddy<br>County, New Mexico |

The well will be drilled to a depth sufficient to test the Delaware formation (Nash Draw-Delaware Pool). The pool is developed 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 for the well is attached as Exhibit A. The surface location is unorthodox due to surface use restrictions imposed by the Bureau of Land Management. Applicant has been drilling horizontal Delaware wells with a southeast-northwest orientation, and desires to drill a lateral approximately one-half mile long, which is why the terminus of the wellbore is unorthodox.

Attached as Exhibit B is a directional drilling plan, which shows that:

1. The wellbore will penetrate the top of the Delaware formation at approximately the surface location.

2. The Lower Brushy Canyon zone (7110 feet subsurface), will be penetrated at an approximate location 205 feet FSL & 1138 feet FEL.

3. The primary, productive Delaware zone, the "Y" sand of the Lower Brushy Canyon zone (7320 feet subsurface), will be penetrated at an approximate location 322 feet FSL & 1259 feet FEL.

All of Section 31 is covered by Federal Lease LC 069627(a), which has common ownership. Exhibit C. Therefore, there is no adversely affected offset owner within Section 31.

The offsetting E½ §6-25S-30E is covered by State Lease V-6699, which is owned and operated by Yates Petroleum Corporation. Exhibit D. Notice of this application has been sent to Yates Petroleum Corporation. Exhibit E.

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

Very truly yours,

A handwritten signature in black ink, appearing to read "James Bruce", is written over a printed name.

James Bruce

Attorney for BEPCO, L.P.

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88248

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

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

DISTRICT IV  
1228 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<br><i>Nash Draw Deller / BS</i> |
| Property Code | Property Name<br>POKER LAKE UNIT | Well Number<br>256H                       |
| OGED No.      | Operator Name<br>BEPCO, L.P.     | Elevation<br>3178'                        |

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             | 31      | 24 S     | 30 E  |         | 130           | SOUTH            | 1060          | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| K             | 31      | 24 S     | 30 E  |         | 2605          | SOUTH            | 1745          | 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

|                      |                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| LOT 1<br>40.85 ACRES | <p>EXHIBIT <b>A</b></p> <p>BOTTOM HOLE LOCATION<br/>Lat - N32°10'28.95"<br/>Long - W103°55'25.51"<br/>NMSPCE - N 427231.466<br/>E 668062.556<br/>(NAD-83)</p> <p>SURFACE LOCATION<br/>Lat - N32°10'01.52"<br/>Long - W103°54'55.96"<br/>NMSPCE - N 424772.548<br/>E 670612.095<br/>(NAD-83)</p> | OPERATOR CERTIFICATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| LOT 2<br>40.82 ACRES |                                                                                                                                                                                                                                                                                                 | <p>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 released 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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> |
| LOT 3<br>40.79 ACRES |                                                                                                                                                                                                                                                                                                 | SURVEYOR CERTIFICATION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| LOT 4<br>40.76 ACRES |                                                                                                                                                                                                                                                                                                 | <p>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.</p> <p>OCTOBER 27, 2006</p> <p>Date Surveyed _____</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p>Professional Surveyor</p> <p>W. L. Jones</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASTON SURVEYS</p>                                                                             |

# **BEPCO, LP.**

**Eddy Co., New Mexico (Nad 83)**

**Poker Lake Unit #256H**

**Poker Lake Unit #256H**

**Lateral**

**Plan: Plan #1a**

## **Standard Survey Report**

**21 May, 2008**

EXHIBIT

**B**

# Black Viper Energy

## Survey Report

|                  |                               |                                     |                                   |
|------------------|-------------------------------|-------------------------------------|-----------------------------------|
| <b>Company:</b>  | BEPCO, LP.                    | <b>Local Co-ordinate Reference:</b> | Site Poker Lake Unit #256H        |
| <b>Project:</b>  | Eddy Co., New Mexico (Nad 83) | <b>TVD Reference:</b>               | Rig KB @ 3197.00ft (Rig KB Elev.) |
| <b>Site:</b>     | Poker Lake Unit #256H         | <b>MD Reference:</b>                | Rig KB @ 3197.00ft (Rig KB Elev.) |
| <b>Well:</b>     | Poker Lake Unit #256H         | <b>North Reference:</b>             | Grid                              |
| <b>Wellbore:</b> | Lateral                       | <b>Survey Calculation Method:</b>   | Minimum Curvature                 |
| <b>Design:</b>   | Plan #1a                      | <b>Database:</b>                    | EDM 2003.14 Server Db             |

|                    |                               |                      |                |
|--------------------|-------------------------------|----------------------|----------------|
| <b>Project</b>     | Eddy Co., New Mexico (Nad 83) |                      |                |
| <b>Map System:</b> | US State Plane 1983           | <b>System Datum:</b> | Mean Sea Level |
| <b>Geo Datum:</b>  | North American Datum 1983     |                      |                |
| <b>Map Zone:</b>   | New Mexico Eastern Zone       |                      |                |

|                              |                       |                     |               |                          |                   |
|------------------------------|-----------------------|---------------------|---------------|--------------------------|-------------------|
| <b>Site</b>                  | Poker Lake Unit #256H |                     |               |                          |                   |
| <b>Site Position:</b>        |                       | <b>Northing:</b>    | 424,772.55 ft | <b>Latitude:</b>         | 32° 10' 1.509 N   |
| <b>From:</b>                 | Map                   | <b>Easting:</b>     | 670,612.09 ft | <b>Longitude:</b>        | 103° 54' 55.976 W |
| <b>Position Uncertainty:</b> | 0.00 ft               | <b>Slot Radius:</b> | "             | <b>Grid Convergence:</b> | 0.22 °            |

