

7031

ATS-07-436

Form 3160-3  
(April 2004)

OCD-ARTESIA

AUG 08 2007

FORM APPROVED  
OMB No 1004-0137  
Expires March 31, 2007UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

Lease Serial No

NMLC 069259-069142A

per Annette Childers. ac

## APPLICATION FOR PERMIT TO DRILL OR REENTER

1a Type of work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7 If Unit or CA Agreement, Name and No	
1b Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		8 Lease Name and Well No. Big Eddy Unit 186	
2 Name of Operator BEPCO, L.P.		9 API Well No 30-015-35753	
3a Address P O Box 2760 - Midland, TX 79702		10 Field and Pool, or Exploratory Dublin Ranch (Morrow)	
3b Phone No. (include area code) (432) 683-2277		11 Sec, T R M or Blk and Survey or Area Sec 14, T22S, R28E	
4 Location of Well (Report location clearly and in accordance with any State requirements *) At surface SWSW, UL M, 660' FSL, 660' FWL, Lat N32. 387417, Lon W104.064667 At proposed prod zone SAME		12 County or Parish Eddy County	
14 Distance in miles and direction from nearest town or post office* 7 miles northeast of Loving, New Mexico		13 State NM	
15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig unit line, if any) 660'	16 No of acres in lease 2359.67	17 Spacing Unit dedicated to this well 320	
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft None	19 Proposed Depth 12,800'	20 BLM/BIA Bond No on file NM 2204	
21 Elevations (Show whether DF, KDB, RT, GL, etc ) 3136' GL	22 Approximate date work will start* 11/01/2007	23 Estimated duration 45 days	

## 24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, shall be attached to this form

- |                                                                                                                                               |                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| 1 Well plat certified by a registered surveyor.                                                                                               | 4 Bond to cover the operations unless covered by an existing bond on file (see Item 20 above)    |
| 2 A Drilling Plan                                                                                                                             | 5 Operator certification                                                                         |
| 3 A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office) | 6 Such other site specific information and/or plans as may be required by the authorized officer |

25 Signature <i>Annette Childers</i>	Name (Printed/Typed) Annette Childers	Date 4-24-07
Title Administrative Assistant		

Approved by (Signature) /s/ James Stovall	Name (Printed/Typed) /s/ James Stovall	Date AUG 03 2007
Title FIELD MANAGER		Office CARLSBAD FIELD OFFICE

Application approval 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

Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

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)

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED

750 ft  
rock  
on private

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

DISTRICT II  
1301 W. Grand Avenue, Artesia, NM 88210

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

DISTRICT IV  
1220 St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 12, 2005

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

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 76410	Pool Name Dublin Ranch (Morrow)
Property Code 069142 3662	Property Name BIG EDDY UNIT	Well Number 186
OGRIID No. 001801	Operator Name BEPCO, L.P.	Elevation 3136'

Surface Location

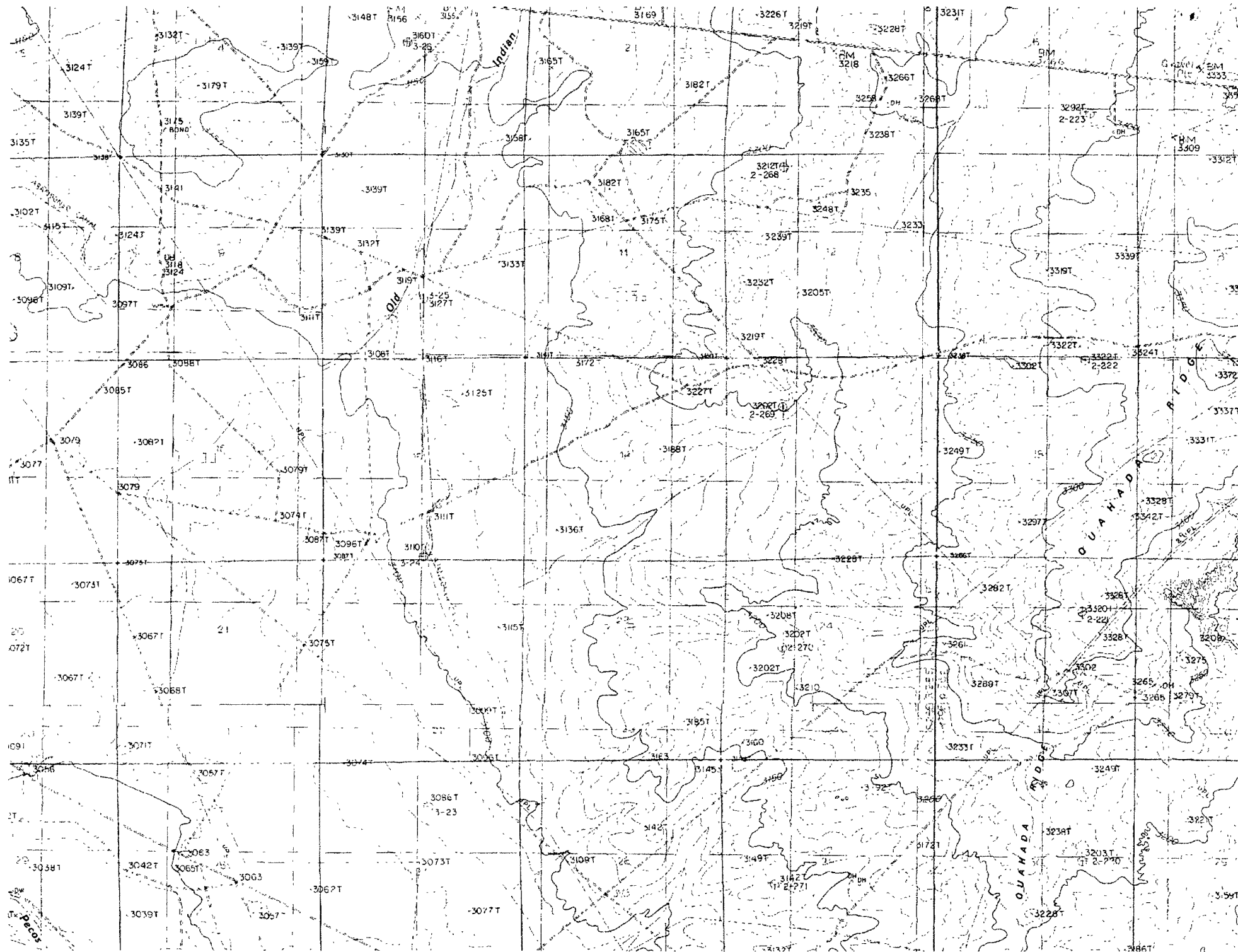
UL or lot No. M	Section 14	Township 22 S	Range 28 E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 660	East/West line WEST	County EDDY
--------------------	---------------	------------------	---------------	---------	----------------------	---------------------------	----------------------	------------------------	----------------

