

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OCD-ARTESIAFORM 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 ☐ Other2. Name of Operator
BOPCO, L.P.3a. Address
P.O. Box 2760 Midland TX 79702

3b. Phone (include area code)

(432) 683-9277

4 Location of Well (Footage, Sec., T, R., M., or Survey Description)
UL B, 660' FNL, 1980' FEL, SEC 25, T21S, R28E**RECEIVED**
JUL 7 2010
NMOCD ARTESIA5 Lease Serial No.
LC067144 / LC068284

6 If Indian, Allottee or Tribe Name

7 If Unit or CA/Agreement, Name and/or No.
Blg Eddy8 Well Name and No.
Big Eddy #74 / N. Indian Flats 24 #19 API Well No.
30-015-22839 / 30015 3773010 Field and Pool, or Exploratory Area
Indian Flats (Delaware)11 County or Parish, State
Eddy
NM**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 Commingling
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	& Off Lease
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Storage

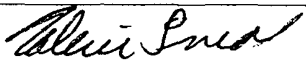
13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths 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.)

BOPCO, L.P. respectfully requests permission for Surface Commingling and Off Lease Storage to the referenced well from the North Indian Flats 24 Fed #1 located at 1720' FSL & 1710' FEL, Sec 24, T21S, R28E, API # 30-015-37730. BOPCO, L.P. will lay a 2-7/8" steel flowline that will be laid within 50' of the center line of the access road and existing roads which have previously been arch cleared. A rental electric generator will be set to power the pumping unit at the N. Indian Flats 24 Fed #1. A copy of OCD form C107B (Application for Surface Commingling) is attached.

(Production from the well is sent through a separator at the battery #74, where oil, produced gas and water are separated.) Oil and water are also stored at the battery #74 and oil is trucked off the location in transports. Please find the attached map showing all well locations and other information as per item 2 of the "Guidelines for Off-lease Measurement, Storage & Surface Commingling Approvals" provided by your office. Also find the attached list of wells indicating each lease number, API number, location by quarter/quarter, formation, BOPD, oil gravity, etc.

See attached page for additional information.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

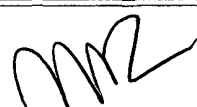
14 I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Valerie Truax	Title Regulatory Clerk
Signature 	Date 06/24/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <u>/s/ JD Whitlock Jr</u>	Title <u>LPET</u>	Date <u>7/5/10</u>
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 <u>CFO</u>	

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)



Big Eddy #74 cont'd

No other interest owners exist (see attached letter).

The proposed commingling of production is in the interest of BOPCO, L.P. since it is not economically feasible to have tanks at every location, allowing the need for one central battery for these wells and future North Indian Flats wells. Commingling will also not result in improper production measurement due to the fact that oil is metered at the battery – individual separators and meters will be used for each well. Minimal gas is produced at the Big Eddy #74 and is burned for lease gas. Flare stack is on location, but has never been used. Its purpose is for emergency use only and is currently disconnected. Since both wells will only be producing oil, gas meter stations and details for the proposed method for measuring and allocating production do not apply.

District I
1625 N French Drive, Hobbs, NM 88240
District II
1301 W Grand Ave, 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 Department

Form C-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: BOPCO, L.P.

OPERATOR ADDRESS: P.O. Box 2760 Midland, TX 79702

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If #Yes#, please include the appropriate Order No. _____

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type ☐ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☐ No If #yes#, describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

- (1) Pool Name and Code Indian Flats (Delaware) 33735
(2) Is all production from same source of supply? ☒ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☒ No see BOPCO, LP
(4) Measurement type ☒ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

- (1) Complete Sections A and E

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No
(2) Include proof of notice to all interest owners

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location
(2) A plat with lease boundaries showing all well and facility locations Include lease numbers if Federal or State lands are involved
(3) Lease Names, Lease and Well Numbers, and API Numbers

I hereby certify that the information above is true and complete to the best of my knowledge and belief

