

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007Month - Year
APR 16 2007
OCD - ARTESIA, NM

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
BEPCO, L.P.3a. Address
P.O. BOX 2760 MIDLAND TX 79702-27603b. Phone No. (include area code)
(432)683-22774. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1780' FNL, 330' FEL, SEC. 17, T21S, R29E

5. Lease Serial No.

NMNM2918

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM71016

8. Well Name and No.

GOLDEN LANE "17" FEDERAL #1

9. API Well No.

30-015-35079

10. Field and Pool, or Exploratory Area

GOLDEN LANE, SOUTH (DELAWARE)

11. County or Parish, State

EDDY
NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|--|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other TO FLARE GAS |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

BEPCO, L.P. RESPECTFULLY REQUESTS PERMISSION TO FLARE THE CASINGHEAD GAS FROM THE GOLDEN LANE 17 FEDERAL #1 OIL WELL. THE PRODUCED GAS CANNOT BE SOLD BECAUSE OF THE H2S CONTENT.

THE TOTAL VOLUME OF GAS FROM THIS WELL USING THE LATEST PRODUCTION REPORT C-115 FOR FEBRUARY, 2007 IS 38 MCF PER DAY AND THE H2S CONCENTRATION IS 10,000 PPM AS PER THE ATTACHED GAS ANALYSIS. USING THIS DATA, THE 100 PPM ROE IS 55 FEET AND THE 500 PPM ROE IS 26 FEET. THERE ARE NO PUBLIC STRUCTURES OR ROADS WITHIN EITHER ROE.

THE CASINGHEAD GAS WILL BE SEPARATELY METERED BEFORE BEING SENT TO A COMMON FLARE LOCATED ON THE GOLDEN 8 FEDERAL #1 WELL SITE.

Approved For 3 Month PeriodDate 7/11/07SEE ATTACHED FOR
CONDITIONS OF APPROVAL14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

ANN MOORE

SUBJECT TO LIKE
APPROVAL BY STATE

Title PRODUCTION CLERK

Signature

Date 04/05/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Office

APPROVED
Date
APR 11 2007FREDERICK WRIGHT
PETROLEUM ENGINEER

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

MANLEY GAS TESTING, INC.

P.O. DRAWER 193
OFFICE(432)367-3024

ODESSA, TEXAS 79760
FAX(432)367-1166

E-MAIL: MANLEYGAST@AOL.COM

CHARGE..... 13 - 1 - 1
REC. NO. 0
TEST NUMBER.. 4000

DATE SAMPLED..... 02 -01 -07
DATE RUN..... 02 -06 -07
EFF DATE..... - -

STATION NO.
AREA
SAMPLE NAME.... GOLDEN LANE #17 FED #1
RECEIVED FROM.. BASS ENTERPRISES
LOCATION..... CARLSBAD NEW MEXICO

SAMPLE CONDITIONS PRESSURE PSIG.. 40.0 ... FLOWING TEMP..... 52.0 F

SAMPLED BY: C

FRACTIONAL ANALYSIS CALCULATED at 14.650 PSIA AND 60F

| | MOL% | GPM | SULPHUR DETERMINATION |
|-------------------|--------|--------|-------------------------------|
| HYDROGEN SULFIDE. | 1.00 | | GRAINS/100 SCF |
| NITROGEN..... | 5.12 | | * HYDROGEN SULFIDE.. 636.000 |
| CARBON DIOXIDE... | 0.09 | | MERCAPTANS..... 0.000 |
| METHANE..... | 55.57 | | SULFIDES..... 0.000 |
| ETHANE..... | 16.94 | 4.503 | RESIDUAL SULPHUR.. 0.000 |
| PROPANE..... | 13.80 | 3.779 | TOTAL 636.000 |
| ISO-BUTANE..... | 1.68 | 0.547 | |
| NOR-BUTANE..... | 3.54 | 1.110 | LIQUEFIABLE HYDROCARBONS- GPM |
| ISO-PENTANE..... | 0.70 | 0.255 | |
| NOR-PENTANE..... | 0.64 | 0.231 | ETHANE PLUS..... 10.822 |
| HEXANES..... | 0.51 | 0.220 | PROPANE PLUS..... 6.319 |
| HEPTANES+ | 0.41 | 0.177 | BUTANES PLUS..... 2.540 |
| TOTAL..... | 100.00 | 10.822 | PENTANES PLUS..... 0.883 |

'Z' FACTOR = 0.9943

REID VAPOR PRESSURE

26 LB..... 1.334
12 LB..... 0.901

MIXTURE SPECIFIC GRAVITY

CALCULATED FROM ANALYSIS..... 0.924
DETERMINED BY RANAREX..... 0.000

MIXTURE HEATING VALUE..... DRY..... 1481 WET..... 1456 BTU

DISTRIBUTION AND REMARKS:

* H2S PPM = 10000

B. FRANKS / D. WOODS / M. SNELSON

ANALYZED BY: KC

APPROVED: 

SUNDRY NOTICE SPECIAL STIPULATIONS

1. Approval is granted to vent the gas from the battery and associated wells specified in this sundry through 7/11/07 contingent on the operator providing the following information:
2. An analysis for each well showing that at current production rates, the energy equivalent of the oil produced exceeds the energy equivalent of the gas produced.
3. Some statement in support of the conditions that NTL-4A IV.C requires the operator to satisfy. To include but not limited to:
4. Projected costs of constructing gas separation facilities that will reduce the H2S content of the gas to the point that a purchaser will purchase the gas.
5. Economic cash flow projection showing the costs and revenue associate with this scenarios.
6. Only the wells on the operators provided list are included in this approval.

Engineering
can be reached at 505-706-2779 for any variances that might be necessary.

F Wright 4/11/07