|                             |                       |         |                            |               |                      |                   |
|-----------------------------|-----------------------|---------|----------------------------|---------------|----------------------|-------------------|
| <b>Well</b>                 | Poker Lake Unit #256H |         |                            |               |                      |                   |
| <b>Well Position</b>        | <b>+N/-S</b>          | 0.00 ft | <b>Northing:</b>           | 424,772.55 ft | <b>Latitude:</b>     | 32° 10' 1.509 N   |
|                             | <b>+E/-W</b>          | 0.00 ft | <b>Easting:</b>            | 670,612.09 ft | <b>Longitude:</b>    | 103° 54' 55.976 W |
| <b>Position Uncertainty</b> |                       | 0.00 ft | <b>Wellhead Elevation:</b> | 3,196.00 ft   | <b>Ground Level:</b> | 3,178.00 ft       |

|                  |                   |                    |                           |                         |                               |
|------------------|-------------------|--------------------|---------------------------|-------------------------|-------------------------------|
| <b>Wellbore</b>  | Lateral           |                    |                           |                         |                               |
| <b>Magnetics</b> | <b>Model Name</b> | <b>Sample Date</b> | <b>Declination</b><br>(°) | <b>Dip Angle</b><br>(°) | <b>Field Strength</b><br>(nT) |
|                  | IGRF200510        | 12/28/2007         | 8.14                      | 60.17                   | 48,938                        |

|                          |                         |              |                      |                  |  |
|--------------------------|-------------------------|--------------|----------------------|------------------|--|
| <b>Design</b>            | Plan #1a                |              |                      |                  |  |
| <b>Audit Notes:</b>      |                         |              |                      |                  |  |
| <b>Version:</b>          | <b>Phase:</b>           | PLAN         | <b>Tie On Depth:</b> | 6,791.00         |  |
| <b>Vertical Section:</b> | <b>Depth From (TVD)</b> | <b>+N/-S</b> | <b>+E/-W</b>         | <b>Direction</b> |  |
|                          | (ft)                    | (ft)         | (ft)                 | (°)              |  |
|                          | 0.00                    | 0.00         | 0.00                 | 313.96           |  |

|                            |                       |                          |                  |                    |  |
|----------------------------|-----------------------|--------------------------|------------------|--------------------|--|
| <b>Survey Tool Program</b> | <b>Date</b> 5/21/2008 |                          |                  |                    |  |
| <b>From</b>                | <b>To</b>             | <b>Survey (Wellbore)</b> | <b>Tool Name</b> | <b>Description</b> |  |
| (ft)                       | (ft)                  |                          |                  |                    |  |
| 6,791.00                   | 10,590.39             | Plan #1a (Lateral)       | MWD              | MWD - Standard     |  |

| Planned Survey            |                    |                |                           |               |               |                             |                             |                            |                           |  |
|---------------------------|--------------------|----------------|---------------------------|---------------|---------------|-----------------------------|-----------------------------|----------------------------|---------------------------|--|
| Measured<br>Depth<br>(ft) | Inclination<br>(°) | Azimuth<br>(°) | Vertical<br>Depth<br>(ft) | +N/-S<br>(ft) | +E/-W<br>(ft) | Vertical<br>Section<br>(ft) | Dogleg<br>Rate<br>(°/100ft) | Build<br>Rate<br>(°/100ft) | Turn<br>Rate<br>(°/100ft) |  |
| 6,791.00                  | 0.00               |                | 6,791.00                  | 0.00          | 0.00          | 0.00                        | 0.00                        | 0.00                       | 0.00                      |  |
| KOP - Build 12.73°/100'   |                    |                |                           |               |               |                             |                             |                            |                           |  |
| 6,810.00                  | 2.42               | 313.96         | 6,809.99                  | 0.28          | -0.29         | 0.40                        | 12.73                       | 12.73                      | 0.00                      |  |
| 6,840.00                  | 6.24               | 313.96         | 6,839.90                  | 1.85          | -1.92         | 2.66                        | 12.73                       | 12.73                      | 0.00                      |  |
| 6,870.00                  | 10.06              | 313.96         | 6,869.59                  | 4.80          | -4.98         | 6.92                        | 12.73                       | 12.73                      | 0.00                      |  |
| 6,900.00                  | 13.88              | 313.96         | 6,898.94                  | 9.12          | -9.45         | 13.14                       | 12.73                       | 12.73                      | 0.00                      |  |
| 6,930.00                  | 17.70              | 313.96         | 6,927.80                  | 14.78         | -15.33        | 21.30                       | 12.73                       | 12.73                      | 0.00                      |  |
| 6,960.00                  | 21.52              | 313.96         | 6,956.06                  | 21.77         | -22.57        | 31.36                       | 12.73                       | 12.73                      | 0.00                      |  |
| 6,990.00                  | 25.33              | 313.96         | 6,983.58                  | 30.05         | -31.15        | 43.28                       | 12.73                       | 12.73                      | 0.00                      |  |
| 7,020.00                  | 29.15              | 313.96         | 7,010.25                  | 39.58         | -41.04        | 57.01                       | 12.73                       | 12.73                      | 0.00                      |  |
| 7,050.00                  | 32.97              | 313.96         | 7,035.94                  | 50.32         | -52.18        | 72.49                       | 12.73                       | 12.73                      | 0.00                      |  |
| 7,080.00                  | 36.79              | 313.96         | 7,060.54                  | 62.23         | -64.52        | 89.64                       | 12.73                       | 12.73                      | 0.00                      |  |

# Black Viper Energy

## Survey Report

**Company:** BEPCO, LP.  
**Project:** Eddy Co., New Mexico (Nad 83)  
**Site:** Poker Lake Unit #256H  
**Well:** Poker Lake Unit #256H  
**Wellbore:** Lateral  
**Design:** Plan #1a

**Local Co-ordinate Reference:** Site Poker Lake Unit #256H  
**TVD Reference:** Rig KB @ 3197.00ft (Rig KB Elev.)  
**MD Reference:** Rig KB @ 3197.00ft (Rig KB Elev.)  
**North Reference:** Grid  
**Survey Calculation Method:** Minimum Curvature  
**Database:** EDM 2003.14 Server Db