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.						

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

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Refer to original APD</p> <p>Signature _____ Date _____</p> <p>C. K. Jenkins Printed Name</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>APRIL 09, 2007</p> <p>Date Surveyed _____</p> <p>Signature &amp; Seal of Surveyor _____</p> <p>Professional Surveyor</p>
	<p>Certificate No. Gary L. Jones 7977</p>
	<p>BASIN SURVEYS</p>



Surface casing to be set into the Rustler below all fresh water sands.

Production casing will be cemented using Halliburton Class "H" plus additives w/TOC 500' into intermediate casing.

Drilling procedure, BOP diagram, anticipated tops and surface plans attached.

This well is located outside the Secretary's Potash area and outside the R-111 Potash area.

There are no potash leases within 1 mile of the location.

BEPCO, L.P., at P. O. Box 2760, Midland, TX, 79702 is a division office of BEPCO, L.P., 201 Main Street, Ft. Worth, TX 76102, Bond No. NM 2204 (Nationwide).

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

**NAME OF WELL: BIG EDDY UNIT #186**

Legal Description - Surface: 660' FSL & 660' FWL, Sec 14, T22S, R28E, Eddy County, NM.

**POINT 1: ESTIMATED FORMATION TOPS**

(See No. 2 Below)

**POINT 2: WATER, OIL, GAS AND/OR MINERAL BEARING FORMATIONS**

Anticipated Formation Tops: KB 3160' (est)  
GL 3136'

<u>FORMATION</u>	<u>ESTIMATED TOP FROM KB</u>	<u>ESTIMATED SUBSEA TOP</u>	<u>BEARING</u>
T/Salt	460'	+ 2,700'	Barren
B/Salt	2,420'	+ 740'	Barren
T/Lamar	2,670'	+ 490'	Oil/Gas
T/Delaware	2,710'	+ 450'	Oil/Gas
T/Bone Spring	6,220'	- 3,060'	Oil/Gas
T/Wolfcamp	9,610'	- 6,450'	Oil/Gas
T/Strawn	10,952'	- 7,792'	Oil/Gas
T/Atoka	11,260'	- 8,100'	Oil/Gas
T/Upper Morrow	11,845'	- 8,685'	Oil/Gas
T/Middle Morrow	12,190'	- 9,030	Oil/Gas
T/Lower Morrow	12,510	- 9,350	Oil/Gas
TD	12,800'		

**POINT 3: CASING PROGRAM**

<u>Hole</u>	<u>TYPE</u>	<u>INTERVALS</u>	<u>PURPOSE</u>	<u>CONDITION</u>
	20"	0' - 40'	Conductor	Contractor Discretion
17 1/2	13-3/8", 54.5#, J-55, STC	0' - 450'	Surface	New
12 3/4	9-5/8", 40#, HCP-110, LTC	0' - 6,280'	Intermediate	New
8 3/4	5-1/2", 17#, HCP-110 LT&C	0' - 12,800'	Production Liner	New

