

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM 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

MAY 28 2008

2 Name of Operator
BEPCO, L.P.

OCD-ARTESIA

3a. Address
P.O. BOX 2760 MIDLAND TX 79702-27603b. Phone No (include area code)
(432)683-22774 Location of Well (Footage, Sec, T, R, M, or Survey Description)
UL E, 1650' FNL, 610' FWL, Sec. 9, T21S, R29E

5. Lease Serial No.

NMNM 063418A

6. If Indian, Allottee or Tribe Name

7 If Unit or CA/Agreement, Name and/or No.
NMNM71016X

8 Well Name and No.

Capitan 9 Federal #1

9 API Well No

30-015-35998

10. Field and Pool, or Exploratory Area
Wildcat (Granite)11. County or Parish, State
EDDY
NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Offlease storage & measurement
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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.)

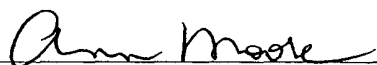
BEPCO, L.P. respectfully requests the approval of off-lease storage and measurement of production from the Capitan 9 Federal #1. Approval of this request for off-lease storage and measurement at the Golden "8" Battery, located in Sec. 8, T21S, R29E, will allow for more efficient operations at a Consolidated Battery. This will reduce the need for another battery on the Capitan 9 Federal #1 wellpad where the BEU #163 wellbore shares the wellpad and there is limited space available. Using the existing facility will also minimize surface disturbance. Full wellstream production will be transported via flowline to a three-phase heater treater where the oil, water and gas will be separated at this vessel. The oil and water will be metered prior to the oil being stored in it's own 500 bbl. oil storage tank; the water will be commingled in a common water tank. Any casinghead gas will be metered via a separate allocation meter, although there is presently no gas production. Please see attached exhibit "A" for well and battery location.

SUBJECT TO LIKE
APPROVAL BY STATE14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

ANN MOORE

Title PRODUCTION CLERK

Signature



Date 04/21/2008

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

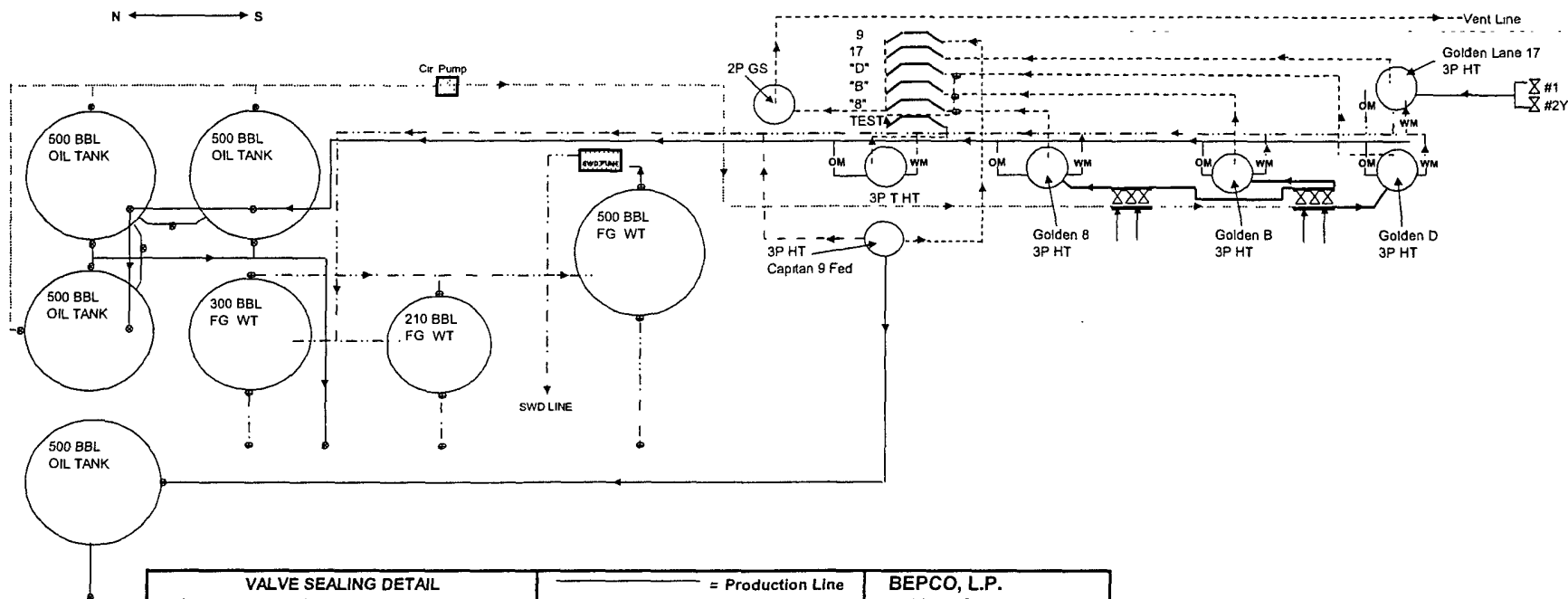
MAY 24 2008

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. 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.

