

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

RECEIVED

JUN 30 2006

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 79702		<sup>2</sup> OGRID Number 001801
<sup>3</sup> Property Code 17275		<sup>4</sup> Property Name Remuda Basin 25 State
<sup>5</sup> Proposed Pool 1 Nash Draw; Morrow		<sup>6</sup> Well No. 1
<sup>7</sup> Surface Location		<sup>8</sup> Proposed Pool 2

UL or lot no. 1	Section 25	Township 23S	Range 29E	Lot Idn	Feet from the 1980	North/South line South	Feet from the 660	East/Westline East	County Eddy
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<sup>8</sup> 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
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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 3060'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 14,200'	<sup>18</sup> Formation Morrow	<sup>19</sup> Contractor Unknown	<sup>20</sup> Spud Date 08/01/2006
Depth to Groundwater 350'		Distance from nearest fresh water well 1 mile northeast		Distance from nearest surface water None in area
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mil thick Clay <input type="checkbox"/>		Pit Volume: 18000 bbls		
Closed-Loop System <input type="checkbox"/>		Drilling Method: Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>		

<sup>21</sup> 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#	+/- 342'	350	Surface
12-1/4"	9-5/8"	36#	+/- 3320'	1335	Surface
8-3/4"	7"	26#	+/- 11,800'	1128	3850' *
6-1/8"	4-1/2"	13.50#	+/- 14,200'	300	10,700'

<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 7- 500' above uppermost pay zone.

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

CEMENT TO COVER ALL OIL,  
GAS AND WATER BEARING  
ZONES

<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 ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: Annette Childers  
Title: Administrative Assistant  
E-mail Address: machilders@basspet.com  
Date: 06/29/2006  
Phone: (432)683-2277

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARANT

Title:

DISTRICT II GEOLOGIST

Approval Date:

AUG 25 2006

Expiration Date:

AUG 25 2007

Conditions of Approval Attached ☐

DENIED

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II  
811 South First, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-31325	Pool Code 81600	Pool Name Nash Draw; Morrow (Gas)
Property Code 17275	Property Name REMUDA BASIN "25" STATE	Well Number 1
OGRID No. 001801	Operator Name BEPCO, L.P.	Elevation 3060'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	25	23 S	29 E		1980	SOUTH	660	EAST	EDDY

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 320	Joint or Infill N	Consolidation Code	Order No.
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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

164.58 ACRES	165.37 ACRES	<p>LAT - N32°16'28.4"</p> <p>LONG - W103°55'54.2"</p> <p>(NAD-83)</p>	<p>660'</p> <p>1980'</p>
163.89 ACRES	162.11 ACRES		

**OPERATOR CERTIFICATION**

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

William R. Dannels  
Signature

W.R. Dannels  
Printed Name

Division Drilling Supt.  
Title

6/29/06  
Date

**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.

APR 20 2006  
Date Surveyed

[Signature]  
Signature of State of Professional Surveyor

No. 6408  
Professional

Certificate No. Garry L. Jones 7977

BASIN SURVEYS

SECTION 25, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.



150' NORTH  
□ OFF SET  
3063.0'

**BEPCO, L.P.**  
**REMUDA BASIN "25" STATE #1**  
**ELEV. - 3060'**

□  
150' WEST  
OFF SET  
3056.7'

○  
Lat.-N 32°16'26.4"  
Long-W 103°55'54.2"  
(NAD-83)

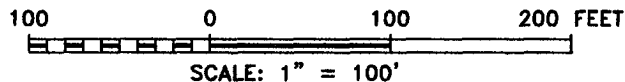
150' EAST  
□ OFF SET  
3063.7'

150' SOUTH  
□ OFF SET  
3054.7'

Proposed Lease Rd. 1777.8'

**DIRECTIONS TO LOCATION:**

FROM THE JUNCTION OF CO. RD. 793 (RAWHIDE) AND  
STATE HWY 128, GO SOUTH ON CO. RD. 793 FOR  
APPROX. 3.7 MILES TO LEASE ROAD; THENCE EAST  
ON LEASE ROAD FOR 0.3 MILE; THENCE SOUTH 0.6  
MILE; TO THE PROPOSED LEASE ROAD.