Per oper.  
5-8-07

#### 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 casinghead and the intermediate casing. The BOP stack, choke, etc. when rigged up on surface casing, will be tested to 70% of interval yield of casing or 1000 psig whichever is less. On the intermediate casing, the BOP stack, choke, kill lines, kelly cocks, inside BOP, etc. will be hydro-tested to 5,000 psi on the intermediate casing. The annular will be tested to 2500 psi. 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

DEPTH	MUD TYPE	WEIGHT	FV	PV	YP	FL	Ph
0' – 450'	FW	8.5 - 9.2	45-35	NC	NC	NC	9.5
450' – 6,280'	BW	10.0 – 10.2	28-30	NC	NC	NC	9.5
6,280' – 9,000'	FW	8.6 – 8.9	28-30	4	2	NC	9.5
9,000' – 10,500'	CBW	8.9 – 10.2	28-30	6	4	<20	9.5
10,500' – TD	CBW/Polymer	8.9 – 12.1	32-55	12-20	12-22	10-15	9.5-10.0

#### POINT 6: TECHNICAL STAGES OF OPERATION

##### A) TESTING

Drill stem tests may be performed on significant shows in zones of interest, but none are anticipated.

##### B) LOGGING

Run #1:

GR-CNL-LDT-LLD-CAL run from 6280' to surface csg. GR-CNL to surface.

Run #2:

GR-CNL-LDT-LLD-CAL run from TD to intermediate casing, FMI as required.

##### C) CORING

No cores are anticipated.

## D) CEMENT

<u>INTERVAL</u>	<u>AMOUNT SX</u>	<u>FT OF FILL</u>	<u>TYPE</u>	<u>GALS/SX</u>	<u>PPG</u>	<u>FT<sup>3</sup>/SX</u>
<u>SURFACE</u>						
Lead						
0' - 250'	190	250	Halliburton Light +	10.14	12.80	1.87
(100% excess)			Premium Plus + 2.7 pps salt			
Tail						
250'-450'	210	200	Premium Plus + 2% CaCl <sub>2</sub>	6.57	14.80	1.35
(100% Excess)						

INTERMEDIATE

<u>INTERVAL</u>	<u>AMOUNT SXS</u>	<u>FT OF FILL</u>	<u>TYPE</u>	<u>GALS/SX</u>	<u>PPG</u>	<u>FT<sup>3</sup>/SX</u>
<u>INTERMEDIATE</u>						
Lead						
0' - 5280'	1200	5280	Interfill H + 0.25 pps Pol-e-flake + 8 pps Gilsonite	16.43	11.50	2.79
(100% Excess)						
Tail						
5280' - 6280'	400	1000	Super H + 5 pps Gilsonite + 3 pps Salt + 05% LAP-1	7.93	13.2	1.64
(100% Excess)						

PRODUCTION (Two stage DV tool @ 8500' and circulate cement to 5780')

<u>INTERVAL</u>	<u>AMOUNT SXS</u>	<u>FT OF FILL</u>	<u>TYPE</u>	<u>GALS/SX</u>	<u>PPG</u>	<u>FT<sup>3</sup>/SX</u>
<u>PRODUCTION</u>						
1 <sup>st</sup> Stage						
LEAD						
8500'-11,500'	460	3000	Interfill H + 5pps Gilsonite + 0.5% Halad 9	13.63	11.90	2.47
(50% excess)						
TAIL						
11,500'-12,800'	350	1300	Super H + 0.5% Halad 344 + 0.4% CFR3 + 5 pps Gilsonite + 1 pps Salt + 0.2% HR7	7.73	13.20	1.60
(50% excess)						
2 <sup>nd</sup> Stage						
LEAD						
5780'-8200'	380	2420	Interfill H + 5pps Pol-e-flake + 0.5% Halad 9	13.63	11.90	2.47
(50% excess)						
TAIL						
8200'-8500'	100	300	Premium + 0.5% HR-5	5.20	15.60	1.18
(50% excess)						

## E) DIRECTIONAL DRILLING

No directional services anticipated. A straight hole will be drilled to 12,800' TD.

## POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout the Delaware and Bone Spring sections. The Wolfcamp and Strawn are expected to have a BHP of 5515 (max) or an equivalent mud weight of 10.0 ppg. The Atoka may have pressures of 6800-7800 psi (12.1 ppg). 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 Morrow will be normally pressured. The expected BHT at TD is 200°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

