

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

☐ AMENDED REPORT

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

<sup>1</sup> Operator Name and Address BEPCO, L.P. P. O. Box 2760 - Midland, Texas 70702		<sup>2</sup> OGRID Number 001801
<sup>3</sup> Property Code 18409	<sup>5</sup> Property Name Remuda Basin 19 State Com	<sup>7</sup> API Number 30-015-35104
<sup>9</sup> Proposed Pool 1 Unders. Nash Draw; Mercur		<sup>6</sup> Well No. 6
<sup>10</sup> Proposed Pool 2 81600		

7 Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Westline	County
3	19	23S	30E		1750	South	660	West	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/Westline	County

Additional Well Information				
<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3037'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 14,135'	<sup>18</sup> Formation Morrow	<sup>19</sup> Contractor Unknown	<sup>20</sup> Spud Date 11/01/2006
Depth to Groundwater 350'		Distance from nearest fresh water well 1/4 mile east		Distance from nearest surface water None in area
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 milst thick Clay <input type="checkbox"/> Pit Volume: 18000 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> 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#	+/- 326'	350	Surface
12-1/4"	9-5/8"	36#	+/- 3346'	1550	Surface
8-3/4"	7"	26#	+/- 11,900'	1225	2846'*
6-1/8"	4-1/2"	11.6#	+/- 14,135'	235	11,400'

<sup>22</sup> 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.

\*Only if pay intervals encountered above 8000'. If no commercial pay is encountered, cement will be brought to +/- 8000'.

This well is included within the secretarial order potash area and inside the R-111P area. The surface and minerals are owned by the State of New Mexico.

NOTIFY OCD OF SPUD &  
TIME TO WITNESS  
CEMENTING OF SURFACE &  
INTERMEDIATE CASING

R-111-P

<sup>23</sup> 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	
Printed name: Annette Childers <i>Annette Childers</i>		Approved by: <b>BRYAN G. ARANT</b>	
Title: Administrative Assistant		Title: <b>DISTRICT II GEOLOGIST</b>	
E-mail Address: machilders@basspet.com		Approval Date: <b>AUG 21 2006</b> Expiration Date: <b>AUG 21 2007</b>	
Date: 08/15/2006	Phone: (432)683-2277	Condition of Approval Attached <input type="checkbox"/>	

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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 81600	Pool Name Nash Draw; - (Morrow)
Property Code	Property Name REMUDA BASIN "19" STATE COM	Well Number 6
OGRID No. 001801	Operator Name BEPCO, L.P.	Elevation 3037'

Surface Location

UL or lot No. LOT 3	Section 19	Township 23 S	Range 30 E	Lot Idn	Feet from the 1750	North/South line SOUTH	Feet from the 660	East/West line WEST	County EDDY
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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 326	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

39.45 ACRES LOT 1	38.94 ACRES		
39.43 ACRES LOT 2		158.22 ACRES	
39.60 ACRES LOT 3	79.12 ACRES		
39.58 ACRES LOT 4		158.62 ACRES	

WAT - N32°17'16.0"  
LONG - W103°55'38.8"  
(NAD-83)

660

1750

**OPERATOR CERTIFICATION**

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.

Signature: *W.R. Dannels* Date: 8/15/06

Printed Name: W.R. Dannels

**SURVEYOR CERTIFICATION**

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.

