

DATE IN 10/17/07	SUSPENSE	ENGINEER R. Ezeanyim	LOGGED IN 10/17/07	TYPE CTB	APP NO. PTD50729052495
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ABOVE THIS LINE FOR DIVISION USE ONLY

571

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			

BEPCO, L.P.
P. O. Box 2760
Midland, Texas 79702

432-683-2277

FAX: 432-687-0329

October 12, 2007

**Re: Surface Commingle Application
Horned Toad 36 State #2H
Nash Draw (Delaware. BS. Aval.
Eddy County, New Mexico
File: 100-WF: HT 36 State2. CPL**

RECEIVED
2007 OCT 17 AM 11 36

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

Gentlemen:

BEPCO, L.P. respectfully requests that you grant permission for surface commingling of production from the above captioned well. This request is to amend the previously granted PCL -275, most recently approved by your office on June 4, 2007, by adding an additional well on the Horned Toad 36 State Lease.

Additionally, BEPCO desires to correct PCL-275 to be a Lease Commingle only, where all production is from the Nash Draw (Delaware). The previously submitted and granted applications represented that the Horned Toad 36 State #7 production was from the Corral Canyon, NW (Delaware). The well was originally permitted in this field, but completed in the Nash Draw and never corrected on the commingle permit.

BS Avaler Seal (47545)

Copies of this application are being submitted to the The State Land Office in Santa Fe, the District OCD in Artesia, and the BLM in Carlsbad.

If you should have any questions, or need further data, please contact Ann Moore at the above letterhead address or via email at camoore@basspet.com.

Sincerely,



Ann Moore
Production Clerk

cam
.Attachments

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, 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-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: BEPCO, L.P.
OPERATOR ADDRESS: P.O. BOX 2760 MIDLAND, TX 79702-2760
APPLICATION TYPE:

- Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If #Yes#, please include the appropriate Order No. PLC-275
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
 Yes No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.
(4) Measurement type: Metering Other (Specify)
(5) Will commingling decrease the value of production? Yes No If #yes#, describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

CTR

- (1) Pool Name and Code.
(2) Is all production from same source of supply? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No 100% BEPCO Ownership
(4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

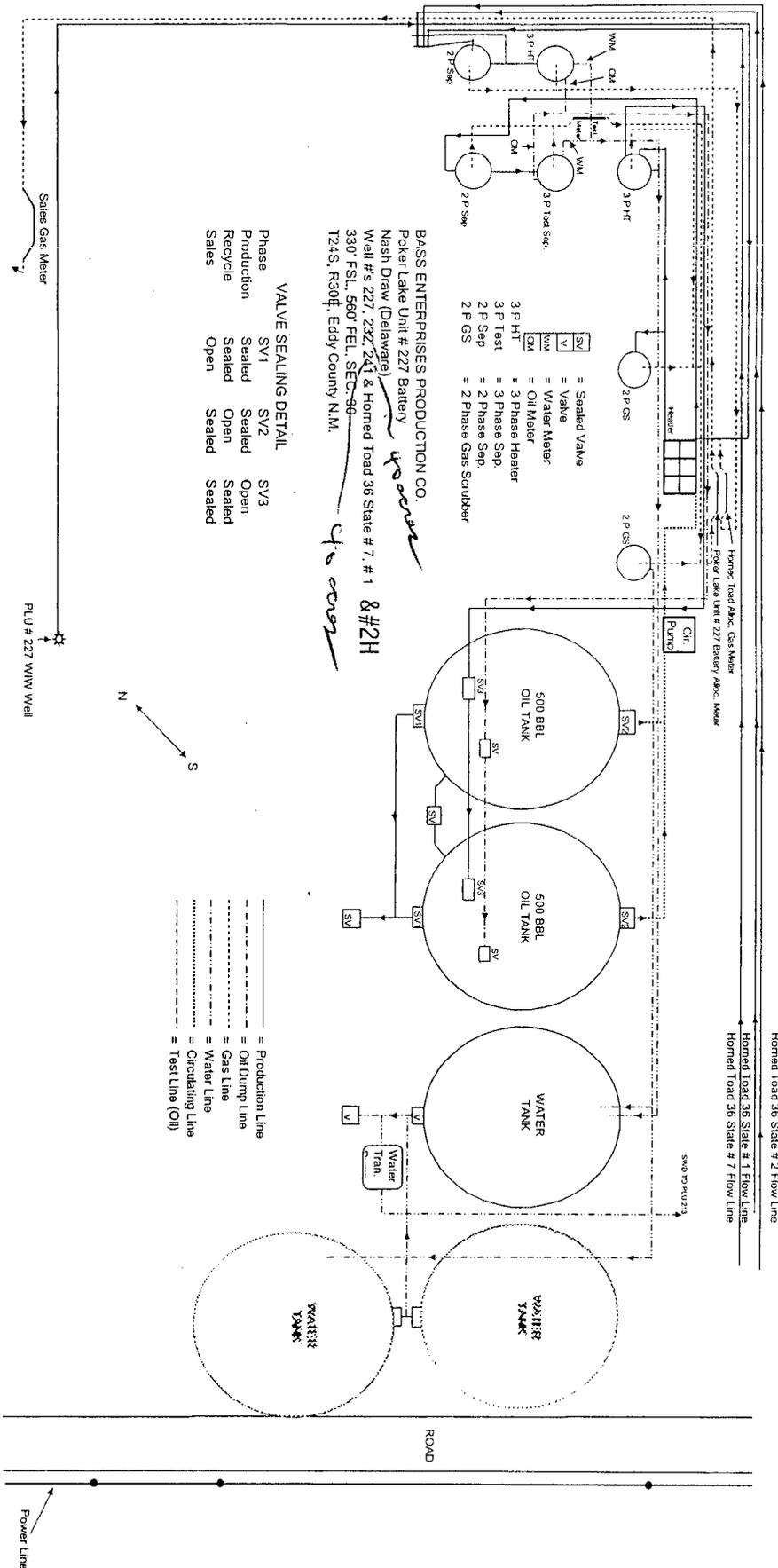
- (1) Is all production from same source of supply? Yes No
(2) Include proof of notice to all interest owners.