45 days drilling operations

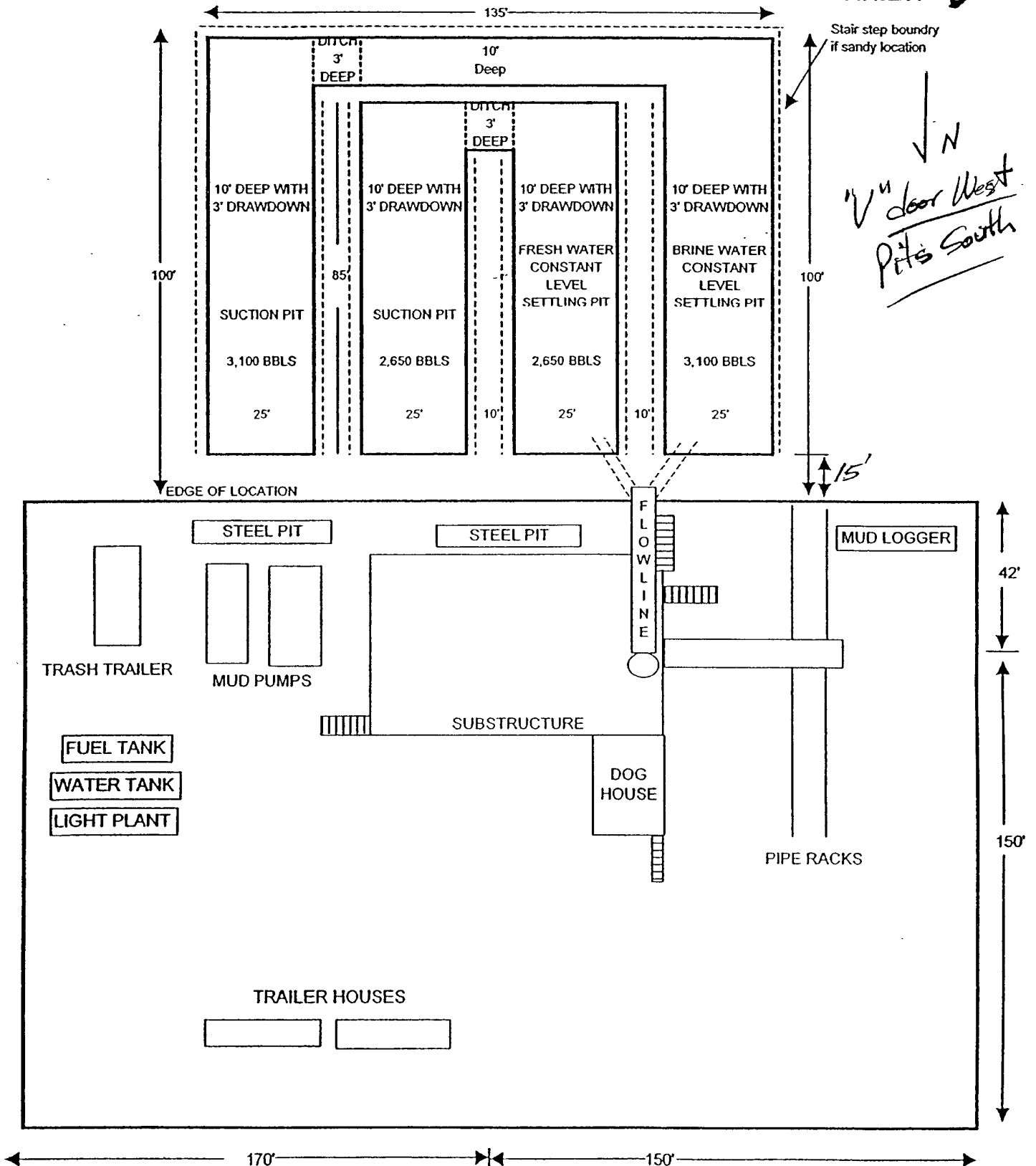
20 days completion operations



# BASS ENTERPRISES PRODUCTION COMPANY

BEU #148  
Grey Wolf Rig #76

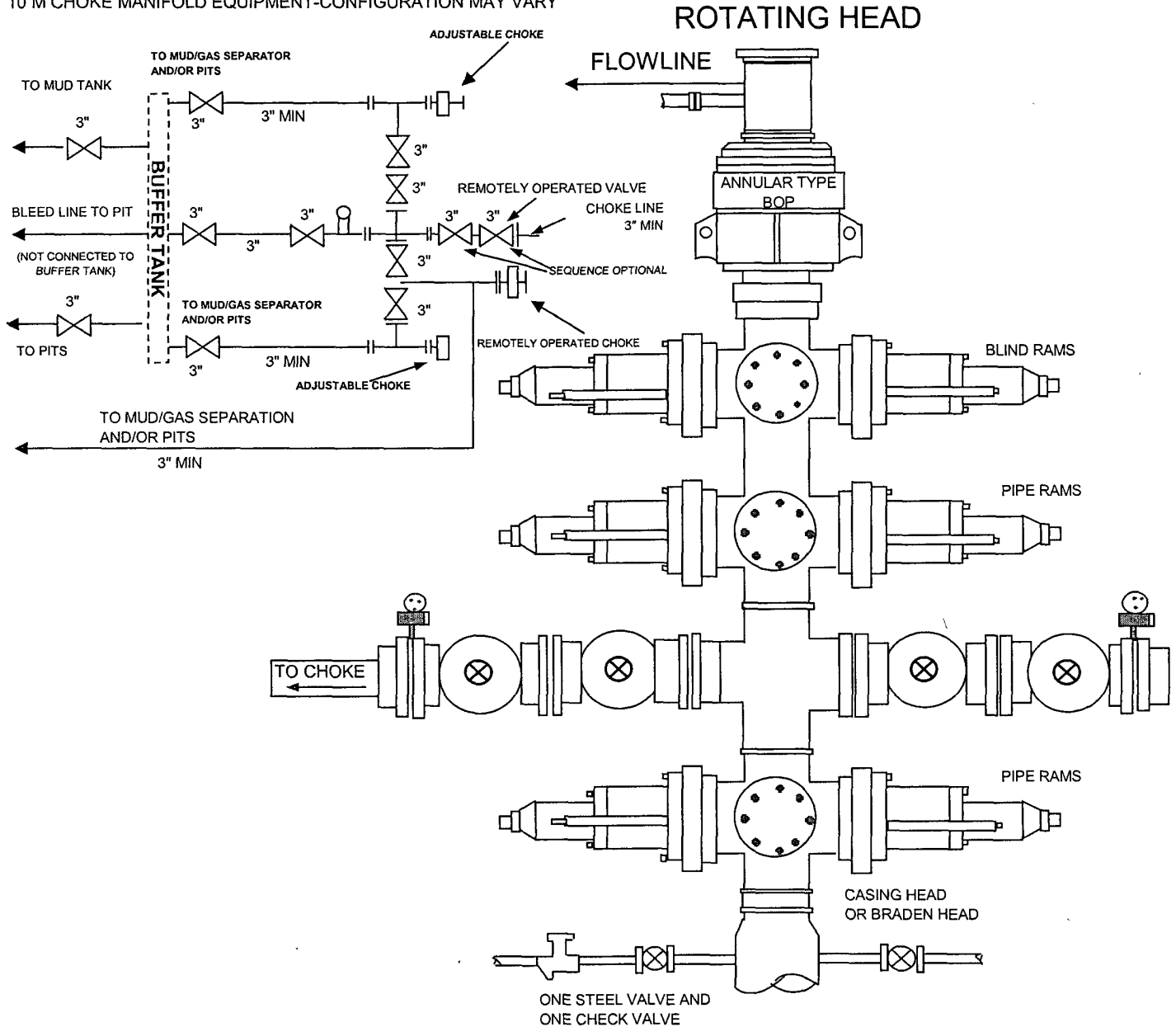
EXHIBIT "D"



# BEPCO, L. P.

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

10 M CHOKE MANIFOLD EQUIPMENT-CONFIGURATION MAY VARY



### DIAGRAM 1

## **MULTI-POINT SURFACE USE PLAN**

**NAME OF WELL: BIG EDDY UNIT #186**

Legal Description - Surface: 660' FSL & 660' FWL, Sec 14, T22S, R28E, Eddy County, NM.

### **POINT 1: EXISTING ROADS**

A) Proposed Well Site Location

See Exhibit "B".

B) Existing Roads:

*From 0.2 miles past Mile Marker #5 of State Hwy 31 or the Junction of State Hwy 31 and Co. Rd. 605 (U.S. Refinery), go 4.8 miles northwest to Co. Rd. 607 (Old Post), on Co. Rd. 607 go northeast 1.3 miles to a "Y" and take road north for 0.6 miles to least road, go east on least road for 0.5 miles to proposed lease road.*

C) Existing Road Maintenance or Improve Plan:

See Exhibit "B"

### **POINT 2: NEW PLANNED ACCESS ROUTE**

A) Route Location:

See Exhibit "B". The new road will be 12' wide and approximately 3057' long from existing lease road. The road will be constructed of watered and compacted caliche.

B) Width

12' Wide.

C) Maximum Grade

Not Applicable.

D) Turnouts

As required by BLM stipulations

E) Culverts, Cattle Guards, and Surfacing Equipment

None

### **POINT 3: LOCATION OF EXISTING WELLS**

Exhibit "A" indicates existing wells within the surrounding area.

**POINT 4: LOCATION OF EXSITING OR PROPOSED FACILITIES**

- A) Existing facilities within one mile owned or controlled by lessee/operator:

Big Eddy Unit #154 located NENE Section 15, T22S, R28E, Eddy County, N.M.

- B) New Facilities in the Event of Production:

New production facilities will be installed at the new location.

- C) Rehabilitation of Disturbed Areas Unnecessary for Production:

Following the construction of production facilities, those access areas required for continued production will be graded to provide drainage and minimize erosion. The areas necessary for use will be graded to blend in the surrounding topography – See Point 10.

**POINT 5: LOCATION AND TYPE OF WATER SUPPLY**

- A) Location and Type of Water Supply

Fresh water will be hauled from the City of Carlsbad. Brine water will be hauled from Champion Brine Water Station, 3.5 miles east and 2.5 miles south of Carlsbad.

