

DISTRICT I

1825 N. French Dr., Hobbs, NM 88240

DISTRICT II

1301 U. Grand Avenue, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

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 87505Form 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 30-015-35269	Pool Code 79100	Pool Name Indian Flats (Morrow), SW
Property Code 001776	Property Name BIG EDDY UNIT	Well Number 156
OGRIID No. 001801	Operator Name BEP CO, L.P.	Elevation 3159'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	11	22 S	28 E		660	NORTH	860	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.
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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

		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. <i>Gary E. Gerhard</i> Signature Date 9/18/06 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 10/5/06 Signature of Professional Surveyor Certificate No. Gary L. Jones 7977

BASIN SURVEYS

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry ☐ Other
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,
Other _____

2. Name of Operator
BEPCO, L.P.

3. Address
P.O. BOX 2760 MIDLAND TX 79702-2760

3.a Phone No. (Include area code)
(432)683-2277

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At Surface UL D; 660' FNL, 860' FWL, LAT. N 32.412639 DEG, LONG W 104.064389

At top prod. interval reported below SAME

At total depth SAME

14. Date Spudded
10/06/2007

15. Date T.D. Reached
11/30/2007

16. Date Completed
☐ D & A ☒ Ready to Prod.
05/20/2008

18. Total Depth: MD 12,730
TVD

19. Plug Back T.D.: MD 12638'
TVD

20. Depth Bridge Plug Set: MD
TVD

21. Type of Electric & Other Mechanical Logs Run (Submit copy of each)
LDT-CNL-GR; HLA-CFL-GR

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☒ No ☐ Yes (Submit copy)

5. Lease Serial No.
NMLC069140A

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and no.
NMNM68294

8. Lease Name and Well No.
BIG EDDY UNIT 156

9. API Well No.
30-015-35269

10. Field and Pool, or Exploratory
INDIAN FLATS (MORROW), SW

11. Sec., T., R., M., on Block and
Survey or Area SEC 11, T22S, R28E

12. County or Parish
EDDY

13. State
NM

17. Elevations (DF, RKB, RT, GL)*
3159"

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17-1/2"	13-3/8"	54.5#	0'	544'		1389 SXS		0' TOPOUT	
12-1/4"	9-5/8"	40#	0'	6385'		1710 SXS		0' CIRC.	
8-3/4"	5-1/2"	17#	0'	12730'	8514'	1200 SXS		8514' CIRC	
						STG. 1		5600' Calc.	
						650 SXS			
						STG. 2			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-3/8"	11888'	11862'						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Morrow	11904'	12680'	11904-11'	.0380	43	Producing
B)			12222-466'	.0380	101	Producing
C)			12526-600'	0.380	86	Producing
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
11904-11'	Acidize w/ 4000 gals 15.55 HCL
12222-466'	Frac w/ 130771 gals of 40# linear 70Q CO2 binary foam & 115257 #'s of 18/40 UltraProp
12516-600'	Stimulated w/ 7 stick propellant charges

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
05/21/08	05/21/08	24	→	3	1044	5			PUMPING
Choice Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
12/64"	1500	0	→				348000	Producing	

Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

(See Instructions and spaces for additional data on page 2)

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones or porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				T/SALT	545'
				B/SALT	2418'
				T/DELAWARE MNT. GROUP	2701'
				T/BONE SPRING	6168'
				T/STRAWN	10900'
				T/ATOKA	11264'
				T/MORROW	11904'
				T/BARNETT	12680'

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☒ Electrical/Mechanical Logs (1 full set req'd.)
 ☐ Geological Report
 ☐ DST Report
 ☐ Directional Survey
☐ Sundry Notice for plugging and cement verification
 ☐ Core Analysis
☒ Other