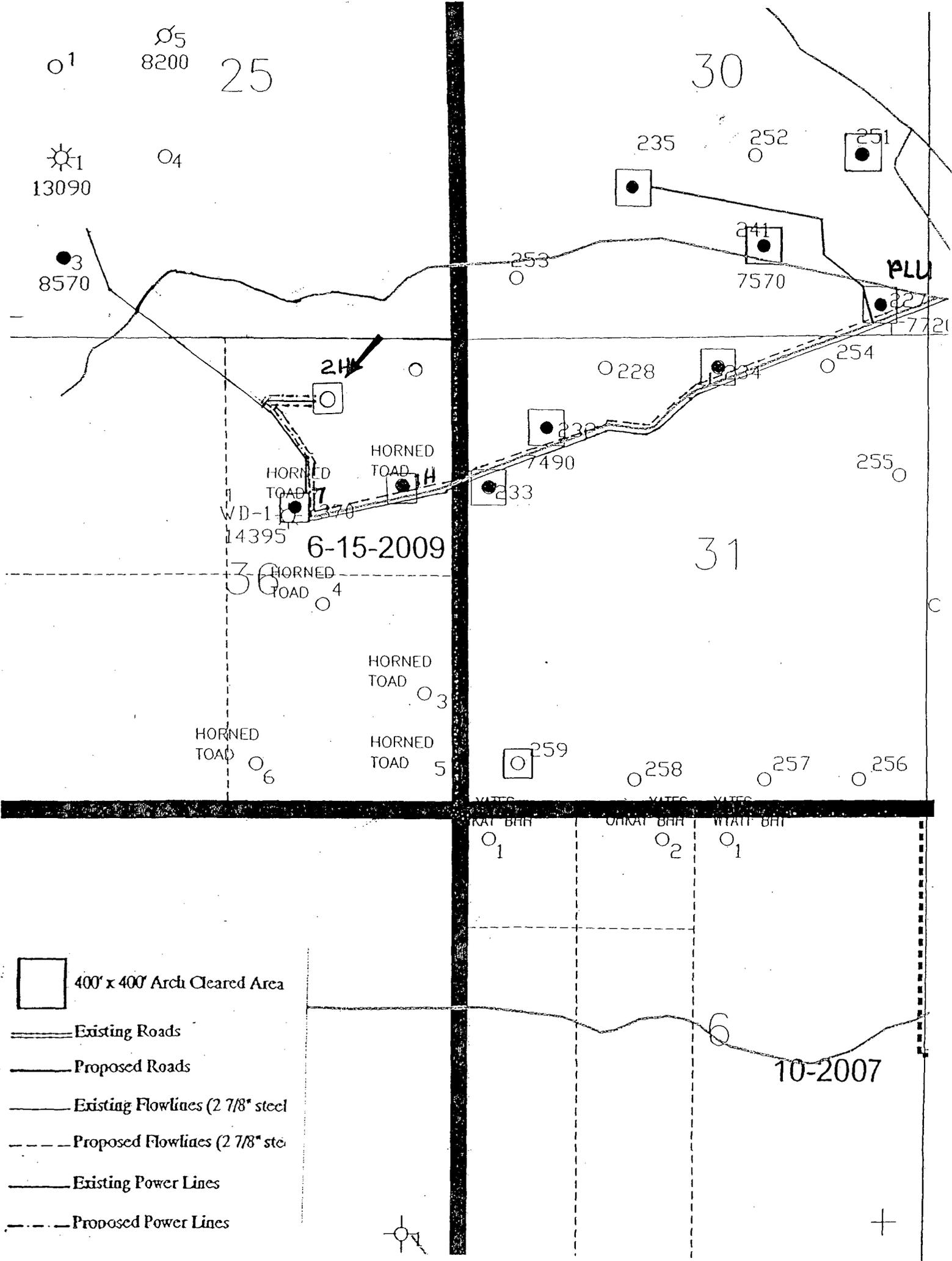
(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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: 10/11/2007
TYPE OR PRINT NAME ANN MOORE TELEPHONE NO.: (432)683-2277
E-MAIL ADDRESS: camoorebasspet.com





