

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1 Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

AUG 07 2007

2 Name of Operator
BEPCO, L. P.

OCD-ARTESIA

3a Address
P. O. Box 2760 Midland, TX 797023b Phone No (include area code)
432-683-2277

4 Location of Well (Footage, Sec., T, R, M, or Survey Description)

NENE, UL A, 750' FNL, 330' FEL, Sec 17, T21S, R29E
Lat N32.484639, Lon W103.999194

5 Lease Serial No

NMNM 02918

6 If Indian, Allottee or Tribe Name

7 If Unit or CA/Agreement, Name and/or No

NMNM 71016X

8 Well Name and No

Golden Lane 17 Federal #2

9 API Well No

30-015-35633

10 Field and Pool, or Exploratory Area

Golden Lane (Delaware), S

11 County or Parish, State

Eddy County, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Drilling Operations
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

- 13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The referenced well was spudded at 1:00 AM on July 6, 2007. A 12-1/4" surface hole was drilled to 945'. At 945', the bit dropped 3' to 948' and total circulation was lost. Drilling continued to 952' where LCM pills were pumped without regaining circulation. The decision was made to trip out of the hole and the bit became stuck at 521'. A freepoint indicated that the drill string was stuck at 90'. Numerous LCM pills were pumped and 1" pipe was used to wash down beside the drill string. A backoff was performed at 128' and fishing operations commenced to retrieve the BHA. After washing down to the bit w/ 2-3/8" tubing, washpipe was run in an attempt to free the drill collars. Returns were lost again at 421' and the washpipe was layed down. After screwing into the fish, jarring commenced and the swivel hook opened unexpectedly dropping the kelly out the derrick onto the pipe racks. The rig was repaired and fishing resumed. The decision was made to retrieve the 6-1/2" drill collars and abandon the remainder of the BHA. The 6-1/2" collars were backed off at 340' leaving 181.46' of fish in the hole consisting of a bit, shock tool, 8" DC, RR, 8" DC, IBS, three 8" DC's, and an XO. A cement plug was set from 325' - 197' consisting of 200 sx Class C + 2% CaCl2 mixed at 14.8 ppg (1.35 cf/ft yield). A second plug was set from 197' - surface consisting of 355 sx Class C + 2% CaCl2. A total of 130 sx of cement was circulated to the reserve pit and the well was abandoned. The rig was then skidded to the Golden Lane 17 Federal #2Y on July 14, 2007.

- 14 I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Annette Childers

Title Administrative Assistant

Signature

Annette Childers

Date

7-27-2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Office

Date

AUG 1 2007

WESLEY W. INGRAM
PETROLEUM ENGINEER

Title 18 USC Section 1001 and Title 43 USC Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Accepted for record - NMOCD

8/8/07