

ABOVE THIS LINE FOR DIVISION USE ONLY

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



*Bepeco LP*  
*Big Eddie Unit #193*  
*5966*

**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]

2009 OCT 3 PM 1 54

RECEIVED

- [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.

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

*James Bruce*  
 \_\_\_\_\_  
 Signature

Attorney for Applicant  
 \_\_\_\_\_  
 Title Date

jamesbruce@aol.com  
 \_\_\_\_\_  
 e-mail Address

*10/3/08*

**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)

October 3, 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 gas well location for the following well:

<u>Well:</u>	Big Eddy Unit Well No. 193
<u>Location:</u>	2280 feet FNL & 1980 feet FWL
<u>Well unit:</u>	Lots 3-6 and 11-14 of Section 3, Township 21 South, Range 28 East, N.M.P.M., Eddy County, New Mexico (293.36 acres)

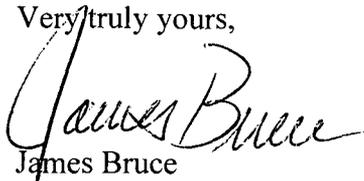
Applicant will drill the well to test the Morrow formation (Undesignated Sand Point-Morrow Gas Pool). The Morrow is spaced on statewide rules, with 320 acre spacing and wells to be located no closer than 660 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line. A Form C-102 is attached as Exhibit A.

The location is unorthodox due to topographic reasons. The surface is federally-owned, and the BLM requires operators to minimize surface disturbance. Attached as Exhibit B are plats showing that the proposed well (i) minimizes new lease road which must be built from an existing well, and (ii) locates the wellsite on a flat area, away from areas of higher relief to the north.

All of Section 3 is federal minerals. It is within the Big Eddy Unit, and the acreage in the well unit is committed to the Big Eddy Unit. Exhibit C. The location is internal to the well unit. 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,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above the printed name.

James Bruce

Attorney for BEPCO, L.P.

**OPERATOR'S COPY**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**APPLICATION FOR PERMIT TO DRILL OR REENTER**

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

5. Lease Serial No.  
**NMLC 03926**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.  
**Big Eddy Unit #193**

9. API Well No.

1a. Type of work:  DRILL  REENTER

1b. Type of Well:  Oil Well  Gas Well  Other  Single Zone  Multiple Zone

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

3a. Address **P. O. Box 2760  
Midland, TX 79702**

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

10. Field and Pool, or Exploratory  
**Sand Point (Morrow) Field**

4. Location of Well (Report location clearly and in accordance with any State requirements.)\*  
At surface **SENW, 2280' FNL, 1980' FWL, Lat N 32.516372, Long W 104.076661**  
At proposed prod. zone **Same** **Non-Standard Location**

11. Sec., T. R. M. or Blk. and Survey or Area  
**Sec. 3, T21S, R28E Mer NMP**

14. Distance in miles and direction from nearest town or post office\*  
**4 miles east of Carlsbad, NM**

12. County or Parish  
**Eddy**

13. State  
**NM**

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **900'**

16. No. of acres in lease  
**253.96**

17. Spacing Unit dedicated to this well  
**320**

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft. **2,652'**

19. Proposed Depth  
**12,400'**

20. BLM/BIA Bond No. on file  
**NM 2204**

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
**3248' GL**

22. Approximate date work will start\*  
**09/05/2008**

23. Estimated duration  
**34 days**

**24. Attachments**

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature *Annette Childers*  
Title **Administrative Assistant**

Name (Printed/Typed)  
**Annette Childers**

Date  
**6-13-08**

Approved by (Signature) *J. Powell*  
Title **FIELD MANAGER**

Name (Printed/Typed)

Date  
**8/19/08**

Office  
**CARLSBAD FIELD OFFICE**

Application approval 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.  
Conditions of approval, if any, are attached.