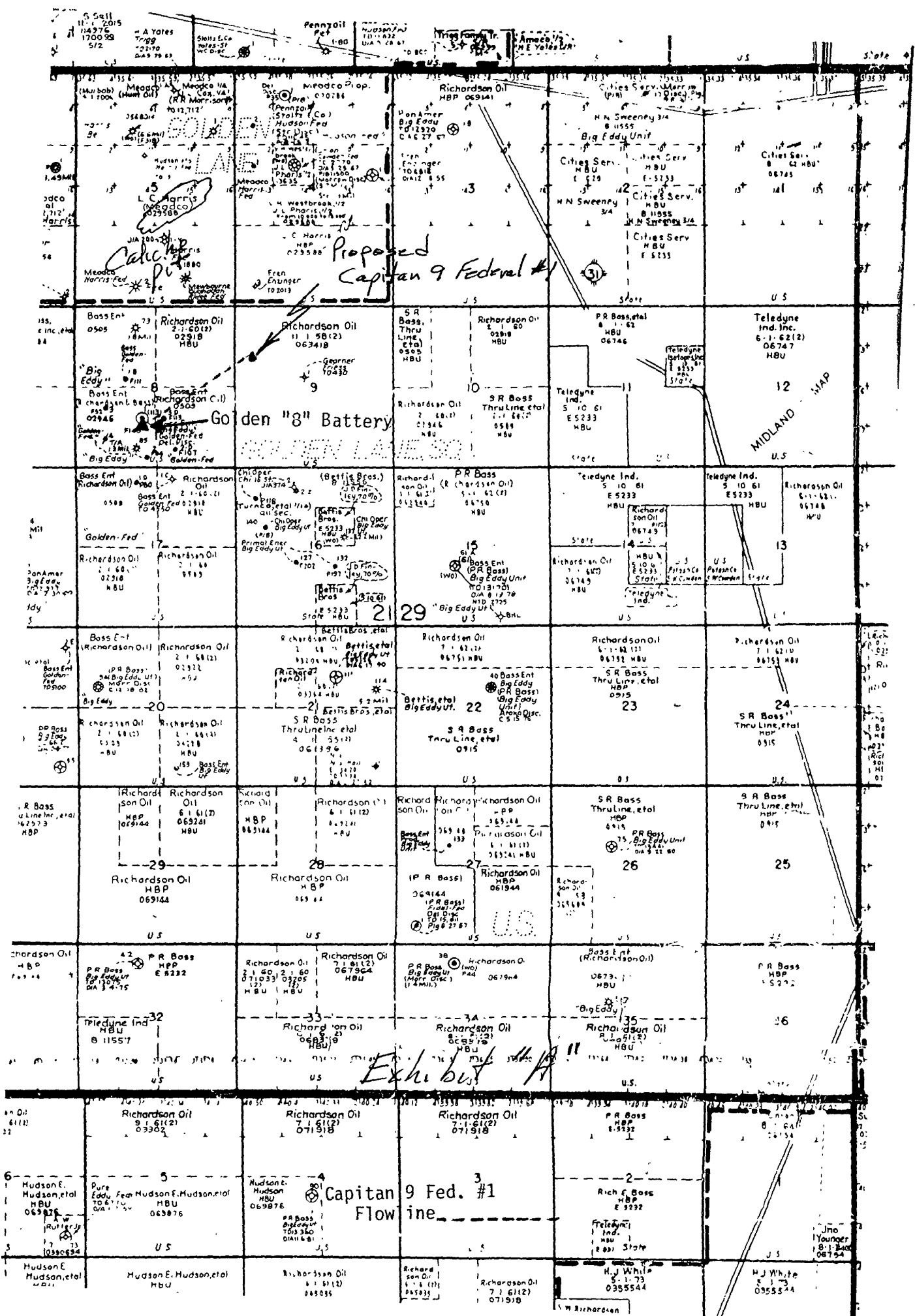
(Instructions on page 2)

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Accepted for record - NMOCD



VALVE SEALING DETAIL				— = Production Line - - - = Oil Dump Line . . . = Gas Line - . - = Water Line - - - = Test Line (Oil) - - - = Circulating Line	BEPCO, L.P. Golden 8 Battery Sec. 8, T21S, R29E Well #'s 1, 2, 4 Golden D Battery Sec. 8, T21S, R29E Well #'s 2, 3, 4 Golden B Battery Sec. 8, T21S, R29E Well # 1 Golden Lane 17 Bty. Sec. 8, T21S, R29E Well # 1, 2Y Capitan 9 Federal Bty. Sec. 9, T21S, R29E Well #1
Phase	SV1	SV2	SV3		
Production	Sealed	Sealed	Open		
Recycle	Sealed	Open	Sealed		
Sales	Open	Sealed	Sealed		
⊗ = Sealed Valve ⊕ = Valve WM = Water Meter OM = Oil Meter 3 P HT = 3 Phase Heater 3 P Test = 3 Phase Sep. 2 P Sep = 2 Phase Sep. 2 P GS = 2 Phase Gas Scrubber 3 P T HT = 3 Phase Test Heater Treater				Golden SWD Golden 8 # 3 Golden D # 1 CRS 4/16/2008 WHF 9/28/2008	



Proposed
Capitan 9 Federal #1

Golden 8 Battery

MIDLAND MAP

Exhibit "A"

Capitan 9 Fed. #1
Flow line