

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**OCD-ARTESIA**

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



**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

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

1 Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <b>APR 11 2008</b> <b>OCD-ARTESIA</b>	
2 Name of Operator <b>BEPCO, L. P.</b>	
3a Address P. O. Box 2760 Midland, TX 79702	3b Phone No. (include area code) 432-683-2277
4 Location of Well (Footage, Sec., T, R, M, or Survey Description)  <b>SENW, UL F, 1720 FNL, 2140 FWL, Lat N32.205750 deg, Long W103.887972</b> <b>Sec 21, T24S, R30E</b>	

5 Lease Serial No <b>NMLC 068430</b>
6 If Indian, Allottee or Tribe Name
7 If Unit or CA/Agreement, Name and/or No <b>NMNM 71016</b>
8 Well Name and No. <b>Poker Lake Unit #292</b>
9 API Well No <b>30-015-35547</b>
10 Field and Pool, or Exploratory Area <b>Nash Draw (Dela, BS, Avalon Sd)</b>
11 County or Parish, State <b>Eddy County, NM</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>Extension</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**BEPCO, L.P. request to extend the APD application to drill for another 24 months from 04/13/2008 to 04/13/2010.**

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

APPROVED FOR 24 MONTH PERIOD  
ENDING 4-13-10

14 I hereby certify that the foregoing is true and correct Name (Printed/Typed) <b>Annette Childers</b>		Title <b>Administrative Assistant</b>
Signature <i>Annette Childers</i>		Date <b>3-10-2008</b>

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

Approved by <b>/s/ Don Peterson</b>	Title <b>FIELD MANAGER</b>	Date <b>APR 09 2008</b>
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office <b>CARLSBAD FIELD OFFICE</b>	

Title 18 USC Section 1001 and Title 43 USC 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)

# PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	BEPCO, L.P.
LEASE NO.:	NMLC068430 Unit #NM71016X
WELL NAME & NO.:	Poker Lake Unit #292
SURFACE HOLE FOOTAGE:	1720' FNL & 2140' FWL
LOCATION:	Section 21, T24S., R30E., NMPM
COUNTY:	Eddy County, New Mexico

## I. DRILLING

### A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of **4 hours** in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOP/BOPE tests

☒ **Eddy County**

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,  
(575) 361-2822

1. **Although there are no measured amounts of Hydrogen Sulfide reported, it is always a potential hazard. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.**
2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

## B. CASING

**Note: All casing shall meet or exceed API standards for new casing. Onshore Order 2.III.B.1.a (Any casing substitutions must have prior approval)**

**Centralizers required on surface casing as per Onshore Order 2.III.B.1.f**

**High cave/karst.**

**Possible lost circulation in the Delaware Mountain Group and the Bone Spring.**

**Possible water flows in the Salado, Delaware Mountain Groups and Bone Spring.**

1. The **11-3/4 inch** surface casing shall be set a minimum of at approximately 520 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt). If salt is penetrated surface casing shall be set 25 feet above the salt.
  - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
  - b. Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement).
  - c. **Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string.**
  - d. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
  - e. If cement falls back, remedial action will be done prior to drilling out that string.

## SEE E. INTERMEDIATE CONTINGENCY STRING

2. The minimum required fill of cement behind the **5-1/2 inch** production casing is:
  - ☒ Cement should tie-back at least **200 feet** into previous casing string if intermediate string is ran. **Operator shall provide method of verification.**  
**Note: If no intermediate casing string is run 5-1/2 inch will circulate to surface.**

3. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

#### **C. PRESSURE CONTROL**

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No: 2 and API RP 53 Sec. 17.
2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M) psi.**
3. The appropriate BLM office shall be notified a minimum of **4 hours** in advance for a representative to witness the tests.
  - a. The tests shall be done by an independent service company.
  - b. The results of the test shall be reported to the appropriate BLM office.
  - c. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
  - d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

#### **D. DRILL STEM TEST**

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

#### **E. CONDITIONS OF APPROVAL FOR CONTINGENCY STRING (Intermediate) Approved by Sundry 4/12/07**

1. As soon as hole conditions are encountered which will necessitate setting the 8-5/8" casing, the BLM engineer will be notified by phone.
2. A sundry notice should be prepared at that time for the engineer's approval.
3. In addition, the BLM will be notified a minimum of 12 hours prior to the setting of this casing.
4. If the 8-5/8" casing string is set cement shall circulate to surface. If cement does not circulate or falls back see B.1.a-e above.

JDW 3/27/08

*MLK 4/12/08*