MAC

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

Submit to appropriate District Office

☐ AMENDED REPORT

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

[1] Operator Name and Address	[2] OGRID Number
BEPCO, L.P. P. O. Box 2760 Midland, Texas 79702	001801
	[3] API Number 30 - 015 - 36505

[4] Property Code	[5] Property Name	[6] Well No.
001796	Poker Lake Unit	296

[9] Proposed Pool 1	[10] Proposed Pool 2
Wildcat (Morrow)	

[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
P	32	24S	30E		300	FSL	1200	FEL	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

Additional Well Information

[11] Work Type Code	[12] Well Type Code	[13] Cable/Rotary	[14] Lease Type Code	[15] Ground Level Elevation
N	G	R	S	3241'
[16] Multiple	**[17] Proposed Depth**	**[18] Formation**	**[19] Contractor**	**[20] Spud Date**
No	14,800'	Morrow	H&P	03/15/08

Depth to Groundwater	Distance from nearest fresh water well	Distance from nearest surface water

Pit Liner: Synthetic ☒ 12 mils thick Clay ☐ Pit Volume 1,500 bbls Drilling Method
Closed-Loop System ☐ Fresh Water ☒ Brine ☒ Diesel/Oil-based ☐ Gas/Air ☐

[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"	54 5#	1200'	1000	Surface *
12-1/4"	9-5/8"	40#	3820'	1090	1000'
8-3/4"	7"	26#	12000'	420	8000'
8-3/4"	7"	26#	DV @ 8000'	500	3100'
6-1/8"	4-1/2"	13.5#	11,600-14,800'	360	11,600'

[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 OWED BY THE STATE OF NEW MEXICO. ATTACHED IS A DRILLING PROGNOSIS AND A BOP DIAGRAM
*BEPCO, L.P proposed to drill 10' into the salt section to insure all zones above the salt are penetrated. The casing will be set 10-20' above the total depth and cemented to surface
Intermediate casing to be set at 3820' to allow mud change to FW and cover possible flowing sands
In Poker Lake Unit #217 this sand occurred at several depths (+1500', +1800', +1900', +2300') and we were only able to control it by "Mudding Up" with a high vis drilling fluid which with the resultant mud weight exceeded the low frac gradient in the Delaware Lower Brushy Canyon Sands. Therefore, the 9-5/8" casing is to put this problem behind pipe and thereby allow for the drilling of the Delaware Sands with a fresh water low weight drilling fluid.

NOTE: NEW PIT RULE
19-15-17 NMAC PART 17
A form C-144 must be approved before starting drilling operations.

d complete to the best
ing pit will be
ral permit ☐, or

Printed name Annette Childers	Annette Childers
Title: Administrative Assistant	
E-mail Address: machilders@basspet com	
Date: 11-26-2007	Phone 432-683-2277

OIL CONSERVATION DIVISION

Approved by:	Tim W. Gum District II Supervisor
Title:	
Approval Date: 6/13/08	Expiration Date 6/13/10
Conditions of Approval Attached ☐	

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

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

Form C-102
Revised October 12, 2005

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	96070	Wildcat (Morrow)

Property Code	Property Name	Well Number
001796	POKER LAKE UNIT	296

OGRID No.	Operator Name	Elevation
001801	BEPCO, L.P.	3241'

