

10/4/07 DATE IN	SUSPENSE	W. Jones ENGINEER	10/4/07 LOGGED IN	DHC TYPE	PTD50727751784 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
 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] 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.

Print or Type Name

Signature

Title

Date

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

Existing Pre-Approved Pools

Existing Wellbore

Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

RECEIVED
OCT 4 PM 12 35

BEPCO, L.P.

P.O. BOX 2760 MIDLAND, TX 79702-2760

Operator

Address

REMUDA BASIN 25 STATE

1

UL I, SEC. 25, T23R, R29E

DHC-3952

EDDY

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 001801 Property Code 17275 API No. 30-015-35121 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE <i>UNPER</i>	INTERMEDIATE ZONE	LOWER ZONE <i>UNPER</i>
Pool Name	UNPER NASH DRAW (ATOKA)		UNPER NASH DRAW (DELAWARE)
Pool Code	81560 ✓		81560 81600
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	12502-12818'		13530-13806'
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)	1060		1040
Producing, Shut-In or New Zone	Shut In		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: 05/30/2007 Rates: 0/18mcf/0	Date: Rates:	Date: 04/15/2007 Rates: 0/232 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 % 7.0 %	Oil Gas % % %	Oil Gas 0 % 93 %

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 PRODUCTION CLERK DATE 10/01/2007

TYPE OR PRINT NAME ANN MOORE TELEPHONE NO. () (432)683-2277

E-MAIL ADDRESS camoorebasspet.com

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Ed., Artee, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1989

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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-31325	Pool Code 81600	Under Nash Draw; Morrow (Gas)	Pool Name
Property Code 17275	Property Name REMUDA BASIN "25" STATE		Well Number 1
OGRID No. 001801	Operator Name BEPCO, L.P.		Elevation 3060'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	25	23 S	29 E		1980	SOUTH	660	EAST	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

	<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.</p> <p><i>William R. Dannels</i> Signature</p> <p>W.R. Dannels Printed Name</p> <p>Division Drilling Supt. Title</p> <p>6/27/06 Date</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>APR 20 2006</p> <p>Date Surveyed</p> <p><i>Gary L. Jones</i> Signature of Professional Surveyor</p> <p>7977</p> <p>No. 6405</p>	
	<p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>	

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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
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Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-35121	Pool Code 81560	Pool Name Undes. Nash Draw (Atoka) Gas
Property Code 17275	Property Name REMUDA BASIN "25" STATE	Well Number 1
OGRID No. 001801	Operator Name BEPCO, L.P.	Elevation 3060'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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	<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>APR 20 2006 Date Surveyed</p> <p><i>[Signature]</i> Signature of Professional Surveyor</p> <p>7977 Professional Surveyor No.</p> <p>Certificate No. Garry L. Jones 7977</p>	
	<p>BASIN SURVEYS</p>	
	<p>1980</p>	

**APPLICATION FOR DOWNHOLE COMMINGLE
REMUDA BASIN 25 STATE #1**

The Remuda Basin 25 State #1 has not produced from the Morrow for approximately 6 months now. The Atoka production has been shut-in since June, 2007. Based on past production in the Morrow and Atoka, production will be allocated on a 7% Atoka and 93% Morrow formula. All working, royalty and overriding royalty interests are the same in these two zones. The well is estimated to continue producing approximately 250 mcf/day.

A copy of this application has been sent to the Commissioner of Public Lands for the State of New Mexico in Santa Fe.