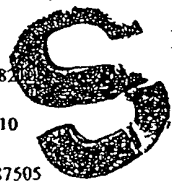


Cam

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
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
May 27, 2004

OCT 01 2007 Submit to appropriate District Office
OCD-ARTESIA ☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address BEPCO, L.P P O. Box 2760 Midland, Texas 79702		² OGRID Number 001801
³ Property Code 35100	⁴ Property Name Horned Toad 36 State	⁵ ABL Number 30-015-55837 ⁶ Well No 2H
⁷ Proposed Pool 1 Nash Draw (Delaware, Bone Spring, Avalon Sd)		⁸ Proposed Pool 2

⁷ Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	36	24S	29E		220	North	240	East	Eddy

⁸ 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/West line	County
A	36	24S	29E		990	North	330	East	Eddy

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3113' GL
No ¹⁶ Multiple	¹⁷ Proposed Depth 7500' MD 5487' TVD	¹⁸ Formation Delaware	¹⁹ Contractor Adobe Drilling	²⁰ Spud Date 10/15/2007
Depth to Groundwater 150'		Distance from nearest fresh water well 2-1/2 miles		Distance from nearest surface water 2 miles
Pat. <input type="checkbox"/> Liner Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume 1500 bbls Drilling Method _____ Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ 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#	907' MD	829	Surface
12-1/4"	9-5/8"	36#	3860' MD	864	Surface
8-3/4"	5-1/2"	17#	7500' MD	635	3040'

²² 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.

SURFACE IS OWNED BY THE STATE OF NEW MEXICO. ATTACHED IS A DRILLING PROGNOSIS AND A BOP DIAGRAM

As stated in the attached drilling plan this well will be a horizontal well with KOP of approximately 5000' TVD an azimuth of 110.31°, build angle of 12.00°/100', and a bottom hole target of 7500' MD (lateral displacement +/- 1850') TVD 5487'. See attached directional plan and 8 point drilling plan for details.

BEPCO's surface location is unorthodox, however at the top of the Lower Cherry Canyon the well path will be 330' FNL & 520' FWL of Quarter section line. BEPCO does not plan to perforate above the top of Lower Cherry Canyon.

²³ 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 NMOC guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed name: Annette Childers <i>Annette Childers</i>		Approved by: BRYAN G. ARANT	
Title: Administrative Assistant		Title: DISTRICT II GEOLOGIST	
E-mail Address: machilders@basspet.com		Approval Date: OCT 01 2007	Expiration Date: OCT 01 2008
Date: 9-28-07	Phone: 432-683-2277	Conditions of Approval Attached <input type="checkbox"/>	

NSC - Drill only
Required

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Arisaca, NM 88219

DISTRICT III
1000 Rio Brazos Ed., 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	Pool Name
	47545	Nash Draw (Delaware, Bone Spring, Avalon Sd)
Property Code	Property Name	Well Number
35100	HORNED TOAD "36" STATE	2H
OGRIN No.	Operator Name	Elevation
001801	BEPCO, L.P.	3113'

