

BEPCO, L.P.
P. O. Box 2760
Midland, Texas 79702

September 13, 2006

FAX: 432-687-0329



Re: Notice of Application for
Authorization to Convert to SWD
Poker Lake Unit #188Y
Eddy County, New Mexico
File: 100-WF: PLU188Y.C108

30-015-33776

Oil Conservation Division
1220 St. Francis Drive
Santa Fe, New Mexico 87505

Gentlemen:

Enclosed please find BEPCO, L.P.'s Application for Authorization to Convert for disposal purposes only into the Poker Lake Unit #188Y, located in Section 5, T24S, R30E, Eddy County, New Mexico.

If additional information is required, please contact Michael Lyon at the letterhead address.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith E. Bucy".

Keith E. Bucy
Division Production Manager

MLL:cdg
Attachment

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE : _____ Secondary Recovery _____ Pressure Maintenance ☒ Disposal _____ Storage
Application qualifies for administrative approval? ☒ Yes _____ No

II. OPERATOR: BEPCO, L.P.

ADDRESS : P.O. BOX 2760 MIDLAND TX 79702-2760

CONTACT PARTY : CINDI GOODMAN PHONE : (432)683-2277

III. WELL DATA: Complete the data required on the reverse side of this form for each well processed for injection.
Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____ Yes ☒ No
If yes, give the Division order number authorizing the project _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted.)

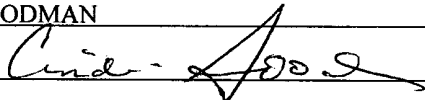
*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

XIII. Applicants must complete the 'Proof of Notice' section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: CINDI GOODMAN TITLE: PRODUCTION CLERK

SIGNATURE:  DATE: 07/26/2006

E-MAIL ADDRESS: cdgoodman@basspet.com

* If the information required under Sections VI, VII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstance of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. Well Data

A. 1) Lease name: **Poker Lake Unit**

Well #: **#188Y**

Section: **5C**

Township: **24S**

Range: **30E**

Footage: **695' FNL & 1880' FWL**

2) Casing Info.

Casing size	Set depth	Sacks cmt	Hole size	TOC	Method
8-5/8" 32# J55	665	568	12-1/4"	Surface	1 inched
5-1/2" 15.5# J55, K55, & L80	7,618'	750	7-7/8"	4,652'	Temp Survey

3) Tubing to be used (size, lining material, setting depth):

It is anticipated that a string of 2-7/8" 6.5# J-55 Seal Tite PVC, set to a depth of 4,750', be utilized if all proposed perforations are utilized.

4) Name, model, and depth of packer to be used:

Baker Lok-Set packer (plasti coated ID & nickel coated OD) @ 4750' if all proposed perforations are utilized.

B.

1) Name of the injection formation and, if applicable, the field or pool name:

Nash Draw (Delaware/Avalon).

2) The injection interval and whether it is perforated or open hole:

Currently, the well is perforated in the Lower Brushy Canyon from 7,320' to 7,330'. It is proposed that selected Delaware intervals from 4,780' to 6,580' be perforated and combined with the existing Lower Brushy Canyon perforations to form the overall injection interval.

3) State if the well was drilled for injection or, if not, the original purpose of the well:

The captioned well was drilled as a producer but its current marginal performance makes it more valuable as an injection / disposal well.

4) Give the depths of any other perforated intervals and detail on the sacks of cement or BP's used to seal off such perforations:

The captioned wellbore does not, and is not expected to, utilize any bridge plugs.

5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any:

T/Delaware Mtn. Group: 3,563'. T/Bone Spring Lime: 7,416'.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each wells type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