**APPROVAL FOR TWO YEARS**

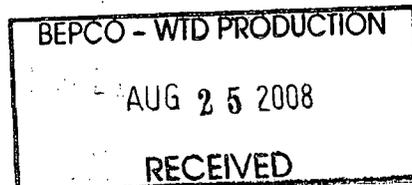
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on page 2)

Capitan Co

EXHIBIT

**A**



**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

**Approval Subject to General Requirements  
& Special Stipulations Attached**

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 <b>30-015-36593</b>	Pool Code <b>84820</b>	Pool Name <b>SAND POINT (MORROW)</b>
Property Code	Property Name <b>BIG EDDY UNIT</b>	Well Number <b>193</b>
OGRID No. <b>001801</b>	Operator Name <b>BEPCO, L.P.</b>	Elevation <b>3248'</b>

Surface Location

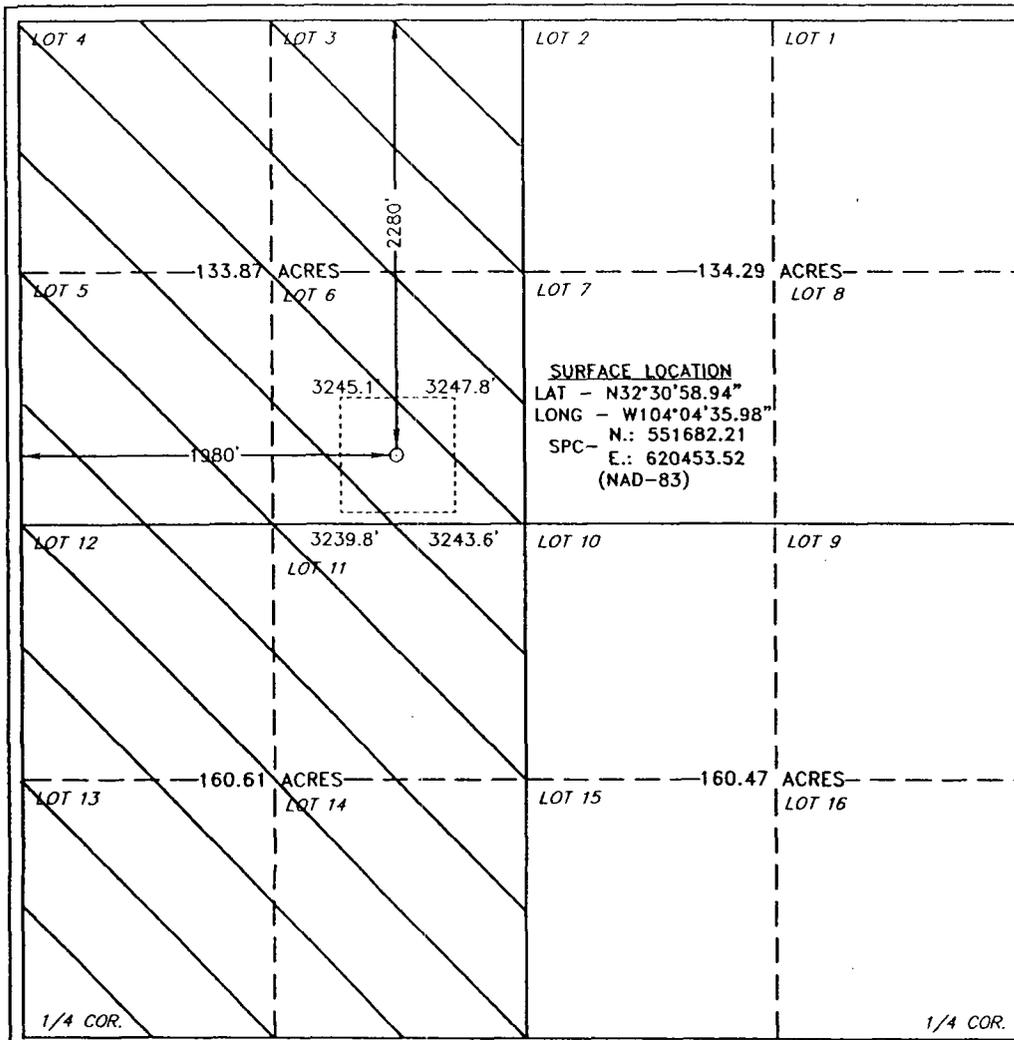
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 6	3	21 S	28 E		2280	NORTH	1980	WEST	EDDY

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 <b>320</b>	Joint or Infill <b>N</b>	Consolidation Code	Order No.
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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



**OPERATOR CERTIFICATION**

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.

*[Signature]* 6/10/08  
Signature Date

STEPHEN M. MARTINEZ  
Printed Name

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**SURVEYOR CERTIFICATION**

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.