AUGUST 09, 2006

Date Surveyed

Signature: *GARY L. JONES*

Professional Surveyor

NEW MEXICO

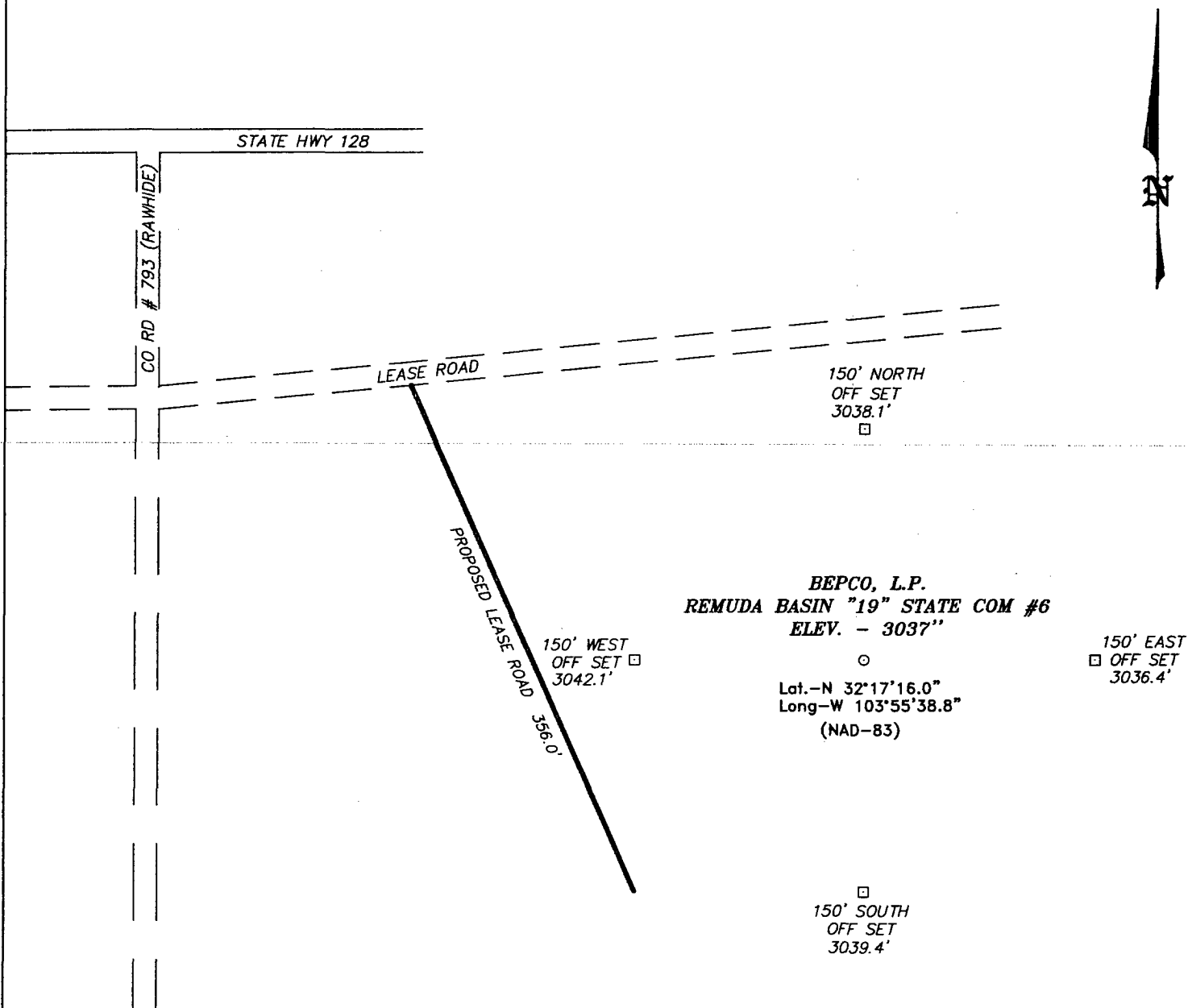
REGISTERED

W.O. No. 7977

Certificate No. Gary Jones 7977

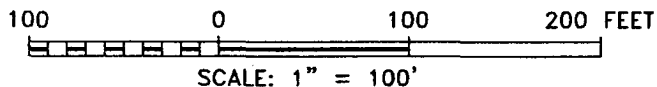
PLAT SURVEYS

SECTION 19, TOWNSHIP 23 SOUTH, RANGE 30 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.



**DIRECTIONS TO LOCATION:**

FROM THE JUNCTION OF STATE HWY 128 AND CO. RD. 793 (RAWHIDE), PROCEED SOUTH ON CO. RD. 793 FOR APPROX. 3.5 MILE TO LEASE ROAD; THENCE EAST ON LEASE ROAD 0.1 MILE TO PROPOSED LOCATION.

