Basin Environmental Service Technologies, LLC

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June 20, 2012

Mr. Glenn von Gonten New Mexico Energy, Minerals and Natural Resources Department New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Re: Monitor Well P&A Request

BOPCO, LP

Josephine Rodke Federal #1

Unit Letter "C" (NE/NW), Section 27, Township 20 South, Range 31 East

Eddy County, New Mexico NMOCD Reference #2RP-370

Dear Mr. von Gonten,

Basin Environmental Service Technologies, LLC (Basin Environmental), on behalf of BOPCO, LP (BOPCO), has prepared this Monitor Well P&A Request for the site known as Josephine Rodke Federal #1 (Josephine Rodke): an historic, unlined pit. The legal description of the site is Unit Letter "C" (NE/NW), Section 27, Township 20 South, Range 31 East, in Eddy County, New Mexico. The property is owned and administered by the United States Department of the Interior, Bureau of Land Management (BLM). The geographic coordinates of the site are 32° 32' 45.132" North latitude and 103° 51' 15.048" West longitude. A "Site Location Map" is enclosed as Figure 1.

A well pad adjacent to the Josephine Rodke site is currently being expanded to accommodate a large-scale directional drilling "Island Project". Forty (40) exploratory wellbores are scheduled to be drilled in the area over the next several years, and the footprint of the expanded well pad encompasses the Josephine Rodke excavation and four (4) on-site monitor wells. Locations of the monitor wells and the dimensions of the initial excavation are depicted in the enclosed "Site and Sample Location Map" (Figure 2).

On June 18, 2012, during a routine inspection of the construction site, BOPCO discovered that the steel monuments, PVC casings, and concrete surface seals of the four (4) on-site monitor wells (MW-1 through MW-4) had been sheared off at the ground surface and covered with approximately six (6) to eight (8) feet of caliche during the expansion of the well pad. A representative of Basin Environmental immediately reported the incident to the New Mexico Oil Conservation Division (NMOCD) and the New Mexico Office of the State Engineer (NMOSE).

Page 2 Glenn von Gonten June 20, 2012

On June 19, 2012, Basin Surveys dispatched a survey crew to the site to assist BOPCO and Basin Environmental personnel in locating the sites of the monitor wells. Once the monitor wells had been located, a backhoe was utilized to excavate the caliche atop the monitor wells, and the PVC casings were repaired. Following repairs, the casings were extended approximately five (5) feet above ground surface and fitted with impermeable PVC caps.

Due to environmental and safety concerns associated with the "Island Project", BOPCO hereby requests permission to plug and abandon (P&A) the four (4) monitor wells at the Josephine Rodke site. Pending NMOCD approval, the monitor wells will be P&A'd pursuant to NMOSE and NMOCD regulatory requirements. Following completion of the exploratory directional drilling, which is scheduled to continue through the year 2019, the site will be revisited. Should the NMOCD deem it appropriate, additional monitor wells will be installed at that time to further investigate the extent of chloride impact to groundwater in the area.

For your convenience, a summary of analytical data from the 2010 - 2012 quarterly groundwater monitoring events is enclosed as Table 1, " Concentrations of Chloride & Total Dissolved Solids in Groundwater".

Should you have any questions, please do not hesitate to contact me at (575) 396-2378 or Tony Savoie at (432)556-8730.

Respectfully,

Ben J. Arguijo

Basin Environmental Service Technologies, LLC

Cc: Tony Savoie, BOPCO, LP (TASavoie@BassPet.com)
Carlos Cruz, BOPCO, LP (CCruz@BassPet.com)

Enclosures:

Figures

Figure 1: Site Location Map

Figure 2: Site and Sample Location Map

Tables

Table 1: Concentrations of Chloride & Total Dissolved Solids in Groundwater



