



# New Mexico Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**John H. Bemis**  
Cabinet Secretary-Designate

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey**  
Division Director  
Oil Conservation Division



November 7, 2011

Ocean Munds-Dry, Esq.  
P.O. Box 2208  
Santa Fe, NM 87504

**Administrative Order NSL-6496**

**Re: BOPCO, L.P.**  
**Poker Lake Unit Well No. 343H (API No. 30-015-38667)**  
**SHL/PP: 550 FSL 365 FEL of Section 22, T24S, R30E**  
**BHL: 240 FSL 100 FEL of Section 26, T24S, R30E**  
**Project Area, 560 acres within Units:**  
**(P of 22), (M of 23), (A of 27), (C,D,E,F,G,I,J,K,O,P of 26), (M of 25)**  
**Eddy County, New Mexico**

Dear Ms. Munds-Dry:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW11-27347965**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of BOPCO, L.P. (BOPCO) [OGRID 260737], on September 28, 2011, and

(b) the Division's records pertinent to this request.

BOPCO has requested to drill the above-referenced well as a horizontal well in the Brushy Canyon "U" Sand member of the Delaware Mountain Group, at a location that will be unorthodox under Division Rule 16.14.B(2) [19.15.16.14.B(2) NMAC].

The above described 560 acres within 5 Sections will be dedicated to the proposed well to form a project area comprising 14 standard 40-acre spacing units in the Southwest Poker Lake; Delaware Pool (96047). This pool is governed by statewide Rule 15.9 [19.15.15.9 NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is unorthodox because it terminates at a location less than 330 feet from the southern portion of the project area.



It is our understanding that the well will be cased and not perforated until the well path reaches the vertical limits of the target producing sand.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location for engineering reasons, in order to penetrate the maximum amount of the target zone within the producing area.

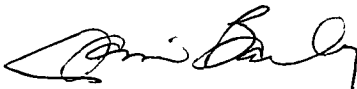
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2) [19.15.4.12.A(2) NMAC], in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B [19.15.15.13.B NMAC], the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to, Division Rule 5.9 [19.15.5.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



JAMI BAILEY  
Director

JB/wvj

cc: Oil Conservation Division – Artesia  
Bureau of Land Management – Carlsbad