Surface Location

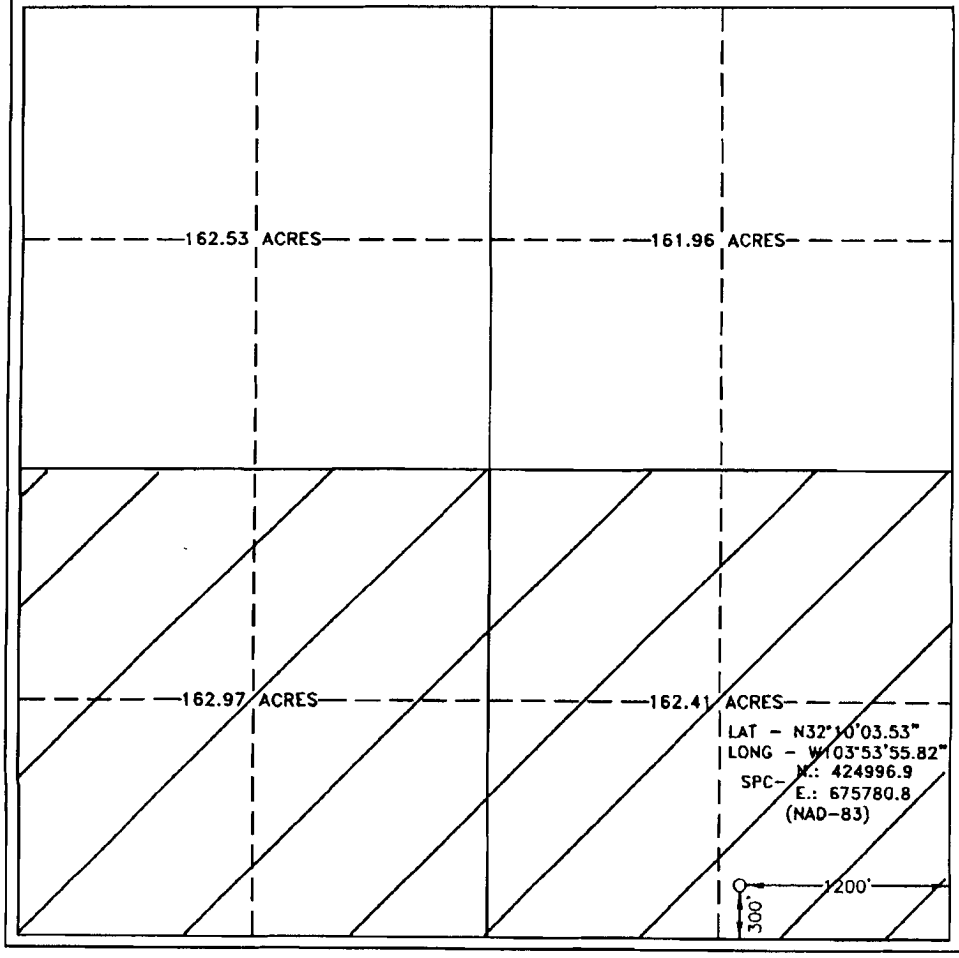
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	32	24 S	30 E		300	SOUTH	1200	EAST	EDDY

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	Joint or Infill	Consolidation Code	Order No.
320	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



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 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.

Carl U. Bird 26 Nov 2007
Signature Date

Carl U. Bird
Printed Name

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 supervison, and that the same is true and correct to the best of my belief.

