

DATE IN 1/14/08	SUSPENSE	ENGINEER Brooks	LOGGED IN 1/13/08	TYPE NSL	APP NO. PKUR0801852382
--------------------	----------	--------------------	----------------------	-------------	---------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Bepco, LP
 Poker Lake Unit # 296
 5756-A

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

2008 JAN 18 PM 2:30
 RECEIVED

[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

Print or Type Name

Signature

Attorney for Applicant

Title

Date

jamesbruc@aol.com

e-mail Address

1/18/08

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

January 18, 2008

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 gas well location for the following well:

<u>Well:</u>	Poker Lake Unit Well No. 296
<u>Location:</u>	300 feet FSL & 1200 feet FEL
<u>Well unit:</u>	S½ of Section 32, Township 24 South, Range 30 East, N.M.P.M., Eddy County, New Mexico

The Division recently approved an unorthodox location for this well in the Delaware and Bone Spring formations by Order NSL-5756 (attached as Exhibit A). The Delaware and Bone Spring location was based on topographic and geophysical reasons. Applicant still intends to test these primary formations, and this is the best location in those zones.

However, applicant has also decided to deepen the well to test the Morrow formation (wildcat Morrow) in order to determine Morrow potential in this area. The Morrow is spaced on statewide rules, with 320 acre spacing and wells to be located no closer than 660 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line. A Form C-102 is attached as Exhibit B.

All of Section 32 is covered by State Lease B-10685-1, and the offsetting N½ §5-25S-30E is covered by State Lease B-10678-1. Besides being fully committed to the Poker Lake Unit, the two leases have common working interest ownership (Mobil Producing Texas & New Mexico Inc.) and royalty interest ownership (State of New Mexico). Therefore, there is no adversely affected interest 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 written in a cursive style with a long horizontal flourish extending to the right.

James Bruce

Attorney for BEPCO, L.P.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 9, 2008

Mr. James Bruce
P.O. Box 1056
Santa Fe, NM 87504

Administrative Order NSL-5756

**Re: Poker Lake Unit Well No. 296
Unit P, Section 32-24S-30E
Eddy County**

Dear Mr Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR07-33728014**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of BEPCO, L.P. (BEPCO), on November 30, 2007, and

(b) the Division's records pertinent to this request.

BEPCO has requested to drill the above-referenced well at an unorthodox well location, 300 feet from the South line and 1200 feet from the East line (Unit P) of Section 32, Township 24 South, Range 30 East, N.M.P.M., in Eddy County, New Mexico. The SE/4 SE/4 of Section 32 will be dedicated to this well in order to form a standard 40-acre spacing unit in the undesignated Nash Draw-Delaware/Bone Spring (Avalon Sand) Pool (47545). This pool is governed by statewide Rule 104.B(1), which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from the southern and western unit boundaries.

Your application on behalf of BEPCO has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

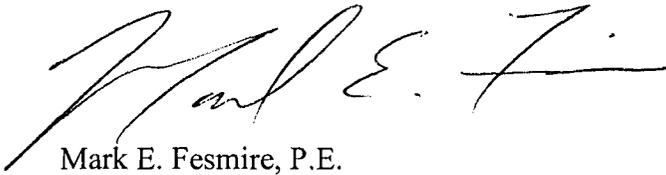
It is our understanding that you are seeking this location in order to minimize surface interference.

It is also understood that notice of this application to offsetting operators or owners is unnecessary because ownership of the offsetting units towards which this location encroaches is identical with ownership of the subject unit.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe

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 96070	Pool Name Wildcat (Morrow)
Property Code 001796	Property Name POKER LAKE UNIT	Well Number 296
OGRID No. 001801	Operator Name BEPCO, L.P.	Elevation 3241'

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	32	24 S	30 E		300	SOUTH	1200	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.						

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, 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>Signature _____ Date _____</p> <p>Carl U. Bird Printed Name</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>OCTOBER 01 2007</p> <p>Date Surveyed _____</p> <p>Signature & Seal of Professional Surveyor _____</p> <p>W. L. Jones 7977</p>
	<p>ACRES - _____</p> <p>ACRES - _____</p> <p>LAT - N32°10'03.53" LONG - W103°53'55.82" N.: 424996.9 E.: 675780.8 (NAD-83)</p>
	<p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

Well File Search - Select API Number to View

Please select the API Number you wish to view from the list below by clicking the radio button next to the API Number. Then click the "Continue" button to see the thumbnails for the API you selected. The search results are broken out by groups of 25 on each page. Switching pages can be done by clicking the "Next 25" or "Previous 25" links.

6 Records Found

Displaying Screen 1 of 1

API Number	ULSTR	Footages
<input type="radio"/> 3001534169	D -32-24S-30E	810 FNL & 660 FWL
Well Name & Number: POKER LAKE UNIT No. 242C		
Operator: BEPCO, LP		
<input type="radio"/> 3001534170	M -32-24S-30E	560 FSL & 660 FWL
Well Name & Number: POKER LAKE UNIT No. 245C		
Operator: BEPCO, LP		
<input type="radio"/> 3001534314	E -32-24S-30E	1410 FNL & 930 FWL
Well Name & Number: POKER LAKE UNIT No. 243		
Operator: BEPCO, LP		
<input type="radio"/> 3001534317	L -32-24S-30E	2290 FSL & 100 FWL
Well Name & Number: POKER LAKE UNIT No. 244		
Operator: BEPCO, LP		
<input type="radio"/> 3001535634	D -32-24S-30E	810 FNL & 660 FWL
Well Name & Number: POKER LAKE UNIT No. 242		
Operator: BEPCO, LP		
<input type="radio"/> 3001535635	M -32-24S-30E	560 FSL & 660 FWL
Well Name & Number: POKER LAKE UNIT No. 245		
Operator: BEPCO, LP		

D Lu

D Lu

D Lu

D Lu

6 Records Found

Displaying Screen 1 of 1

Continue

Go Back