### Planned Survey

| Measured Depth (ft)                           | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
|-----------------------------------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|---------------------|
| 7,097.52                                      | 39.02           | 313.96      | 7,074.37            | 69.71      | -72.27     | 100.41                | 12.73                 | 12.73                | 0.00                |
| <b>Lower Brushy Canyon</b>                    |                 |             |                     |            |            |                       |                       |                      |                     |
| 7,110.00                                      | 40.61           | 313.96      | 7,083.95            | 75.25      | -78.02     | 108.40                | 12.73                 | 12.73                | 0.00                |
| 7,140.00                                      | 44.43           | 313.96      | 7,106.06            | 89.32      | -92.62     | 128.67                | 12.73                 | 12.73                | 0.00                |
| 7,170.00                                      | 48.25           | 313.96      | 7,126.77            | 104.39     | -108.23    | 150.37                | 12.73                 | 12.73                | 0.00                |
| 7,200.00                                      | 52.07           | 313.96      | 7,145.98            | 120.38     | -124.81    | 173.40                | 12.73                 | 12.73                | 0.00                |
| 7,230.00                                      | 55.89           | 313.96      | 7,163.62            | 137.22     | -142.27    | 197.66                | 12.73                 | 12.73                | 0.00                |
| 7,260.00                                      | 59.71           | 313.96      | 7,179.61            | 154.84     | -160.54    | 223.04                | 12.73                 | 12.73                | 0.00                |
| 7,290.00                                      | 63.53           | 313.96      | 7,193.86            | 173.15     | -179.54    | 249.43                | 12.73                 | 12.73                | 0.00                |
| 7,308.29                                      | 65.86           | 313.96      | 7,201.68            | 184.63     | -191.44    | 265.97                | 12.73                 | 12.73                | 0.00                |
| <b>'Y' Sand</b>                               |                 |             |                     |            |            |                       |                       |                      |                     |
| 7,320.00                                      | 67.35           | 313.96      | 7,206.33            | 192.09     | -199.17    | 276.71                | 12.73                 | 12.73                | 0.00                |
| 7,350.00                                      | 71.17           | 313.96      | 7,216.96            | 211.56     | -219.36    | 304.76                | 12.73                 | 12.73                | 0.00                |
| 7,380.00                                      | 74.98           | 313.96      | 7,225.69            | 231.48     | -240.02    | 333.46                | 12.73                 | 12.73                | 0.00                |
| 7,410.00                                      | 78.80           | 313.96      | 7,232.49            | 251.76     | -261.04    | 362.67                | 12.73                 | 12.73                | 0.00                |
| 7,440.00                                      | 82.62           | 313.96      | 7,237.33            | 272.31     | -282.35    | 392.27                | 12.73                 | 12.73                | 0.00                |
| 7,470.00                                      | 86.44           | 313.96      | 7,240.19            | 293.04     | -303.84    | 422.13                | 12.73                 | 12.73                | 0.00                |
| 7,500.00                                      | 90.26           | 313.96      | 7,241.05            | 313.85     | -325.42    | 452.11                | 12.73                 | 12.73                | 0.00                |
| 7,505.24                                      | 90.93           | 313.96      | 7,241.00            | 317.49     | -329.19    | 457.35                | 12.73                 | 12.73                | 0.00                |
| 7,505.35                                      | 90.93           | 313.96      | 7,240.99            | 317.57     | -329.27    | 457.46                | 0.00                  | 0.00                 | 0.00                |
| <b>EOC - Hold 90.94° Inc. :: 314.91° Azi.</b> |                 |             |                     |            |            |                       |                       |                      |                     |
| 7,530.00                                      | 90.93           | 313.96      | 7,240.59            | 334.68     | -347.01    | 482.11                | 0.00                  | 0.00                 | 0.00                |
| 7,560.00                                      | 90.93           | 313.96      | 7,240.11            | 355.50     | -368.60    | 512.10                | 0.00                  | 0.00                 | 0.00                |
| 7,590.00                                      | 90.93           | 313.96      | 7,239.62            | 376.32     | -390.19    | 542.10                | 0.00                  | 0.00                 | 0.00                |
| 7,620.00                                      | 90.93           | 313.96      | 7,239.14            | 397.15     | -411.78    | 572.09                | 0.00                  | 0.00                 | 0.00                |
| 7,650.00                                      | 90.93           | 313.96      | 7,238.65            | 417.97     | -433.37    | 602.09                | 0.00                  | 0.00                 | 0.00                |
| 7,680.00                                      | 90.93           | 313.96      | 7,238.16            | 438.79     | -454.97    | 632.09                | 0.00                  | 0.00                 | 0.00                |
| 7,710.00                                      | 90.93           | 313.96      | 7,237.68            | 459.62     | -476.56    | 662.08                | 0.00                  | 0.00                 | 0.00                |
| 7,740.00                                      | 90.93           | 313.96      | 7,237.19            | 480.44     | -498.15    | 692.08                | 0.00                  | 0.00                 | 0.00                |
| 7,770.00                                      | 90.93           | 313.96      | 7,236.71            | 501.26     | -519.74    | 722.08                | 0.00                  | 0.00                 | 0.00                |
| 7,800.00                                      | 90.93           | 313.96      | 7,236.22            | 522.09     | -541.33    | 752.07                | 0.00                  | 0.00                 | 0.00                |
| 7,830.00                                      | 90.93           | 313.96      | 7,235.73            | 542.91     | -562.92    | 782.07                | 0.00                  | 0.00                 | 0.00                |
| 7,860.00                                      | 90.93           | 313.96      | 7,235.25            | 563.73     | -584.51    | 812.06                | 0.00                  | 0.00                 | 0.00                |
| 7,890.00                                      | 90.93           | 313.96      | 7,234.76            | 584.56     | -606.10    | 842.06                | 0.00                  | 0.00                 | 0.00                |
| 7,920.00                                      | 90.93           | 313.96      | 7,234.27            | 605.38     | -627.69    | 872.06                | 0.00                  | 0.00                 | 0.00                |
| 7,950.00                                      | 90.93           | 313.96      | 7,233.79            | 626.20     | -649.28    | 902.05                | 0.00                  | 0.00                 | 0.00                |
| 7,980.00                                      | 90.93           | 313.96      | 7,233.30            | 647.03     | -670.87    | 932.05                | 0.00                  | 0.00                 | 0.00                |
| 8,010.00                                      | 90.93           | 313.96      | 7,232.82            | 667.85     | -692.46    | 962.04                | 0.00                  | 0.00                 | 0.00                |
| 8,040.00                                      | 90.93           | 313.96      | 7,232.33            | 688.67     | -714.05    | 992.04                | 0.00                  | 0.00                 | 0.00                |
| 8,070.00                                      | 90.93           | 313.96      | 7,231.84            | 709.50     | -735.64    | 1,022.04              | 0.00                  | 0.00                 | 0.00                |
| 8,100.00                                      | 90.93           | 313.96      | 7,231.36            | 730.32     | -757.23    | 1,052.03              | 0.00                  | 0.00                 | 0.00                |
| 8,130.00                                      | 90.93           | 313.96      | 7,230.87            | 751.14     | -778.83    | 1,082.03              | 0.00                  | 0.00                 | 0.00                |
| 8,160.00                                      | 90.93           | 313.96      | 7,230.39            | 771.97     | -800.42    | 1,112.02              | 0.00                  | 0.00                 | 0.00                |
| 8,190.00                                      | 90.93           | 313.96      | 7,229.90            | 792.79     | -822.01    | 1,142.02              | 0.00                  | 0.00                 | 0.00                |
| 8,220.00                                      | 90.93           | 313.96      | 7,229.41            | 813.61     | -843.60    | 1,172.02              | 0.00                  | 0.00                 | 0.00                |
| 8,250.00                                      | 90.93           | 313.96      | 7,228.93            | 834.44     | -865.19    | 1,202.01              | 0.00                  | 0.00                 | 0.00                |
| 8,280.00                                      | 90.93           | 313.96      | 7,228.44            | 855.26     | -886.78    | 1,232.01              | 0.00                  | 0.00                 | 0.00                |
| 8,310.00                                      | 90.93           | 313.96      | 7,227.95            | 876.08     | -908.37    | 1,262.00              | 0.00                  | 0.00                 | 0.00                |
| 8,340.00                                      | 90.93           | 313.96      | 7,227.47            | 896.91     | -929.96    | 1,292.00              | 0.00                  | 0.00                 | 0.00                |
| 8,370.00                                      | 90.93           | 313.96      | 7,226.98            | 917.73     | -951.55    | 1,322.00              | 0.00                  | 0.00                 | 0.00                |
| 8,400.00                                      | 90.93           | 313.96      | 7,226.50            | 938.55     | -973.14    | 1,351.99              | 0.00                  | 0.00                 | 0.00                |
| 8,430.00                                      | 90.93           | 313.96      | 7,226.01            | 959.38     | -994.73    | 1,381.99              | 0.00                  | 0.00                 | 0.00                |
| 8,460.00                                      | 90.93           | 313.96      | 7,225.52            | 980.20     | -1,016.32  | 1,411.98              | 0.00                  | 0.00                 | 0.00                |
| 8,490.00                                      | 90.93           | 313.96      | 7,225.04            | 1,001.02   | -1,037.91  | 1,441.98              | 0.00                  | 0.00                 | 0.00                |

