State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

John H. Bemis Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey Division Director Oil Conservation Division



April 2, 2012

BOPCO, L.P. Attn: Annette Childers 6 Desta Dr., Suite 3700 Midland, TX 79702

Email: <u>machilders@basspet.com</u>

Notice of Termination of Authority to Inject into Poker Lake Unit Well No. 79 (API #30-015-27438), Administrative Order SWD-1221

Dear Operator:

On June 16, 2010, the Oil Conservation Division issued Administrative Order SWD-1221 (hereinafter, "Disposal Order") which authorized injection into the Poker Lake Unit Well #79. Division records show the Poker Lake Unit Well #79 as an oil producer and BOPCO, L.P., OGRID #306402 (hereinafter, "BOPCO") as the operator of record of the well.

The Disposal Order provides that the disposal authority granted by the Disposal Order shall terminate one year after the effective date of the Disposal Order if the operator has not commenced injection operations into the well unless the division, upon written request mailed by the operator prior to the termination date, has granted an extension.

Additionally, Division Rule 19.15.26.12.C NMAC states:

- C. Abandonment of injection operations.
 - (1) Whenever there is a continuous one year period of non-injection into all wells in an injection or storage project or into a salt water disposal well or special purpose injection well, the division shall consider the project or well abandoned, and the authority for injection shall automatically terminate ipso facto.
 - (2) For good cause shown, the director may grant an administrative extension or extensions of injection authority as an exception to Paragraph (1) of Subsection C of 19.15.26.12 NMAC, provided that any such extension may be granted only prior to the end of one year or [sic] continuous non-injection,

Administrative Order SWD-1221 Poker Lake Unit Well #79 (API #30-015-27438) BOPCO, L.P. – OGRID #306402 April 2, 2012 Page 2

or during the term of a previously granted extension.

Division records (a copy of which is enclosed) do not show the commencement of injection operations into the well since the Disposal Order was issued on June 16, 2010, and there is no indication that the operator submitted a written request for an extension of the terms of the Disposal Order prior to the termination date. Injection reports filed for the Poker Lake Unit Well #79 show continuous oil production during this time.

Therefore, based upon the C-115 reports filed for the Poker Lake Unit Well #79, Administrative Order SWD-1221 has terminated pursuant to its own terms and Division Rule 19.15.26.12.C NMAC.

If BOPCO wishes to inject into the well, it will have to reapply for authority to inject with the Division's Engineering Bureau and convert the well to an injector. Please contact Will Jones in the Division's Engineering Bureau at (505) 476-3448 or william.v.jones@state.nm.us to discuss this matter further.

If you any questions, please feel free to contact me at (505) 476-3493 or daniel.sanchez@state.nm.us.

Sincerely,

Daniel Sanchez

New Mexico Underground Injection Control Program Director

Ec Richard Inge, OCD Artesia

Randy Dade, OCD Artesia William Jones, OCD Santa Fe

William Jones, OCD Sama re

Kent Adams, kaadams@basspet.com

30-015-27438 POKER LAKE UNIT #079 [306402]

General Well Information Status: Active Well Type: Direction: Work Type: Surface Location: New M-02-25S-30E Lease Type: State 660 FSL 660 FWL 32.15415 -103.85722 3357 Lat/Long: GL Elevation: Sing/Mult Compl: Single Potash Waiver: Proposed Formation and/or Notes DELAWARE **Depths** Proposed: 8000 Measured: 8000 Plugback Measured: Formation Tops Formation Top Method Obtained Producing **Event Dates** Initial APD Approval: Most Recent APD Approval: 5/17/1993 Current APD Expiration: 5/17/1995 APD Cancellation:
APD Extension Approval: Spud: Approved Temporary Abandonment: 8/21/1993 Expiration: Shut In Waiting For Pipeline: Plug and Abandoned Intent Received: Well Plugged: Site Release: Plugged, Not Released Expiration: Last Inspection: 1/20/2012 Intention To Plug: Last MIT: History Comments Operator [260737] BOPCO, L.P. 6 Desta Drive, Ste 3700 P. O. Box 2760 Midland ,TX 79702 Address: Country: U.S.A.
Main Phone: 432-683-2277 Central Contact Person Annette M Childers 432-683-2277 Title: Administrative Assistant Fax: 432-687-0329 Name: Phone: Cell: E-Mail Address: machilders@basspet.com **Hobbs Contacts** Name: Kent A Adams Title: Phone: 432-683-2277 Fax: 432-687-0329 Cell: E-Mail Address: kaadams@basspet.com Artesia Contacts Name: Phone: 432-683-2277 Fax: 432-687-0329 E-Mail Address: kaadams@basspet.com Pits Casing Well Completions [96209] CORRAL CANYON; DELAWARE, NORTHEAST Status: Active Last Produced: 1/1/2012 Financial Assurance

Note that Financial Assurance and Inactive Well Compliance are documented in separate reports (Inactive Well Report, Financial Assurance Report).