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Ann Moore

Title PRODUCTION CLERK

Signature

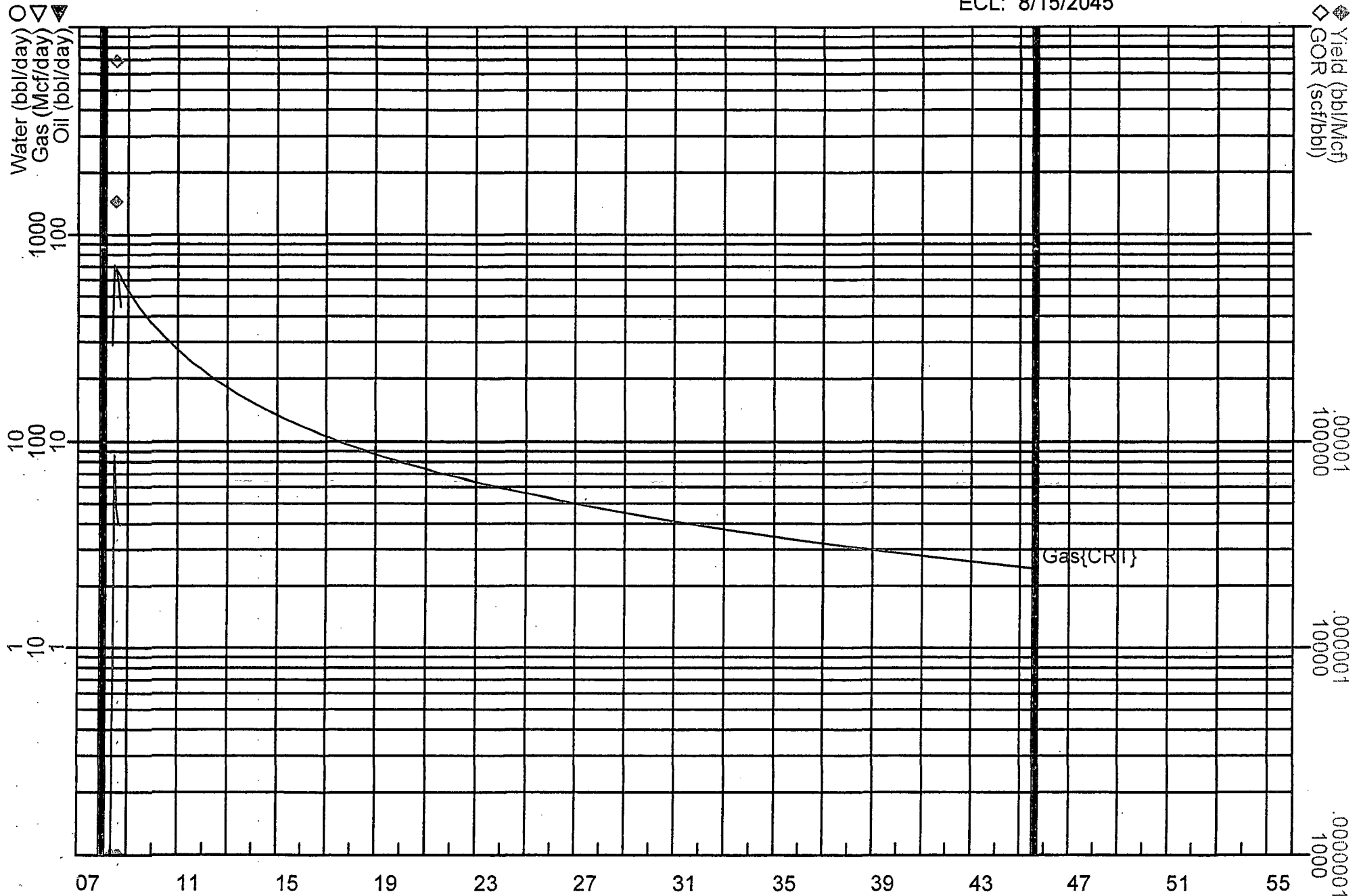
Ann Moore

Date

06/05/2008

Title 18 U.S.C. Section 101 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 and false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

ECL: 8/15/2045



Hist Gas Cum: 0.00 MMcf
Gas Rem: 1,266.35 MMcf
Gas EUR: 1,266.35 MMcf

Hist Oil Cum: 0.00 Mbbl
Oil Rem: 0.00 Mbbl
Oil EUR: 0.00 Mbbl

CURRENT WELLBORE DIAGRAM

Lease: **Big Eddy Unit**
 Field: **Indian Flats SW (Morrow)**
 Location: **660' FNL & 860' FWL, Sec 11-T22S-R28E**
 County: **Eddy** St: **NM**

Well No.: **156**

API: 30-015-35269

KB: 3179.8

GL: 3157.0

Spud Date: 10/6/2007

Compl. Date: 5/6/2008

Surface Csg.

Size: 13-3/8"
 Wt: 54.5#
 Grd: J55, LT&C
 Set @: 544'
 Sxs cmt: 610 sx
 Circ: N
 Top Out: 779 sx
 TOC: Surface
 Hole Size: 17-1/2"

Intermediate Csg.