- B) Water Transportation System

Water hauling to the location will be over the existing and proposed roads.

**POINT 6: SOURCE OF CONSTRUCTION MATERIALS**

- A) Materials

On-site caliche will be used.

- B) Land Ownership

Federally Owned.

- C) Materials Foreign to the Site

On site caliche will be used, but if necessary caliche will be hauled from only BLM approved pits.

- D) Access Roads

3056.8' of new access road will be required. See Exhibit "B".

**POINT 7: METHODS FOR HANDLING WASTE MATERIAL**

- A) Cuttings

Cuttings will be contained in the reserve pit.

- B) Drilling Fluids

Drilling fluids will be contained in the reserve pit.

C) Produced Fluids

Water Production will be contained in the reserve pit.

Hydrocarbon fluid or other fluids that may be produced during testing will be retained in the test tanks. Prior to cleanup operations, any hydrocarbon material in the reserve pit will be removed by skimming or burning as the situation would dictate.

D) Sewage

Current laws and regulations pertaining to the disposal of human waste will be complied with.

E) Garbage

Portable containers will be utilized for garbage disposal during the drilling of this well.

F) Cleanup of Well Site

Upon release of the drilling rig, the surface of the drilling pad will be graded to accommodate a completion rig if testing indicates potential productive zones. In any case, the "mouse" hole and the "rat" hole will be covered. The reserve pit will be fenced and the fence maintained until the pit is backfilled. Reasonable cleanup will be performed prior to the final restoration of the site.

**POINT 8: ANCILLARY FACILITIES**

We will be constructing a new gathering line to the north or east to tie into existing pipelines.

**POINT 9: WELL SITE LAYOUT**

A) Rig Orientation and Layout

Exhibit "D" shows the dimensions of the well pad and reserve pits and the location of major rig components. Only minor leveling of the well site will be required. No significant cuts or fills will be necessary.

B) Locations of Pits and Access Road

See Exhibits "B", "C", and "D".

C) Lining of the Pits

The reserve pit will be lined with plastic.

**POINT 10: PLANS FOR RESTORATION OF THE SERVICE**

A) Reserve Pit Cleanup

A pit will be fenced at the time of rig release and shall be maintained until the pit is backfilled. Previous to backfill operations, any hydrocarbon material on the pit surface shall be removed. The fluids and solids contained in the pit shall be backfilled with soil excavated from the site and soil adjacent to the reserve pit. The restored surface of the pit shall be contoured to prevent impoundment of surface water flow. Water – bars will be constructed as needed to prevent excessive erosion. Topsoil, as available, shall be placed over the restored surface in a uniform layer. The area will be seeded according to the BLM stipulations during the appropriate season following restoration.

B) Restoration Plans – Production Developed

The reserve pit will be backfilled and restored as described above under Item A. In addition, those areas not required for production will be graded to blend with the surrounding topography. Topsoil, as available, will be placed upon those areas and seeded. The portion of the site required for production will be graded to minimize erosion and provide access during inclement conditions. Following depletion and abandonment of the site, restoration procedures will be those that follow under Item C.

C) Restoration Plans – No Production Developed

The reserve pit will be restored as described above. With no production developed, the entire surface disturbed by construction of the well site will be restored. The site will be contoured to blend with the surrounding topography and provide drainage of surface water. The topsoil, as available, shall be replaced in a uniform layer and seeded according to the BLM stipulations.

D) Rehabilitation Timetable

Upon completion of drilling operations, the initial cleanup of the site will be performed as soon as weather and site conditions allow economic execution of the work.

**POINT 11: OTHER INFORMATION**

A) Terrain

Relatively Flat

B) Soil

Caliche and sand.

C) Vegetation

Sparse, primarily grasses and mesquite with very little grass.

D) Surface Use

Primarily grazing.

E) Surface Water

There are no ponds, lakes, streams, or rivers within several miles of the wellsite.

F) Water Wells

There are no water wells within 1 mile of location.

G) Residences and Buildings

None in the immediate vicinity.

H) Historical Sites

None observed.

I) Archeological Resources

An archeological survey will be obtained for this area. Before any construction begins, a full and complete archeological survey will be submitted to the BLM. Any location or construction conflicts will be resolved before construction begins.

J) Surface Ownership

The well site and access road are both on federally owned land.

K) Well signs will be posted at the drilling site.

L) Open Pits

All pits containing liquid or mud will be fenced and bird-netted.

**POINT 12: OPERATOR'S FIELD REPRESENTATIVE**

(Field personnel responsible for compliance with development plan for surface use).