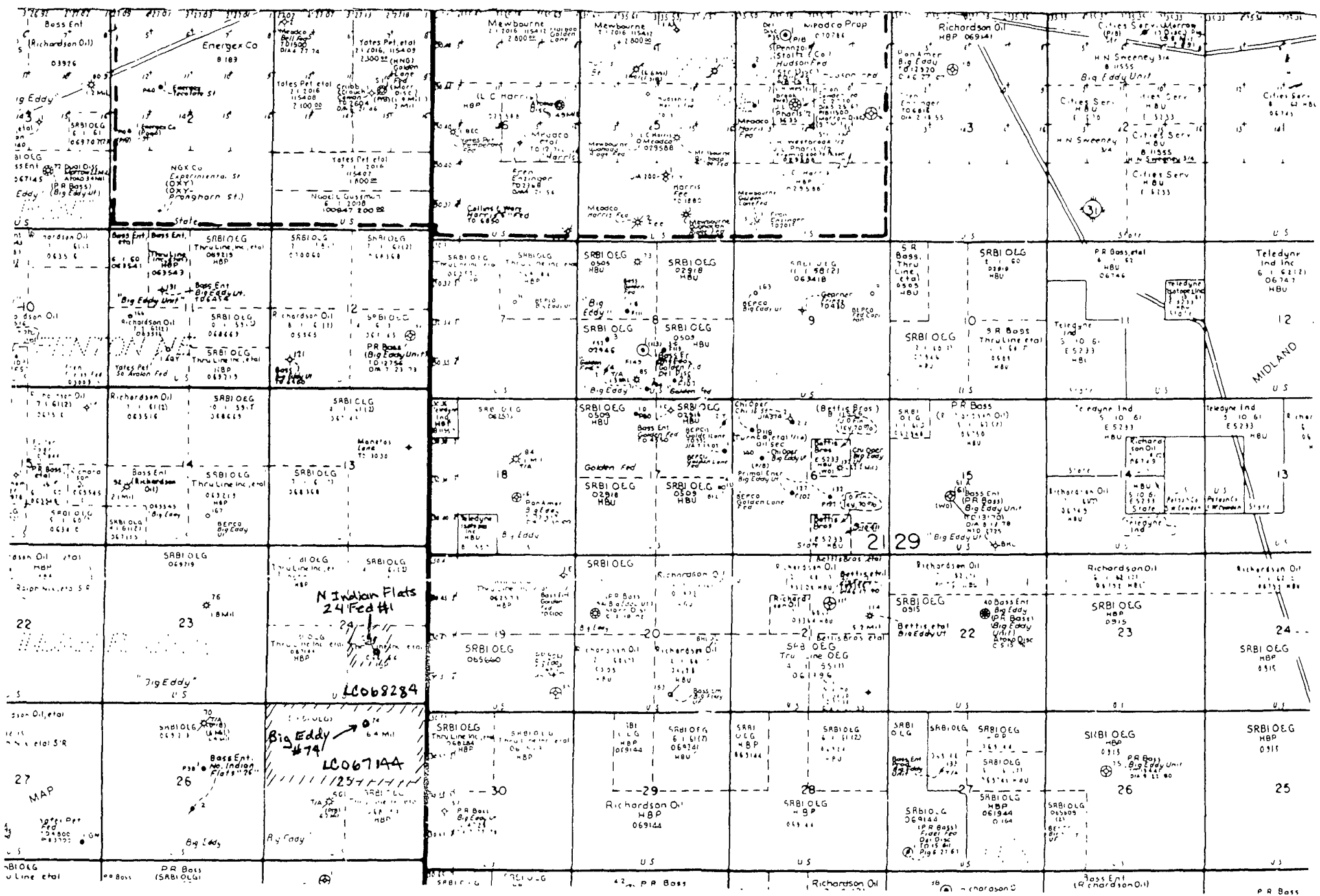
SIGNATURE: Valerie Truax TITLE Regulatory Clerk

DATE 06/24/2010

TYPE OR PRINT NAME Valerie Truax

TELEPHONE NO (432)683-2277

E-MAIL ADDRESS: vltruax@basspet.com



BOPCO, L.P. (Operator's Name) is requesting approval for surface commingling and off-lease storage and measurement of hydrocarbon production from the following formation(s) and well(s):