Also note that some compliance issues are addressed at the operator level so not listed under each well

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MLB1112541415	Date of Violations:	5/5/2011	Violations:	Pollution and Contamination
Complaints, Incidents	and Spills			
related to the abatement	s that impact ground wat plans, remediation plans	er are recorded ale and ground water	ong with "facilities" v r impact information	which may not be wells, so although the initial report may be recorded here as a spill, information are not yet part of this application.
nMLB1112540973			·	
Orders		***************************************	*************************	
2R - Remediation I	Permit - Artesia 2RP-7	73-0	······································	
Salt Water Dispos	al SWD-1221-0			

Earliest Produ	Last 1/2012										
		Production				Injection					
Time Frame	Oil(BBLS)	Gas(MCF)	Water (BBLS)	Days P/I	Water (BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure		
994	6404	7831	26096	312	0	0	0	0	0		
995	5759	7433	22624	321	0	0	0	0	0		
996	4455	4843	11778	331	0	0	0	0	0		
997	3134	3590	10657	281	0	0	0	0	0		
998	3794	4677	19385	353	0	0	0	0	0		
999	3277	3897	18222	344	0	0	0	0	0		
000	4094	4857	29794	354	0	0	0	0	0		
001	3689	5152	22880	309	0	0	0	0	0		
002	3613	5666	21860	333	0	0	0	0	0		
003	3488	4639	20231	358	0	0	0	0	0		
004	3069	5405	19508	350	0	0	0	0	0		
005	2426	2112	17123	324	0	0	0	0	0		
006	2289	969	14178	320	0	0	0	0	0		
007	2494	882	15531	317	0	0	0	0.	0		
008	4030	1733	23916	354	0	0	0	0	0		
009	3464	1768	25298	349	0	0	0	0	0		
010											
CORRAL CANYON; DE	LAWARE, NORTI	HEAST									
Jan	244	53	3584	20	0	0	0	0	0		
Feb	368	15	3350	25	0	0	0	0	0		
Mar	202	72	1651	21	0	0	0	0	0		
Apr	341	47	1885	29	0	0	0	0	0		
May	373	126	2149	31	0	0	0	0	0		
Jun	294	206	2120	30	0	0	0	0	0		
Jul	279	66	1725	25	0	0	0	0	0		
Aug	98	40	570	10	0	0	0	0	0		
Sep	206	53	1553	24	0	0	0	0	0		
Oct	248	29	851	24	0	0	0	0	0		
Nov	309	50	1246	30	0	0	0	0	0		
Dec	198	, 40	1321	27	0	0	0	0	0		
Pool Total:	3160	797	22005	296	0	0	0	0	0		
nnual Total:	3160	797	22005	296	0	0	0	0	0		
011											
CORRAL CANYON; DE	LAWARE, NORTI	HEAST									
Jan	272	63	1478	29	0	0	0	0	0		
Feb	244	74	1347	24	0	0	0	0	0		
Mar	294	69	1443	27	0	0	0	0	0		
Apr	301	215	1520	29	0	0	0	0	0		
May	307	43	1426	25	. 0	0	0	0	0		

Jun	228	44	1518	27	0	0	o	0	
Jul	309	203	1650	28	0	0	0	0	
Aug	368	242	1830	30	0	0	0	0	
Sep	154	121	905	16	0	0	0	0	
Oct	285	52	1296	22	0	0	0	0	
Nov	331	204	1762	27	0	0	0	0	
Dec	251	204	1706	27	0	0	0	0	
Pool Total:	3344	1534	17881	311	0	0	0	0	
Annual Total:	3344	1534	17881	311	0	0	0	0	
2012									
CORRAL CANYON; DE	LAWARE, NORTH	EAST							
Jan	185	195	1017	27	0	0	0	0	
Pool Total:	185	195	1017	27	0	0	0	0	
Annual Total:	185	195	1017	27	0	0	0	0	
Grand Total:	66168	67980	359984	5944	0	0	0	0	
									

Transporters