# Black Viper Energy

## Survey Report

|                  |                               |                                     |                                   |
|------------------|-------------------------------|-------------------------------------|-----------------------------------|
| <b>Company:</b>  | BEPCO, LP.                    | <b>Local Co-ordinate Reference:</b> | Site Poker Lake Unit #256H        |
| <b>Project:</b>  | Eddy Co., New Mexico (Nad 83) | <b>TVD Reference:</b>               | Rig KB @ 3197.00ft (Rig KB Elev.) |
| <b>Site:</b>     | Poker Lake Unit #256H         | <b>MD Reference:</b>                | Rig KB @ 3197.00ft (Rig KB Elev.) |
| <b>Well:</b>     | Poker Lake Unit #256H         | <b>North Reference:</b>             | Grid                              |
| <b>Wellbore:</b> | Lateral                       | <b>Survey Calculation Method:</b>   | Minimum Curvature                 |
| <b>Design:</b>   | Plan #1a                      | <b>Database:</b>                    | EDM 2003.14 Server Db             |

| Planned Survey            |                    |                |                           |               |               |                             |                             |                            |                           |  |
|---------------------------|--------------------|----------------|---------------------------|---------------|---------------|-----------------------------|-----------------------------|----------------------------|---------------------------|--|
| Measured<br>Depth<br>(ft) | Inclination<br>(°) | Azimuth<br>(°) | Vertical<br>Depth<br>(ft) | +N/-S<br>(ft) | +E/-W<br>(ft) | Vertical<br>Section<br>(ft) | Dogleg<br>Rate<br>(°/100ft) | Build<br>Rate<br>(°/100ft) | Turn<br>Rate<br>(°/100ft) |  |
| 8,520.00                  | 90.93              | 313.96         | 7,224.55                  | 1,021.84      | -1,059.50     | 1,471.98                    | 0.00                        | 0.00                       | 0.00                      |  |
| 8,550.00                  | 90.93              | 313.96         | 7,224.06                  | 1,042.67      | -1,081.09     | 1,501.97                    | 0.00                        | 0.00                       | 0.00                      |  |
| 8,580.00                  | 90.93              | 313.96         | 7,223.58                  | 1,063.49      | -1,102.69     | 1,531.97                    | 0.00                        | 0.00                       | 0.00                      |  |
| 8,610.00                  | 90.93              | 313.96         | 7,223.09                  | 1,084.31      | -1,124.28     | 1,561.96                    | 0.00                        | 0.00                       | 0.00                      |  |
| 8,640.00                  | 90.93              | 313.96         | 7,222.61                  | 1,105.14      | -1,145.87     | 1,591.96                    | 0.00                        | 0.00                       | 0.00                      |  |
| 8,670.00                  | 90.93              | 313.96         | 7,222.12                  | 1,125.96      | -1,167.46     | 1,621.96                    | 0.00                        | 0.00                       | 0.00                      |  |
| 8,700.00                  | 90.93              | 313.96         | 7,221.63                  | 1,146.78      | -1,189.05     | 1,651.95                    | 0.00                        | 0.00                       | 0.00                      |  |
| 8,730.00                  | 90.93              | 313.96         | 7,221.15                  | 1,167.61      | -1,210.64     | 1,681.95                    | 0.00                        | 0.00                       | 0.00                      |  |
| 8,760.00                  | 90.93              | 313.96         | 7,220.66                  | 1,188.43      | -1,232.23     | 1,711.95                    | 0.00                        | 0.00                       | 0.00                      |  |
| 8,790.00                  | 90.93              | 313.96         | 7,220.18                  | 1,209.25      | -1,253.82     | 1,741.94                    | 0.00                        | 0.00                       | 0.00                      |  |
| 8,820.00                  | 90.93              | 313.96         | 7,219.69                  | 1,230.08      | -1,275.41     | 1,771.94                    | 0.00                        | 0.00                       | 0.00                      |  |
| 8,850.00                  | 90.93              | 313.96         | 7,219.20                  | 1,250.90      | -1,297.00     | 1,801.93                    | 0.00                        | 0.00                       | 0.00                      |  |
| 8,880.00                  | 90.93              | 313.96         | 7,218.72                  | 1,271.72      | -1,318.59     | 1,831.93                    | 0.00                        | 0.00                       | 0.00                      |  |
| 8,910.00                  | 90.93              | 313.96         | 7,218.23                  | 1,292.55      | -1,340.18     | 1,861.93                    | 0.00                        | 0.00                       | 0.00                      |  |
| 8,940.00                  | 90.93              | 313.96         | 7,217.74                  | 1,313.37      | -1,361.77     | 1,891.92                    | 0.00                        | 0.00                       | 0.00                      |  |
| 8,970.00                  | 90.93              | 313.96         | 7,217.26                  | 1,334.19      | -1,383.36     | 1,921.92                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,000.00                  | 90.93              | 313.96         | 7,216.77                  | 1,355.02      | -1,404.95     | 1,951.91                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,030.00                  | 90.93              | 313.96         | 7,216.29                  | 1,375.84      | -1,426.55     | 1,981.91                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,060.00                  | 90.93              | 313.96         | 7,215.80                  | 1,396.66      | -1,448.14     | 2,011.91                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,090.00                  | 90.93              | 313.96         | 7,215.31                  | 1,417.49      | -1,469.73     | 2,041.90                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,120.00                  | 90.93              | 313.96         | 7,214.83                  | 1,438.31      | -1,491.32     | 2,071.90                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,150.00                  | 90.93              | 313.96         | 7,214.34                  | 1,459.13      | -1,512.91     | 2,101.89                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,180.00                  | 90.93              | 313.96         | 7,213.86                  | 1,479.96      | -1,534.50     | 2,131.89                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,210.00                  | 90.93              | 313.96         | 7,213.37                  | 1,500.78      | -1,556.09     | 2,161.89                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,240.00                  | 90.93              | 313.96         | 7,212.88                  | 1,521.60      | -1,577.68     | 2,191.88                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,270.00                  | 90.93              | 313.96         | 7,212.40                  | 1,542.43      | -1,599.27     | 2,221.88                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,300.00                  | 90.93              | 313.96         | 7,211.91                  | 1,563.25      | -1,620.86     | 2,251.87                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,330.00                  | 90.93              | 313.96         | 7,211.42                  | 1,584.07      | -1,642.45     | 2,281.87                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,360.00                  | 90.93              | 313.96         | 7,210.94                  | 1,604.90      | -1,664.04     | 2,311.87                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,390.00                  | 90.93              | 313.96         | 7,210.45                  | 1,625.72      | -1,685.63     | 2,341.86                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,420.00                  | 90.93              | 313.96         | 7,209.97                  | 1,646.54      | -1,707.22     | 2,371.86                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,450.00                  | 90.93              | 313.96         | 7,209.48                  | 1,667.37      | -1,728.81     | 2,401.85                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,480.00                  | 90.93              | 313.96         | 7,208.99                  | 1,688.19      | -1,750.40     | 2,431.85                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,510.00                  | 90.93              | 313.96         | 7,208.51                  | 1,709.01      | -1,772.00     | 2,461.85                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,540.00                  | 90.93              | 313.96         | 7,208.02                  | 1,729.83      | -1,793.59     | 2,491.84                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,570.00                  | 90.93              | 313.96         | 7,207.54                  | 1,750.66      | -1,815.18     | 2,521.84                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,600.00                  | 90.93              | 313.96         | 7,207.05                  | 1,771.48      | -1,836.77     | 2,551.83                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,630.00                  | 90.93              | 313.96         | 7,206.56                  | 1,792.30      | -1,858.36     | 2,581.83                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,660.00                  | 90.93              | 313.96         | 7,206.08                  | 1,813.13      | -1,879.95     | 2,611.83                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,690.00                  | 90.93              | 313.96         | 7,205.59                  | 1,833.95      | -1,901.54     | 2,641.82                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,720.00                  | 90.93              | 313.96         | 7,205.10                  | 1,854.77      | -1,923.13     | 2,671.82                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,750.00                  | 90.93              | 313.96         | 7,204.62                  | 1,875.60      | -1,944.72     | 2,701.82                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,780.00                  | 90.93              | 313.96         | 7,204.13                  | 1,896.42      | -1,966.31     | 2,731.81                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,810.00                  | 90.93              | 313.96         | 7,203.65                  | 1,917.24      | -1,987.90     | 2,761.81                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,840.00                  | 90.93              | 313.96         | 7,203.16                  | 1,938.07      | -2,009.49     | 2,791.80                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,870.00                  | 90.93              | 313.96         | 7,202.67                  | 1,958.89      | -2,031.08     | 2,821.80                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,900.00                  | 90.93              | 313.96         | 7,202.19                  | 1,979.71      | -2,052.67     | 2,851.80                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,930.00                  | 90.93              | 313.96         | 7,201.70                  | 2,000.54      | -2,074.26     | 2,881.79                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,960.00                  | 90.93              | 313.96         | 7,201.22                  | 2,021.36      | -2,095.86     | 2,911.79                    | 0.00                        | 0.00                       | 0.00                      |  |
| 9,990.00                  | 90.93              | 313.96         | 7,200.73                  | 2,042.18      | -2,117.45     | 2,941.78                    | 0.00                        | 0.00                       | 0.00                      |  |
| 10,020.00                 | 90.93              | 313.96         | 7,200.24                  | 2,063.01      | -2,139.04     | 2,971.78                    | 0.00                        | 0.00                       | 0.00                      |  |
| 10,050.00                 | 90.93              | 313.96         | 7,199.76                  | 2,083.83      | -2,160.63     | 3,001.78                    | 0.00                        | 0.00                       | 0.00                      |  |
| 10,080.00                 | 90.93              | 313.96         | 7,199.27                  | 2,104.65      | -2,182.22     | 3,031.77                    | 0.00                        | 0.00                       | 0.00                      |  |
| 10,110.00                 | 90.93              | 313.96         | 7,198.78                  | 2,125.48      | -2,203.81     | 3,061.77                    | 0.00                        | 0.00                       | 0.00                      |  |