APRIL 26, 2008  
Date Surveyed

*[Signature]*  
Signature

*[Seal]*  
Professional Surveyor  
7977

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

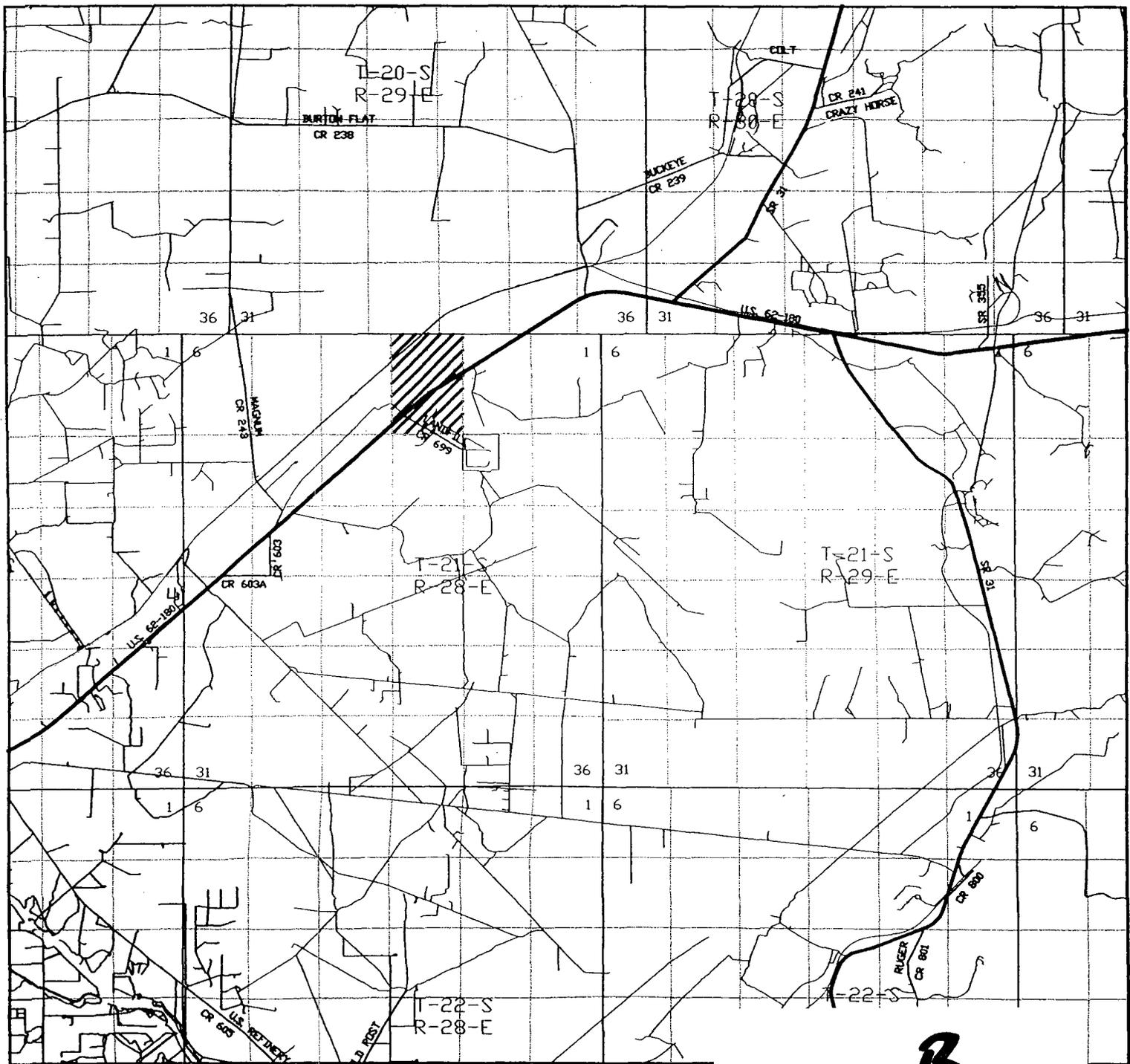
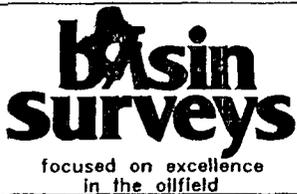


EXHIBIT **B**

BIG EDDY UNIT #193  
 2280' FNL and 1980' FWL  
 Section 3, Township 21 South, Range 28 East,  
 N.M.P.M., Eddy County, New Mexico.