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●3
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PLU

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HORNED TOAD

HORNED TOAD

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WD-1
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6-15-2009

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Ø2

Ø1



400' x 400' Arch Cleared Area

Existing Roads

Proposed Roads

Existing Flowlines (2 7/8" steel)

Proposed Flowlines (2 7/8" ste)

Existing Power Lines

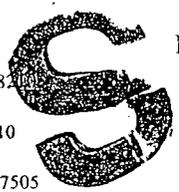
Proposed Power Lines

10-2007



Cam

District I
1625 N French Dr, 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

Form C-101
May 27, 2004

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

Submit to appropriate District Office
OCT 01 2007
OCD-ARTESIA AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address BEPCO, L.P P O. Box 2760 Midland, Texas 79702		² OGRID Number 001801
¹ Property Code 35100	³ Property Name Horned Toad 36 State	⁴ ABL Number 30-015-55837 ⁶ Well No 2H
⁹ Proposed Pool 1 Nash Draw (Delaware, Bone Spring, Avalon Sd)		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	36	24S	29E		220	North	240	East	Eddy

⁸ Proposed 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
A	36	24S	29E		990	North	330	East	Eddy

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3113' GL
¹⁶ Multiple NO	¹⁷ Proposed Depth 7500' MD 5487' TVD	¹⁸ Formation Delaware	¹⁹ Contractor Adobe Drilling	²⁰ Spud Date 10/15/2007
Depth to Groundwater 150'		Distance from nearest fresh water well 2-1/2 miles		Distance from nearest surface water 2 miles
Pit Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume 1500 bbls Closed-Loop System <input type="checkbox"/> Drilling Method: Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2"	13-3/8"	48#	907' MD	829	Surface
12-1/4"	9-5/8"	36#	3860' MD	864	Surface
8-3/4"	5-1/2"	17#	7500' MD	635	3040'

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone Describe the blowout prevention program, if any. Use additional sheets if necessary.

SURFACE IS OWNED BY THE STATE OF NEW MEXICO. ATTACHED IS A DRILLING PROGNOSIS AND A BOP DIAGRAM

As stated in the attached drilling plan this well will be a horizontal well with KOP of approximately 5000' TVD an azimuth of 110.31°, build angle of 12.00°/100', and a bottom hole target of 7500' MD (lateral displacement +/- 1850') TVD 5487'. See attached directional plan and 8 point drilling plan for details.

BEPCO's surface location is unorthodox, however at the top of the Lower Cherry Canyon the well path will be 330' FNL & 520' FWL of Quarter section line. BEPCO does not plan to perforate above the top of Lower Cherry Canyon.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved by: BRYAN G. ARRANT	
Printed name: Annette Childers <i>Annette Childers</i>	Title: DISTRICT II GEOLOGIST	
Title: Administrative Assistant	Approval Date: OCT 01 2007	Expiration Date: OCT 01 2008
E-mail Address: machilders@basspet.com	Conditions of Approval Attached <input type="checkbox"/>	
Date: 9-28-07	Phone: 432-683-2277	

NSC - Drill only Required

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

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artec, 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
	47545	Nash Draw (Delaware, Bone Spring, Avalon Sd)
Property Code	Property Name	Well Number
35100	HORNED TOAD "36" STATE	2H
OGRID No.	Operator Name	Elevation
001801	BEPCO, L.P.	3113'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	36	24 S	29 E		220	NORTH	2410	EAST	EDDY