# Black Viper Energy

## Survey Report

|                  |                               |                                     |                                   |
|------------------|-------------------------------|-------------------------------------|-----------------------------------|
| <b>Company:</b>  | BEPKO, LP.                    | <b>Local Co-ordinate Reference:</b> | Site Poker Lake Unit #256H        |
| <b>Project:</b>  | Eddy Co., New Mexico (Nad 83) | <b>TVD Reference:</b>               | Rig KB @ 3197.00ft (Rig KB Elev.) |
| <b>Site:</b>     | Poker Lake Unit #256H         | <b>MD Reference:</b>                | Rig KB @ 3197.00ft (Rig KB Elev.) |
| <b>Well:</b>     | Poker Lake Unit #256H         | <b>North Reference:</b>             | Grid                              |
| <b>Wellbore:</b> | Lateral                       | <b>Survey Calculation Method:</b>   | Minimum Curvature                 |
| <b>Design:</b>   | Plan #1a                      | <b>Database:</b>                    | EDM 2003.14 Server Db             |

| Planned Survey      |                 |             |                     |            |            |                       |                       |                      |                     |  |
|---------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|---------------------|--|
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |  |
| 10,140.00           | 90.93           | 313.96      | 7,198.30            | 2,146.30   | -2,225.40  | 3,091.76              | 0.00                  | 0.00                 | 0.00                |  |
| 10,170.00           | 90.93           | 313.96      | 7,197.81            | 2,167.12   | -2,246.99  | 3,121.76              | 0.00                  | 0.00                 | 0.00                |  |
| 10,200.00           | 90.93           | 313.96      | 7,197.33            | 2,187.95   | -2,268.58  | 3,151.76              | 0.00                  | 0.00                 | 0.00                |  |
| 10,230.00           | 90.93           | 313.96      | 7,196.84            | 2,208.77   | -2,290.17  | 3,181.75              | 0.00                  | 0.00                 | 0.00                |  |
| 10,260.00           | 90.93           | 313.96      | 7,196.35            | 2,229.59   | -2,311.76  | 3,211.75              | 0.00                  | 0.00                 | 0.00                |  |
| 10,290.00           | 90.93           | 313.96      | 7,195.87            | 2,250.42   | -2,333.35  | 3,241.74              | 0.00                  | 0.00                 | 0.00                |  |
| 10,320.00           | 90.93           | 313.96      | 7,195.38            | 2,271.24   | -2,354.94  | 3,271.74              | 0.00                  | 0.00                 | 0.00                |  |
| 10,350.00           | 90.93           | 313.96      | 7,194.90            | 2,292.06   | -2,376.53  | 3,301.74              | 0.00                  | 0.00                 | 0.00                |  |
| 10,380.00           | 90.93           | 313.96      | 7,194.41            | 2,312.89   | -2,398.12  | 3,331.73              | 0.00                  | 0.00                 | 0.00                |  |
| 10,410.00           | 90.93           | 313.96      | 7,193.92            | 2,333.71   | -2,419.72  | 3,361.73              | 0.00                  | 0.00                 | 0.00                |  |
| 10,440.00           | 90.93           | 313.96      | 7,193.44            | 2,354.53   | -2,441.31  | 3,391.72              | 0.00                  | 0.00                 | 0.00                |  |
| 10,470.00           | 90.93           | 313.96      | 7,192.95            | 2,375.36   | -2,462.90  | 3,421.72              | 0.00                  | 0.00                 | 0.00                |  |
| 10,500.00           | 90.93           | 313.96      | 7,192.46            | 2,396.18   | -2,484.49  | 3,451.72              | 0.00                  | 0.00                 | 0.00                |  |
| 10,530.00           | 90.93           | 313.96      | 7,191.98            | 2,417.00   | -2,506.08  | 3,481.71              | 0.00                  | 0.00                 | 0.00                |  |
| 10,560.00           | 90.93           | 313.96      | 7,191.49            | 2,437.82   | -2,527.67  | 3,511.71              | 0.00                  | 0.00                 | 0.00                |  |
| 10,590.00           | 90.93           | 313.96      | 7,191.01            | 2,458.65   | -2,549.26  | 3,541.70              | 0.00                  | 0.00                 | 0.00                |  |
| 10,590.39           | 90.93           | 313.96      | 7,191.00            | 2,458.92   | -2,549.54  | 3,542.09              | 0.00                  | 0.00                 | 0.00                |  |

