

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



CERTIFIED MAIL—RETURN RECEIPT REQUESTED
7007 2680 0001 6451 0809

July 21, 2008

BEPCO, LP
PO Box 2760
Midland, TX 79705

Reference: Poker Lake Unit #276 30-015-35137
G-13-24S-29E Eddy County, New Mexico
2RP-178

Operator,

The New Mexico Oil Conservation Division District 2 Office (OCD) is in receipt of a remediation work plan (plan) submitted on behalf of operator by Sport Environmental Services.

The plan is approved with the following stipulations:

- Confirmation soil analyses will be required upon completion of excavation and prior to any soil replacement.
- Please notify OCD 48 hours prior to obtaining samples where analyses of samples obtained are to be submitted to OCD.
- Remediation requirements may be subject to change as site conditions warrant.
- Remediation actions are to be completed on or before September 25, 2008.
- Submit a Final Report C-141 and analyses upon satisfactory completion of activities.

Remediation requirements may be subject to other federal, state, local laws and/or regulations. Additionally, please be advised that OCD approval does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that may pose a threat to ground water, surface water, human health or the environment.

Thank you for your attention to these matters. If I can be of assistance, you may reach me at the contact information listed below.

Respectfully,


Sherry Bonham
NMOCD District 2
1301 West Grand Ave.
Artesia, NM 88210
(505) 748-1283 Ext. 109
sherry.bonham@state.nm.us

cc: Debi S Smith, Sport Environmental Services





SPORT ENVIRONMENTAL SERVICES

502 N. Big Spring Street, Midland, Texas 79701
Business: 432.683.1100 Fax: 888.500.0622

JUL 16 2008
OCD-ARTESIA

July 15, 2008

Ms. Sherry Bonham
NMOCD District 2
1301 W. Grand Avenue
Artesia, NM 88210

**Re: Remediation Work Plan
BEPCO, L.P.
Poker Lake Unit #276
Section 13, T-24-S, R-29-E
Eddy County, New Mexico**

Dear Ms. Bonham:

On behalf of BEPCO, L.P., Sport Environmental Services, PLLC will remediate the abovementioned site according to OCD guidelines.

As evidenced by the analytical results previously submitted and duplicated on the attached Sample Data Summary, the contaminant of concern is chlorides. Chloride contaminated soils exceeding 250 mg/kg will be excavated from the ground until a representative sample from the walls and bottom of the excavation proves to be below this level. The chloride impacted soils will be removed and hauled to Controlled Recovery, Inc. (Permit No. R-9166). Further delineation and confirmation sampling will be conducted. Upon receipt of analytical verification of acceptable chloride concentration, a Final Report C-141 will be submitted.

Attached, please find the drawing that shows the areas of elevated chlorides and the Site Ranking Form which established acceptable concentrations of contaminants.

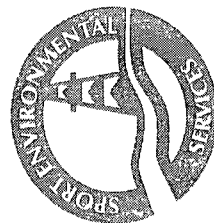
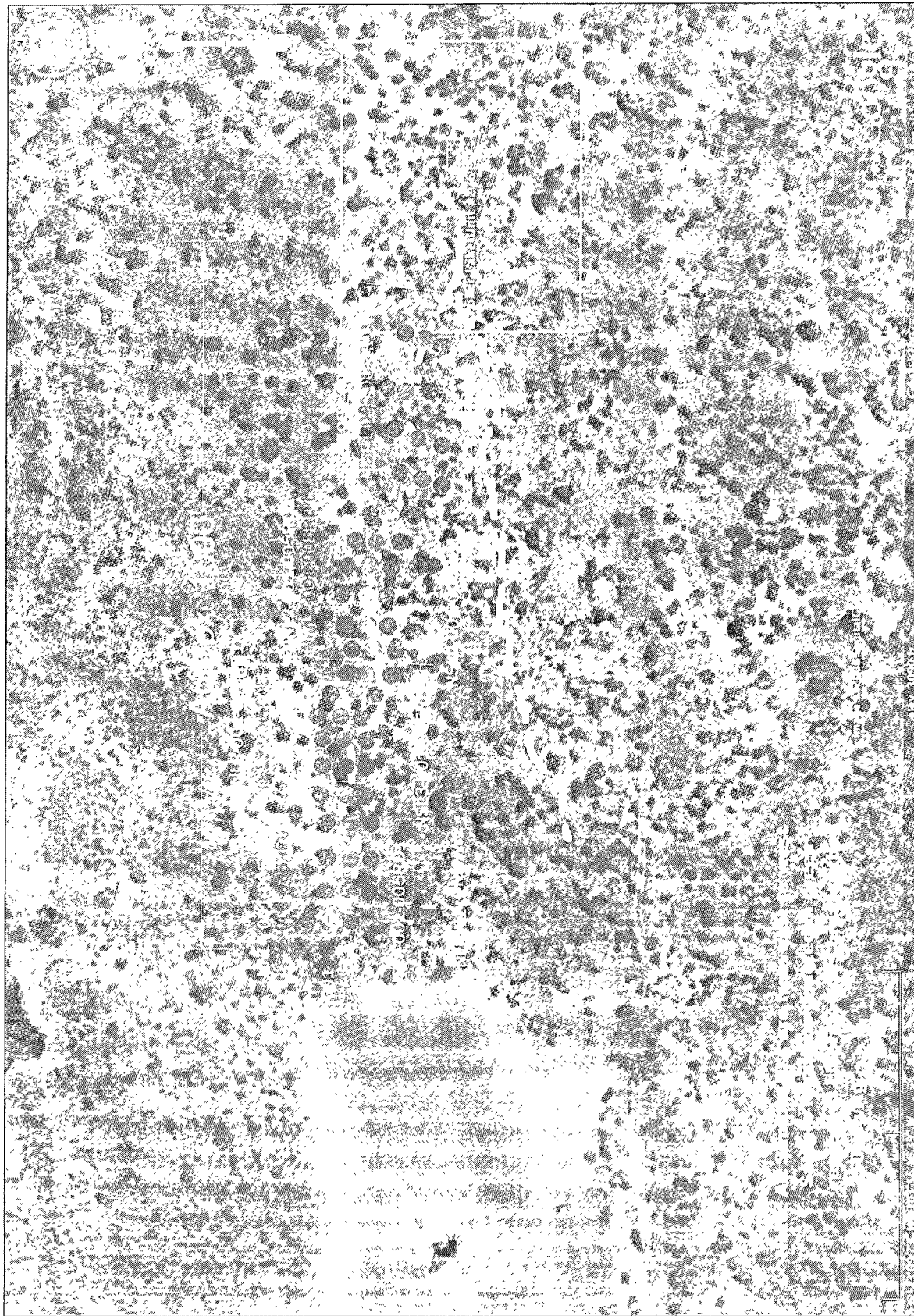
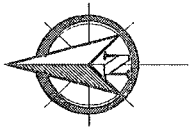
If you have any questions or comments with regard to this matter, please contact me at either my office (432.683.1100) or on my cell (432.553.8555). We would be more than happy to review these results with you.