OCTOBER 08, 2007
Date Surveyed

Signature & Seal of Professional Surveyor

NEW MEXICO 7977 REGISTERED PROFESSIONAL SURVEYOR

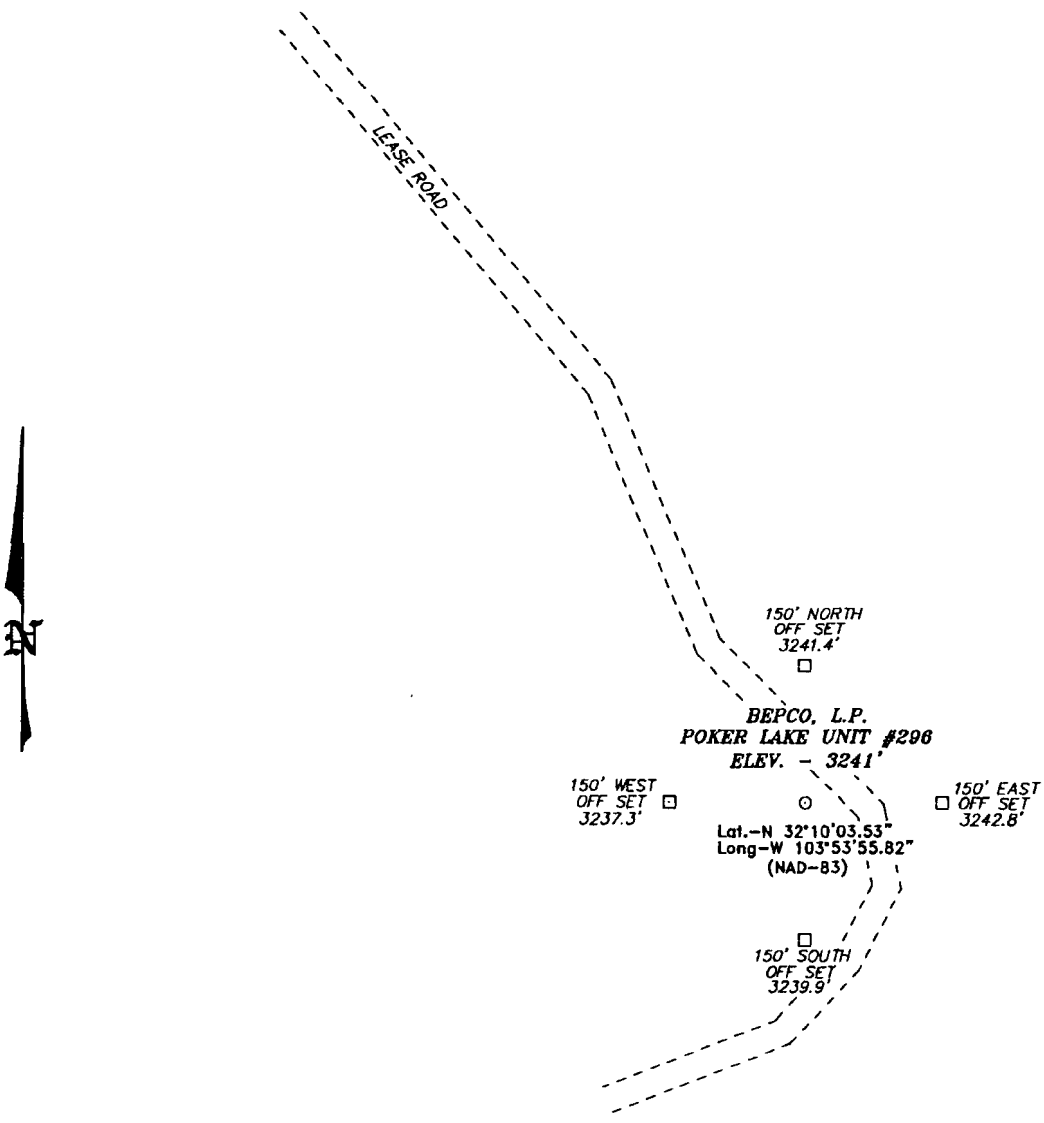
W.O. Number 07-11-0886

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

SECTION 32, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M.,

EDDY COUNTY, **NEW MEXICO.**



200 0 200 400 FEET

SCALE: 1" = 200'

DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF CO. RD. 787 (TWIN WELLS) AND CO. RD. 748 (McDONALD), GO WEST APPROX 3.7 MILES TO LEASE ROAD, ON LEASE ROAD GO SOUTHERLY APPROX. 1.5 MILES TO PROPOSED LOCATION.

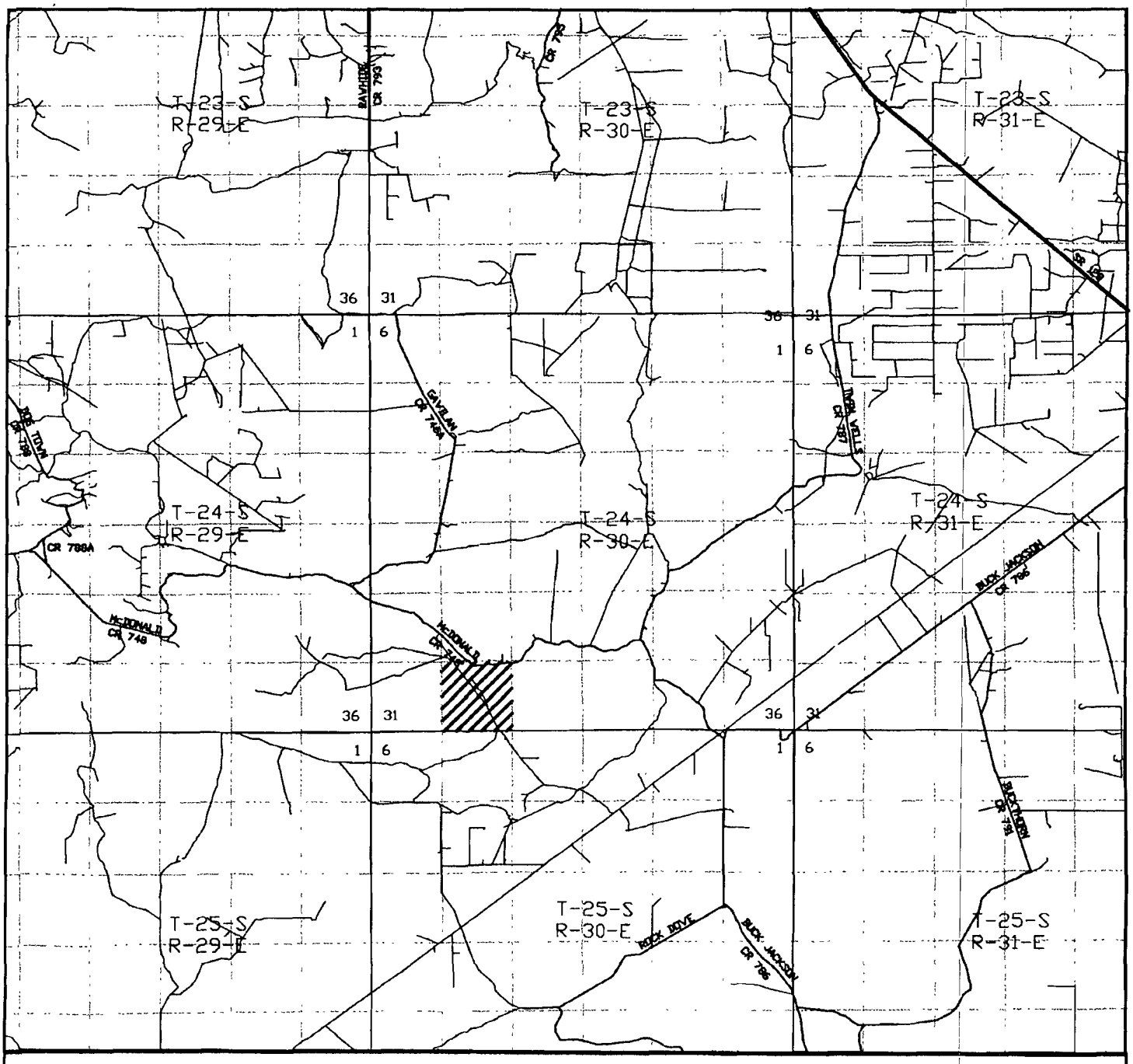
BEPCO, L.P.