Federal Lease No. LC068284

<u>Well Name</u>	<u>API No.</u>	<u>Loc: ¼ ¼ Sec.Twp.Rng.</u>	<u>Pool Name & Code</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>	<u>BTU</u>
N. Ind Flats 24 Fed #1	3001537730	NWSE Sec 24, T21S, R28E	Ind Flats (Delaware) 33735	42 avg (based on offset well) 189	34.5 (based on offset well) 44.1	0	0

With hydrocarbon production from:

Federal Lease No. LC067144

<u>Well Name</u>	<u>API No.</u>	<u>Loc: ¼ ¼ Sec.Twp.Rng.</u>	<u>Pool Name & Code</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>	<u>BTU</u>
Big Eddy #74	3001522839	NWNE Sec 25, T21S, R28E	Ind Flats (Delaware) 33735	95	44.60	0	0

The storage and measuring facility is located at NWNE, Sec. 25, T 21S, R 28E, on Lease No LC067144, Lea/Eddy (circle one), New Mexico. BLM will be notified if there is any future change in the facility location.

See sundry for details of the proposed method for allocating production to contributing sources.

RECEIVED OCD

2010 JUN -7 A 11: 24

BOPCO, L.P.
201 MAIN ST
FORT WORTH, TEXAS 76102-3131
817/390-8400

June 4, 2010

FEDERAL EXPRESS

New Mexico Oil Conservation Division
P. O. Box 1397
Roswell, New Mexico 88201-2019
Attention: Richard Ezeknyim

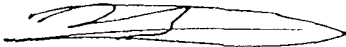
Re: Leasehold Ownership
BEU # 74 and North Indian Flats 24 Federal #1
Eddy County, New Mexico

Richard:

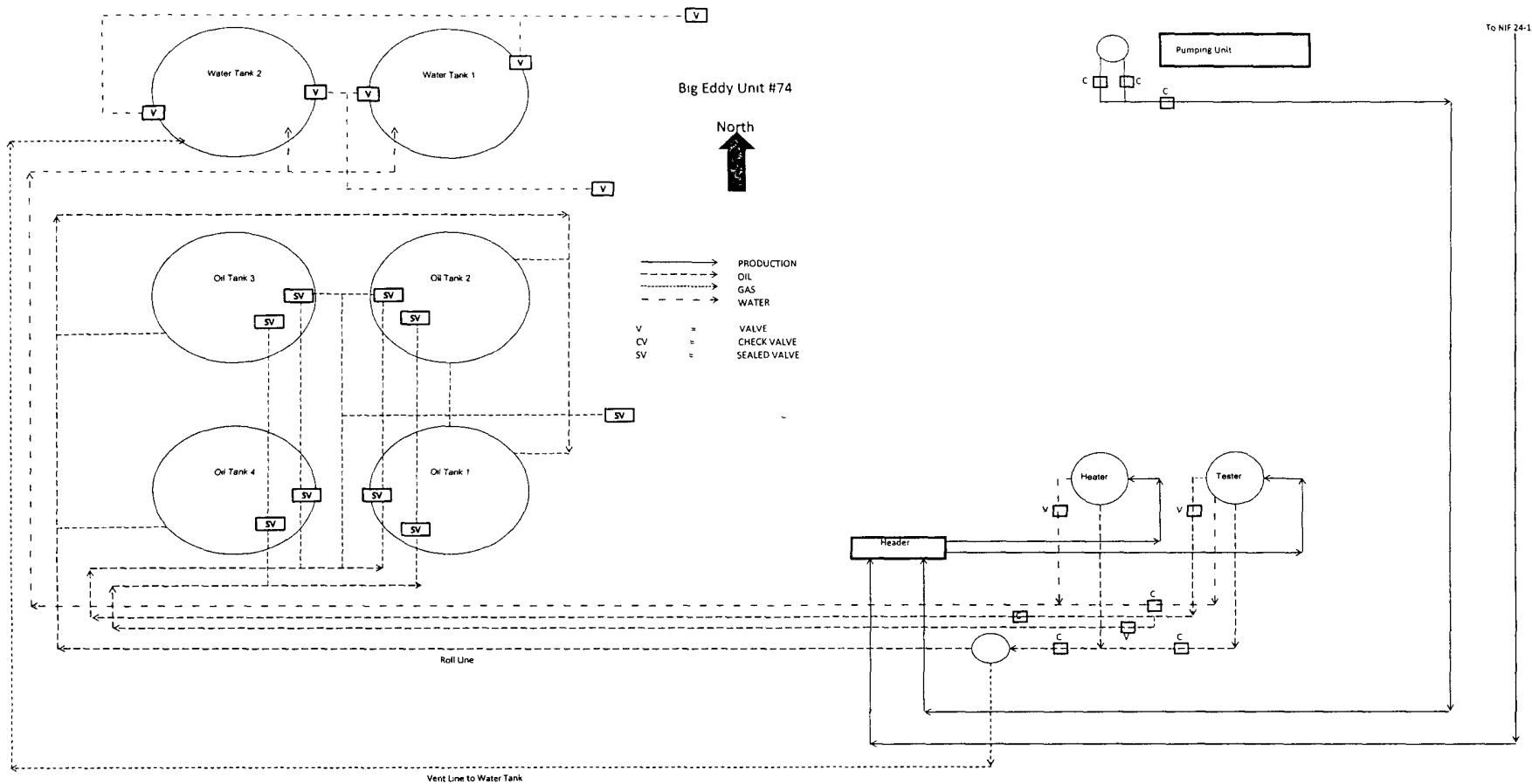
Per your request, this letter shall serve as verification that Bass (BOPCO, L.P.) owns 100% rights as to all depths in both of the captioned wells. Additional information can be provided if needed