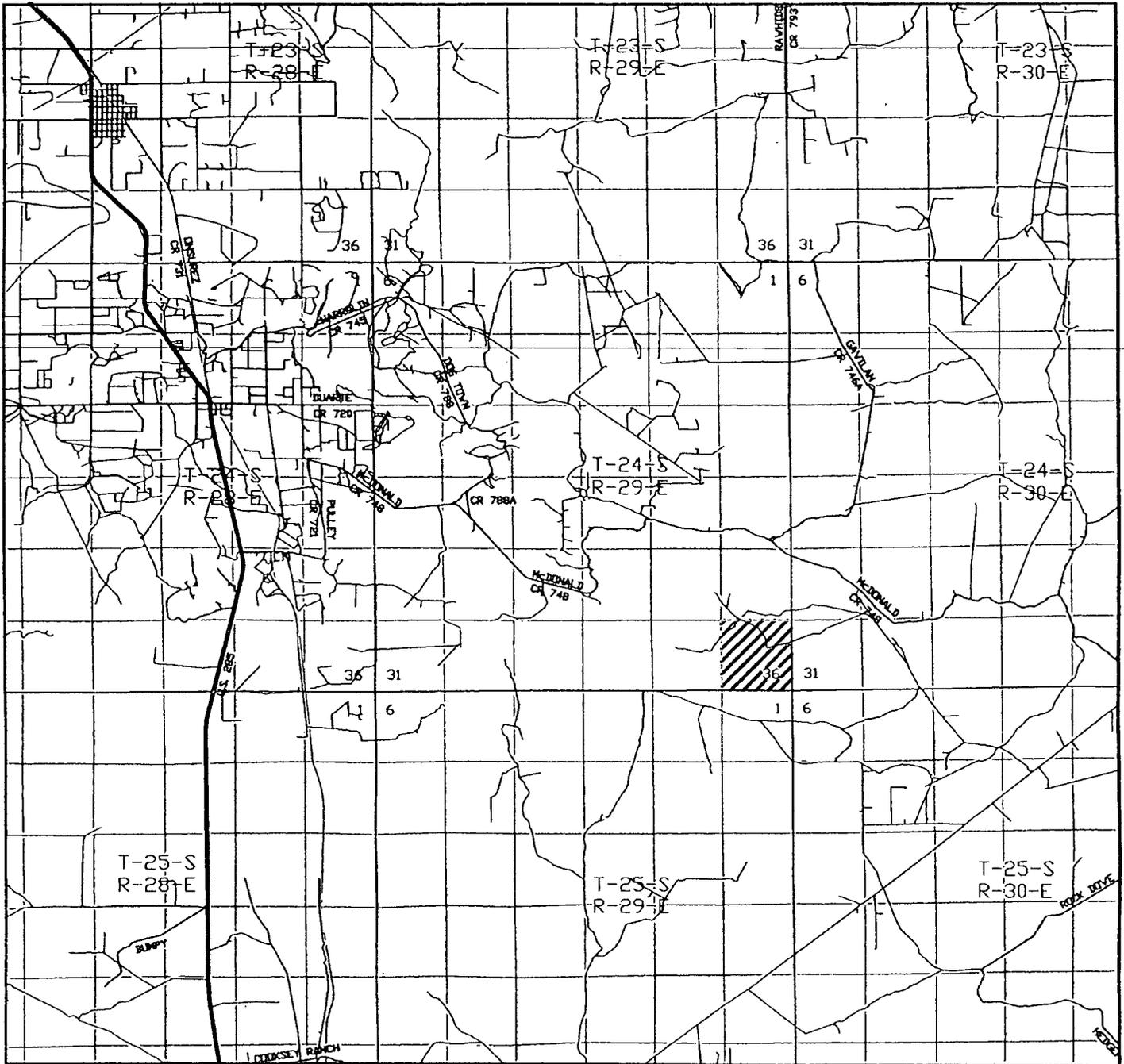
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	36	24 S	29 E		990	NORTH	330	EAST	EDDY

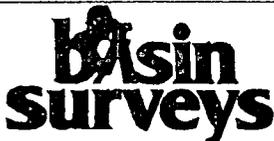
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
80	N		

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>SURFACE LOCATION LAT - N32°10'49.86" LONG - W103°56'14.02" SPC- N.: 429632.267 E.: 663884.383 (NAD-83)</p> <p>-----162.31 ACRES-----</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> 9/27/07 Signature Date</p> <p>Gary E. Gerhard Printed Name</p>	
		<p>ENTRY POINT LAT - N32°10'48.76" LONG - W103°56'10.57" SPC- N.: 429522.267 E.: 664181.526 (NAD-83)</p>	<p>BOTTOM HOLE LOCATION LAT - N32°10'42.19" LONG - W103°55'49.84" SPC- N.: 428864.554 E.: 665966.048 (NAD-83)</p>
<p>-----161.69 ACRES-----</p>	<p>-----161.82 ACRES-----</p>	<p>-----161.20 ACRES-----</p>	



HORNED TOAD "36" STATE #2H
 220' FNL and 2410' FEL
 Section 36, Township 24 South, Range 29 East,
 N.M.P.M., Eddy County, New Mexico.



focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

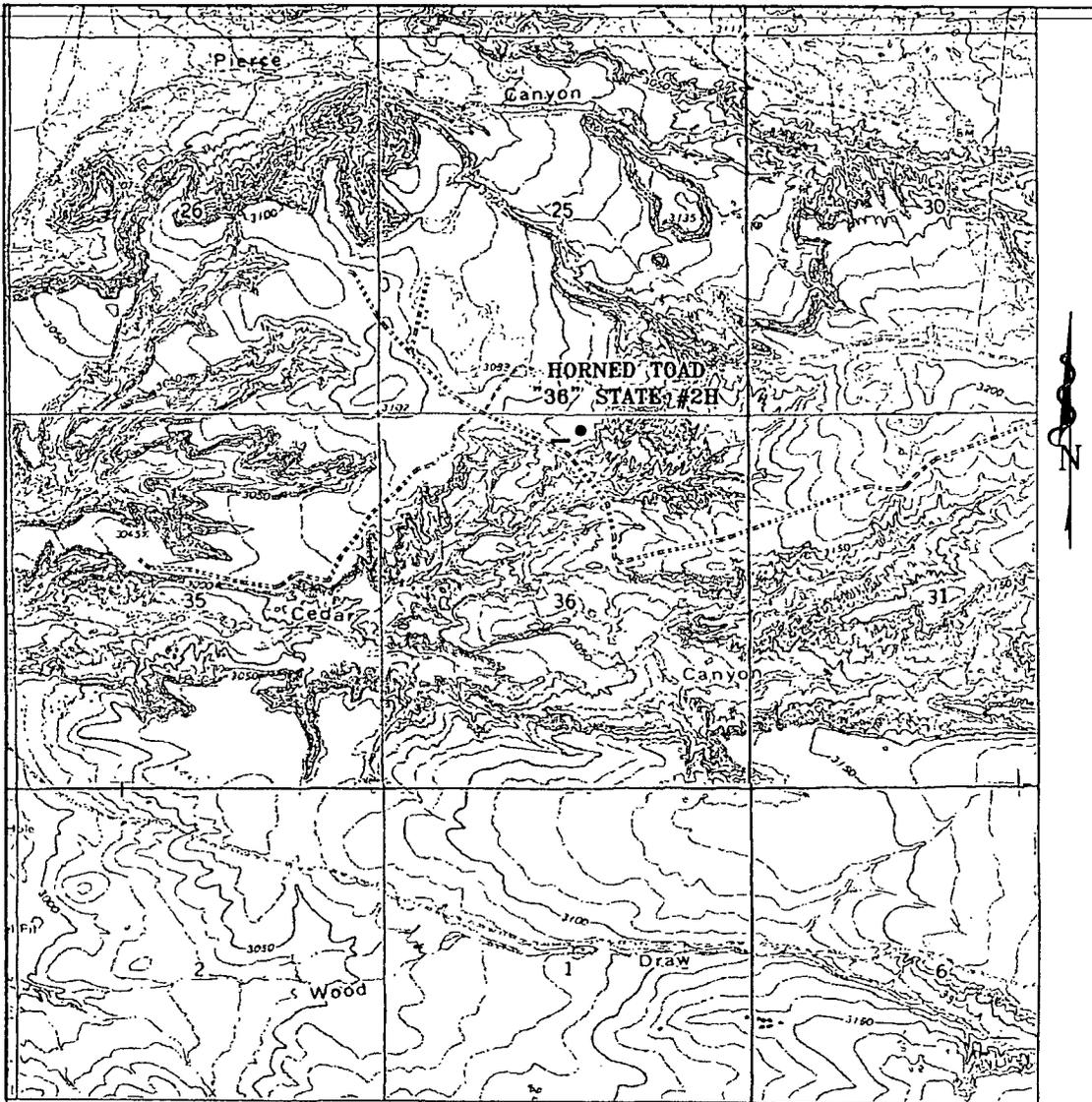
W.O. Number: JMS 18629TR

Survey Date: 09-21-2007

Scale: 1" = 2 MILES

Date: 09-24-2007

BEPCO, L.P.



HORNER TOAD '36" STATE #2H
 220' FNL and 2410' FEL
 Section 36, Township 24 South, Range 29 East,
 N.M.P.M., Eddy County, New Mexico.

basin surveys
 focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number: JMS 18629T
Survey Date: 09-21-2007
Scale: 1" = 2000'
Date: 09-24-2007

BEPCO, L.P.

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

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, 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, 1999

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 30-015-33929	Pool Code 47545	Pool Name NASH DRAW - DELAWARE
Property Code 001796	Property Name POKER LAKE UNIT	Well Number 227
OGRID No. 001801	Operator Name BASS ENTERPRISES PRODUCTION COMPANY	Elevation 3218'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	30	24 S	30 E		330	SOUTH	560	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 40	Joint or Infill I	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

LOT 1 40.62 acres	40.62 acres	40.72 acres	40.72 acres	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the 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>12/28/04 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>NOVEMBER 24, 2004</p> <p>Date Surveyed</p> <p>Signature <i>[Signature]</i> Professional Seal of Professional Surveyor</p> <p>W.O. No. 4786</p> <p>Certificate No. Gory L. Jones 7977</p> <p>NEW MEXICO REG. SURVEYORS</p>
LOT 2 40.63 acres	40.63 acres	40.71 acres	40.71 acres	
LOT 3 40.65 acres	40.65 acres	40.69 acres	40.69 acres	
LOT 4 40.66 acres	40.66 acres	40.68 acres	40.68 acres	

S.W. 1064A

LAT - N32°10'55.9"
LONG - W103°54'50.1"

3212.0' 3221.1'
560' 3208.6'

BEPCO, L.P.
P. O. Box 2760
Midland, Texas 79702

432-683-2277

FAX: 432-687-0329

October 12, 2007

**Re: Surface Commingle Application
Horned Toad 36 State #2H
Nash Draw (Delaware. BS. Aval.
Eddy County, New Mexico
File: 100-WF: HT 36 State2. CPL**

State of New Mexico
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87504-1148

Mr. Lyons:

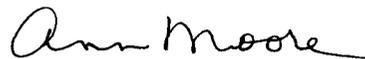
BEPCO, L.P. respectfully requests that you grant permission for surface commingling of the above captioned well. This request is to amend the previously granted PCL -275, most recently approved by your office on June 4, 2007, by adding an additional well on the Horned Toad 36 State Lease.