**DRILLING**

William R. Dannels  
Box 2760  
Midland, Texas 79702  
(432) 683-2277

**PRODUCTION**

Mike Waygood  
3104 East Green Street  
Carlsbad, New Mexico 88220  
(505) 887-7329

Michael Lyon  
Box 2760  
Midland, Texas 79702  
(432) 683-2277

**POINT 13: CERTIFICATION**

I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Bass Enterprises Production Co. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

4/20/07  
Date

C. K. (Buddy) Jenkins  
C. K. (Buddy) Jenkins

CKJ:mac

## CONDITIONS OF APPROVAL - DRILLING

Operator's Name: BEPCO, L.P.  
Well Name & No. 186-Big Eddy Unit  
Location: 0660 FSL, 0660 FWL, Sec. 14, T-22-S, R-28-E, Eddy County, NM  
Lease: NMLC-069142A

.....

### **I. DRILLING OPERATIONS REQUIREMENTS:**

- A. The Bureau of Land Management (BLM) is to be notified a minimum of 4 hours in advance for a representative to witness:
1. Spudding well
  2. Setting and/or Cementing of all casing strings
  3. BOPE tests
- Eddy County call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822
- B. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
- C. If floor controls are required, (3M or Greater) controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

### **II. CASING:**

- A. The 13-3/8 inch surface casing shall be set **in the lower part of the Rustler Anhydrite and above the salt at approximately 450 feet** and cemented to the surface.
1. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
  2. Wait on cement (WOC) time for a primary cement job will be a minimum of 12 hours for a non-water basin, 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compression strength, whichever is greater. (This is to include the lead cement)
  3. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compression strength, whichever is greater.
  4. If cement falls back, remedial action will be done prior to drilling out that string.
- B. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is **cement shall circulate to surface**. If cement does not circulate see A.1 thru 4.
- C. The minimum required fill of cement behind the 5-1/2 inch production casing is **cement shall extend a minimum of 200 feet into the intermediate casing. First stage to circulate.**



- D. If hardband drill pipe is rotated inside casing; returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool I joints of the drill pipe will be installed prior to continuing drilling operations.

### **III. PRESSURE CONTROL:**

- A. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53.
- B. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M) PSI**.
- C. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 9-5/8 intermediate casing shoe shall be **10000 (10M) PSI**.
- D. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
1. The tests shall be done by an independent service company.
  2. The results of the test shall be reported to the appropriate BLM office.
  3. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
  4. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi in accordance with API RP 53. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.
  5. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.
  6. A variance to test the surface casing and BOP/BOPE to the reduced pressure of 1000 psi with the rig pumps is approved.

### **IV. DRILLING MUD:**

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

1. Recording pit level indicator to indicate volume gains and losses.
2. Mud measuring device for accurately determining the mud volumes necessary to fill the hole during trips.
3. Flow-sensor on the flow line to warn of abnormal mud returns from the well

### **V. DRILL STEM TESTS**

If drill stem tests are performed, Onshore Order 2.III.D requirements are in effect.

**Engineer on call phone: 505-706-2779**  
**WWI 050807**

## OCD-ARTESIA

Form 3160-5  
(August 1999)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No 1004-0135  
Expires November 30, 2000

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an  
abandon well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1 Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5 Lease Serial No <b>NMLC 069142-A</b>
2 Name of Operator <b>BEPCO, L.P.</b>	6 If Indian, Allottee or Tribe Name
3a Address <b>P.O. Box 2760 Midland, Texas 79702-2760</b>	7 If Unit or CA/Agreement, Name and/or No
3b Phone No (include area code) <b>(432) 683-2277</b>	8 Well Name and No <b>Big Eddy Unit # 186</b>
4 Location of Well (Footage, Sec, T, R, M, or Survey Description) <b>Sec 14, T22S, R28E SWSW, UL M, 660' FSL, 660' FWL, Lat N32. 387417, Lon W104.064667</b>	9 API Well No
	10 Field and Pool, or Exploratory Area <b>Dublin Ranch (Morrow)</b>
	11 County or Parish, State <b>EDDY COUNTY N.M.</b>

## 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	<input type="checkbox"/> Casing Repair	<input checked="" 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 proposed is to deepen directionally or recompleat horizontally, give subsurface locations 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.)