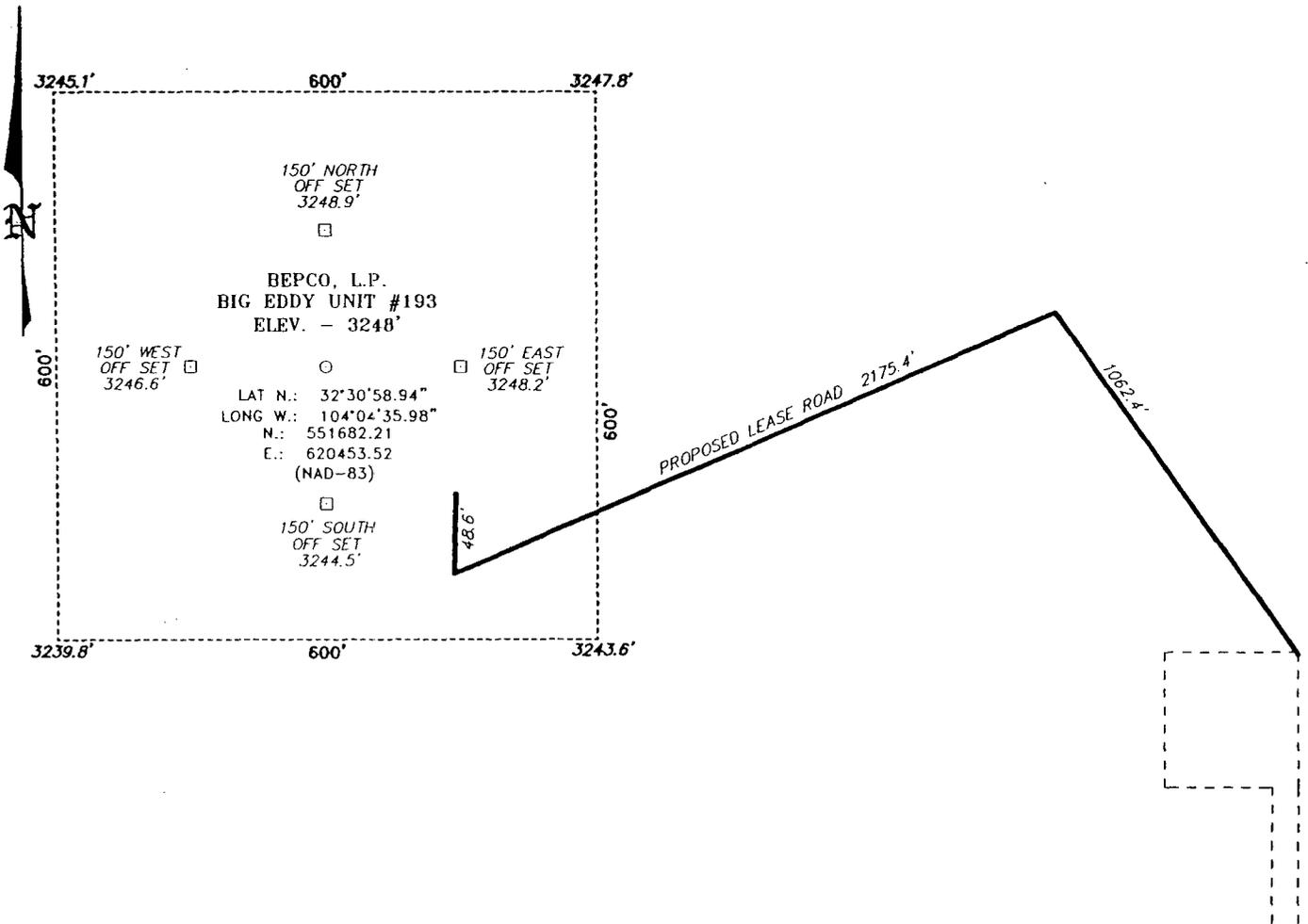
P.O. Box 1786  
 1120 N. West County Rd.  
 Hobbs, New Mexico 88241  
 (505) 393-7316 - Office  
 (505) 392-3074 - Fax  
 basinsurveys.com

W.O. Number: JMS 19083TR  
 Survey Date: 04-26-2008  
 Scale: 1" = 2 MILES  
 Date: 05-01-2008

BEPCO, L.P.



