

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103

May 27, 2004

| | | |
|---|--|---|
| SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS) | | WELL API NO. 30-015-35121 |
| 1. Type of Well. Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other | | 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator BEPCO, L.P. | | 6. State Oil & Gas Lease No. |
| 3. Address of Operator P.O. BOX 2760 MIDLAND, TX 79702-2760 | | 7. Lease Name or Unit Agreement Name REMUDA BASIN 25 STATE |
| 4. Well Location Unit Letter I : 1980 feet from the SOUTH line and 660 feet from the EAST line Section 25 Township 23S Range 29E NMPM County EDDY | | 8. Well Number 1 |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc) 3060' GR | | 9. OGRID Number 001801 |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> | | 10. Pool name or Wildcat Undesignated Nash Draw (Morrow/Atoka) |
| Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____ | | |

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS ☐ P AND A ☐
 CASING/CEMENT JOB ☐

OTHER: Commingle as per DHC-3952 approved 10/1/07 ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

BEPCO, L. P. respectfully wishes to report the commingling of the above captioned well in the Morrow and Atoka formations as follows:

RIH and load tubing w/ 53 bbls 2% KCL. RIH w/ 1.75" flat end gauge ring and 1.5" pointed end weight bar & break glass disk in tail pipe isolating lower Atoka perms @ 12772'. Continue RIH w/ Baker Model DA pkr set @ 13499'. Believed to tag 2nd glass disk in tailpipe @ 13516' isolating Morrow perms RIH to break 2nd glass disk and tag fill @ 13814'.

Open well through wide open choke and return well to production in both zones

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Ann Moore TITLE PRODUCTION CLERK DATE 11/12/2007

Type or print name ANN MOORE

E-mail address: camoorebasspet.com

Telephone No. (432)683-2277

For State Use Only

FOR RECORDS ONLY

APPROVED BY: _____ TITLE _____ DATE NOV 29 2007

Conditions of Approval (if any).



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

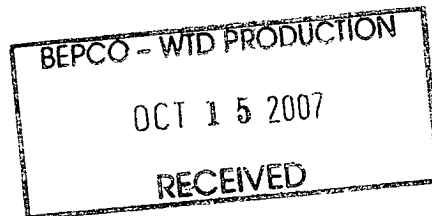
Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division



Administrative Order DHC-3952

Application Reference Number: pTDS0727751784

BEPCO, LP
PO BOX 2760,
MIDLAND, TX 79702

Attention: Ann Moore, Production Clerk

REMUDA BASIN 25 STATE Well No. 001
API No: 30-015-35121
Unit I, Section 25, Township 23 South, Range 29 East, NMPM
Eddy County, New Mexico

Pool: Undesignated NASH DRAW;ATOKA (GAS) Gas 81560
Names: NASH DRAW;MORROW (GAS) Gas 81600

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division 303C.(1)(f), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

Assignment of allowable to the well and allocation of production from the well shall be as follows.

| | | |
|---|-------------|-------------|
| Undesignated NASH DRAW;ATOKA (GAS) Pool | Pct Gas: 7 | Pct Oil: NA |
| NASH DRAW;MORROW (GAS) Pool | Pct Gas: 93 | Pct Oil: NA |

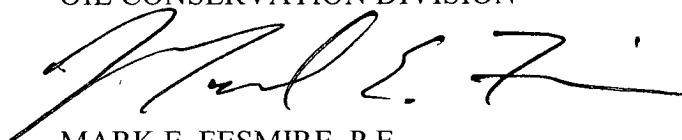
These percentages shall be amended only with written permission of the Division.

REMARKS: The operator shall notify the Artesia District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Order approved at Santa Fe, New Mexico on 10/11/2007.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', is written over the printed name.

MARK E. FESMIRE, P.E.
Director

cc: Oil Conservation Division – Artesia
State Land Office - Oil, Gas, and Minerals Division



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

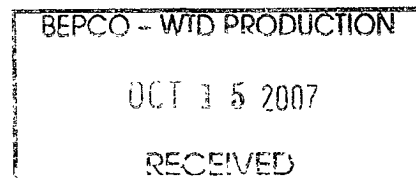
Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

October 9, 2007

BEPCO, L.P.
P.O. Box 2760
Midland, TX 79702-2760



Attn: Ms. Ann Moore

Re: Downhole Commingling Application
Remuda Basin 25 State Well No. 1 (API # 30-015-35121)
Unit Letter I, Section 25-23S-29E
UDSG. Nash Draw (Atoka) and
UDSG. Nash Draw (Delaware)
Eddy County, New Mexico

Dear Ms. Moore:

Thank you for your application to downhole commingle the UDSG. Nash Draw (Atoka) and UDSG. Nash Draw (Delaware) pools from the referenced well in Eddy County, New Mexico.


Since it appears that all the New Mexico Oil Conservation's (OCD) rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your application is approved. Any deviation from the substance of your application will be cause for rescinding our approval, and approval is subject to like approval by the OCD.

Please submit a filing fee in the amount of \$30.00.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY: 

JAMI BAILEY, Director
Oil, Gas and Minerals Division

PL/JB/jm

Enclosure

xc: Reader File

OCD--David Catanach,

-State Land Office Beneficiaries -

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University