

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

OCT 07 2008

2. Name of Operator
BEPCO, L. P.

OCD-ARTESIA

3a. Address
P. O. Box 2760 Midland, TX 797023b. Phone No. (include area code)
432-682-6373

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

NENW 1140' FNL, 1830' FWL, 32.411633 N LAT, 104.078114 W LON,
Sec 10, T22S, R28E, MER NMP

5. Lease Serial No.

NMLC 069140

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

BIG EDDY UNIT #160

9. API Well No.

30-015-36289

10. Field and Pool, or Exploratory Area

Indian Flats Morrow SW

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 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 type="checkbox"/> Other
	<input checked="" 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.)

BEPCO, L.P. respectfully requests the changes listed below be approved for the captioned well:

- 1) The well will be drilled utilizing a closed loop mud circulating system without a reserve pit being built or utilized. All water or mud used as drilling fluids will be cleaned and recycled or trucked to an approved disposal site. All drill cuttings will be collected and trucked to an approved disposal site.
- 2) A BOP equivalent to Diagram 2 will be nipped up on the surface casing head and tested to 1000 psig with the rig pump. A BOP equivalent to Diagram 1 will be nipped up on the intermediate casing and tested per the APD.
- 3) To waive the Hydrogen Sulfide (H2S) Drilling Plan condition of approval requirement to be activated at 500' prior to drilling into the Delaware formation. We do not anticipate the presence of H2S in the formation gas.

ACCEPTED FOR RECORD

SEE ATTACHED FOR
CONDITIONS OF APPROVAL14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Peggy Geer

Gerry Guye, Deputy Field Inspector
NMOCD-District II ARTESIA Agent for BEPCO, L.P.

Signature

Date 7/08/2008

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

JUL 14 2008

Date

WESLEY W. INGRAM
PETROLEUM ENGINEER

Approved by

Title

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.

Office

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)

5-M WP BOPE WITH 5-M WP ANNULAR

5 M CHOKE MANIFOLD EQUIPMENT-CONFIGURATION MAY VARY

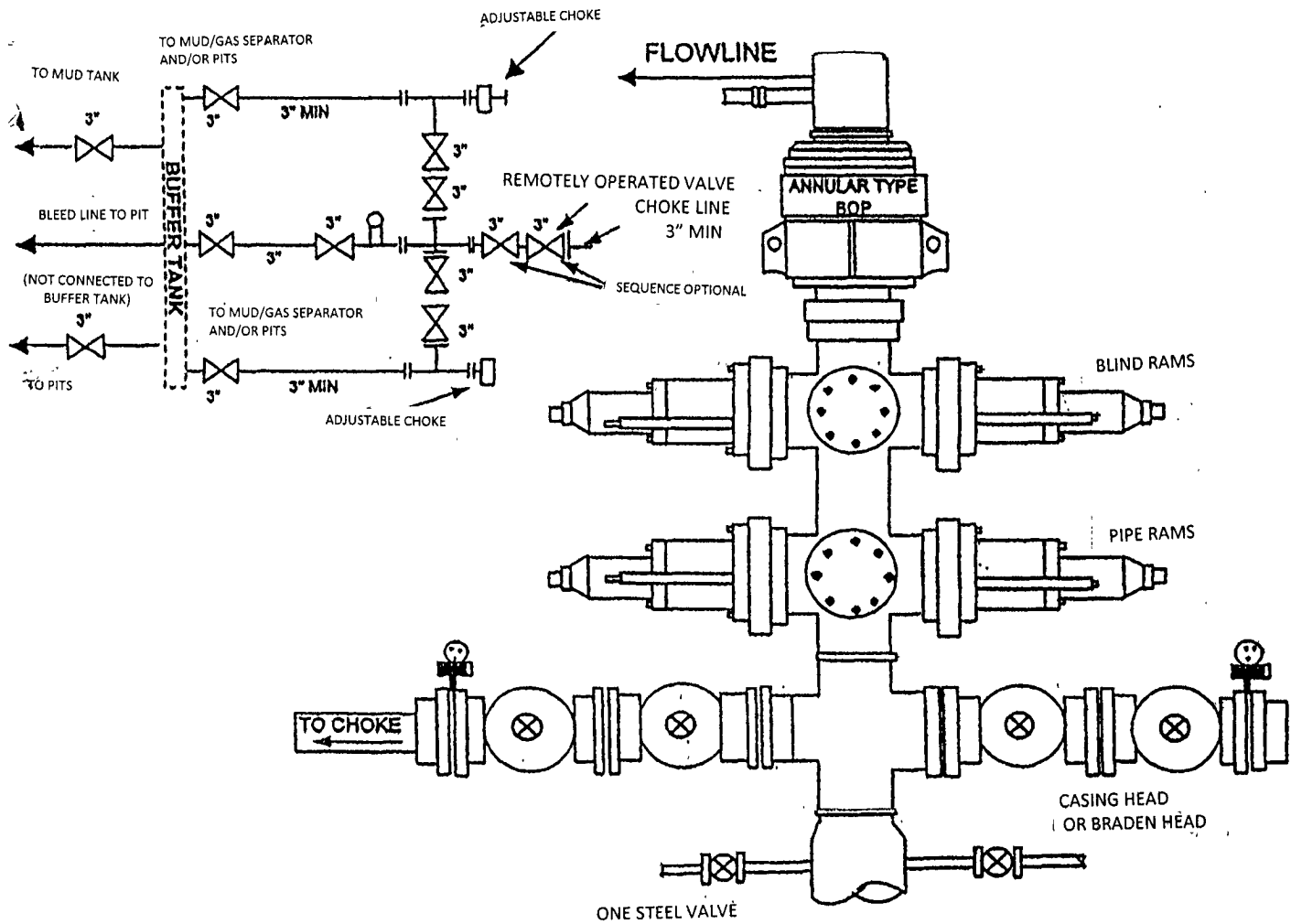


DIAGRAM 2

**Big Eddy Unit #160
Bepco, L.P.
July 11, 2008
Conditions of Approval**

- 1. The variance for testing of the BOP/BOPE on the surface casing is not approved since MASP for the next hole is approximately 1350 psi based on a mud weight of 8.4 ppg.**
- 2. Based on information that the BLM has, there are high concentrations of H₂S in Section 10. Therefore, the H₂S drilling plan requirement will not be waived. If data is available from a gas stream in the area within the past two years that indicates no H₂S presence in a gas stream, the request can be reviewed.**

WWI 071108

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