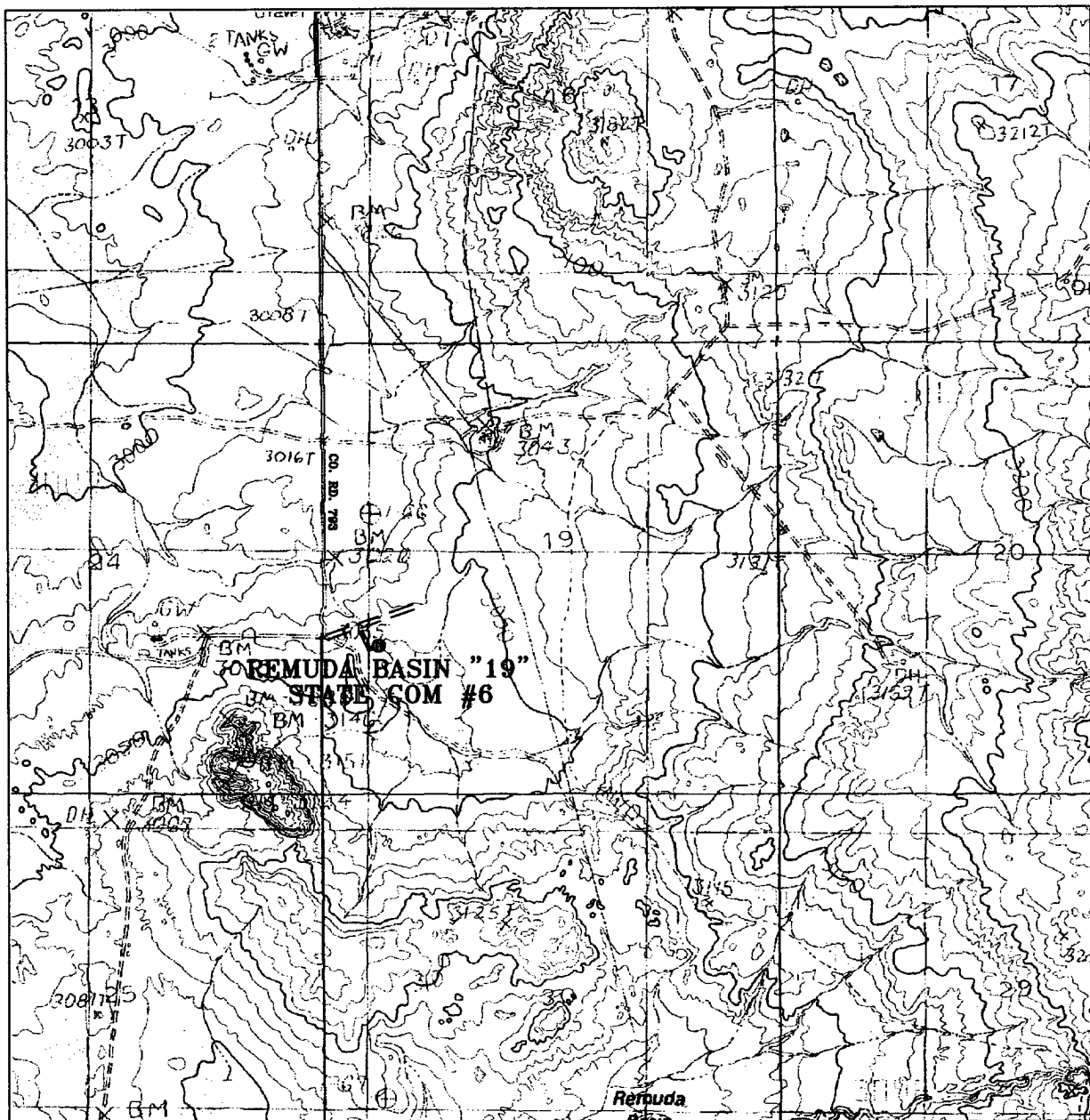


**BASIN SURVEYS** P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 7027 Drawn By: J. SMALL

Date: 08-10-2006 Disk: 7027W JMS

<b>BEPCO, L.P.</b>	
REF: REMUDA BASIN "19" ST COM #6 / WELL PAD AND TOPO	
THE REMUDA BASIN "19" STATE COM #6 LOCATED 1750'	
FROM THE SOUTH LINE AND 660' FROM THE WEST LINE OF	
SECTION 19, TOWNSHIP 23 SOUTH, RANGE 30 EAST,	
N.M.P.M., EDDY COUNTY, NEW MEXICO.	
Survey Date: 08-09-2006	Sheet 1 of 1 Sheets



