

DATE IN 10/1/07	SUSPENSE	ENGINEER D. BROOKS	LOGGED IN 10/3/07	TYPE NSL	APP NO. PTD50727545848
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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



BEP
 Big Edley Unit #166
 5717

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 _____

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[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.

James Bruce
 P.O. Box 1056
 Santa Fe, New Mexico 87504

James Bruce Attorney for Applicant
 Signature Title Date

 jamesbruc@aol.com
 e-mail Address

9/28/07

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

September 28, 2007

Hand delivered

Mark E. Fesmire, P.E.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

Pursuant to Division Rule 104.F(2), BEPCO, L.P. applies for approval of an unorthodox oil well location for the following well:

<u>Well:</u>	Big Eddy Unit Well No. 166
<u>Location:</u>	2380 feet FSL & 660 feet FWL
<u>Well unit:</u>	NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 11, Township 21 South, Range 28 East, N.M.P.M., Eddy County, New Mexico

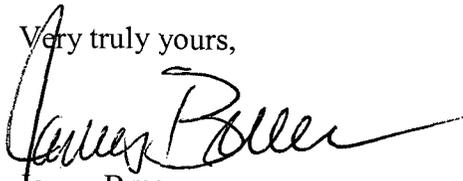
The well will be drilled to a depth sufficient to test the Delaware formation (Scanlon-Delaware Pool). The pool is spaced on statewide rules, with 40 acre spacing and wells to be located no closer than 330 feet to a quarter-quarter section line. A Form C-102 for the well is attached as Exhibit A.

The surface is federally owned, and the well's location was required by the Bureau of Land Management due to topographic conditions and to minimize surface disturbance. Attached as Exhibit B is a plat showing that the proposed location minimizes the length of additional lease road which will have to be built from an existing county road to the wellsite.

The NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 11 is covered by Federal lease 063516, while the offsetting SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 11 of Section 11 is covered by Federal Lease LC 063541. Both leases have common working and royalty ownership in the Delaware formation. Therefore, there is no adversely affected offset owner, and notice has not been given to anyone.

Please contact me if you need any further information on this application.

Very truly yours,

A handwritten signature in black ink, appearing to read "James Bruce". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

James Bruce

Attorney for BEPCO, L.P.

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. 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

Form C-102
Revised October 12, 2005

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
Property Code	Property Name BIG EDDY UNIT		Well Number 166
OGRID No.	Operator Name BEPCO, L.P.		Elevation 3327'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	11	21 S	28 E		2380	SOUTH	660	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	Joint or Infill	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>OPERATOR CERTIFICATION</p> <p><i>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></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p>
	<p>SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>JUNE 20 2007</p> <p>Date Surveyed _____</p> <p>Signature & Seal _____ Professional Surveyor</p>
	<p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

EXHIBIT **A**

SECTION 11, TOWNSHIP 21 SOUTH, RANGE 28 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