Well Name		No.	API	Operator	Type	Location	Construction					Spud Date	Comp Date	TD	Perforations	Stimulation
							Surface Casing	Intermediate Casing	Production Casing		Tubing					
Poker Lake Unit		165	30-015-31334	BEPCO	Producer	560' FSL & 330' FWL, s32 T23S-R30E	8-5/8" @ 562', c/645sx, CTS	None	5-1/2" @ 7550', c/850sx, TOC 3425' TS		7299'	3/21/2001	4/18/2001	7550'	7258'-7268'	F/ 71M gal & 267M# sand
Poker Lake Unit		166	30-015-31695	BEPCO	Producer	660' FNL & 660' FWL, s5 T24S-R30E	8-5/8" @ 575', c/325sx, CTS	None	5-1/2" @ 7462', c/630sx, TOC 3879' TS		7318'	5/21/2001	6/21/2001	7465'	7280'-7290'	F/ 52M gal & 225M# sand
Poker Lake Unit		167	30-015-31696	BEPCO	Producer	1980' FNL & 660' FWL, s5 T-24S-R30E	8-5/8" @ 480', c/305sx, CTS	None	5-1/2" @ 7459', c/750sx, TOC 3378' TS		7308'	4/10/2003	5/21/2003	7460'	6810'-7290'	F/ 83M gal & 221M# sand in 2 stgs

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected: 3,000 BWPD
2. Whether the system is open or closed: closed
3. Proposed average and maximum injection pressure: 800 psi average, 1000 psi maximum
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water: water will be produced from same reservoir (Delaware/Avalon).
5. If injection is for disposal purposes into a zone not productive of oil & gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water: n/a

VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with TDS of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval:

Lithologic Detail: Sand, Shale, Lime Sequences

Geological Name: Delaware Mountain Group

Thickness: 3867'

Depth: 3851'-7718'

The Rustler Formation is a known source of fresh water throughout this geographic area. Average depth of Rustler is 200-400'. No sources of fresh water are known to exist below the proposed disposal zone.

IX. Describe the proposed stimulation program, if any:

Each of the zones will be perforated and acidized with approximately 50 gallons 7-1/2% NEFE HCl per foot.

X. Attach appropriate logging and test data on the well (If well logs have been filed with the Division, they need not be resubmitted). Logs previously submitted.

XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

No known fresh water, injection/disposal wells within one mile of proposed well.

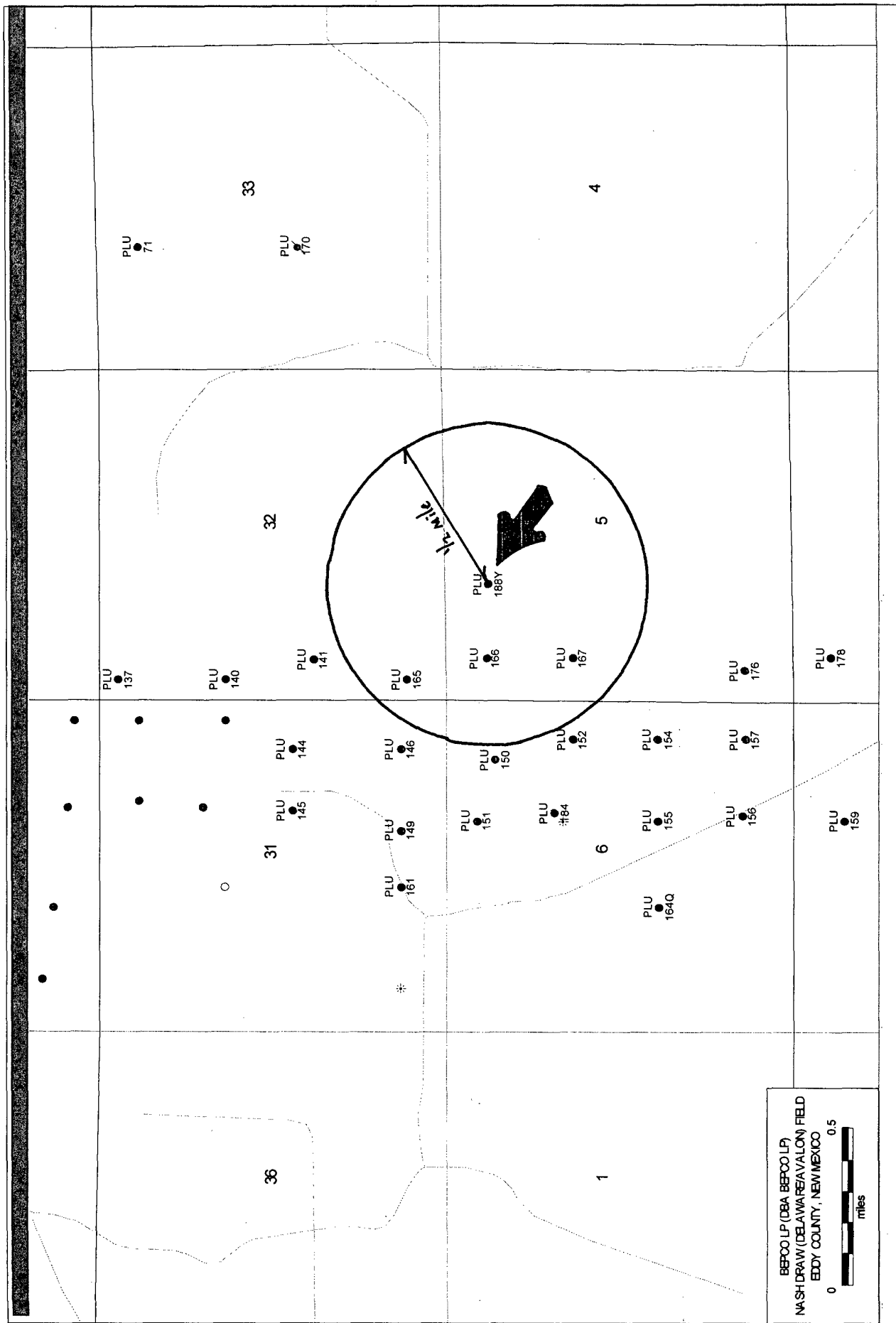
XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrology connection between the disposal zone and any underground sources of drinking water.

