

Form 3160-5
(April 2004)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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
☐ Oil Well ☐ ☒ Gas Well ☐ Other

JUL 25 2008

2 Name of Operator
BEPCO, L. P.

OCD-ARTESIA

3a Address
P. O. Box 2760 Midland, TX 797023b Phone No (include area code)
432-683-2277

4 Location of Well (Footage, Sec, T, R, M, or Survey Description)

NWSE, UL J, 1650 FSL, 1650 FEL, S27, T21S, R29E, NMP, SME BLM
Lat N32.447667, Lon W103.96925

5 Lease Serial No

NMLC 069144A

6 If Indian, Allottee or Tribe Name

7 If Unit or CA/Agreement, Name and/or No
NM 69284X

8 Well Name and No

BIG EDDY UNIT # 164

9 API Well No

30-015-35592

10 Field and Pool, or Exploratory Area

QUAHADA RIDGE (MORROW)

11 County or Parish, State

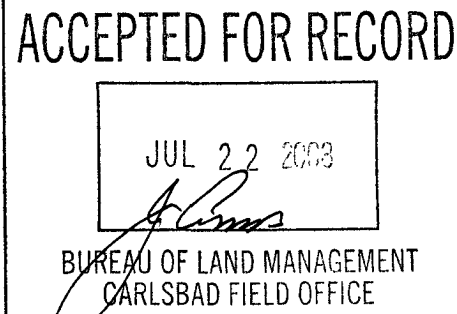
EDDY CO., NM

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 Pit Closed |
| | <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.)

Drilling Reserve Pit closed 6/20/2008 per the APD Surface Use Plan approved 12/17/2007.

14 I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Annette Childers

Title Administrative Assistant

Signature

Annette Childers

Date

7-10-08

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Date

Office

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)

Accepted for record - NMOCD

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-144
June 1, 2004

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

For drilling and production facilities, submit to
appropriate NMOCD District Office
For downstream facilities, submit to Santa Fe
office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☒

| | | | |
|--|---|---|---|
| Operator: Bepco LP | | Telephone: 432-683-2277 | e-mail address: machilders@basspet.com |
| Address: PO Box 2760, Midland, TX 79702 | | | |
| Facility or well name: Big Eddy Unit #164 | API #: 30-015-35592 | U/I or Qtr/Qtr: NWSL | Sec: 27 I: 21S R: 291 |
| County: Lea | Latitude: 32.447667 N | Longitude: 104.96925 W | NAD: 1927 <input checked="" type="checkbox"/> 1983 <input type="checkbox"/> |
| Surface Owner: Federal <input checked="" type="checkbox"/> State <input type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/> | | | |
| Pit | | Below-grade tank | |
| Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness: 20mil Clay <input type="checkbox"/> Pit Volume: 12,500 bbl | | Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: _____ | |
| Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water): 150' | Less than 50 feet | (20 points) | |
| | 50 feet or more, but less than 100 feet | (10 points) | |
| | 100 feet or more - X | (0 points) | 0 |
| Wellhead protection area (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources) | Yes | (20 points) | |
| | No - X | (0 points) | 0 |
| Distance to surface water (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses) | Less than 200 feet | (20 points) | |
| | 200 feet or more, but less than 1000 feet | (10 points) | |
| | 1000 feet or more - X | (0 points) | 0 |
| Ranking Score (Total Points) | | 0 points | |

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location (check the onsite box if you are burying in place) onsite ☒ offsite ☐ If offsite, name of facility: _____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface: _____ ft and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

| |
|--|
| Closed by trench burial, procedure attached and verbal approval to close by Mike Bratcher received on 6-20-2008 |
| All material with chloride levels above 250 mg/kg were removed and placed in 20 mil lined burial trench located next to the reserve pit, on east side of reserve pit |
| Trench was capped with 20 mil liner on all sides and covered with 3' of native soil |
| Lab and field samples results are attached |
| |
| |

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 6-28-2008

Printed Name/Title: Gary Miller- Agent

Signature: 

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Printed Name/Title: _____

Signature: _____

Date: _____

Highlander Environmental Corp.

Pit Closure Sampling Report

Job Number:

3541

Date:

6-17-08

Client:

BTH (Bepco, L.P.)