**BEPCO, L.P.**

REF: REMUDA BASIN "25" STATE #1 / WELL PAD AND TOPO

THE REMUDA BASIN "25" STATE #1 LOCATED 1980' FROM

THE SOUTH LINE AND 660' FROM THE EAST LINE OF

SECTION 25, TOWNSHIP 23 SOUTH, RANGE 29 EAST,

N.M.P.M., EDDY COUNTY, NEW MEXICO.

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

W.O. Number: 6485

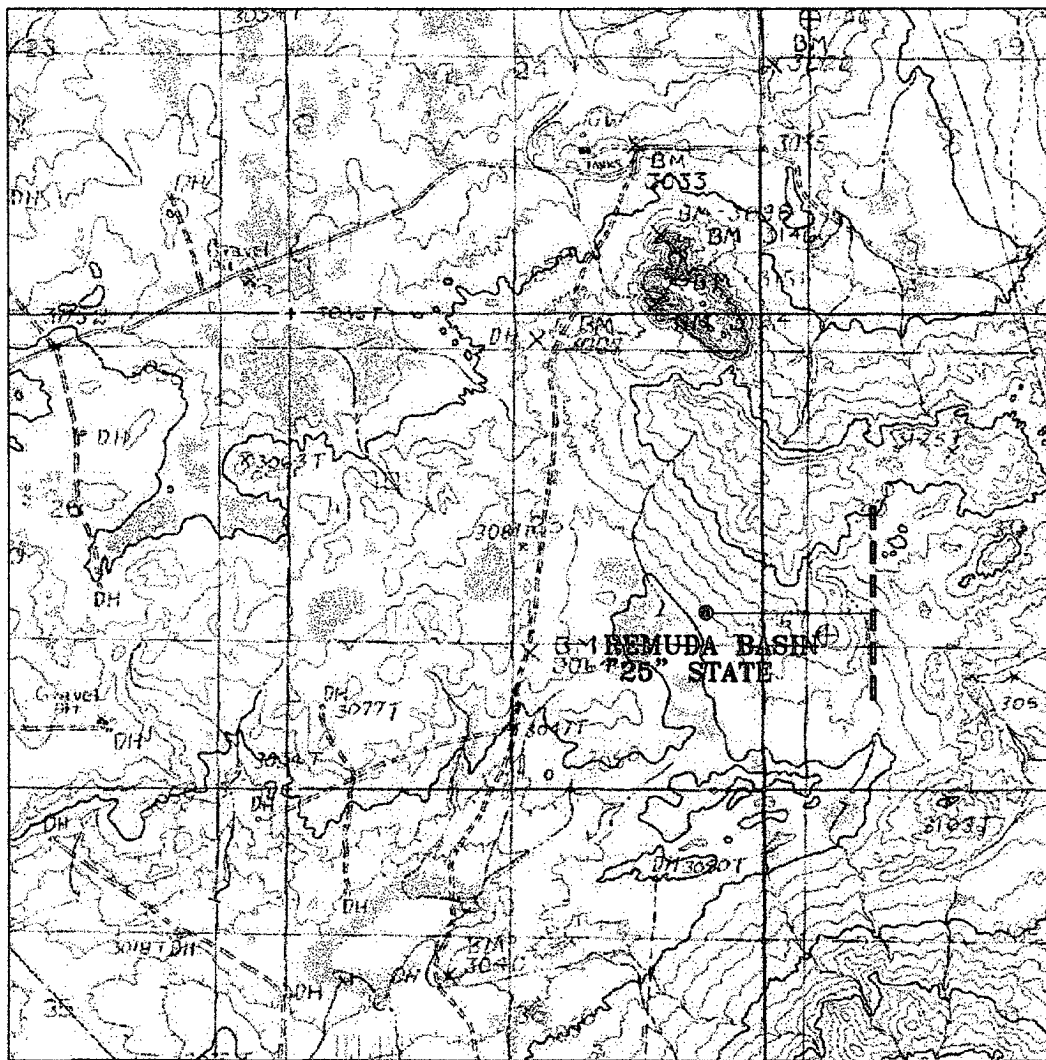
Drawn By: J. SMALL

Date: 04-20-2006

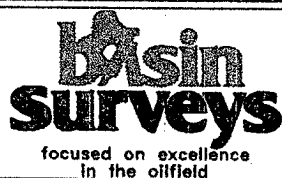
Disk: JMS 6485A

Survey Date: 04-18-2006

Sheet 1 of 1 Sheets



REMUDA BASIN "25" STATE #1  
 Located at 1980' FSL and 660' FEL  
 Section 25, Township 23 South, Range 29 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