REF: POKER LAKE UNIT #296 / WELL PAD AND TOPO

THE POKER LAKE UNIT #296 LOCATED 300' FROM THE SOUTH LINE AND 1200' FROM THE EAST LINE OF SECTION 32, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786 – HOBBS, NEW MEXICO

W.O. Number: 18586	Drawn By: J. SMALL		
Date: 10-10-2007	Disk: 18586W JMS	Survey Date: 10-09-2007	Sheet 1 of 1 Sheets



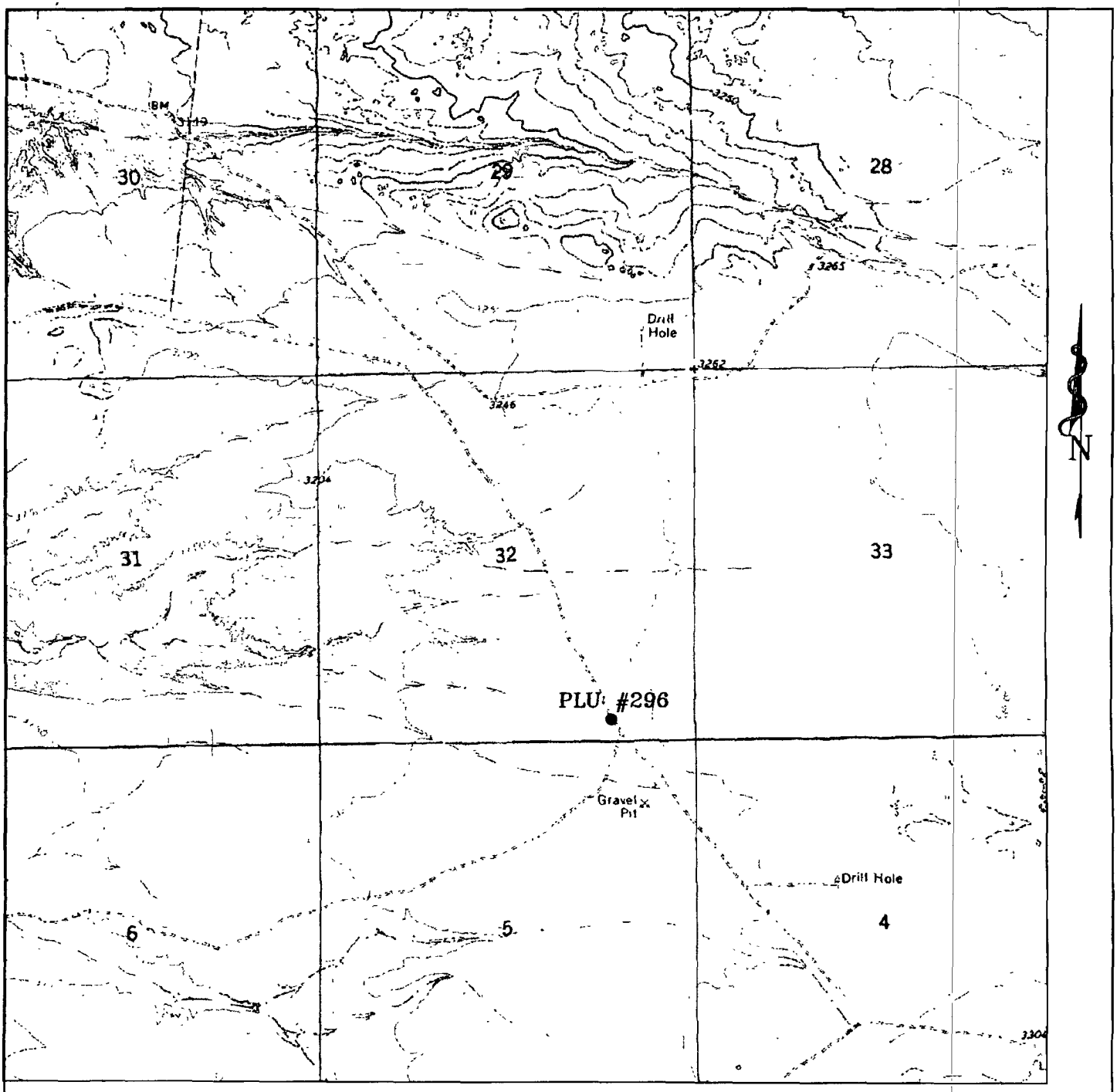
POKER LAKE UNIT #296
300' FSL and 1200' FEL
Section 32, Township 24 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico.