Well Name

Big Eddy Unit #164

Eddy Co. NM

API#

Lease # MAIL C069144A

30-015-35592

Depth of Pit

6'

Depth to

Groundwater

Orientation of pit (N) S E W

All pit sample depths are below pit bottom (BPB)

| Sample Location | Depth (BPB) | Field Chloride Results (mg/Kg) | Lab Chloride Results (mg/Kg) |
|-----------------|-------------|--------------------------------|------------------------------|
| NE | 2' | 10,100 | |
| | 5' | 11,850 | |
| | 10' | 4,750 | |
| | 15' | 4,500 | |
| | 20' | 400 | |
| | 25' | 100 | 541 |
| NW | 2' | -100 | <100 |
| SE | 2' | -100 | <200 |
| SW | 2' | 11,200 | |
| | 5' | 9,500 | |
| | 10' | 1,900 | |
| | 15' | 5,950 | |
| | 20' | 1,000 | |
| | 25' | 200 | 263 |
| Center | 2' | 150 | <100 |
| | | | |
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| | | | |
| | | | |
| | | | |

DNR- Did not run at lab.

BGS- Below Ground Surface

BPB- Below Pit Bottom

Dig out NE & SW corners to 25' and use part of 2' buried trench
backfill per Mike Batzler CCN 6/20/08

Report Date: June 26, 2008
3541

Work Order: 8062015
Big Eddy Unit #164

Page Number: 2 of 2
Eddy Co., NM

| Param | Flag | Result | Units | RL |
|----------|------|------------|-------|------|
| Chloride | | 263 | mg/Kg | 2.00 |

Sample: 164150 - C 150'

| Param | Flag | Result | Units | RL |
|----------|------|--------|-------|------|
| Chloride | | <100 | mg/Kg | 2.00 |

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Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☒

DEC 14 2007

OCD-ARTESIA

| | |
|--|--|
| Operator <u>BEPCO LP</u> Telephone <u>(432) 683-2277</u> e-mail address <u>machilders@basspet.com</u> | |
| Address <u>P O BOX 2760 MIDLAND TX 79702</u> | |
| Facility or well name <u>Big Eddy Unit # 164</u> | API # <u>30-015-35592</u> U/L or Qh/Qtr <u>NWSE</u> Sec <u>27</u> 1 <u>21S</u> R <u>29E</u> |
| County <u>Eddy</u> | Latitude <u>N 32 447667</u> Longitude <u>W 104 96925</u> NAD 1977 <input type="checkbox"/> 1983 <input type="checkbox"/> |
| Surface Owner Federal <input checked="" type="checkbox"/> State <input type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/> | |
| Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type Synthetic <input checked="" type="checkbox"/> Thickness <u>20</u> mil Clay <input type="checkbox"/> Pit Volume <u>12,500</u> bbl | Below-grade tank Volume _____ bbl Type of fluid _____ Construction material _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not _____ |
| Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water) | Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) <u>100 feet or more</u> (0 points) |
| Wellhead protection area (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources) | Yes (20 points) <u>No</u> (0 points) |
| Distance to surface water (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses) | Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) <u>1000 feet or more</u> (0 points) |
| Ranking Score (Total Points) <u>0</u> | |

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks (2) Indicate disposal location (check the onsite box if you are burying in place) onsite ☒ offsite ☐ If offsite, name of facility _____ (3) Attach a general description of remedial action taken including remediation start date and end date (4) Groundwater encountered No ☐ Yes ☐ If yes, show depth below ground surface _____ ft and attach sample results (5) Attach soil sample results and a diagram of sample locations and excavations

| |
|--|
| Additional Comments |
| Upon approval, NMOCD will be notified prior to remediation. Plan to bury drilling pit contents on location. Excavate a trench adjacent to drilling pit. Trench will be lined with 20 mil plastic liner. The contents of the drilling pit will be put into the trench. Analysis of the soil below previous drilling pit liner will be performed and sundry report filed. The lined trench with contents will be covered with 20 mil plastic and 3' of clean soil. Back fill, contour and reseed drilling pit. |
| TRENCH BURY |

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 12-12-2007

Printed Name/Title Annette Childers - Administrative Assistant

Signature Annette Childers

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Printed Name/Title _____

Signature _____

Signed By Mike Brannon

DEC 17 2007

NOTIFY OCD 24 HOURS PRIOR to beginning closure and 24 HOURS PRIOR to obtaining samples. Samples are to be obtained from pit area and analyses submitted to OCD prior to back-filling.

If burial trench is to be constructed in pit area, samples are to be obtained and analyses submitted to OCD PRIOR to lining trench.