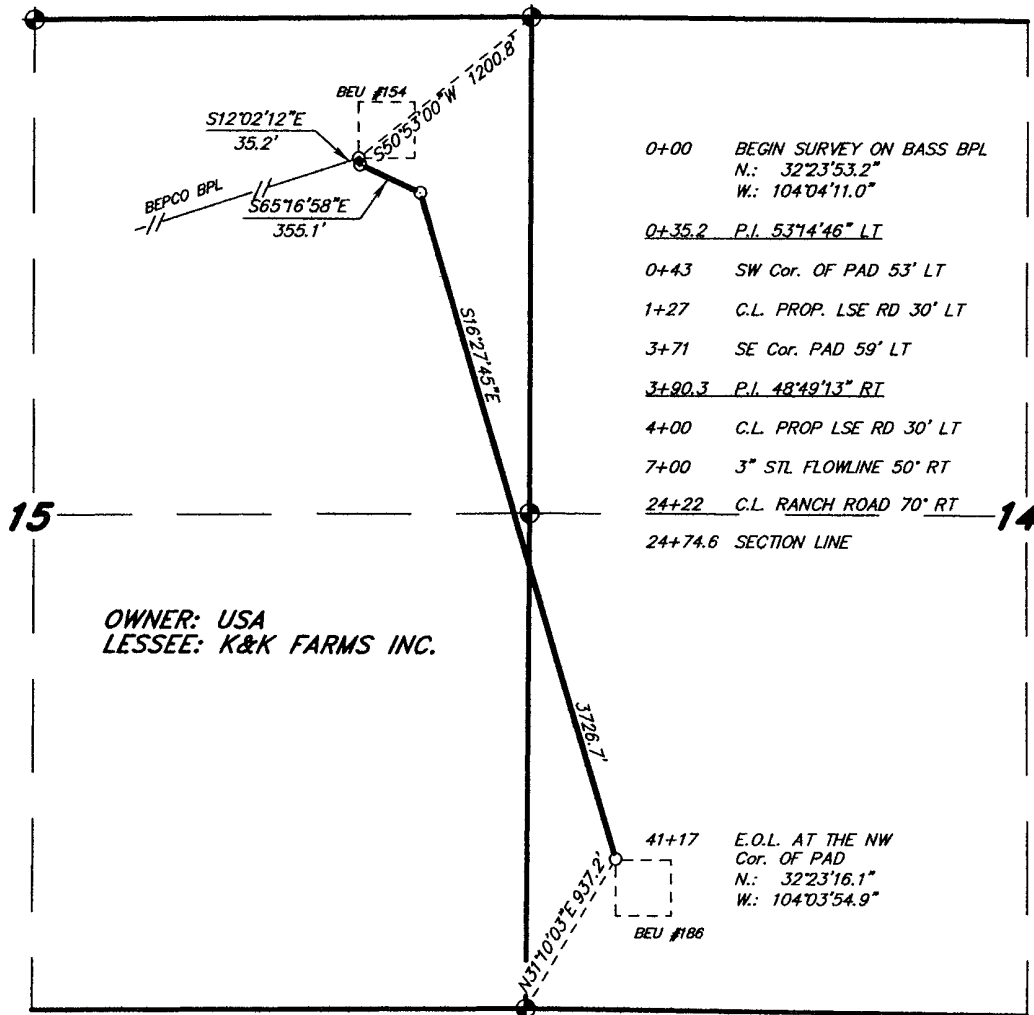
BEPCO, L.P. respectfully requests a change to the original application for access road and pipeline ROW due to a change in gas purchasers and excessive expenses with the original route. Barry Hunt with Carlsbad BLM office has verbally approved the alternate route. The access road and pipeline ROW has been staked, surveyed, and arch cleared. A map and plat is attached showing proposed route.

The buried gas pipeline to be installed along the roadway will consist of 4" SCH-40, 0.188" wall steel pipe and will tie into an existing gas line connection located at the Big Eddy Unit # 154 located in Section 15, T22S, R28E.

14 I hereby certify that the foregoing is true and correct Name (Printed/Typed) Annette Childers	Title Administrative Assistant
Signature <i>Annette Childers</i>	Date 7-19-2007
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved by <b>/s/ James Stovall</b>	Title <b>FIELD MANAGER</b>
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.	Date <b>AUG 03 2007</b>
Title 18 U.S.C. Section 1001, makes 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.	Office <b>CARLSBAD FIELD OFFICE</b>

(Instructions on reverse)

SECTIONS 14&15, TOWNSHIP 22 SOUTH, RANGE 28 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.

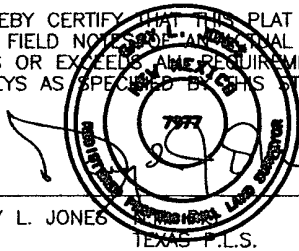


LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTIONS 14&15, TOWNSHIP 22 SOUTH, RANGE 28 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

SECTION 14 = 1642.4 FEET = 0.31 MILES = 99.54 RODS = 1.14 ACRES  
SECTION 15 = 2474.6 FEET = 0.47 MILES = 149.98 RODS = 1.70 ACRES  
TOTAL = 4117.0 FEET = 0.78 MILES = 249.52 RODS = 2.84 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED  
FROM FIELD NOTES OF A REAL SURVEY AND  
MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND  
SURVEYS AS SPECIFIED BY THIS STATE.



GARY L. JONES No. 7977  
TEXAS P.L.S. No. 5074

1000 0 1000 2000 FEET

**BEPCO, L.P.**

REF: PROP PIPELINE TO THE BEPCO. BIG EDDY UNIT #186

A PIPELINE CROSSING USA LAND IN  
SECTIONS 14&15, TOWNSHIP 22 SOUTH, RANGE 28 EAST,  
N.M.P.M., EDDY COUNTY, NEW MEXICO.

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

W.O. Number: 18258

Drawn By: L. SMITH