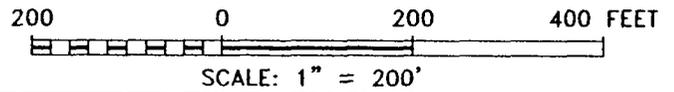
SECTION 3, TOWNSHIP 21 SOUTH, RANGE 28 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO.



BEPCO, L.P.  
 BIG EDDY UNIT #193  
 ELEV. - 3248'

LAT N.: 32°30'58.94"  
 LONG W.: 104°04'35.98"  
 N.: 551682.21  
 E.: 620453.52  
 (NAD-83)

PROPOSED LEASE ROAD 2175.4'



DIRECTIONS TO LOCATION:

FROM MILE MARKER 48 OF HWY 62-180, GO WEST  
 0.8 MILES TO LEASE ROAD, ON LEASE ROAD GO  
 NORTH FOR 0.1 MILES TO WELL LOCATION AND  
 PROPOSED LEASE ROAD.

**Basin Surveys** P.O. BOX 1786-HOBBS, NEW MEXICO

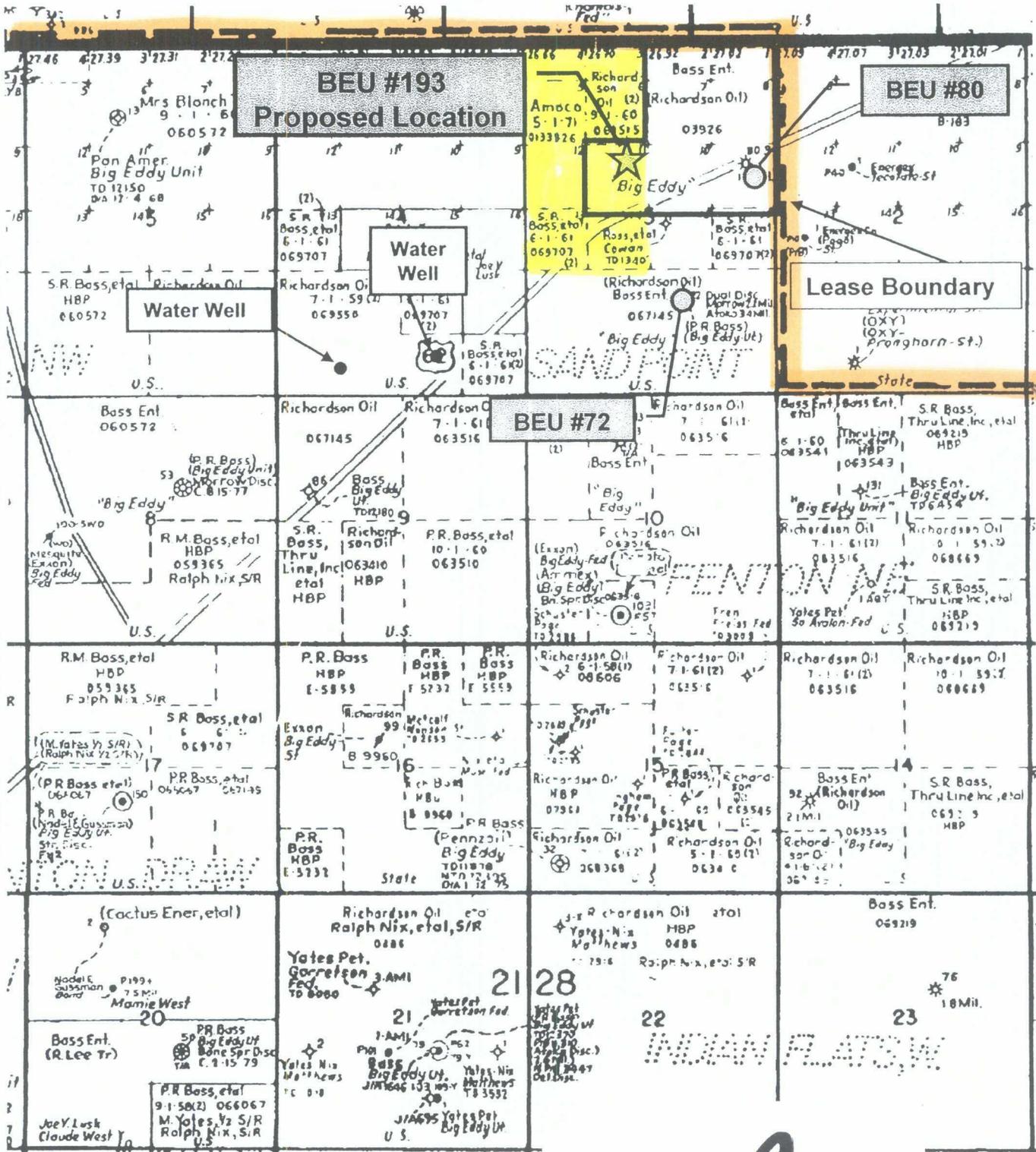
W.O. Number: 19083 Drawn By: J. SMALL

<b>BEPCO, L.P.</b>
REF: BIG EDDY UNIT #193 / WELL PAD AND TOPO
THE BIG EDDY UNIT #193 LOCATED 2280'
FROM THE NORTH LINE AND 1980' FROM THE WEST LINE OF
SECTION 3, TOWNSHIP 21 SOUTH, RANGE 28 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

# BEPCO, L.P.



## Exhibit "C" Location of Existing Wells



**Brooks, David K., EMNRD**

---

**From:** jamesbruc@aol.com  
**Sent:** Wednesday, November 19, 2008 9:50 AM  
**To:** Brooks, David K., EMNRD  
**Subject:** BEPCO, LP/Big Eddie Unit No. 193 NSL application

David: I examined the BLM's title plats on the subject acreage, and they show the following acreage for the NE-1/3 of Section 3:

Lot 3: 26.78 acres  
Lot 4: 26.66 acres  
Lots 5, 6, and 11-14: 40 acres each

The 40 acre lots are shown as being standard in length and width, so the well location 1980 feet FWL is orthodox. I think that sometimes BEPCO gets its own survey, but the BLM plats are what controls until the land is re-surveyed, and that hasn't occurred here.

Also, I calculate the well to be in Lot 11, as follows:

Lot 3 is 1320 feet east-west and 883.74 feet north-south.  $(43560 \times 26.78) / 1320 = 883.74$ . So,  $2280 - 883.74 - 1320$  places the well 76.26 feet into Lot 11.

Finally, the well unit will be 293.44 acres in size.

I hope this answers your questions.

Jim