basin surveys
focused on excellence 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 18586TR
Survey Date:	10-09-2007
Scale:	1" = 2 MILES
Date:	10-10-2007

BEPCO, L.P.



POKER LAKE UNIT #296
300' FSL and 1200' FEL
Section 32, Township 24 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico.

basin surveys
focused on excellence 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 18586T
Survey Date:	10-09-2007
Scale:	1" = 2000'
Date:	10-10-2007

BEPCO, L.P.

Additional Operator Remarks:

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

EIGHT POINT DRILLING PROGRAM
BEPCO, L.P.

NAME OF WELL: POKER LAKE UNIT #296

LEGAL DESCRIPTION - SURFACE: 300' FSL & 1200' FEL, Section 32, T24S, R30E, 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 3266' (est)
GL 3241'

FORMATION	ESTIMATED TOP FROM KB	ESTIMATED SUBSEA TOP	BEARING
T/Rustler	- 756'	+ 2,510'	Barren
T/Salt	1,231'	+ 2,035'	Barren
T/Lamar Lime	3,815'	- 549'	Barren
T/Ramsey	3,847'	- 581'	Oil/Gas
T/Lower Brushy Canyon (8A)	7,241'	- 3,975'	Oil/Gas
T/Bone Spring	7,554'	- 4,288'	Oil/Gas
T/Wolfcamp	10,782'	- 7,516'	Barren
T/Middle Wolfcamp	12,077'	- 8,811'	Barren
T/Datum	13,533'	- 10,267'	Oil/Gas
T/Morrow	13,989'	- 10,744'	Oil/Gas
T/Middle Morrow	14,206'	- 10,940'	Oil/Gas
T/Lower Morrow	14,616'	- 11,350'	Oil/Gas
TD	14,800'	- 11,534'	

POINT 3: CASING PROGRAM

TYPE	HOLE SIZE	INTERVALS	PURPOSE	CONDITION
20"	24"	0' - 40'	Conductor	Contractor Discretion
13-3/8", 54.5#, J-55, STC	17-1/2"	0' - 1,200'	Surface	New
9-5/8", 40#, N80, LTC	12-1/4"	0' - 1,000'	Intermediate	New
9-5/8", 40#, K-55, LTC	12-1/4"	1,000' - 3,000'	Intermediate	New
9-5/8", 40#, N-80, LTC	12-1/4"	3,000' - 3,820'	Intermediate	New
7", 26#, P-110, LTC	8-3/4"	0' - 12,000'	Intermediate	New
4-1/2", 13.5#, P110, LTC	6-1/8"	11,600' - 14,800'	Production Liner	New

DESIGN CRITERIA AND CASING LOADING ASSUMPTIONS:

SURFACE CASING

Tension — A 1.6 design factor utilizing the effects of buoyancy (9.2 ppg).

Collapse — A 1.0 design factor with full internal evacuation and a collapse force equal to the mud gradient in which the casing will be run (0.48 psi/ft). The effects of axial load on collapse will be considered.