Additionally, BEPCO desires to correct PCL-275 to be a Lease Commingle only, where all production is from the Nash Draw (Delaware). The previously submitted and granted applications represented that the Horned Toad 36 State #7 production was from the Corral Canyon, NW (Delaware). The well was originally permitted in this field, but completed in the Nash Draw and never corrected on the commingle permit.

Copies of this application are being submitted to the State OCD in Santa Fe, the District OCD in Artesia, and the BLM in Carlsbad. Please find the enclosed fee for this application.

If you should have any questions, or need further data, please contact Ann Moore at the above letterhead address or via email at camoore@basspet.com.

Sincerely,



Ann Moore
Production Clerk

cam
Attachments

BEPCO, L.P.

RECEIVED
P. O. Box 2760
Midland, Texas 79702

432-683-2277

2007 DEC 31 AM 11 51

FAX: 432-687-0329

December 20, 2007

**Re: Surface Commingle Application
Horned Toad 36 State #2H
Nash Draw (Delaware. BS. Avalon)
Eddy County, New Mexico
File: 100-WF: HT 36 State2H.CPL**

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

Mr. Jones:

Please find the additional information you requested via an email dated December 17, 2007 for the commingle application for the above captioned well to the Poker Lake Unit #227 Battery.

The attached spreadsheet answers most of your questions and the attached map visually represents the dedicated acreage for each producer and the boundaries of the Horned Toad Lease. Additionally, the Site Security diagram has been corrected to show the additional Poker Lake Nash Draw (Delaware) Wells that are coming into the battery.

Please let me know if you need anything further to process this application. I hope your are successful at getting the C-107B amended to include a request for this data upon submission of the application. I will look forward to working with you in the future. I can be contacted at the above letterhead address or via email at camoore@basspet.com.

