

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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 ☐ Other

SEP 26 2008

2. Name of Operator
BEPCO, L.P.

OCD-ARTESIA

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)
1980' FSL & 1980' FWL
SEC 5, T21S, R28E

5. Lease Serial No

NMLC-060572A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No
NMNM-68294X

8. Well Name and No.

BIG EDDY UNIT #165

9. API Well No

30-015-35251

10. Field and Pool, or Exploratory Area

Sand Point (Atoka) & Fenton Draw (Morrow)

11. County or Parish, State

Eddy County, N.M.

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 Commingle
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Strawn & Morrow
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Formations

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 recompleat 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 recompleat 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 commingle production between the Sand Point (Strawn) and the Fenton Draw (Morrow) in this wellbore. On a sundry notice approved by the BLM 5/19/2008, BEPCO was granted permission to temporarily zone abandon the Morrow formation and then perforate the Atoka interval from 10941'-54'.

BEPCO, L.P. requests permission to perforate the tailpipe of the existing packer and produce both formations simultaneously. The interest ownership is the same in both of these unitized zones.

Attached is a copy of the C-107A and attachments simultaneously filed with the OCD for permission to down-hole commingle this production.

ACCEPTED FOR RECORD

SUBJECT TO LIKE APPROVAL BY STATE

SEP 29 2008

14. I hereby certify that the foregoing is true and correct.
Name (Printed/Typed) **Gerry Guye, Deputy Field Inspector**
MOORE-DISTRICT II ARTESIA
ANN MOORE

Title SENIOR PRODUCTION CLERK

Signature



Date 09/11/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

Title

Date

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.

Office

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)

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C]
[B] Commingling - Storage - Measurement
XX DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply
[A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] XX Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

<u>Ann Moore</u>	<u><i>Ann Moore</i></u>	<u>Senior Production Clerk</u>	<u>09-11-2008</u>
Print or Type Name	Signature	Title	Date
		<u>camoore@basspet.com</u>	
		e-mail Address	

District I
1625 N French Drive, Hobbs, NM 88240

District II
1301 W Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S St Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

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

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

BEPCO, L.P. P.O. BOX 2760 MIDLAND, TX 79702-2760
Operator Address
Big Eddy Unit 165 UL K, Sec. 5, T21S, R28E Eddy
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 001801 Property Code 001776 API No. 30-015-35251 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Sand Point (Atoka)		Fenton Draw (Morrow)
Pool Code	84810		76580
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	10941-54'		11498-656'
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	NA		NA
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1052		1090
Producing, Shut-In or New Zone	Producing		Shut-In
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 08/25/2008 Rates: 0/70 mcf/0	Date: Rates:	Date: 05/30/2008 Rates: 0/412 MCF/0
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 0 % 15 %	Oil Gas % %	Oil Gas 0 % 85 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐
Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐
Will commingling decrease the value of production? Yes ☐ No ☒
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☒ No ☐
NMOCD Reference Case No. applicable to this well: _____

Attachments:
C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
Production curve for each zone for at least one year. (If not available, attach explanation.)
For zones with no production history, estimated production rates and supporting data.
Data to support allocation method or formula.
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Ann Moore TITLE SENIOR PRODUCTION CLERK DATE 09/11/2008
TYPE OR PRINT NAME ANN MOORE TELEPHONE NO. () (432)683-2277
E-MAIL ADDRESS camoorebasspet.com

**APPLICATION FOR DOWNHOLE COMMINGLE
BIG EDDY UNIT NO. 165**

The Big Eddy Unit No. 165 has not produced from the Morrow for approximately 3 months. Last production from the Morrow was 412 MCFPD before being plugged back. The Atoka was brought on 6/22/08 and production has fallen to 70 MCFPD as of 8/25/08. Production from the Morrow and Atoka will be allocated on a 15% Atoka and 85% Morrow formula.

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1220 St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-35251	Pool Code 716580	Pool Name Fenton Draw (Morrow)
Property Code 001776	Property Name BIG EDDY UNIT	Well Number 165
OGRID No. 001801	Operator Name BEPCO, L.P.	Elevation 3191'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	5	21 S	28 E		1980	SOUTH	1980	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill N	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>LOT 12 159.96 ACRES</p>				<p>LOT 11</p>				<p>LOT 10 160.06 ACRES</p>				<p>LOT 9</p>			
<p>LOT 13</p>				<p>LOT 14</p>				<p>LOT 15</p>				<p>LOT 16 160.24 ACRES</p>			
<p>1/4 COR.</p>				<p>3191.6'</p>				<p>3192.8'</p>				<p>1/4 COR.</p>			
<p>1980'</p>				<p>3188.8'</p>				<p>3189.4'</p>				<p>1980'</p>			
<p>160.17 ACRES</p>				<p>1980'</p>				<p>160.24 ACRES</p>				<p>1980'</p>			
<p>LAT - $R32^{\circ}38'25.8''$ LONG - $W104^{\circ}06'40.7''$ (NAD-83)</p>															

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Gary E. Gerhard
Signature
Date **9/13/06**

Gary E. Gerhard
Printed Name

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date Surveyed **JULY 08, 2006**
Signature of Professional Surveyor *[Signature]*
Professional Surveyor No. **7977**
Certificate No. **7977**

BASIN SURVEYS

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

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DISTRICT III

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State of New Mexico
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OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102

Revised October 12, 2006

Submit to Appropriate District Office

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Property Code 001776	Property Name BIG EDDY UNIT	Well Number 165
OGRIID No. 001801	Operator Name BEPCO, L.P.	Elevation 3191'

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<p>LOT 12 159.96 ACRES</p> <p>LOT 11</p> <p>LOT 10 160.06 ACRES</p> <p>LOT 9</p>				<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Gary E. Gerhard</i> 9/13/06 Signature Date</p> <p>Gary E. Gerhard Printed Name</p>	
<p>LOT 13 160.17 ACRES</p> <p>LOT 14</p> <p>LOT 15 160.24 ACRES</p> <p>LOT 16 1/4 COR.</p>				<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>DATE SURVEYED JULY 08, 2006 Signature of Professional Surveyor 7977 Certificate No. 6500 Basin Surveys</p>	