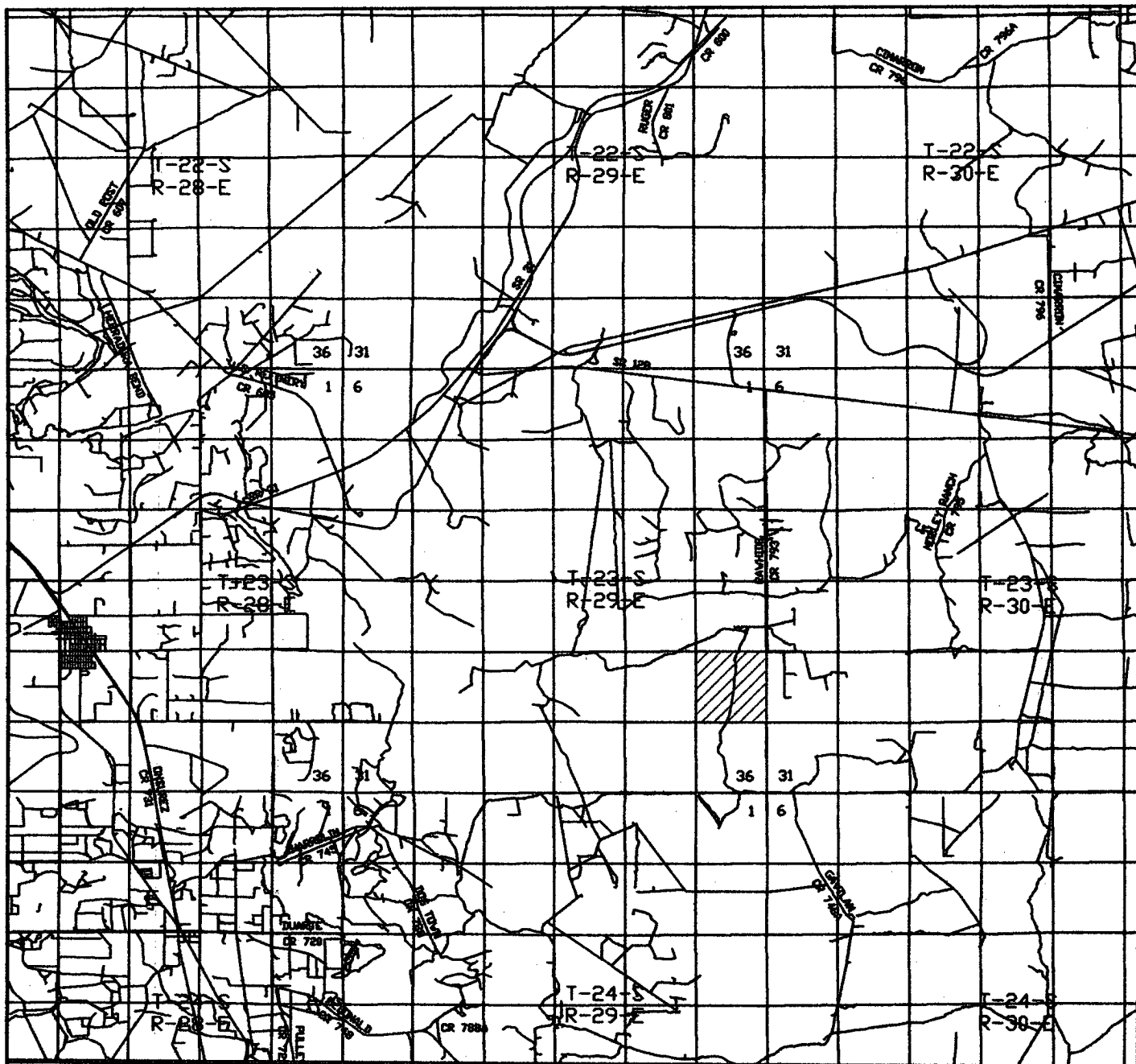
W.O. Number: JMS 6485T

Survey Date: 04-18-2006

Scale: 1" = 2000'

Date: 04-20-2006

BEPCO., L.P.