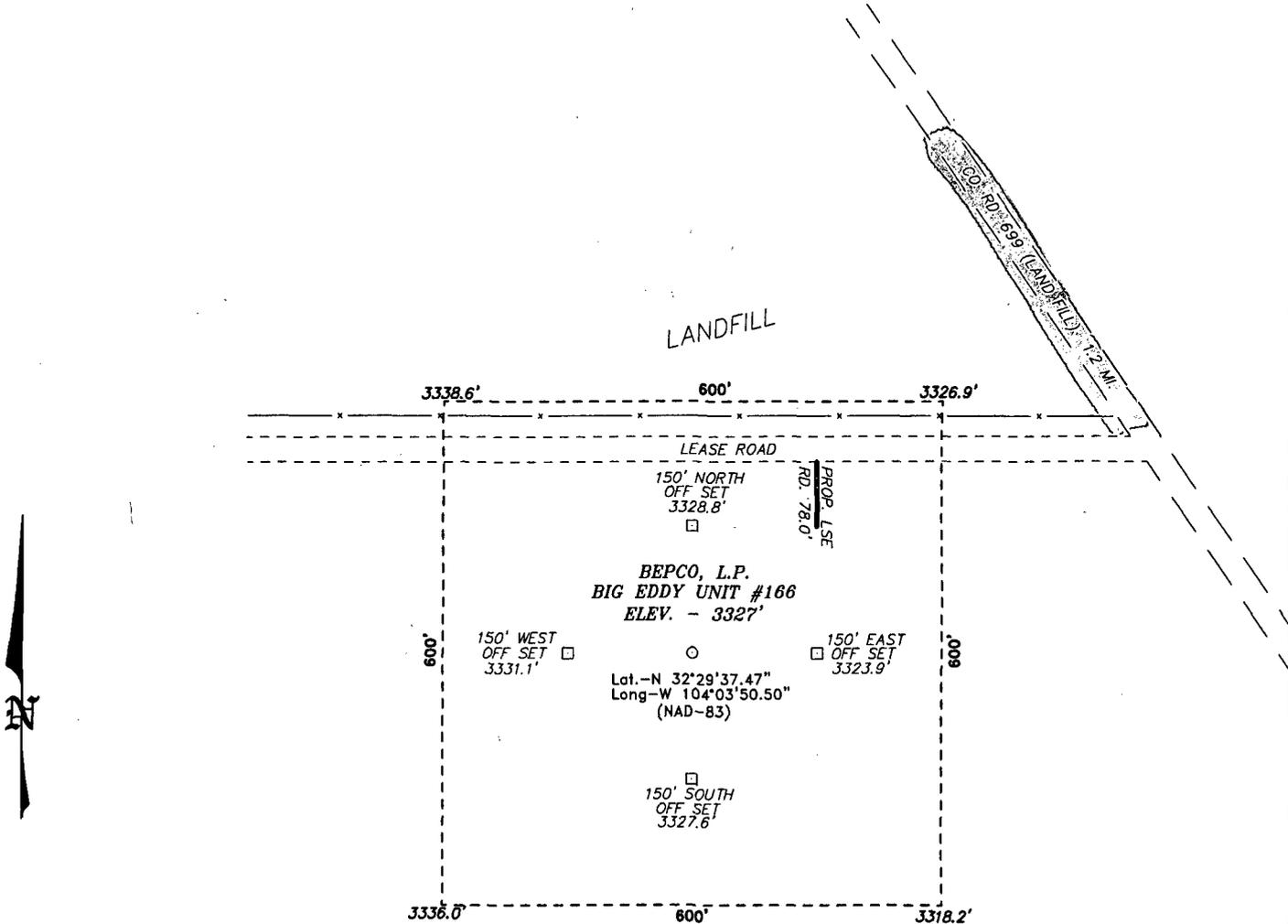
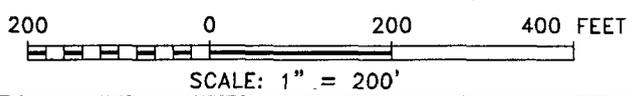


EXHIBIT **B**



DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF US HWY 62-180 AND CO.
 RD. 699 (LANDFILL), GO SOUTHEAST ON CO. RD. 699
 FOR APPROX. 1.2 MILES TO LEASE ROAD, ON LEASE
 ROAD GO WEST TO PROPOSED LEASE ROAD.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 18215 Drawn By: J. SMALL

Date: 06-25-2007 Disk: 18215W JMS

BEPCO, L.P.	
REF: BIG EDDY UNIT #166 / WELL PAD AND TOPO	
THE BIG EDDY UNIT #166 LOCATED 2380'	
FROM THE SOUTH LINE AND 660' FROM THE WEST LINE OF	
SECTION 11, TOWNSHIP 21 SOUTH, RANGE 28 EAST,	
N.M.P.M., EDDY COUNTY, NEW MEXICO.	
Survey Date: 06-20-2007	Sheet 1 of 1 Sheets