Sincerely,

Debi S. Smith.

Debi S. Smith, M.E., R.E.P.A.
President

cc: Gary Gerhard
Drilling Engineer
BEPCO, L.P.
dba Bass Enterprises Production Co.
P.O. Box 2760
Midland, Texas 79705

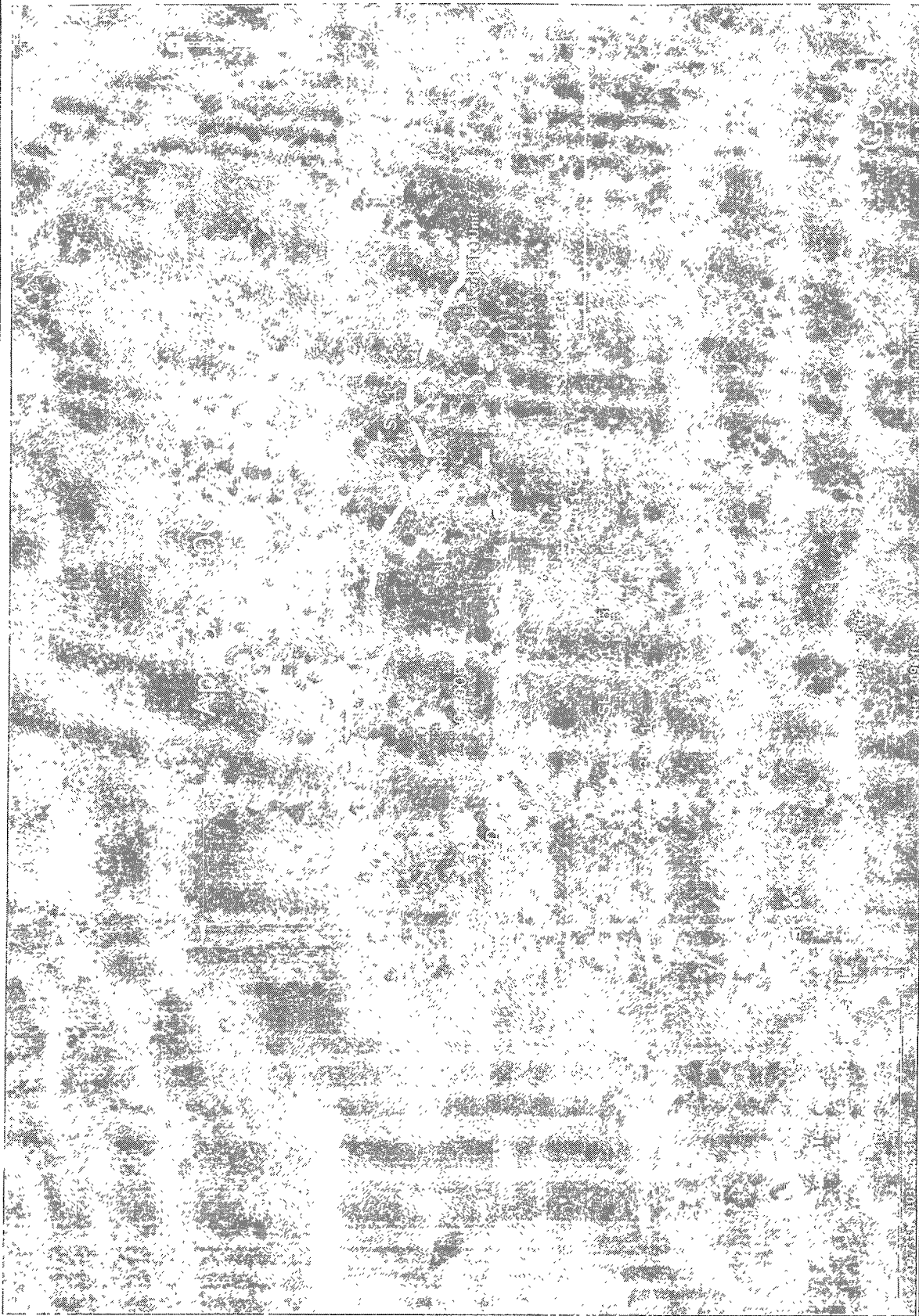
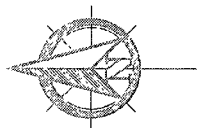