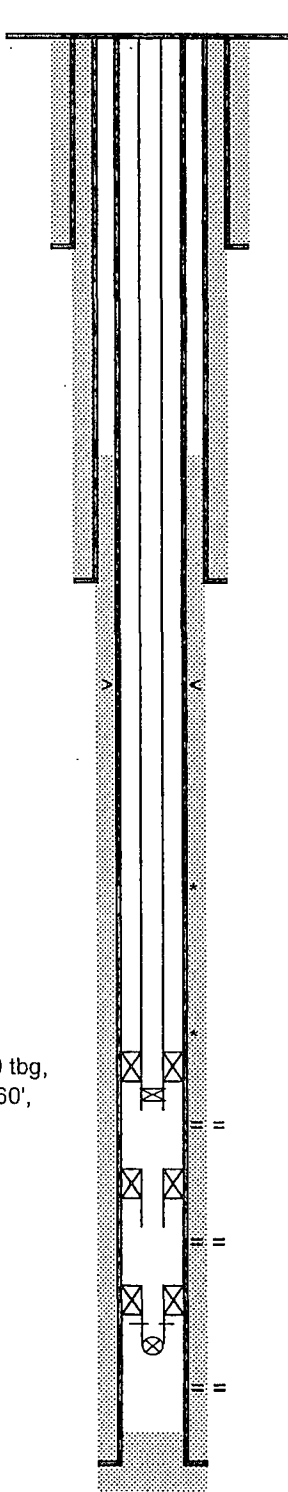
Size: 9-5/8"
 Wt: 40#
 Grd: HCP-110 LTC
 Set @: 6385'
 Sxs Cmt: 1000 Prem Interfill
 710 Prem +
 Circ: Y 117 sx
 TOC: Surface
 Hole Size: 12-1/4"

Production Csg.

Size: 5-1/2"
 Wt: 17#
 Grd: HCP-110 LTC
 Set @: 12730'
Stg #1 1200 sx PremInt/SupH
 Circ: Y 182 sx
Stg #2 650 sx PremInt/Prem
 Circ: N
 TOC: 5600 est.
 Hole Size: 8-3/4"

Tubing

(1) tbg hanger, (365) jts 2 3/8" 4.7# L-80 tbg,
 Inverted On/Off tool, Hornet pkr @ 11,860',
 tbg sub, 'F' profile nipple, tbg sub,
 WEG



0 KB

22.8 GL

544' 13 3/8" Csg

5600' TOC est.

6385' 9 5/8" Csg

8514' DV Tool (Csg Detail 11/29/07)

10918' 12' Mkr Jt (Csg Detail 11/29/07)

11799' 21' Mkr Jt (Csg Detail 11/29/07)

11860' Pkr w/ WEG & EOT @ 11886' (4/20/08)

11884' CIBP

11904-11' U Morrow Perfs: (43 shots) 4/19/08

12192' Pkr w/ glass disk sub below EOT & WEG (2/26/08)

12222-466' M Morrow Perfs: OA (101 holes) 2/12/08

12500' Pkr w/ glass disk sub below EOT (2/12/08)

12501-03' Perf w/ 4 spf (8holes) 5/6/08

12526-600' L Morrow Perfs: OA (86 holes) 2/6/08

12638' Float Collar (Csg Detail 11/29/07)

12730' 5-1/2" Csg Shoe (Csg Detail 11/29/07)

PBTD: 12638'

TD: 12730'

12750'

(Float Collar)

(Driller's TD)

(Logger's TD)

Updated: 10/24/2008

Author: ezg

Engr: RSD

BOPCO, L.P.
201 MAIN ST.
FORT WORTH, TEXAS 76102-3131
817/390-8400

January 25, 2011

FEDERAL EXPRESS

Bureau of Land Management
620 E. Greene Street,
Carlsbad, Mexico 88201
Attn: Mr. Wesley Ingram

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attention: Mr. Pete Martinez

New Mexico Oil Conservation Division
1220 St. Francis
Santa Fe, New Mexico 87505
Attention: William Jones

Re: Commercial Determination
Big Eddy Unit #156
Morrow Formation
Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) copy of Bass' commercial determination worksheets and exhibits which indicate that the subject well is a commercial well in the Morrow Formation. Please indicate your concurrence to the above Commercial Determination. Upon your execution hereof, Bass will submit a participating area for the well.