**REMUDA BASIN "19" STATE COM #6**  
 Located at 1750' FSL and 660' FWL  
 Section 19, Township 23 South, Range 30 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

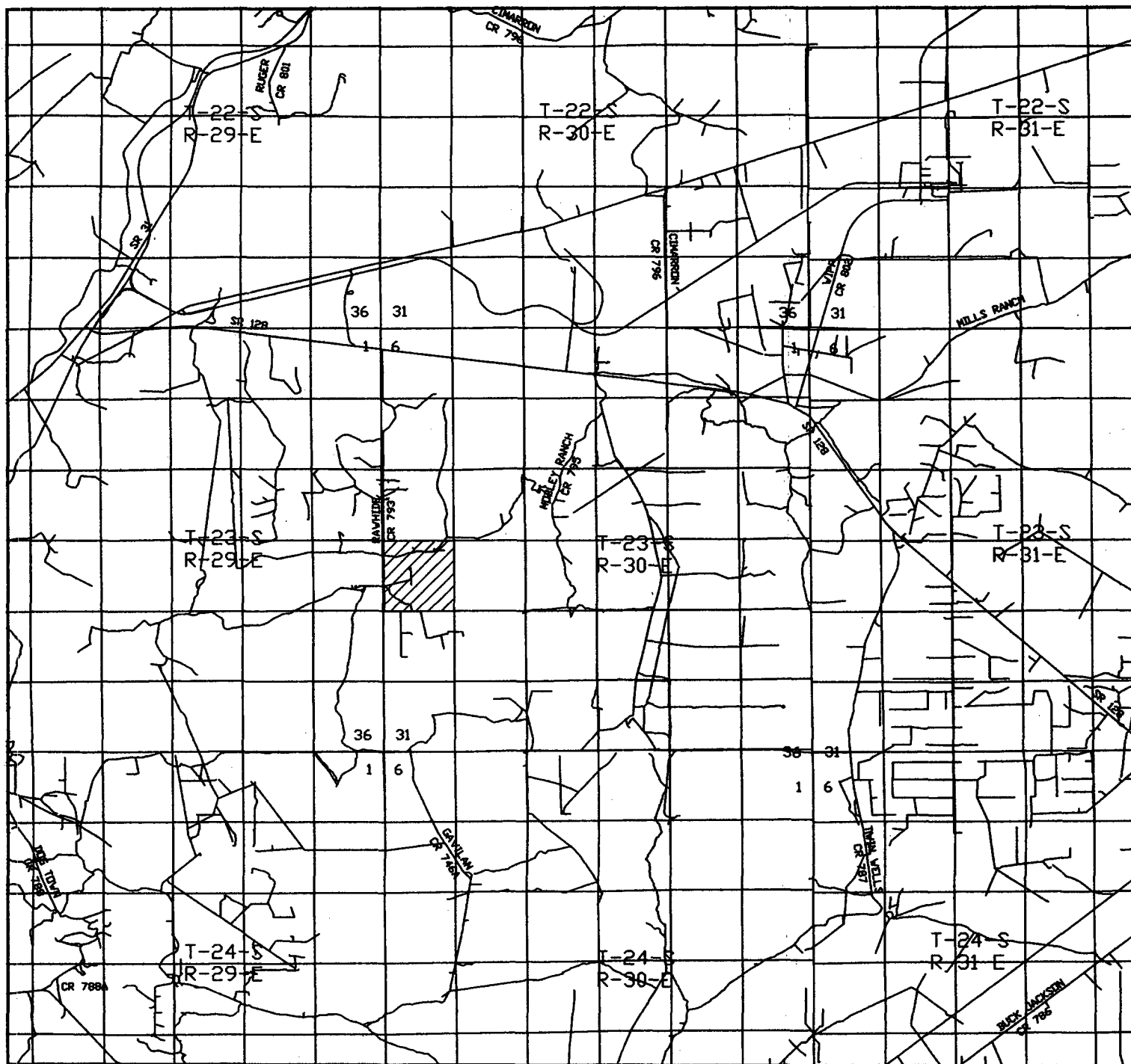
W.O. Number: JMS 7027T

Survey Date: 08-09-2006

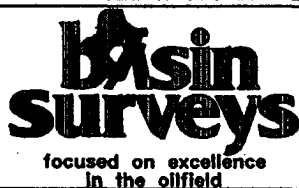
Scale: 1" = 2000'

Date: 08-10-2006

**BEPCO, L.P.**



REMUDA BASIN "19" STATE COM #6  
 Located at 1750' FSL and 660' FWL  
 Section 19, Township 23 South, Range 30 East,  
 N.M.P.M., Eddy County, New Mexico.



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 7027T

Survey Date: 08-09-2006

Scale: 1" = 2 MILES

Date: 08-10-2006

BEPCO, L.P.

# EIGHT POINT DRILLING PROGRAM

## BEP CO, L.P.

**NAME OF WELL: REMUDA BASIN 19 STATE COM #6**

LEGAL DESCRIPTION - SURFACE: 1750' FSL & 660' FWL, Section 19, T-23-S, R-30-E, Eddy County, New Mexico.

### POINT 1: ESTIMATED FORMATION TOPS

(See No. 2 Below)

### POINT 2: WATER, OIL, GAS AND/OR MINERAL BEARING FORMATIONS

Anticipated Formation Tops: KB 3064.0' (est)  
GL 3037.0'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUB-SEA TOP</u>	<u>BEARING</u>
BT/Rustler	274'	+ 2790'	Barren
T/Salt	339'	+ 2725'	Barren
B/Salt	3064'	+ 0'	Barren
T/Delaware	3324'	- 260'	Oil/Gas
T/Bone Spring	6984'	- 3920'	Oil/Gas
T/Wolfcamp	10190'	- 7126'	Oil/Gas
T/Atoka Sand	12400'	- 9336'	Oil/Gas
T/Atoka Bank	12479'	- 9415'	Oil/Gas
T/Morrow	12949'	- 9885'	Oil/Gas
T/Middle Morrow "A"	13292'	- 10228'	Oil/Gas
T/Lower Morrow	13682'	- 10618'	Oil/Gas