Burst — A 1.3 design factor with a surface pressure equal to the fracture gradient at setting depth less a gas gradient to the surface. Internal burst force at the shoe will be fracture pressure a that depth. Backup pressure will be formation pore pressure. In all cases a conservative fracture pressure will be used such that it represents the upper limit of potential fracture resistance up to a 1.0 psi/ft gradient. The effects of tension on burst will not be utilized.

PROTECTIVE CASING

Tension — A 1.6 design factor utilizing the effects of buoyancy (10 ppg).

Collapse — A 1.0 design factor with full internal evacuation and a collapse force equal to the mud gradient in which the casing will be run (0.52 psi/ft). The effects of axial load on collapse will be considered.

In the case of development drilling, collapse design should be analyzed using internal evacuation equal to 1/3 the proposed total depth of the well. This criterion will be used when there is absolutely no potential of the protective string being used as a production casing string.

Burst — A 1.0 surface design factor and a 1.3 downhole design factor with a surface pressure equivalent to the fracture gradient at setting depth less a gas gradient to the surface. Internal burst force at the shoe will be fracture pressure at that depth. Back pressure will be formation pore pressure. In all cases a conservative fracture pressure will be used such that it represents the upper limit of potential fracture resistance up to a 1.0 psi/ft gradient.

PRODUCTION CASING

Tension — A 1.6 design factor utilizing the effects of buoyancy (9.2 ppg).

Collapse — A 1.0 design factor with full internal evacuation and a collapse force equal to the mud gradient in which the casing will be run (0.48 psi/ft). The effects of axial load on collapse will be considered.

Burst — A 1.25 design factor with anticipated maximum tubing pressure (3529 psig) on top of the maximum anticipated packer fluid gradient. Backup on production strings will be formation pore pressure. The effects of tension on burst will not be utilized.

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM)

A BOP equivalent to Diagram 1 will be nippled up on the surface and first intermediate casings. Bass requests a waiver to Onshore Order #2 which states the BOPs and associated equipment must be tested to the rated working pressure or 70% of the internal yield pressure. Our plans are to test the BOP stack, choke, kill lines, kelly cocks, inside BOP, etc. hydrostatically to 1,000 psi on the surface installation, then 3,000 psi on the first intermediate and 10,000 psi on the second intermediate casing. The annular will be tested to 2500 psi. In addition to the high 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) Fifteen 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.

A BOP equivalent to Diagram 2 will be nippled up on the second intermediate casing string. Bass will test the BOP stack, choke, kill lines, Kelly cocks, inside BOP's etc. hydrostatically to 10,000 psi. The annulus will be tested to 2500 psi. In addition to a high 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) Fifteen 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 2 for the minimum criteria for the choke manifold.

POINT 5: MUD PROGRAM

DEPTH	MUD TYPE	WEIGHT	FV	PV	YP	FL	Ph
0' – 1,200'	FW	8.5 - 9.2	45-35	NC	NC	NC	9.5
1,200' – 3,820'	CBW	9.2 – 10.0	28-30	NC	NC	NC	9.5
3,820' – 10,000'	FW	8.6 – 8.9	28-30	4	2	NC	9.5
10,000' – 12,000'	CBW	8.6 – 9.0	28-30	6	4	NC	9.5
12,000' – TD	CBW/Polymer	9.0 – 13.5	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 run from TD to first ICP, GR-CNL to surface. May run logging suite across Delaware prior to drilling below 7400' if mud log shows warrant.

Run #2:
GR-CNL-LDT-LLD run from TD to second ICP, FMI across Morrow as needed.

C) CORING

No cores are anticipated.

D) CEMENT

INTERVAL	AMOUNT SX	FT OF FILL	TYPE	GALS/SX	PPG	FT^3/SX
SURFACE						
Lead 0' – 900' (100% excess)	660	900	Permian Basin Critical Zone + 1/8#/sx Pol-e-flake	10.30	12.80	1.89
Tail 900'-1200' (100% Excess)	340	300	Premium Plus + 2% $CaCl_2$ + 1/8#/sx Pol-e-flake	6.32	14.80	1.34
INTERMEDIATE						
Lead 0' – 3000' (100% Excess)	720	3000	Interfill C + 1/8#/sx Pol-e-flake	14.10	11.90	2.45
Tail 3000' – 3820' (100% Excess)	370	820	Premium Plus + 2% $CaCl_2$	6.34	14.80	1.34
PRODUCTION (Two stage w/DV tool @ 8000' and circulate cement to 3100')						
1st Stage LEAD 8000'-10,700' (50% excess)	250	2700	Interfill H + 5pps Gilsonite + 0.5% Halad 9 + 1/8 pps Pol-e-flake	13.61	11.90	2.46
TAIL 10,700'-12,000' (50% excess)	180	1300	Super H + 0.5% Halad 344 + 0.4% CFR3 + 5 pps Giilsonite + 1 pps Salt + 0.2% HRT	8.20	13.00	1.67
2nd Stage LEAD 3100'-7,300' (50% excess)	400	4200	Interfill H + 1/8 pps Pol-e-flake + 0.5% Halad 9	14.00	11.90	2.45
TAIL 7,300'-8,000' (50% excess)	100	700	Super H + 0.5% Halad 344 + 0.4% CFR3 + 5 pps Giilsonite + 1 pps Salt + 0.2% HRT	8.20	13.00	1.67
PRODUCTION LINER 11,600'-14,800' (25% excess 400' overlap)	360	3400	Class H + 0.8% Halad 322 0.6% Halad 344 + 0.2% HR-7 + 5pps Microbond M	5.68	15.40	1.28

