



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

November 3, 2006

Ms. Ocean Munds-Dry
Holland & Hart
Attorneys-at-Law
Post Office Box 2208
Santa Fe, New Mexico 87504-2208

Dear Ms. Munds-Dry:

Based upon the reasons stated in your letter of November 2, 2006, and in accordance with the provisions of Division Order No. R-12620, BEPCo, L.P. is hereby granted an extension of time until April 1, 2007 in which to commence the drilling of the well pooled by this order.

Sincerely,

Mark E. Fesmire, P.E.
Director

fd/

cc: ✓ Case No. 13758
OCD – Artesia

November 2, 2006

2006 NOV 2 PM 12 57

HAND-DELIVERED

Mark E. Fesmire, P. E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

**Re: Oil Conservation Division Case No. 13758: Application of BEPCo., L.P.
for compulsory pooling, Eddy County, New Mexico.**

Dear Mr. Fesmire;

On August 30, 2006, the Division entered Order No. R-12620 which granted the application of BEPCo., L.P. in the above-referenced case pooling all uncommitted interests from the surface to the base of the Morrow formation underlying the N/2 of Section 12, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico.

Order R-12620 provides that in the event BEPCo., L.P. "does not commence drilling the proposed well on or before December 1, 2006" the Order "shall be of no effect, unless the operator obtains a time extension from the Division Director for good cause."

BEPCo., L.P. plans to drill the Palmillo "12" State Com Well No. 1 but has encountered delays in obtaining a rig and has determined that it will not be able to commence drilling prior to December 1, 2006. Since it will be unable to commence drilling prior to the current deadline set by this pooling order, BEPCo., L.P. hereby requests an extension of Order No. R-12620 from December 1, 2006 until April 1, 2007. Your attention to this request is appreciated.

Sincerely,

Ocean Munds-Dry

cc: Mr. Kevin Smith
BEPCo., L.P.