Surface Location

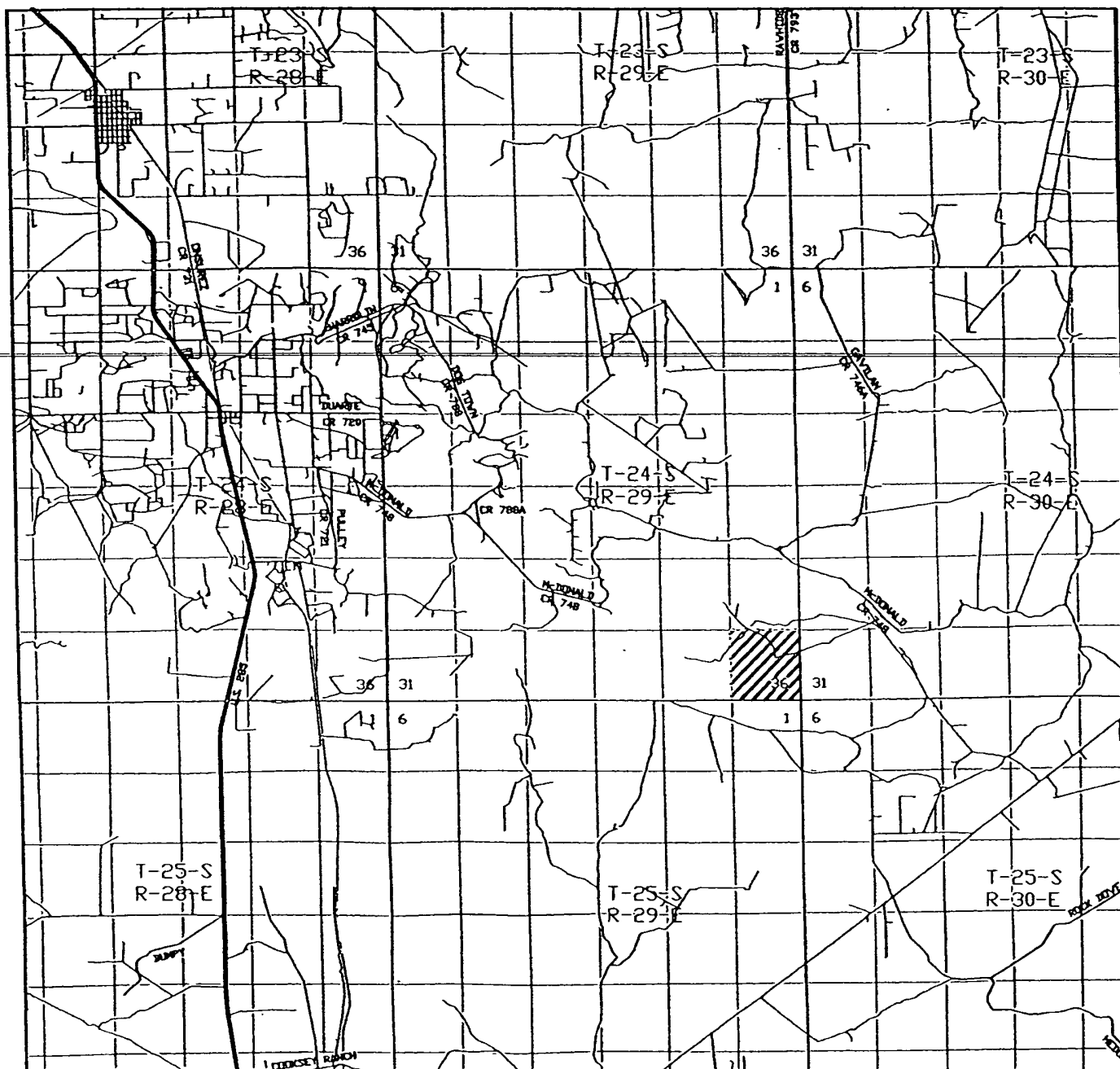
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	36	24 S	29 E		220	NORTH	2410	EAST	EDDY

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
A	36	24 S	29 E		990	NORTH	330	EAST	EDDY
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
80	N								

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>SURFACE LOCATION LAT - N32°10'49.86" LONG - W103°56'14.02" SPC- N.: 429632.267 E.: 663884.383 (NAD-83)</p>		<p>OPERATOR CERTIFICATION 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 undivided 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><i>Gary E. Gerhard</i> Signature Date Gary E. Gerhard Printed Name</p>
	<p>ENTRY POINT LAT - N32°10'48.76" LONG - W103°56'10.57" SPC- N.: 429522.267 E.: 664181.526 (NAD-83)</p>	<p>BOTTOM HOLE LOCATION LAT - N32°10'42.19" LONG - W103°55'49.84" SPC- N.: 428864.554 E.: 665966.048 (NAD-83)</p>
		<p>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.</p> <p>SEPTEMBER 21, 2007 Date Surveyed Signature of Surveyor Professional Surveyor Certificate No. Gary L. Jones 7977</p>



HORNED TOAD "36" STATE #2H

220' FNL and 2410' FEL

Section 36, Township 24 South, Range 29 East,
N.M.P.M., Eddy County, New Mexico.

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surveys
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in the oilfield

P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-3074 - Fax
basinsurveys.com