E) DIRECTIONAL DRILLING

No directional services anticipated. A straight hole will be drilled to 14,500' TD.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout the Delaware, Bone Spring & Wolfcamp sections are slightly abnormally pressured, but are low perm; thus, we will be able to drill under balanced. The Atoka Bank may be abnormally pressured with expected BHP of 9250 psi (max) or an equivalent mud weight of 13.8 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_2S 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

90 days drilling operations

25 days completion operations

6 Nov 2007
Date

Carl U. Bird

CUB/mac

MULTI-POINT SURFACE USE PLAN

NAME OF WELL: POKER LAKE UNIT #185

LEGAL DESCRIPTION - SURFACE: 1310' FSL & 1330' FEL, Section 6, T-24-S, R-30-E, Eddy County, New Mexico.

POINT 1: EXISTING ROADS

A) Proposed Well Site Location:

See Exhibit "A" & "A-1".

B) Existing Roads:

From State Hwy 128 & CR 793, go 4.0 miles southerly on county road, then turn left & go 4.0 miles South on Lease road. Turn left and go ½ miles east into location.

C) Existing Road Maintenance or Improvement Plan:

See Exhibit "B" & "D".

POINT 2: NEW PLANNED ACCESS ROUTE

A) Route Location:

See exhibit "B" & survey plats. The new road will be approximately 362' long. The proposed road will be routed per Barry Hunts instructions to provide minimal impact to ranching operations.

B) Width

12' wide.

C) Maximum Grade

Not applicable.

D) Turnout Ditches

Spaced per BLM requirements.

E) Culverts, Cattle Guards, and Surfacing Equipment

None.

POINT 3: LOCATION OF EXISTING WELLS

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

POINT 4: LOCATION OF EXISTING OR PROPOSED FACILITIES

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

A battery facility is located on the Poker Lake Unit #153 pad approximately ½ mile northwest.

B) New Facilities in the Event of Production:

Will use the facilities built on Poker Lake Unit #153 pad and lay a flowline to those facilities.

C) Rehabilitation of Disturbed Areas Unnecessary for Production:

Those access areas required for continued production will be graded to provide drainage and minimize erosion. The areas unnecessary 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

Brine water will be hauled from commercial facilities. Fresh water to be hauled from Carlsbad, New Mexico; Mills Ranch; or Diamond and Half Water Station.

B) Water Transportation System

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

POINT 6: SOURCE OF CONSTRUCTION MATERIALS

A) Materials

Surface caliche will be used if possible. If not found on location, caliche service will be nearest BLM – approved open pit.

B) Land Ownership

Federally owned land for both surface locations and bottom hole location.

C) Materials Foreign to the Site

No construction materials foreign to this area are anticipated for this drill site.

D) Access Roads

See Exhibit "B", Exhibit "D", and survey plats.

POINT 7: METHODS FOR HANDLING WASTE MATERIAL

A) Cuttings

Cuttings will be contained in the plastic lined reserve pit.

B) Drilling Fluids

Drilling fluids will be contained in the plastic lined reserve pit.

C) Produced Fluids

Water production will be contained in the plastic lined reserve pit.

Hydrocarbon fluid or other fluids that may be produced during testing will be retained in 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 electric log analyses indicate potential productive zones. In any case, the "mouse" hole and the "rat" hole will be covered. The reserve pit will be bird netted and fenced only in the event of livestock present. The fence will be maintained until the pit is backfilled. Reasonable cleanup will be performed prior to the final restoration of the site.

POINT 8: ANCILLARY FACILITIES

None.

POINT 9: WELL SITE LAYOUT

A) Rig Orientation and Layout

Exhibit "A" 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 Exhibit "A" and "A-1".