REMUDA BASIN "25" STATE #1  
 Located at 1980' FSL and 660' FEL  
 Section 25, Township 23 South, Range 29 East,  
 N.M.P.M., Eddy County, New Mexico.

**basin**  
**surveys**

focused on excellence  
 in the oilfield

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BEPCO., L.P.

## EIGHT POINT DRILLING PROGRAM BEPCO, L.P.

**NAME OF WELL: REMUDA BASIN 25 STATE #1**

LEGAL DESCRIPTION - SURFACE: 1980' FSL & 660' FEL, Section 25, T-23-S, R-29-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 3087' (est)  
GL 3060'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUB-SEA TOP</u>	<u>BEARING</u>
T/Rustler	287'	+ 2800'	Barren
T/Salt	352'	+ 2735'	Barren
B/Salt	3072'	+ 15'	Barren
T/Ramsey	3335'	- 248'	Oil/Gas
T/Bone Spring	7037'	- 3950'	Oil/Gas
T/Wolfcamp	10321'	- 7234'	Oil/Gas
T/Atoka Sand	12526'	- 9439'	Oil/Gas
T/Atoka Bank	12606'	- 9519'	Oil/Gas
T/Morrow	13092'	- 10005'	Oil/Gas
T/Middle Morrow "A"	13462'	- 10375'	Oil/Gas
T/Lower Morrow	13856'	- 10769'	Oil/Gas
TD	14200'	- 11113'	

### 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' - 342'	Surface	New
9-5/8", 36#, N80, LTC	0' - 3,320'	First Intermediate	New
7", 26#, P110, LTC	0' - 11,800'	Second Intermediate	New
4-1/2", 13.5#, P110, LTC	11,500' - 14,200'	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>EV</u>	<u>PV</u>	<u>YP</u>	<u>FL</u>	<u>Ph</u>
0' - 352'	FW Spud	8.4 - 9.0	32-38	NC	NC	NC	9-10
352' - 3320'	Brine	9.8 - 10.2	28-32	NC	NC	NC	9-10
3320' - 7000'	FW	8.3 - 8.6	28-32	NC	NC	NC	9-10
7000' - 11800'	FW/C-Brine	8.6 - 9.0	28-32	NC	NC	<100	9-10
11800' - 12500'	C-Brine/Brine	9.5 - 10.0	30-32	6-10	6-10	<100	9-10
12500' - 14200'	C-Brine/Brine	10.0 - 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 11,800'-3,320'.

GR-CNL from 3,320'-surface.

GR-CNL-LDT w/Dual Lateral Log from 14,200'-11,800'.

##### C) CONVENTIONAL CORING

None Anticipated.

# D) CEMENT

INTERVAL	AMOUNT SXS	FT OF FILL	TYPE	GALS/SX	PPG	FT <sup>3</sup> /SX
SURFACE 0' - 342' (100% excess) (Circ to Surface)	350	342	Premium Plus + 2% CaCl <sub>2</sub> + 1/4 #/sk Flocele	6.32	14.80	1.34
1st INTERMEDIATE Lead: 0' - 2820' (200% excess) (Circ to Surface)	1100	2820	Interfil C + 0.25 #/sk Flocele + 1 #/sk Salt.	14.10	11.90	2.45
Tail: 2820' - 3320' (200% excess)	235	500	Premium Plus + 2% CaCl <sub>2</sub>	6.34	14.80	1.34
2nd INTERMEDIATE 2 <sup>nd</sup> Stage Lead: 2850' - 7,500' (50% excess)	628	4650	Super H w/5#/sk Gilsonite + 0.5% Halad 344 + 0.4% CFR-3 + 0.1% HR-7	8.23	13.00	1.67
DV Tool @ 7500'						
1 <sup>st</sup> Stage Lead: 7500' - 11,800' (50% excess)	580	4300	Super H w/5 #/sk Gilsonite + 0.5% Halad 344 + 0.4% CFR-3 + 0.1% HR-7	8.23	13.00	1.67
PRODUCTION LINER Lead: 11,500' - 14,200' (50% excess TOC ±10,700')	228	2700	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/cnt