TD	14135'	- 11071'	

### POINT 3: CASING PROGRAM

<u>TYPE</u>	<u>INTERVALS</u>	<u>PURPOSE</u>	<u>CONDITION</u>
20"	0' - 40'	Conductor	New
13-3/8", 48#, J55, STC	0' - 326'	Surface	New
9-5/8", 36#, N80, LTC	0' - 3,349'	First Intermediate	New
7", 26#, P110, LTC	0' - 11,900'	Second Intermediate	New
4-1/2", 13.5#, P110, LTC	11,400' - 14,135'	Production Liner	New

#### POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A rotating head will be nipped up on the surface casing. The rotating head will not be hydro-tested.

A BOP equivalent to Diagram 1 will be nipped up on the surface, first and second intermediate casing. When the BOP is installed on the surface casinghead, it will be tested to 70% of internal yield of casing or 1000 psig whichever is less. In addition, the BOP stack, choke, kill lines, kelly cocks, inside BOP, etc. will be hydro-tested to 3,000 psi on the first intermediate and 10,000 psi on the second intermediate casing.

The annular preventer will be tested to 3000 psi on both intermediate casings. In addition to the rated working pressure test, a low pressure (250 psi) test will be required. These tests will be performed:

- a) Upon installation
- b) After any component changes
- c) Twenty-one days after a previous test
- d) As required by well conditions

A function test to insure that the preventers are operating correctly will be performed on each trip. See the attached Diagram 1 for the minimum criteria for the choke manifold.

