

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007Month - Year
APR 16 2007
OCD - ARTESIA, NM

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 ☐ Other2. Name of Operator
BEPCO, L.P.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)
330' FSL, 2310' FWL, SEC. 8, T21S, R29E

5. Lease Serial No.

NMNM02946

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

GOLDEN 8 FEDERAL #2

9. API Well No.

30-015-27036

10. Field and Pool, or Exploratory Area

GOLDEN LANE, SOUTH (DELAWARE)

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 TO FLARE GAS
	☐ 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 recompleate 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 recompleation 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 PERMISSION TO FLARE THE CASINGHEAD GAS FROM THE GOLDEN 8 FEDERAL #2 OIL WELL. THE PRODUCED GAS CANNOT BE SOLD BECAUSE OF THE H₂S CONTENT. THE TOTAL VOLUME OF GAS FROM THIS WELL IS 1 MCF PER DAY AND IS SENT TO A COMMON FLARE LOCATED ON THE GOLDEN 8 FEDERAL #1 WELL SITE. A RECENT GAS ANALYSIS FROM A NEARBY WELL AND GOING TO THE SAME FLARE IS ATTACHED AND ILLUSTRATES THE H₂S CONTENT TO BE 10,000 PPM. THE GAS VOLUME WILL BE SEPARATELY METERED AT THIS WELL.

Approved For 3 Month Period
Singed 7/11/07SEE ATTACHED FOR
CONDITIONS OF APPROVAL
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 03/21/2007

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
APR 11 2007FREDERICK WRIGHT
PETROLEUM ENGINEER

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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

SUNDRY NOTICE SPECIAL STIPULATIONS

1. Approval is granted to vent the gas from the battery and associated wells specified in this sundry through 7/11/07 contingent on the operator providing the following information:
2. An analysis for each well showing that at current production rates, the energy equivalent of the oil produced exceeds the energy equivalent of the gas produced.
3. Some statement in support of the conditions that NTL-4A IV.C requires the operator to satisfy. To include but not limited to:
4. Projected costs of constructing gas separation facilities that will reduce the H2S content of the gas to the point that a purchaser will purchase the gas.
5. Economic cash flow projection showing the costs and revenue associate with this scenarios.
6. Only the wells on the operators provided list are included in this approval.

Engineering
can be reached at 505-706-2779 for any variances that might be necessary.

F Wright 4/11/07