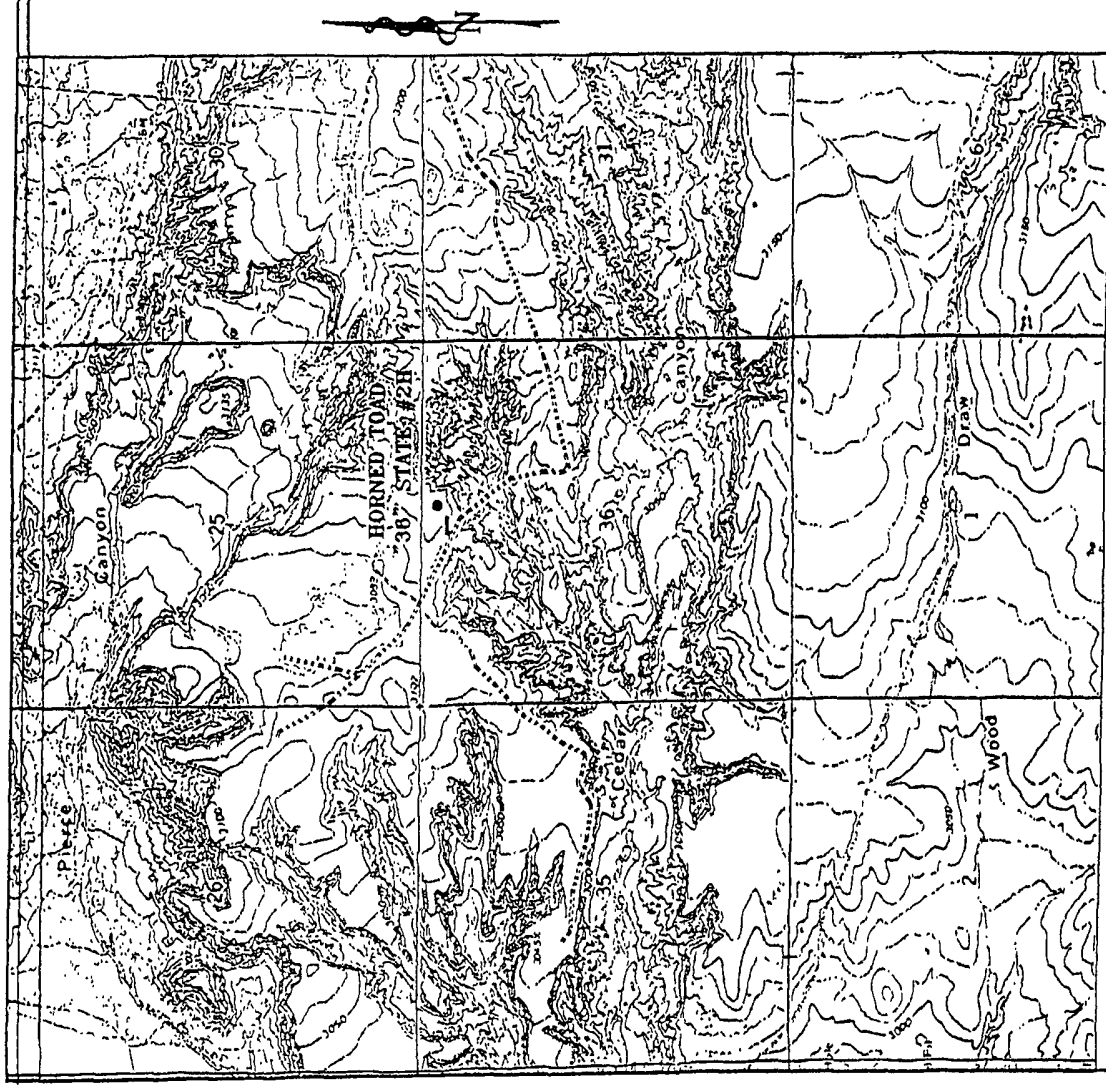
W.O. Number: JMS 18629TR

Survey Date: 09-21-2007

Scale: 1" = 2 MILES

Date: 09-24-2007

BEPCO, L.P.



HORNED TOAD '36" STATE #2H
220' FNL and 2410' FEL
 Section 36, Township 24 South, Range 29 East,
 N.M.P.M., Eddy County, New Mexico.

BUSH
surveys
 focused on excellence
 in the field

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 bushsurveys.com

W.O. Number: JMS 186291

Survey Date: 09-21-2007

Scale: 1" = 2000'

Date: 09-24-2007

BEPCO, L.P.

BEPCO, L.P.
P. O. Box 2760
Midland, Texas 79702

432-683-2277

FAX: 432-687-0329

October 12, 2007

**Re: Surface Commingle Application
Horned Toad 36 State #2H
Nash Draw (Delaware. BS. Aval.
Eddy County, New Mexico
File: 100-WF: HT 36 State2. CPL**

Oil Conservation Division
1220 S. St. Francis
Santa Fe, New Mexico 87505

Gentlemen:

BEPCO, L.P. respectfully requests that you grant permission for surface commingling of production from the above captioned well. This request is to amend the previously granted PCL -275, most recently approved by your office on June 4, 2007, by adding an additional well on the Horned Toad 36 State Lease.

Additionally, BEPCO desires to correct PCL-275 to be a Lease Commingle only, where all production is from the Nash Draw (Delaware). The previously submitted and granted applications represented that the Horned Toad 36 State #7 production was from the Corral Canyon, NW (Delaware). The well was originally permitted in this field, but completed in the Nash Draw and never corrected on the commingle permit.

Copies of this application are being submitted to the The State Land Office in Santa Fe, the District OCD in Artesia, and the BLM in Carlsbad.

If you should have any questions, or need further data, please contact Ann Moore at the above letterhead address or via email at camoore@basspet.com.

Sincerely,



Ann Moore
Production Clerk

cam
Attachments