Thank you very much and should you have any questions or comments in regard to the attached commercial determination, please do not hesitate to contact the undersigned.

Regards



Andy Morrison

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: _____

By: _____

By: _____

Its: _____

Its: _____

Its: _____

Date: _____

Date: _____

Date: _____

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL _____ BIG EDDY UNIT # 156 _____ FORMATION _____ MORROW _____
 LOCATION _____ D _____ UNIT, _____ 660 _____ FEET FROM NORTH LINE & _____ 860 _____ FEET FROM WEST LINE
 SECTION _____ 11 _____ TOWNSHIP _____ 22S _____ RANGE _____ 28E _____ COUNTY _____ EDDY _____, NEW MEXICO
 SPUD DATE _____ 10/6/2007 _____ COMPLETION DATE _____ 05/20/2008 _____ INITIAL PRODUCTION _____ 05/21/2008 _____
 PERFORATIONS _____ 11904-12600' _____

STIMULATION:

ACID _____ 11904-11' 4000 gal 15% HCL acid w/ additives _____

FRACTURE _____ 12222-12466' 130771 gal of 40# linear 70Q CO2 binary foam & 114257 #'s of 18/40 Ultraprop
 _____ 12516-600' Stimulated w/ 7 stick propellant charges _____

POTENTIAL _____ (05/21/2008): 3 BOPD, 1044 MCFPD, & 5 BWPD _____

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED		SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE	
Area (A) proration unit size, acres	320	_____	_____	_____
Porosity (por), %	7%	_____	_____	_____
Water saturation (Sw), %	42%	_____	_____	_____
Net Thickness (h), ft.	27	_____	_____	_____
Temperature (T), Fahrenheit	172	_____	_____	_____
Bottom Hole pressure (P), psia	5,118	_____	_____	_____
Recovery factor (RF), %	75%	_____	_____	_____
Recoverable gas, BCF *(See eq. below)	1.5	_____	_____	_____

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758) (A) (h) (por) (1-Sw)(RF)/Bsi$

Bgi = 0.18 RB/MCF

Continued

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 09/30/2008 82,280 MCF Gas 3 BBL Oil

INITIAL RATE (qi) 738

ECONOMIC LIMIT (qi) 24

HYPERBOLIC DECLINE RATE, dy b = 0.9 = 44.8

REMAINING GAS (Q) = 1,184,070

ULTIMATE RECOVERABLE GAS (mcf) 1,266,350

(Attach plat showing proration unit and participating area.)

ECONOMIC

GROSS WELL COST \$ 2,987,564 (to the depth of formation completed)

COMPLETION COST \$ 552,783

GROSS TOTAL COST \$ 3,540,347

YEAR	GROSS GAS MMCF	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	5% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	134.7	1,041.7	109.946	-2,537.1
2	160.6	813.9	144.617	623.0
3	115.1	583.6	108.787	420.8
4	89.2	452.3	88.357	307.1
5	72.7	368.6	75.348	235.7
6	60.9	308.8	66.038	185.7
7	52.4	265.7	59.327	150.3
8	45.9	232.7	54.201	123.9
9	40.9	207.3	50.246	103.8
10	36.6	185.7	46.894	87.4
REMAINDER	457	2,318.3	857.686	593.8
TOTAL	1,266	6,778.6	1661.447	294.4