Sincerely,



Ann Moore
Production Clerk

Cam

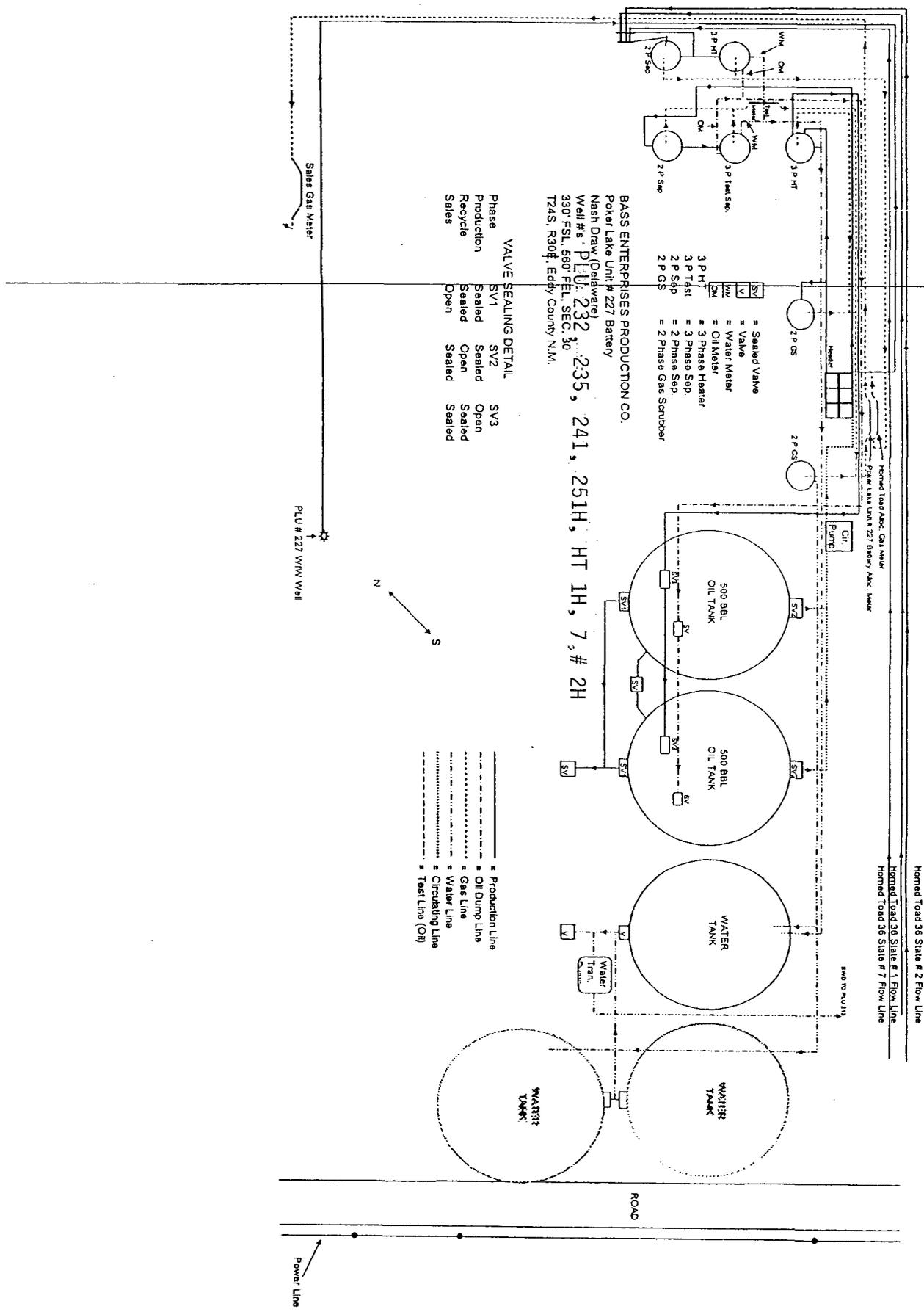
Attachments

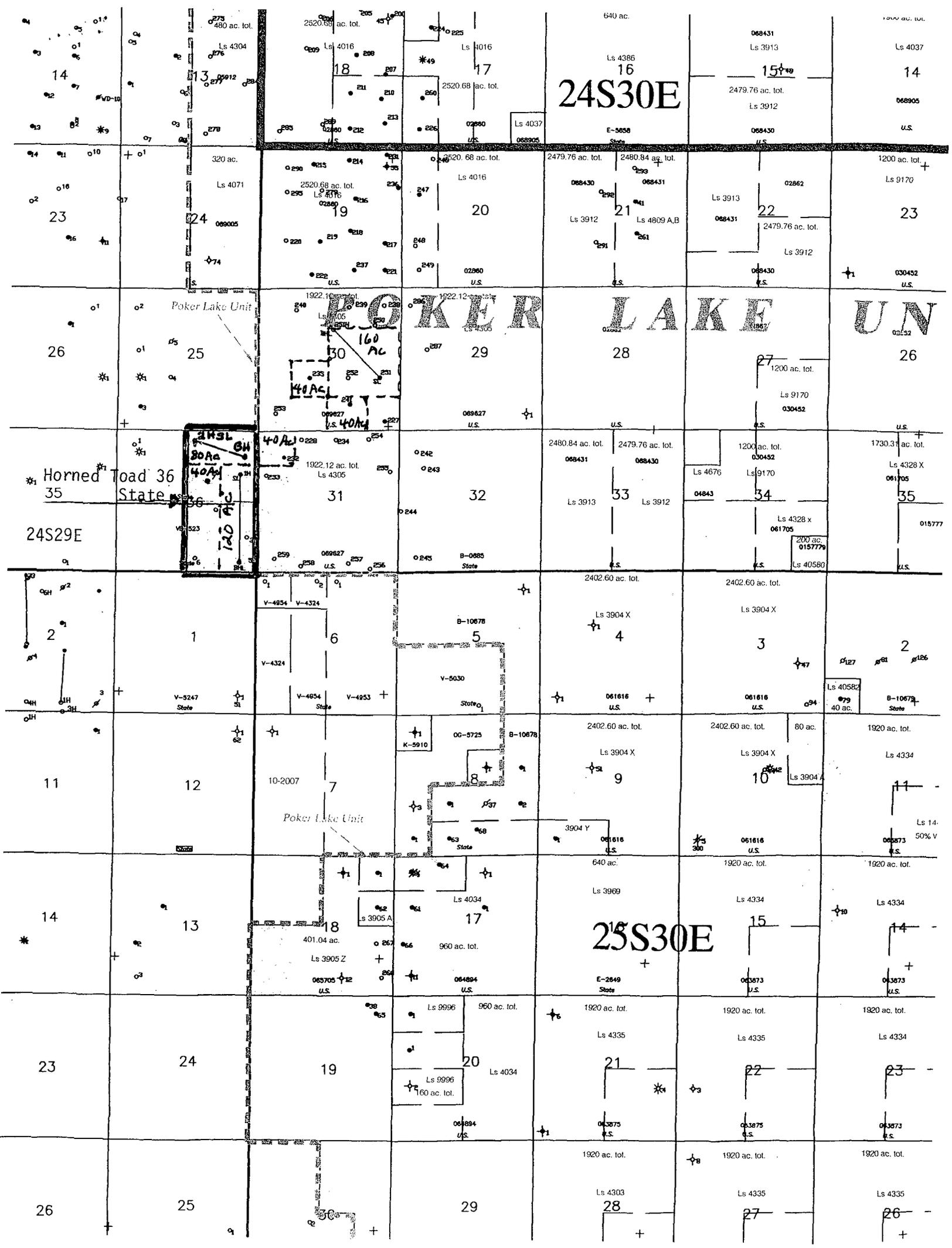
POKER LAKE UNIT #227 TANK BATTERY COMMINGLED WELLS

ALL NASH DRAW (DELAWARE/BS/AVALON) POOL CODE 47545

Lease & Well No.	Type of Wellbore	Dedicated Acreage	Unit Letter	Sec. TS. RE
PLU 227 WIW	Vertical	NA Active WIW	P	Sec. 30, T24S. R30E ✓
PLU 232	Vertical	40 acres	D	Sec. 31, T24S, R30E ✓
PLU 235	Vertical	40 acres	K	Sec. 30, T24S. R30E
PLU 241	Vertical	40 acres	O	Sec. 30, T24S. R30E
PLU 251H	Horizontal	160 acres	G, H, I, J	Sec. 30, T24S. R30E
Horned Toad 36 St. #1H	Horizontal	120 acres	H, I, P	Sec. 36, T24S, R29E
Horned Toad 36 St. #2H	Horizontal	80 acres	A, B	Sec. 36, T24S, R29E
Horned Toad 36 St. #7	Vertical	40 acres	G	Sec. 36, T24S, R29E

Oil is loaded from the oil storage tanks at this site and trucked from this location by Shell Trading US.
 Gas is sold at this site at the Sales Gas Meter on the South side of the battery as shown on the
 Site security diagram and is sold to Southern Union Gas Services.