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Traveling over the river or through the woods this holiday season? [Get the MapQuest Toolbar](#). Directions, Traffic, Gas Prices & More!

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**Brooks, David K., EMNRD**

---

**From:** Brooks, David K., EMNRD  
**Sent:** Wednesday, November 05, 2008 10:47 AM  
**To:** 'JamesBruc@aol.com'  
**Subject:** BEPCO, LP; Big Eddie Unit #193; NSL Application

Dear Jim

This section appears to be irregular. If it were regular, the location 1980 from the west line would be exactly 660 feet from the eastern unit boundary. The fact that the SE/4 and SW/4 are slightly over-size suggests that perhaps the eastern and western section boundaries are not parallel, and approach each other to the north, which could make the actual width of the unit at the well location less than 2460 feet.

Accordingly, I need a plat that shows the actual east-west footages for the north and south lines of Lots 5 and 6. Of course, if ownership is identical between the E/2 and W/2 of Section 3, then it would not make any difference. However, your letter does not state that, but only states that the entire section is federal minerals.

**Brooks, David K., EMNRD**

---

**From:** Brooks, David K., EMNRD  
**Sent:** Wednesday, November 19, 2008 11:16 AM  
**To:** 'jamesbruc@aol.com'  
**Cc:** Gum, Tim, EMNRD  
**Subject:** RE: BEPCO, LP/Big Eddie Unit No. 193 NSL application

Dear Jim

Based on the information furnished in your email of November 19, it appears that this well is at a standard location, so there is no need for NSL approval. The variance in the unit size is well within the limits that the district office can approve.

Hence, I am cancelling this application as unnecessary.

Sincerely

David

---

**From:** jamesbruc@aol.com [mailto:jamesbruc@aol.com]  
**Sent:** Wednesday, November 19, 2008 9:50 AM  
**To:** Brooks, David K., EMNRD  
**Subject:** BEPCO, LP/Big Eddie Unit No. 193 NSL application

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11/19/2008