| Targets           |                                                                                |               |              |          |            |            |               |              |                  |                   |
|-------------------|--------------------------------------------------------------------------------|---------------|--------------|----------|------------|------------|---------------|--------------|------------------|-------------------|
| Target Name       | - hit/miss target                                                              | Dip Angle (°) | Dip Dir. (°) | TVD (ft) | +N/-S (ft) | +E/-W (ft) | Northing (ft) | Easting (ft) | Latitude         | Longitude         |
| LL[PLU#256H]      | - plan misses by 6791.00ft at 6791.00ft MD (6791.00 TVD, 0.00 N, 0.00 E)       | 0.00          | 0.00         | 0.00     | 0.00       | 0.00       | 424,772.55    | 670,612.09   | 32° 10' 1.509 N  | 103° 54' 55.976 W |
|                   | - Rectangle (sides W5,078.92 H5,078.92 D0.00)                                  |               |              |          |            |            |               |              |                  |                   |
| PBHL#1[PLU#256H]  | - plan misses by 39.46ft at 10590.39ft MD (7191.00 TVD, 2458.92 N, -2549.54 E) | 0.00          | 359.78       | 7,152.00 | 2,464.15   | -2,546.65  | 427,236.70    | 668,065.44   | 32° 10' 25.990 N | 103° 55' 25.495 W |
|                   | - Point                                                                        |               |              |          |            |            |               |              |                  |                   |
| PBHL#1a[PLU#256H] | - plan hits target                                                             | 0.00          | 359.78       | 7,191.00 | 2,458.92   | -2,549.54  | 427,231.47    | 668,062.56   | 32° 10' 25.939 N | 103° 55' 25.529 W |
|                   | - Point                                                                        |               |              |          |            |            |               |              |                  |                   |

| Formations          |                     |                     |           |         |                   |  |
|---------------------|---------------------|---------------------|-----------|---------|-------------------|--|
| Measured Depth (ft) | Vertical Depth (ft) | Name                | Lithology | Dip (°) | Dip Direction (°) |  |
| 7,097.52            | 7,076.00            | Lower Brushy Canyon |           | 0.93    | 134.78            |  |
| 7,308.29            | 7,206.00            | 'Y' Sand            |           | 0.93    | 134.78            |  |

| Plan Annotations    |                     |            |            |                                        |  |
|---------------------|---------------------|------------|------------|----------------------------------------|--|
| Measured Depth (ft) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Comment                                |  |
| 6,791.00            | 6,791.00            | 0.00       | 0.00       | KOP - Build 12.73°/100'                |  |
| 7,505.35            | 7,240.99            | 317.57     | -329.27    | EOC - Hold 90.94° Inc. :: 314.91° Azi. |  |

Checked By: \_\_\_\_\_ Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

RunDate/Time: 06/04/08 01:40 PM

Page 1 of 2

**01 02-25-1920;041STAT0437;30USC226**  
**Case Type 311111: O&G LSE NONCOMP PUB LAND**  
**Commodity 459: OIL & GAS L**  
**Case Disposition: AUTHORIZED**

**Total Acres**  
**1,922.120**

**Serial Number**  
**NMLC-- 0 069627A**

**Serial Number: NMLC-- 0 069627A**

| Name & Address      |                   | Int Rel                 | % Interest          |
|---------------------|-------------------|-------------------------|---------------------|
| CTV OG NM LLC       | 201 MAIN ST#2700  | FORT WORTH TX 76102     | LESSEE 25.000000000 |
| KEYSTONE OG NM LLC  | 201 MAIN ST#2700  | FORT WORTH TX 76102     | LESSEE 18.750000000 |
| LMBI LP             | 201 MAIN ST #2700 | FORT WORTH TX 761023131 | LESSEE 18.750000000 |
| SRBI OG NM LLC      | 201 MAIN ST #2700 | FORT WORTH TX 76102     | LESSEE 18.750000000 |
| THRU LINE OG NM LLC | 201 MAIN ST #2700 | FORT WORTH TX 76102     | LESSEE 18.750000000 |

**Serial Number: NMLC-- 0 069627A**

| Mer Twp  | Rng   | Sec | SType | SNr Suff | Subdivision    | District/Resource Area | County | Mgmt Agency         |
|----------|-------|-----|-------|----------|----------------|------------------------|--------|---------------------|
| 23 0240S | 0300E | 029 | ALL   |          | ENTIRE SECTION | CARLSBAD FO            | EDDY   | BUREAU OF LAND MGMT |
| 23 0240S | 0300E | 030 | ALIQ  |          | E2,E2W2;       | CARLSBAD FO            | EDDY   | BUREAU OF LAND MGMT |
| 23 0240S | 0300E | 030 | LOT:  | 1-4;     |                | CARLSBAD FO            | EDDY   | BUREAU OF LAND MGMT |
| 23 0240S | 0300E | 031 | ALIQ  |          | E2,E2W2;       | CARLSBAD FO            | EDDY   | BUREAU OF LAND MGMT |
| 23 0240S | 0300E | 031 | LOT:  | 1-4;     |                | CARLSBAD FO            | EDDY   | BUREAU OF LAND MGMT |