#### POINT 5: MUD PROGRAM

<u>DEPTH</u>	<u>MUD TYPE</u>	<u>WEIGHT</u>	<u>FV</u>	<u>PV</u>	<u>YP</u>	<u>FL</u>	<u>Ph</u>
0' - 336'	FW Spud	8.4 - 9.0	32-38	NC	NC	NC	9-10
336' - 3305'	Brine	9.8 - 10.2	28-32	NC	NC	NC	9-10
3305' - 7000'	FW	8.3 - 8.6	28-32	NC	NC	NC	9-10
7000' - 11200'	FW/C-Brine	8.6 - 9.0	28-32	NC	NC	<100	9-10
11200' - 12500'	C-Brine/Brine	9.5 - 13.9	30-32	6-10	6-10	<100	9-10
12500' - 14135'	C-Brine/Brine	10.3 - 13.9	30-34	8-10	6-10	<25	9-10

#### POINT 6: TECHNICAL STAGES OF OPERATION

##### A) TESTING

No DST's are planned, however any shows of significance will be tested.

##### B) LOGGING

GR-CNL-LDT w/Dual Induction Log from 11,900'-3,349'.

GR-CNL from 3,349'-surface.

GR-CNL-LDT w/Dual Lateral Log from 11,900'-TD.

##### C) CONVENTIONAL CORING

None Anticipated.

# D) CEMENT

INTERVAL	AMOUNT SXS	FT OF FILL	TYPE	GALS/SX	PPG	ET <sup>3</sup> /SX
<b>SURFACE</b> 0' - 326' (100% excess) (Circ to Surface)	350	326	Premium Plus + 2% CaCl <sub>2</sub> + 1/4 #/sk Flocele	6.32	14.80	1.34
<b>1st INTERMEDIATE</b> Lead: 0' - 2849' (200% excess) (Circ to Surface)	1325	2849	Interfil C + 0.25 #/sk Flocele + 1 #/sk Salt.	14.10	11.90	2.45
Tail: 2849' - 3349' (200% excess)	235	500	Premium Plus + 2% CaCl <sub>2</sub>	6.34	14.80	1.34
<b>2nd INTERMEDIATE</b> 2 <sup>nd</sup> Stage Lead: 2849' - 7,500' (50% excess)	625	4651	Super H w/5#/sk Gilsonite + 0.5% Halad 344 + 0.4% CFR-3 + 0.1% HR-7	8.23	13.00	1.67
<b>DV Tool @ 7500'</b>  1 <sup>st</sup> Stage Lead: 7500' - 11,900' (50% excess)	600	4400	Super H w/5 #/sk Gilsonite + 0.5% Halad 344 + 0.4% CFR-3 + 0.1% HR-7	8.23	13.00	1.67
<b>PRODUCTION LINER</b> Lead: 11,400' - 14,135' (50% excess TOC ±10,700')	235	2735	Super H + 0.5% Halad 344 + 0.4% CFR-3 + 0.3% HR-7 + 1 #/sk Salt	8.23	13.00	1.67

# E) DIRECTIONAL DRILLING

No directional services anticipated.

#### **POINT 7: ANTICIPATED RESERVOIR CONDITIONS**

Normal pressures are anticipated throughout the Delaware, Bone Spring & Wolfcamp sections. The Atoka Bank may be abnormally pressured with expected BHP of 9250 psi (max) or an equivalent mud weight of 13.9 ppg. The Morrow expected BHP is 7800 (max) or an equivalent mud weight of 10.5 ppg @ TD. Due to the tight nature of the reservoir rock (high pressure, low volume), the well will be drilled under balanced utilizing a rotating head. The expected BHT at TD is 230°F. No H<sub>2</sub>S is anticipated.

#### **POINT 8: OTHER PERTINENT INFORMATION**

A) Auxiliary Equipment

Upper and lower kelly cocks. Full opening stab in valve on the rig floor.