Should you have any questions, please do not hesitate to contact me at (817) 339-7185.

Very truly yours,



Brad Glasscock



State of New Mexico
Energy, Minerals and Natural Resources

Form C-103

October 13, 2009

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

RECEIVED OGD

WELL API NO.

30-015-22839

5. Indicate Type of Lease

STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

LC067144

7. Lease Name or Unit Agreement Name
Big Eddy

8. Well Number 74

9. OGRID Number
26073710. Pool name or Wildcat
Indian Flats (Delaware)

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐2. Name of Operator
BOPCO, L.P.3. Address of Operator P.O. Box 2760
Midland, TX 79702

4. Well Location

Unit Letter B : 660 feet from the North line and 1980 feet from the East line
Section 25 Township 21S Range 28E NMPM County Eddy11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3218' GL

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER Surface Commingle

☒

OTHER:

☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

BOPCO, L.P. respectfully requests permission for Surface Commingling and Off Lease Storage to the referenced well from the North Indian Flats 24 Fed #1 located at 1720' FSL & 1710' FEL, Sec 24, T21S, R28E, API # 30-015-37730. BOPCO, L.P. will lay a 2-7/8" steel flowline that will be laid within 50' of the center line of the access road and existing roads which have previously been cleared. A rental electric generator will be set to power the pumping unit at the N. Indian Flats 24 Fed #1. A 3 phase separator will be installed at the BE #74 battery.

CTB-615

ENTERED
IN AFMSReviewed by [Signature]
Recommend Approval - 06/08/10
This approval is subject to like approval
by both BLM and SLO

Spud Date: 10/21/2009

Rig Release Date: 11/13/2009

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE Regulatory Clerk DATE 06/04/2010

Type or print name Valerie Truax E-mail address: vltruax@basspet.com PHONE: (432)683-2277

For State Use Only

*APPROVED BY: [Signature] TITLE Director

DATE 6/14/2010

Conditions of Approval (if any):

Approved doc.

Big Eddy #74 and North Indian Flats 24 federal #1

BOPCO, L.P.

July 5, 2010

**Condition of Approval
Commingling on and off lease**

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
6. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
7. Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.
8. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to MMS as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to MMS. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
9. This agency shall be notified of any change in sales method or location of sales point.
10. Additional wells and/or leases require additional commingling approvals.

N. Indian Flats 24 Fed #1/ Big Eddy Unit #74

BOPCO L.P.