WELL IS COMMERCIAL

ECONOMIC PROJECTION

Date : 11/14/2008

Lior: 1189077

8:16:33AM

Project Name: PROPZONE2

As Of Date: 01/01/2008

Lease Name: 1189077/BIG EDDY UNIT/156/MOR

Partner: 99999

Discount Rate (%): 5.00

Reserv Cat.: Proved Producing

Case Type: LEASE CASE

Field: INDIAN FLATS MORROW SOUTHWES

Archive Set: CURRENT

1189077/BIG EDDY UNIT/156/MOR

Operator: BOPCO

Cum Oil (Mbbbl): 0.00

Reservoir: MORROW

Cum Gas (MMcf): 0.00

Co., State: EDDY, NM

Risk: 0.000 Inherited/ 0.000 Compounded

Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbbl)	Wet Gas (MMcf)	Dry Gas (MMcf)	NGL (Mgal)	Oil (Mbbbl)	Gas (MMcf)	NGL (Mgal)
2008	0.003	134.655	134.655	0.000	0.003	113.766	0.000
2009	0.000	160.557	160.557	0.000	0.000	135.651	0.000
2010	0.000	115.123	115.123	0.000	0.000	97.265	0.000
2011	0.000	89.216	89.216	0.000	0.000	75.377	0.000
2012	0.000	72.721	72.721	0.000	0.000	61.440	0.000
2013	0.000	60.914	60.914	0.000	0.000	51.465	0.000
2014	0.000	52.406	52.406	0.000	0.000	44.277	0.000
2015	0.000	45.905	45.905	0.000	0.000	38.784	0.000
2016	0.000	40.890	40.890	0.000	0.000	34.547	0.000
2017	0.000	36.640	36.640	0.000	0.000	30.956	0.000
Rem	0.000	457.322	457.322	0.000	0.000	386.381	0.000
Total	0.003	1,266.349	1,266.349	0.000	0.003	1,069.908	0.000
Ult.	0.003	1,266.349					

Year	Average Price			Net Revenue			
	Oil (\$/bbl)	Gas (\$/Mcf)	NGL (\$/gal)	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2008	133.71	9.15	0.00	0.339	1,041.406	0.000	1,041.745
2009	0.00	6.00	0.00	0.000	813.907	0.000	813.907
2010	0.00	6.00	0.00	0.000	583.587	0.000	583.587
2011	0.00	6.00	0.00	0.000	452.260	0.000	452.260
2012	0.00	6.00	0.00	0.000	368.641	0.000	368.641
2013	0.00	6.00	0.00	0.000	308.789	0.000	308.789
2014	0.00	6.00	0.00	0.000	265.659	0.000	265.659
2015	0.00	6.00	0.00	0.000	232.706	0.000	232.706
2016	0.00	6.00	0.00	0.000	207.281	0.000	207.281
2017	0.00	6.00	0.00	0.000	185.736	0.000	185.736
Rem	0.00	6.00	0.00	0.000	2,318.286	0.000	2,318.286
Total	133.71	6.34	0.00	0.339	6,778.256	0.000	6,778.595

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 5.00 % (M\$)	Cum. Disc. CF 5.00 % (M\$)
2008	70.249	1.716	3,540.347	37.891	-2,608.458	-2,608.458	-2,537.143	-2,537.143
2009	66.659	1.628	0.000	76.330	669.290	-1,939.168	623.030	-1,914.114
2010	47.796	1.167	0.000	59.824	474.800	-1,464.367	420.783	-1,493.331
2011	37.040	0.905	0.000	50.412	363.903	-1,100.464	307.083	-1,186.248
2012	30.192	0.737	0.000	44.419	293.293	-807.172	235.668	-950.580
2013	25.290	0.618	0.000	40.130	242.752	-564.420	185.742	-764.838
2014	21.757	0.531	0.000	37.039	206.331	-358.089	150.349	-614.489
2015	19.059	0.465	0.000	34.677	178.505	-179.584	123.875	-490.613
2016	16.976	0.415	0.000	32.855	157.035	-22.549	103.778	-386.835
2017	15.212	0.371	0.000	31.311	138.841	116.293	87.379	-299.457
Rem	189.868	4.637	0.000	663.181	1,460.600	1,460.600	593.813	593.813
Total	540.097	13.189	3,540.347	1,108.070	1,576.892	1,576.892	294.356	294.356

Major Phase :	Gas	Working Int :	1.00000000	Present Worth Profile (M\$)	
Perfs :	0 0	Revenue Int :	0.84487636		
Initial Rate :	21,452.00 Mcf/month	Disc. Initial Invest. (m\$) :	3,441.035	5.00% :	294.36
Abandonment :	740.93 Mcf/month	Internal ROR (%) :	7.03	9.00% :	-222.20
Initial Decline :	44.82 % year b = 0.900	ROI Investment (disc/undisc) :	1.09 / 1.45	10.00% :	-316.10
Beq Ratio :	0.00 bbl/Mcf	Years to Payout :	9.16	12.00% :	-475.59
End Ratio :	0.00 bbl/Mcf	Abandonment Date :	08/15/2045	15.00% :	-661.79
Forecast Start :	06/01/2008			20.00% :	-879.65
		Initial	1st Rev.	30.00% :	-1,128.80
		Working Interest :	0.00000000	40.00% :	-1,256.07
		Revenue Interest :	0.84487636	50.00% :	-1,323.88
		Rev. Date :		60.00% :	-1,358.96