Applicant hereby affirms that he has examined the available geologic and engineering data and finds no evidence of open faults, or other hydrologic connection between the disposal zone and any underground source of drinking water.

PowerTools Map

Project: d:\my documents\files\power tools data\new mexico2.mdb

Date: 7/19/2006
Time: 3:33 PM



LEASE: **POKER LAKE UNIT** WELL #: **188Y**
 FIELD: **NASH DRAW DELAWARE**
 LOCATION: **695' FNL & 1880' FWL, SEC 5, T24S, R30E, UNIT C**
 COUNTY: **EDDY** ST: **NM** API: **30-015-33776**

KB: 3276'
 GL: 3256'
 SPUD DATE: 10/22/2004
 COMP DATE: 11/20/2004

SURFACE CASING

SIZE: 8-5/8"
 WT/GRD: 32# J-55
 CSA: 665'
 SX: 200 PERMIAN
 SX: 368 C
 CIRC: Y
 TOC: SURF TOP OUT
 HOLE SIZE: 12-1/4" 155-668'

PRODUCTION CASING

SIZE: 5-1/2"
 WT/GRD: 15.5# K55 0-1201'
 WT/GRD: 15.5# J55 1201-5295'
 WT/GRD: 15.5# L80 5295-7618'
 CSA: 7618'
 SX: 750 C
 CIRC: N
 TOC: 4652' TS
 HOLE SIZE: 7-7/8" 668-7624'