B) Anticipated Starting Date

Upon approval

60 days drilling operations

25 days completion operations

GEG/mac

August 15, 2006

# 10-M WP BOPE WITH 5-M WP ANNULAR

10 M CHOKE MANIFOLD EQUIPMENT-CONFIGURATION MAY VARY

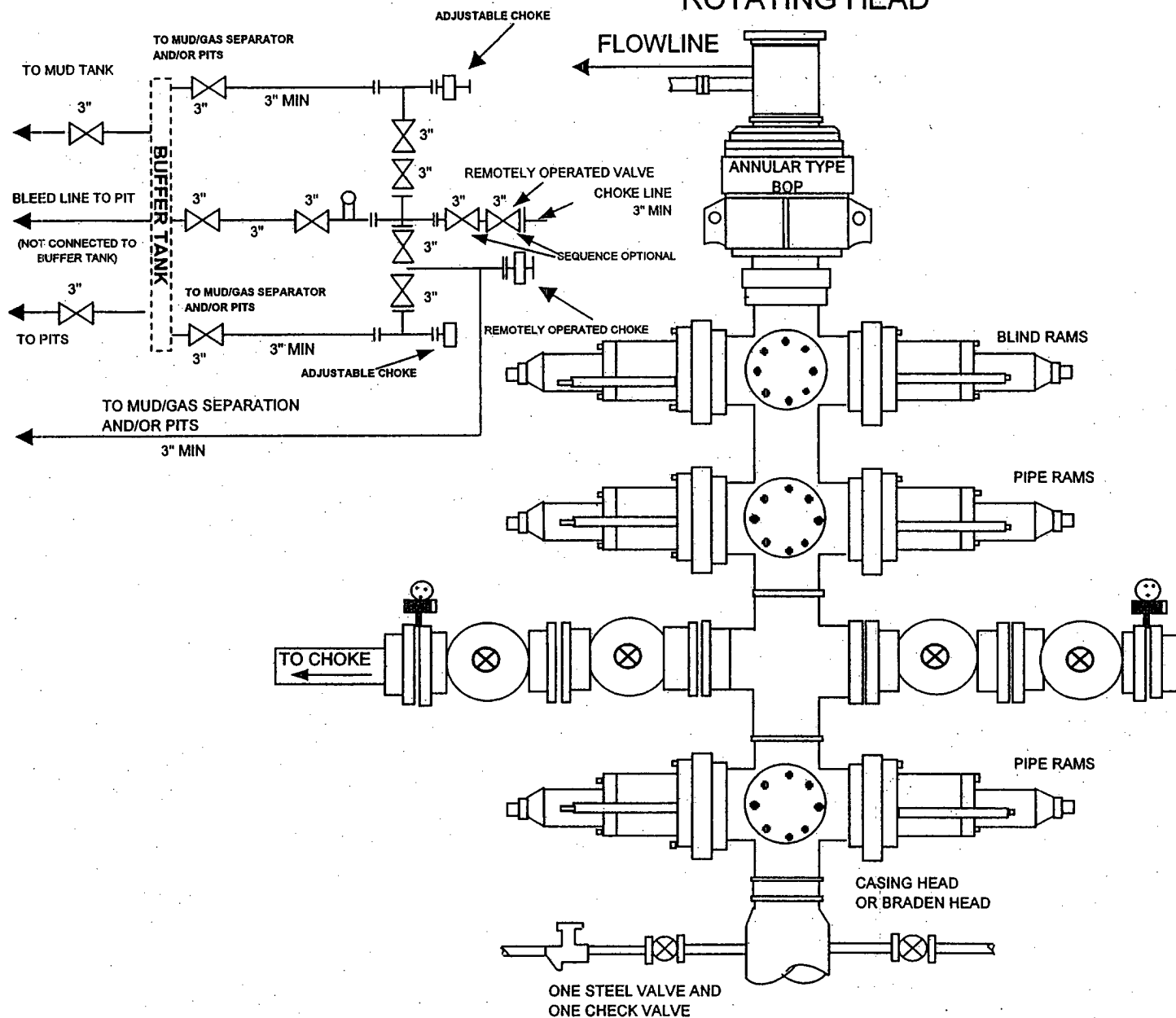


DIAGRAM 1



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

RECEIVED

JUL 20 2006

ARTEZIA

July 17, 2006

Bureau of Land Management

620 East Green St.

Carlsbad, NM 88220

Attn: Mr. Craig Cranston or To Whom It May Concern

**RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA**

**OPERATOR: BEPCO, L.P.**

**LEASE NAME: Remuda Basin '19' State Com. # 6**

**LOCATION: SEC. 19, TOWNSHIP 23 SOUTH, RANGE 30 EAST,  
2170' FSL & 660' FWL  
EDDY COUNTY, NM, NMPM**

**PROPOSED DEPTH: 14,135'**

**Dear Craig or To Whom It May Concern,**

The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division. Pursuit to the provisions of Oil Conservation Division Order R-111-P, please advise this office whether or not this application is within an established Life-of-Mine Reserve area filed with and approved by your office. If not, please advise whether it is within the buffer zone established by this order.

Thank you for your assistance.

Sincerely,

**Bryan G. Arrant**

**PES, District II Artesia NMOCD**

**In LMR**

**Yes** \_\_\_\_\_

**No** ☒

**In Buffer Zone**

**Yes** \_\_\_\_\_

**No** ☒

**Comments:**

**Signature:**

**Date:**

7-18-06



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

Oil Conservation Division

RECEIVED

JUL 20 2006

JUL 20 2006

July 17, 2006

New Mexico State Land Office

310 Old Santa Fe Trail

Santa Fe, NM 87504-1148

Attn: Mr. Joe Mraz or To Whom It May Concern

**RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA**

**OPERATOR: BEPCO, L.P.**

**LEASE NAME: Remuda Basin '19' State Com. # 6**

**LOCATION: SEC. 19, TOWNSHIP 23 SOUTH, RANGE 30 EAST,  
2170' FSL & 660' FWL  
EDDY COUNTY, NM, NMPM**

**PROPOSED DEPTH: 14,135'**

Dear Joe or To Whom It May Concern,

