

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-34633
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Remuda Basin 24 State
8. Well Number 4
9. OGRID Number 001801
10. Pool name or Wildcat Nash Draw (Delaware/BS Avalon Sand)

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
BEPCO, L.P.

3. Address of Operator
P. O. Box 2760
Midland, Texas 79706

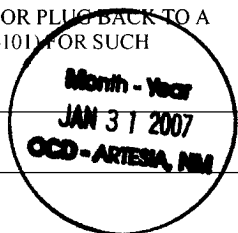
4. Well Location
Unit Letter B : 460 feet from the North line and 1980 feet from the East line
Section 24 Township 23S Range 29E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
2992' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____



12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

BEPCO, L.P. request to extend the APD application to drill for another 12 months from 2/20/07 to 2/20/08.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Annette Childers TITLE Administrative Assistant DATE 1-29-07

Type or print name Annette Childers E-mail address: machilders@basspet.com Telephone No. 432-683-2277

For State Use Only **BRYAN G. ARRANT**
DISTRICT II GEOLOGIST

FEB 27 2007

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any): _____

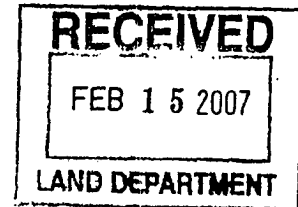


Mosaic Potash Carlsbad Inc.
PO Box 71
1361 Potash Mines Road
Carlsbad, NM 88220
www.mosaicco.com

Tel 505-887-2871
Fax 505-887-0589

February 8, 2007

Mr. Brad Glasscock
Bass Enterprises Production Co.
201 Main Street
Fort Worth, TX 76102-3131
(817) 339-7185



Dear Mr. Glasscock:

In response to your telephone request for an update of our position on certain APD's, here is an update of our 12/29/2005 reply. We are in receipt of your request dated 12/20/2005 concerning 5 well locations in Section 24, T-23-S, R-29-E. Mosaic Potash Carlsbad Inc. does have a potash lease $\frac{1}{4}$ mile from the northwest corner of this section.

All locations requested (Remuda Basin 24 State #4 thru #8, in units A, B, G, H, and I) are further than $\frac{1}{4}$ mile from our LMR. However, all but #7 are located in measured ore as delineated by the BLM. This ore is economically mineable but not currently in the mine plan, several oil wells have already been drilled in the area. Mosaic Potash does not object to drilling at these locations.

As more information becomes available, our estimates of the extent of potash resources in any given area may change. Therefore, please consider this "no objection" to this location to be valid for one year only. If you are still considering this well location at a date later than one year from today, notify us again at that time so we can make the decision on information current at that time. Do not consider a "no objection offered" or an "objection offered" decision to be permanent.

Mosaic Potash submits this letter in lieu of the forms requested.

Sincerely,

Dan Morehouse
Mine Engineering Superintendent

cc: Don Purvis Pete Livingstone