**Serial Number: NMLC-- 0 069627A**  
**Pending Office**

| Act Date   | Code | Action                   | Action Remarks         |
|------------|------|--------------------------|------------------------|
| 05/31/1951 | 387  | CASE ESTABLISHED         |                        |
| 06/01/1951 | 237  | LEASE ISSUED             |                        |
| 06/01/1951 | 496  | FUND CODE                | 05;145003              |
| 06/01/1951 | 530  | RLTY RATE - 12 1/2%      |                        |
| 06/01/1951 | 868  | EFFECTIVE DATE           |                        |
| 07/16/1952 | 232  | LEASE COMMITTED TO UNIT  | NMNM71016X;POKER LAKE  |
| 08/01/1952 | 553  | CASE CREATED BY ASGN     | OUT OF NMLC069627;     |
| 06/28/1961 | 653  | HELD BY LOC IN PROD UNIT | POKER LAKE UA          |
| 03/05/1970 | 940  | NAME CHANGE RECOGNIZED   | RICHARDSON OIL/BASS    |
| 07/20/1984 | 817  | MERGER RECOGNIZED        | BASS ENTPR/BASS BROS   |
| 07/03/1985 | 940  | NAME CHANGE RECOGNIZED   | BASS BROS/BASS ENTPR   |
| 08/07/1985 | 500  | GEOGRAPHIC NAME          | UNDEFINED FLD;         |
| 08/07/1985 | 510  | KMA CLASSIFIED           |                        |
| 06/23/1986 | 140  | ASGN FILED               | (1)BASS ENTPR/BASS     |
| 06/23/1986 | 140  | ASGN FILED               | (2)BASS/BASS INC       |
| 10/02/1986 | 139  | ASGN APPROVED            | (1)EFF 07/01/86;       |
| 10/02/1986 | 139  | ASGN APPROVED            | (2)EFF 07/01/86;       |
| 10/21/1986 | 963  | CASE MICROFILMED         | CNUM 108,908 GLC       |
| 02/10/1988 | 974  | AUTOMATED RECORD VERIF   | JAM/CS                 |
| 12/20/1990 | 940  | NAME CHANGE RECOGNIZED   | RM BASS GRP/KEYSTONE   |
| 06/02/1992 | 974  | AUTOMATED RECORD VERIF   | ST/MC                  |
| 05/04/1998 | 084  | RENTAL RECEIVED BY MMS   | \$961.50;21/0000000070 |
| 05/03/1999 | 084  | RENTAL RECEIVED BY MMS   | \$961.50;21/0000000075 |
| 05/01/2000 | 084  | RENTAL RECEIVED BY MMS   | \$961.50;21/79         |
| 02/23/2001 | 940  | NAME CHANGE RECOGNIZED   | PERRY R BASS/CHISHOLM  |
| 05/04/2001 | 084  | RENTAL RECEIVED BY MMS   | \$961.50;21/83         |

**NO WARRANTY IS MADE BY BLM  
FOR USE OF THE DATA FOR  
PURPOSES NOT INTENDED BY BLM**

EXHIBIT 

**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

RunDate/Time: 06/04/08 01:40 PM

Page 2 of 2

01 02-25-1920;041STAT0437;30USC226

Total Acres

Serial Number

Case Type 311111: O&G LSE NONCOMP PUB LAND

1,922.120

NMLC-- 0 069627A

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

|            |     |                          |                       |
|------------|-----|--------------------------|-----------------------|
| 04/01/2005 | 651 | HELD BY PROD - ALLOCATED | DELAWARE "C" PA       |
| 08/25/2005 | 650 | HELD BY PROD - ACTUAL    | POKER LAKE UNIT 232   |
| 12/02/2005 | 817 | MERGER RECOGNIZED        | KEYSTONE INC/GROUP    |
| 12/02/2005 | 940 | NAME CHANGE RECOGNIZED   | KEYSTONE GROUP/LP     |
| 12/06/2005 | 940 | NAME CHANGE RECOGNIZED   | SID R BASS INC/SRBI   |
| 12/08/2005 | 940 | NAME CHANGE RECOGNIZED   | THRU LINE INC/LP      |
| 12/14/2005 | 940 | NAME CHANGE RECOGNIZED   | LEE M BASS INC/LMBI   |
| 04/11/2006 | 140 | ASGN FILED               | CHISHOLM/CTV O&G N;1  |
| 04/11/2006 | 140 | ASGN FILED               | KEYSTONE/KEYSTONE;1   |
| 04/11/2006 | 140 | ASGN FILED               | LMBI/LMBI O&G NM;1    |
| 04/11/2006 | 140 | ASGN FILED               | SRBI/SRBI O&G NM;1    |
| 04/11/2006 | 140 | ASGN FILED               | THRU LINE/THRU LINE;1 |
| 05/10/2006 | 139 | ASGN APPROVED            | 01 EFF 05/01/06;      |
| 05/10/2006 | 139 | ASGN APPROVED            | 02 EFF 05/01/06;      |
| 05/10/2006 | 139 | ASGN APPROVED            | 03 EFF 05/01/06;      |
| 05/10/2006 | 139 | ASGN APPROVED            | 04 EFF 05/01/06;      |
| 05/10/2006 | 139 | ASGN APPROVED            | 05 EFF 05/01/6;       |
| 05/10/2006 | 974 | AUTOMATED RECORD VERIF   | MV                    |
| 12/26/2006 | 643 | PRODUCTION DETERMINATION | DELAWARE "C" PA       |

Line Nr Remarks

Serial Number: NMLC-- 0 069627A

8 Records found.

Lease Number:

**V0-6699-0000**

Company name: YATES PETROLEUM CORPORATION  
Company ID: 123807  
Assigned from: N/A  
Total acres: 321.20  
Prod stat: N/A

**Lease term:**

Lease term: FIVE(5) YEAR TERM, 1/6th ROYALTY  
Issue date: 10/1/2002  
Termination date: Active  
Termination reason: N/A  
Current term: Primary Term

**Billing information:**

Bill to: YATES PETROLEUM CORPORATION  
Rent per acre: 1.00  
Billing frequency: Annual  
Minimum annual rent: 321.20  
Last bill date: 2/7/2008  
Next bill date: 10/1/2008  
Escalation: 0

**Land information:**

| Section | Township | Range | Unit Letter | Lot | Tract | Acreage |
|---------|----------|-------|-------------|-----|-------|---------|
| 6       | 25S      | 30E   | A           | 1   |       | 40.70   |
|         |          |       | B           | 2   |       | 40.50   |
|         |          |       | G           |     |       | 40.00   |
|         |          |       | H           |     |       | 40.00   |
|         |          |       | I           |     |       | 40.00   |
|         |          |       | J           |     |       | 40.00   |
|         |          |       | O           |     |       | 40.00   |
|         |          |       | P           |     |       | 40.00   |

EXHIBIT 

**JAMES BRUCE**  
ATTORNEY AT LAW

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[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

June 4, 2008

Certified Mail – Return Receipt Requested

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

Ladies and gentlemen:

BEPCO, L.P. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location in Section 31, Township 24 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter later.

Very truly yours,

  
James Bruce

Attorney for BEPCO, L.P.

EXHIBIT