The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division. Pursuit to the provisions of Oil Conservation Division Order R-111-P, please advise this office whether or not this application is within an established Life-of-Mine Reserve area filed with and approved by your office. If not, please advise whether it is within the buffer zone established by this order.

Thank you for your assistance.

Sincerely,

**Bryan G. Arrant**

**PES, District II Artesia NMOCD**

In LMR

Yes \_\_\_\_\_

No X

In Buffer Zone

Yes \_\_\_\_\_

No X

Comments:

*John*  
1:20 p  
7-17-06

Signature: \_\_\_\_\_

Date: 7/17/06



Mosaic Potash Carlsbad Inc.  
PO Box 71  
1361 Potash Mines Road  
Carlsbad, NM 88220  
www.mosaicco.com

Tel 505-887-2871  
Fax 505-887-0589

August 17, 2006

Mr. Brad Glasscock  
Bass Enterprises Production Co.  
201 Main Street  
Fort Worth, TX 76102-3131  
(817) 339-7185

Dear Mr. Glasscock:

We are in receipt of your request dated August 16, 2006 moving the location of the Remuda Basin 19 St. Com #6 from its original location at 1980 FSL and 660 FWL to 1750' FSL and 660' FWL of Section 19, T-23-S, R-30-E. Mosaic Potash Carlsbad Inc. does not have a potash lease nor an LMR within 1 mile of this location.

The new location requested is approximately 1/4 mile from measured ore as delineated by the BLM. This ore is economically mineable but not currently in the mine plan, several oil wells have already been drilled in the area. Mosaic Potash does not object to drilling at this location.

As more information becomes available, our estimates of the extent of potash resources in any given area may change. Therefore, please consider this "no objection" to this location to be valid for one year only. If you are still considering this well location at a date later than one year from today, notify us again at that time so we can make the decision on information current at that time. Do not consider a "no objection offered" or an "objection offered" decision to be permanent.

Mosaic Potash submits this letter in lieu of the forms requested.

Sincerely,

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

Dan Morehouse  
Mine Engineering Superintendent

cc: Don Purvis Charlie High David Waugh