

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC068545
2. Name of Operator BOPCO LP		6. If Indian, Allottee or Tribe Name
3a. Address MIDLAND, TX 79702		7. If Unit or CA/Agreement, Name and/or No. NMNM71016G
3b. Phone No. (include area code) Ph: 432-683-2277 Ext: 149 Fx: 432-687-0329		8. Well Name and No. POKER LAKE UNIT 150
4. Location of Well (Footage, Sec, T, R, M, or Survey Description) Sec 6 T24S R30E NENE 760FNL 810FEL		9. API Well No. 30-015-31538-00-S1
		10. Field and Pool, or Exploratory FORTY NINER RIDGE UNKNOWN
		11. County or Parish, and 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"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Well Integrity
	<input type="checkbox"/> Other
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Plug Back
	<input checked="" type="checkbox"/> Convert to Injection

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 recomplete 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 recompletion 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.)

BOPCO, L.P. respectfully wishes to convert this well to a injection well. Approval of a waterflood project in the Poker Lake Unit was approved January 12, 2011 for 4 wells. *153-A*

Production tubing will be pulled, a CIBP 7,200' will be drilled out, the wellbore will then be circulated out with produced water, and a packer will be run on a 2-78" injection string. Injection will then commence, injecting into the Lower Brushy Canyon from 7,255' to 7,265'.

RECEIVED

AUG 4 2011

NMOCD ARTESIA

Accepted for record
NMOCD RE
8/3/11

*PACKER MUST BE WITHIN
100' OF UPPER MOST PERM.*

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #106144 verified by the BLM Well Information System For BOPCO LP, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 04/12/2011 (11KMS1370SE)	
Name (Printed/Typed) SANDRA BELT	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 04/08/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>TREY MITCHELL</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>07/21/2011</u>
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 <u>Carlsbad</u>

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Poker Lake Unit 150
30-015-31538
BOPCO LP
July 21, 2011
Conditions of Approval

1. Approval is granted for disposal of water being produced on the same lease/communitization agreement/unit agreement only. If additional sources of water from off the lease/communitization agreement/unit agreement are to be disposed of in this well, prior approval is required. The approval request must include proper authorization from the surface owner.
2. After tubing is pulled, test the casing to 1450 psi. Conduct a Mechanical Integrity Test of the tubing/casing annulus when the packer or tubing is pulled and any time more than five barrels of packer fluid is replaced.
 - a. The test pressure should be 500 psig, with 200 psig differentials between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need to be reduced). Trap that pressure and record it on a chart for 30 minutes. Document the MIT on a calibrated recorder chart within 25 to 85 per cent of its full range.
 - b. Notify Paul R. Swartz at 575-234-5985 and/or 575-200-7902 at least 24 hours before the test. If there is no response, notify the BLM on call drilling phone, 575-361-2822.
 - c. Less than a 10% leakoff may not restrict injection approval. Any leak-off will be evaluated.
 - d. Submit the recorded MIT chart with a subsequent Sundry Form 3160-5 relating the MIT activity. List the name of the BLM witness, or the notified person and date of notification.
 - e. Use of internal protected tubing, on/off equipment, and a profile nipple installation is required. The setting depths and descriptions of each are to be included in the subsequent sundry. List (by date) descriptions of daily activity of any previously unreported wellbore work.
 - f. **Include the original and three copies of the recorded chart and Sundry** (the original will be returned to the operator).

3. Compliance with the NMOCD permit is required.
 - g. Approved injection pressure compliance is required.
 - h. Display real time tubing pressure values onsite. A bourdon tube gauge registering 25% to 85% of its full range is acceptable.
 - i. If injection pressure exceeds the approved pressure you are required to reduce that pressure and notify the BLM within 24 hours.
 - j. When injection pressure is within 50 psig of the maximum pressure, install automation equipment that will prevent exceeding that maximum.
 - i. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment.
 - k. Other unexplained significant variations of rate or pressure to be reported within 5 days of notice.
4. The casing/tubing annulus is required to be monitored for communication with injection fluid or loss of casing integrity.
 - a. The annulus is to be maintained full of packer fluid at atmosphere pressure. Installation of equipment that will display on site, open to the air fluid level is required. A BLM inspector may request verification of this fluid level at any time.
 - b. **The use of automation equipment that will monitor packer fluid level and alarm is required because the wellbore competence is questionable (does not meet standards for Sec Potash).**
 - c. Loss of packer fluid above five barrels per month requires notification of the BLM authorized officer within 5 days.
 - d. Gain of annular fluid requires notification within 24 hours. Cease injection and maintain a production casing pressure of 0psia. Notify the BLMs authorized officer (Paul R. Swartz at 575-200-7902). If there is no response, notify the BLM on call drilling phone, 575-361-2822.
 - e. Also submit to this office a (Sundry Form 3160-5) Notice of Intent (NOI) for approval by BLM and NMOCD a plan for correction and the anticipated date of correction. The lack of records documenting a continuous fluid packed casing will require rapid correction. Verbal approval for the plan may be given from a BLM authorized officer, with the NOI filed soon after.
 - f. After the repairs submit a (Sundry Form 3160-5) Subsequent report, describing the repair(s) and Mechanical Integrity Test as per item 1 above.

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