June 29, 2006

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

10 M CHOKE MANIFOLD EQUIPMENT-CONFIGURATION MAY VARY

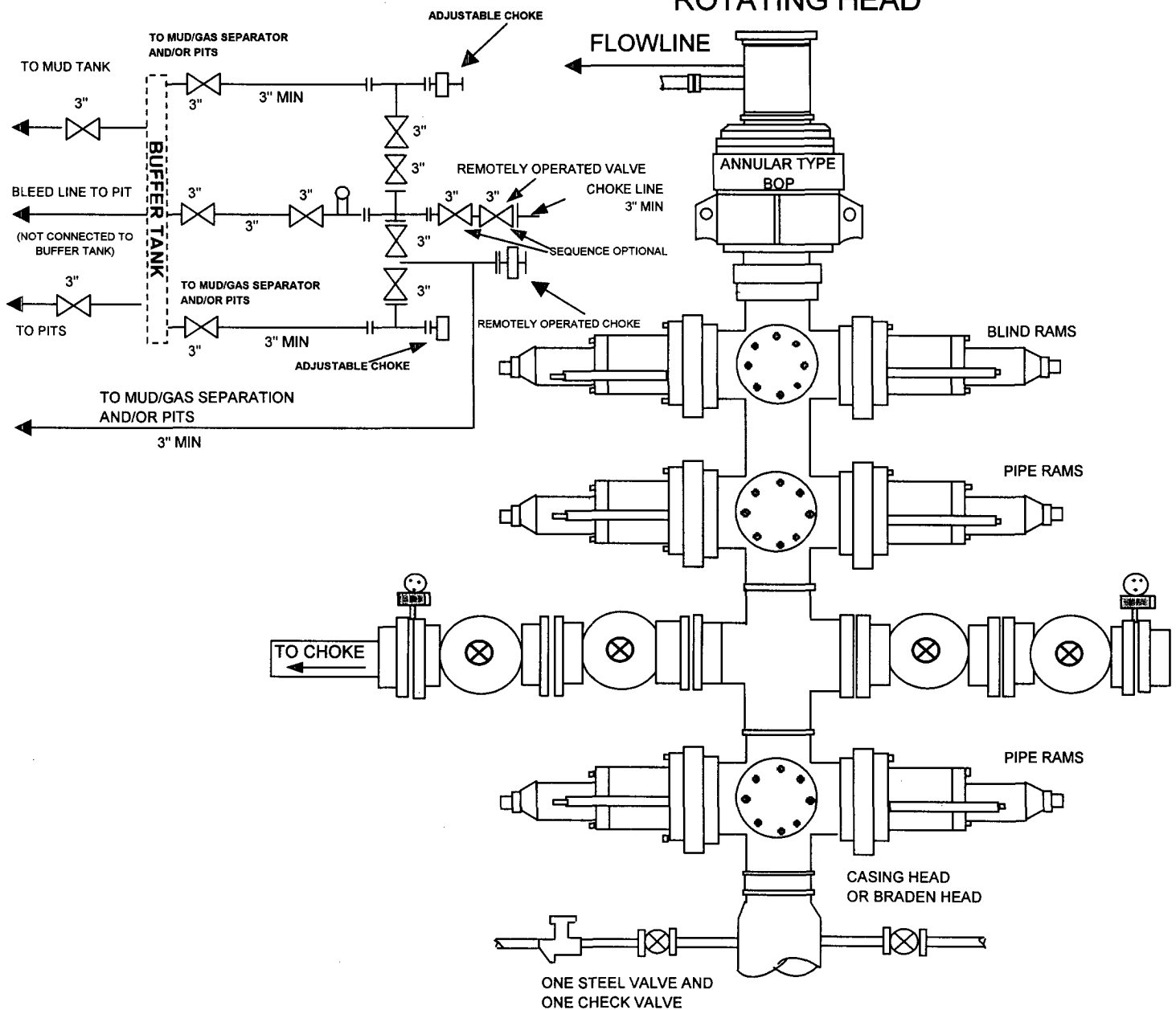


DIAGRAM 1