TUBING DATA

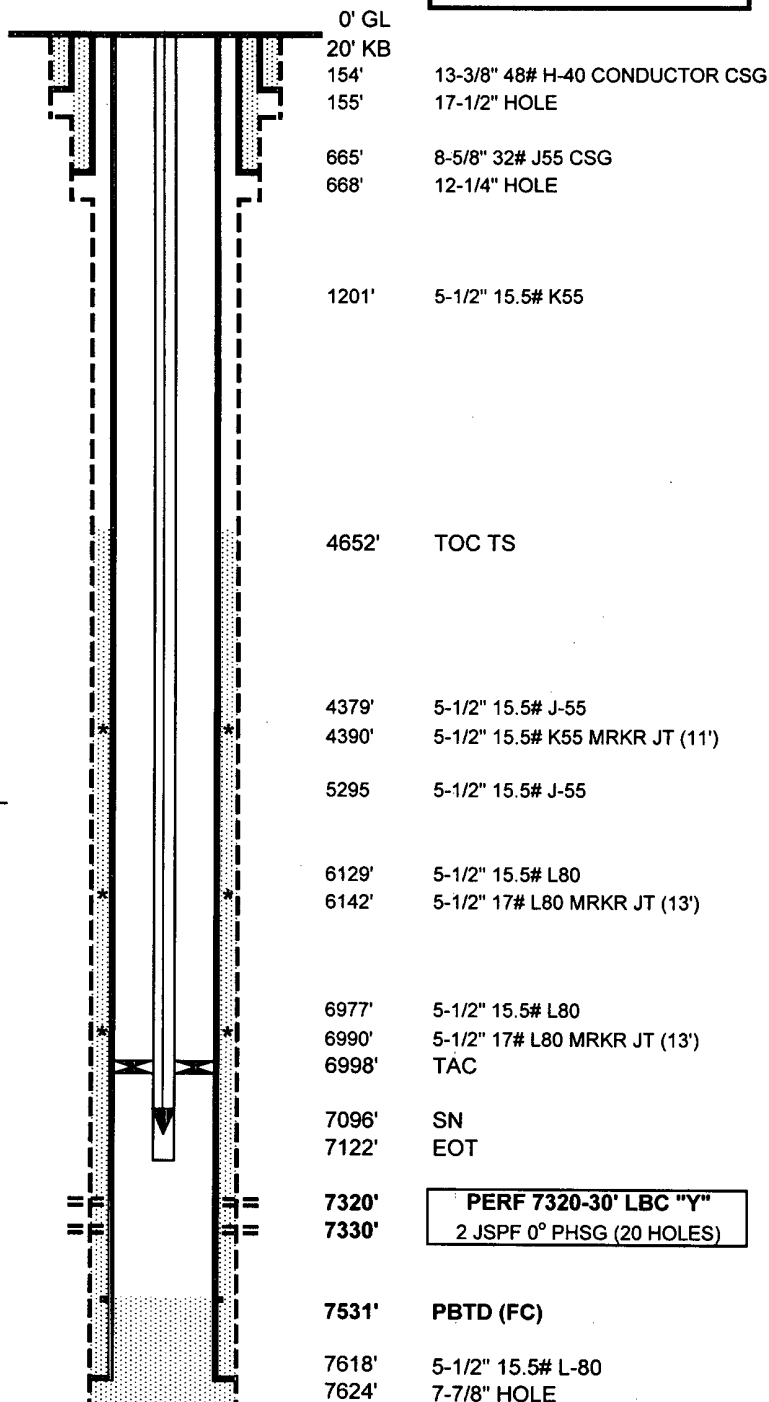
(222 JTS) 2-7/8" J55
 2-7/8" TAC @6998'
 (3 JTS) 2-7/8" J-55 TBG
 3' 2-7/8" SS SUB
 SN W/ GA @ 7096'
 3-1/2" GAS BUSTER W/ BP&C F/ MA [EOT @ 7122']

RODS & PUMP DATA

2550' 1" GRADE D RODS
 2450' 7/8" GRADE D RODS
 2000' 3/4" GRADE D RODS
 1-3/4" 3-TUBE PUMP

PERFORATION DATA

11/04 PERF 7320-30' LBC "Y" BD PERFS W/
 17 BBLS 2% KCL @ 1209#. F: 20kg 10#
 BRINE+8k# 14/30 LITE PROP+77.7kg
 LIGHTNING 2500+211.6 k# 16/30
 OTTAWA+72k# 16/30 CR-4000
 01/05 Pump "Sand Consolidation" frac LBC
 "Y" PERFS: 4.6kg FW + 3.9kg Light 25 w/ 17k#
 16/30 Super LC. 1323 gls flush, screened out as
 planned, 3407# prop in csg, 13,905# prop in
 formation. ISIP 4500#



PBTD: ~7531'
 TD: 7624'

Updated: 3/10/2005
 Author: KRA
 Engr: BJC

BEPCO, L.P.
P. O. Box 2760
Midland, Texas 79702

432-683-2277

July 27, 2006

FAX: 432-687-0329

Re: Notice of Application for
Authorization to Convert to SWD
Poker Lake Unit #188Y
Eddy County, New Mexico
File: 100-WF: PLU188Y.C108

Bureau of Land Management
Department of Interior
620 E. Greene Street
Carlsbad, New Mexico 88220-6292
Attn: Mr. Craig Cranston

Gentlemen:

Enclosed please find BEPCO, L.P.'s Application for Authorization to Convert for disposal purposes only into the Poker Lake Unit #188Y, located in Section 5, T24S, R30E, Eddy County, New Mexico.