24S30E

Poker Lake Unit

Horned Road 36 State

24S29E

25S30E

14
480 ac. tot.
Ls 4304
0276
02912
0278

18
2520.68 ac. tot.
Ls 4016
0209
0210
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U.S.

17
2520.68 ac. tot.
Ls 4016
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0240
U.S.

16
2479.76 ac. tot.
Ls 3912
068431
068430
U.S.

14
1200 ac. tot.
Ls 9170
030452
U.S.

23
320 ac.
Ls 4071
069005
074

19
2520.68 ac. tot.
Ls 4016
0241
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20
2479.76 ac. tot.
Ls 3912
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068431
Ls 4809 A,B
02862
068431
Ls 3912
02862
068430
U.S.

21
2479.76 ac. tot.
Ls 3912
068430
U.S.

23
1200 ac. tot.
Ls 9170
030452
U.S.

26
Poker Lake Unit
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29
1922.12 ac. tot.
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28
2480.84 ac. tot.
Ls 3912
068430
U.S.

27
1200 ac. tot.
Ls 9170
030452
U.S.

26
1730.31 ac. tot.
Ls 4328 X
061705
015777
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35
24S29E
Horned Road 36 State
36
120 ac.
Ls 4071
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31
1922.12 ac. tot.
Ls 4305
0281
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32
2479.76 ac. tot.
Ls 3912
068430
U.S.

33
1200 ac. tot.
Ls 9170
030452
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35
1730.31 ac. tot.
Ls 4328 X
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4
Ls 3904 X
061616
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3
Ls 3904 X
061616
U.S.

2
1920 ac. tot.
Ls 4334
065873
U.S.

11
12
10-2007
Poker Lake Unit

7
10-2007
Poker Lake Unit
8
06-5725
K-5910
B-10678
V-5030
State
06-5725
K-5910
B-10678
V-5030
State

9
2402.60 ac. tot.
Ls 3904 X
061616
U.S.

10
2402.60 ac. tot.
Ls 3904 X
061616
U.S.

11
1920 ac. tot.
Ls 4334
065873
U.S.

14
13
401.04 ac.
Ls 3905 A
Ls 3905 Z
065705
U.S.

17
960 ac. tot.
Ls 4034
Ls 3905 A
Ls 3905 Z
065705
U.S.

15
640 ac.
Ls 3909
E-2849
State

15
1920 ac. tot.
Ls 4334
063873
U.S.

14
1920 ac. tot.
Ls 4334
063873
U.S.

23
24
Ls 9996
160 ac. tot.

19
Ls 9996
160 ac. tot.
Ls 4034
063875
U.S.

21
1920 ac. tot.
Ls 4335
063875
U.S.

22
1920 ac. tot.
Ls 4335
063875
U.S.

23
1920 ac. tot.
Ls 4334
063873
U.S.

26
25
30

29
Ls 4034
063875
U.S.

28
1920 ac. tot.
Ls 4303
063875
U.S.

27
1920 ac. tot.
Ls 4335
063875
U.S.

26
1920 ac. tot.
Ls 4335
063873
U.S.



State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

PATRICK H. LYONS
COMMISSIONER

RECEIVED
2007 NOV 13 PM 4:42

November 8, 2007

BEPCO, L.P.
P. O. Box 2760
Midland, Texas 79702

Attention: Ms. Ann Moore

Re: Surface Commingling
Off Lease Storage and Measurement
Horned Toad "36" State Well No. 2-H Sec. 36-24S-29E
Poker Lake Unit Well No. 227-P Tank Battery Sec. 30-24S-30E
Eddy County, New Mexico

Dear Ms. Moore:

We have received your letter of October 12, 2007 requesting our approval for surface commingling and off-lease storage and measurement for the above captioned well. This application amends the previously approved application by adding an additional well on the Horned Toad 36 State Lease.

It is our understanding that production from the Horned Toad "36" State Well No. 2 will be metered separately prior to any commingling at the Poker Lake Unit Well No. 227 central tank battery located in the SE/4 of Section 30-24S-30E. All production will be from the Nash Draw; Delaware/BS (Avalon Sand) pool.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Your \$30.00 dollar filing fee has been received.

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University

November 8, 2007

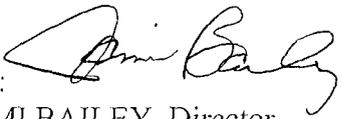
BEPCO, L.P..

Page 2

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director

Oil, Gas and Minerals Division

PL/JB/pm

pc: Reader File,

OCD-Attention: David Catanach

BLM-Roswell Attn: Mr. John Simitz