BEPCO, L.P.
Poker Lake Unit #276
Section 13, Township 24S
Range 29E
Eddy County, New Mexico

IDENTIFICATION OF CHLORIDE-IMPACTED SOILS

North Line

Note: Drawing not to scale



BEPCO, L.P.
Poker Lake Unit #276
Section 13, Township 24S
Range 29E
Eddy County, New Mexico

IDENTIFICATION OF CHLORIDE-IMPACTED SOILS

South Line

Note: Drawing not to scale

Site Information and Metrics

NMOCD Notified:

4/24/2007

SITE: Poker Lake Unit 276		Assigned Site Reference #:2RP-178	
Company: BEPCO, L.P.			
Street Address:			
Mailing Address: P. O. Box 2760			
City, State, Zip: Midland, TX 79702			
Representative: Debi S. Smith, Sport Environmental Services			
Representative Telephone: (432) 553-8555			
Telephone: (432) 683-1100			
Fluid volume released (bbls): 25		Recovered (bbls): 0	
>25 bbls: Notify NMOCD verbally within 24 hrs and submit form C-141 within 15 days. (Also applies to unauthorized releases >500 mcf Natural Gas) 5-25 bbls: Submit form C-141 within 15 days (Also applies to unaughorized releases of 50-500 mcf Natural Gas)			
Leak, Spill, or Pit (LSP) Name: Spill			
Source of Contamination: Drilling mud overflow of frac tanks.			
Land Owner, i.e.,BLM, ST, Fee, Other: BLM			
LSP Dimensions:			
LSP Area:			
Location of Reference Point (RP):			
Location distance and direction from RP			
Latitude: 32 219389° N			
Longitude: -103.935917° W			
Elevation above mean sea level:			
Feet from South Section Line: 1980'			
Feet from East Section Line: 1980'			
Location - Unit or 1/4:		Unit Letter: G	
Location - Section: 13			
Location - Township: 24-S			
Location - Range: 29 E			
Surface water body within 1000' radius of site: none			
Surface water body within 1000' radius of site: none			
Domestic water wells within 1000' radius of site: none			
Domestic water wells within 1000' radius of site: none			
Agricultural water wells within 1000' radius of site: none			
Agricultural water wells within 1000' radius of site: none			
Public water supply wells within 1000' radius of site: none			
Depth from land surface to ground water (DG): 100-150 bgs per Sherry Bonham 6-17-08			
Depth of Contamination (DC): >3ft			
Depth to ground water (DG - DC = D _{GW}): 150-3=147 'bgs			
1. Ground Water		2. Wellhead Protection Area	
If Depth to GW <50 feet: 20 points		If <1000' from water source, or; <200' from private domestic water source: 20 points	
If Depth to GW 50 to 99 feet: 10 points		If >1000' from water source, or; >200' from private domestic water source: 0 points	
If Depth to GW >100 feet: 0 points			
Ground Water Score = 0		Wellhead Protection Area Score = 0	
Site Rank (1+2+3)= 0		Surface Water Score = 0	
Total Site Ranking Score and Acceptable Concentrations			
Parameter	>19	10 - 19	0 - 9
Benzene ¹	10 ppm	10 ppm	10 ppm
BTEX ¹	50 ppm	50 ppm	50 ppm
TPH	100 ppm	1000 ppm	5000 ppm

¹100 ppm field VOC headspace measurement may be substituted for lab analysis



Project Name: BEPCO, L.P. - Poker Lake Unit #276
Project Location: Eddy County, New Mexico

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]



Project Name: BEPCO, L.P. - Poker Lake Unit #276
Project Location: Eddy County, New Mexico

Analytical Results

Methods: EPA 8015M (TPH), EPA 8021B (BTEX), SW 846 9253 (Cl)

[illegible]

[illegible]

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