If additional information is required, please contact Michael Lyon at the letterhead address.

Sincerely,

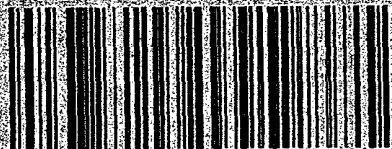
A handwritten signature in black ink, reading "Keith E. Bucy" followed by a stylized flourish or initials.

Keith E. Bucy
Division Production Manager

MLL:cdg
Attachment

7160 3901 9842 9824 7709

US Postal Service Certified Mail Receipt Domestic Mail Only No Insurance Coverage Provided	Postage	\$	Postmark Here
	Certified Fee		
	Return Receipt Fee (Endorsement Required)		
	Restricted Delivery Fee (Endorsement Required)		
	Total Postage & Fees	\$	
Sent To: BLM attn: Craig Cranston Notice of Application to convert to SWD PLU #1884 (BLM is Landowner)			
PS Form 3800, January 2005		US Postal Service	
		Certified Mail Receipt 7/31/06 2	

2. Article Number  7160 3901 9842 9824 7709		COMPLETE THIS SECTION ON DELIVERY	
3. Service Type CERTIFIED MAIL		A. Received By (Please Print Clearly) B. Gomer	B. Date of Delivery 8-2
4. Restricted Delivery? (Extra Fee) ☐ Yes		C. Signature 	
1. Article Addressed to: ATTN: Craig Cranston BUREAU OF LAND MANAGEMENT 620 E. GREENE STREET CARLSBAD, NM 88220-6292		D. Is delivery address different from item 1? If YES, enter delivery address below:	
PS Form 3811, January 2005		Domestic Return Receipt CDG	

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

April Hernandez, being first duly sworn, on oath says:

That she is HR/Administrative Assistant of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

<u>September 7</u>	<u>2006</u>
<u>September 8</u>	<u>2006</u>
<u>September 9</u>	<u>2006</u>
_____	<u>2006</u>

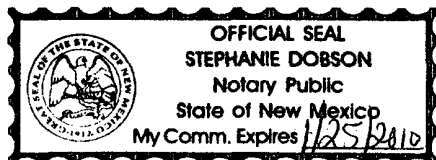
That the cost of publication is \$ 110.66
and that payment thereof has been made and will be
assessed as court costs.

April Hernandez

Subscribed and sworn to before me this

11 day of September, 2006
Stephanie Dobson

My commission expires 1/25/2010
Notary Public



BEPCO - WTD PRODUCTION

SEP 13 2006

RECEIVED

September 7, 8 & 9, 2006

NOTICE OF APPLICATION FOR SALT WATER DIS- POSAL WELL PERMIT

BEPCO, L.P. has applied to the New Mexico Oil Conservation Division for a permit to dispose of produced salt water or other oil and gas waste into the porous formation productive of oil and gas.

The applicant proposes to

dispose of produced wa-
ter or other oil and gas
waste into the Poker
Lake Unit 188Y (Del
aware Formation). The
proposed disposal well is
located 36 miles south
east of Carlsbad, New
Mexico in Section 5,
T24S, R30E, Eddy County,
New Mexico. The pro-
duced salt water will be
disposed at a subsurface
depth of 4780'-7330'.

Any Questions concerning
this application should
be directed to Keith
Bucy, Division Production
Manager, BEPCO, L.P.,
P.O. Box 2760, Midland,
Texas 79702-2760, (432)
683-2277.

Interested parties must file
objections or requests
for hearing with the Oil
Conservation Division,
1220 S. St. Francis Dr.,
Santa Fe, New Mexico
87505 within 15 days.