C) Lining of the Pits

The reserve pits will be lined with plastic.

POINT 10: PLANS FOR RESTORATION OF THE SURFACE

A) Reserve Pit Cleanup

The pits will be fenced immediately after spudding only in the event of livestock present and maintained until backfilled. Prior to back-filling, any hydrocarbon material on the pits' surfaces shall be removed. The fluids and solids contained in the pits shall be backfilled with soil excavated from the site and soil adjacent to the reserve pits. The restored surface of the pits 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 Bureau of Land Management stipulations during the appropriate season following restoration.

B) Restoration Plans - Production Developed

Reserve pits 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

Reserve pits 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 Bureau of Land Management's stipulations.

D) Rehabilitations Time table

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.

POINT 11: OTHER INFORMATION – Con't...

E) Surface Water

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

F) Water Wells

None.

G) Residences and Buildings

No buildings within several miles of wellsite.

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 Bureau of Land Management. 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. No ROW will be required.

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

L) Open Pits

All pits containing liquid or mud will be fenced only in the event of livestock present 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

Mark Mladenka
P.O. Box 2760
Midland, Texas 79702
(432) 683-2277

26 Nov 2007
Date

Carl U. Bird

CUB/mac

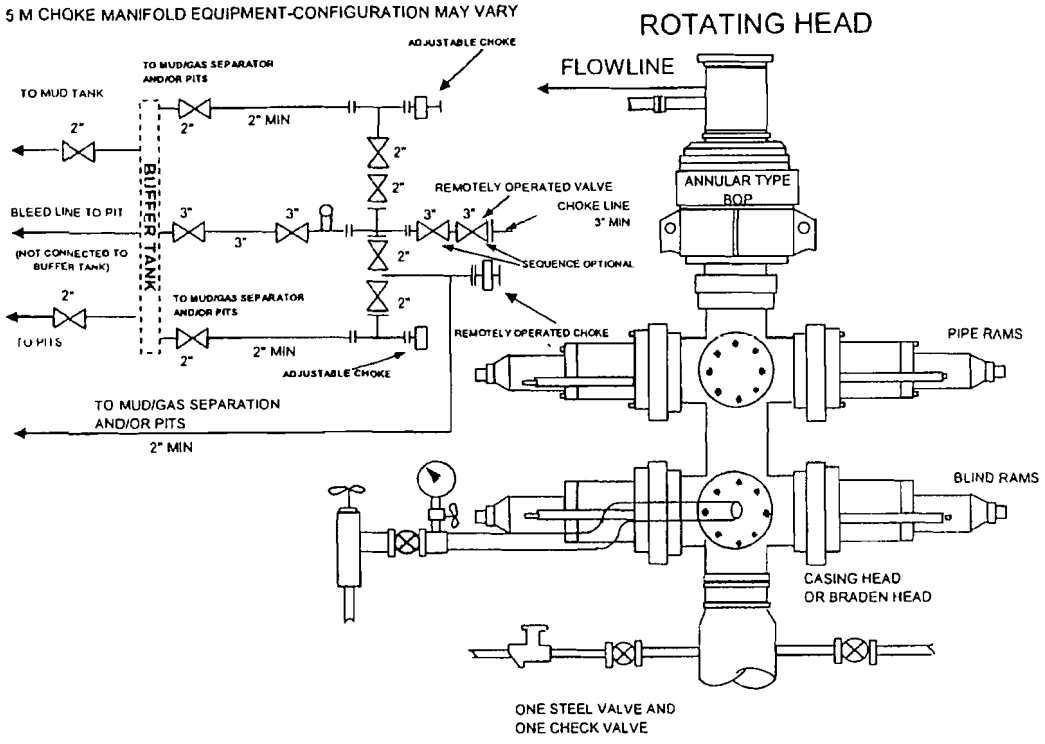
OPERATOR CERTIFICATION

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 BEPCO, L.P. and it's 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.

26 Nov 2007
Date

Carl U. Bird
Carl U. Bird

BEPCO, L. P.
5-M WP BOPE WITH 5-M WP ANNULAR



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

A. One double gate Blowout preventer with lower pipe rams and upper blind rams, all hydraulically controlled.

B Opening on preventers between rams to be flanged, studded or clamped and at least two inches in diameter.

C. All connections from operating manifold to preventers to be all steel hose or tube a mininum of one inch in diameter.

D. The available closing pressure shall be at least 15% in excess of that required with sufffficient volume to operate (close, open, and re-close) the preventers.

E. All connections to and from preventers to have a pressure rating equivalent to that of the BOPs.

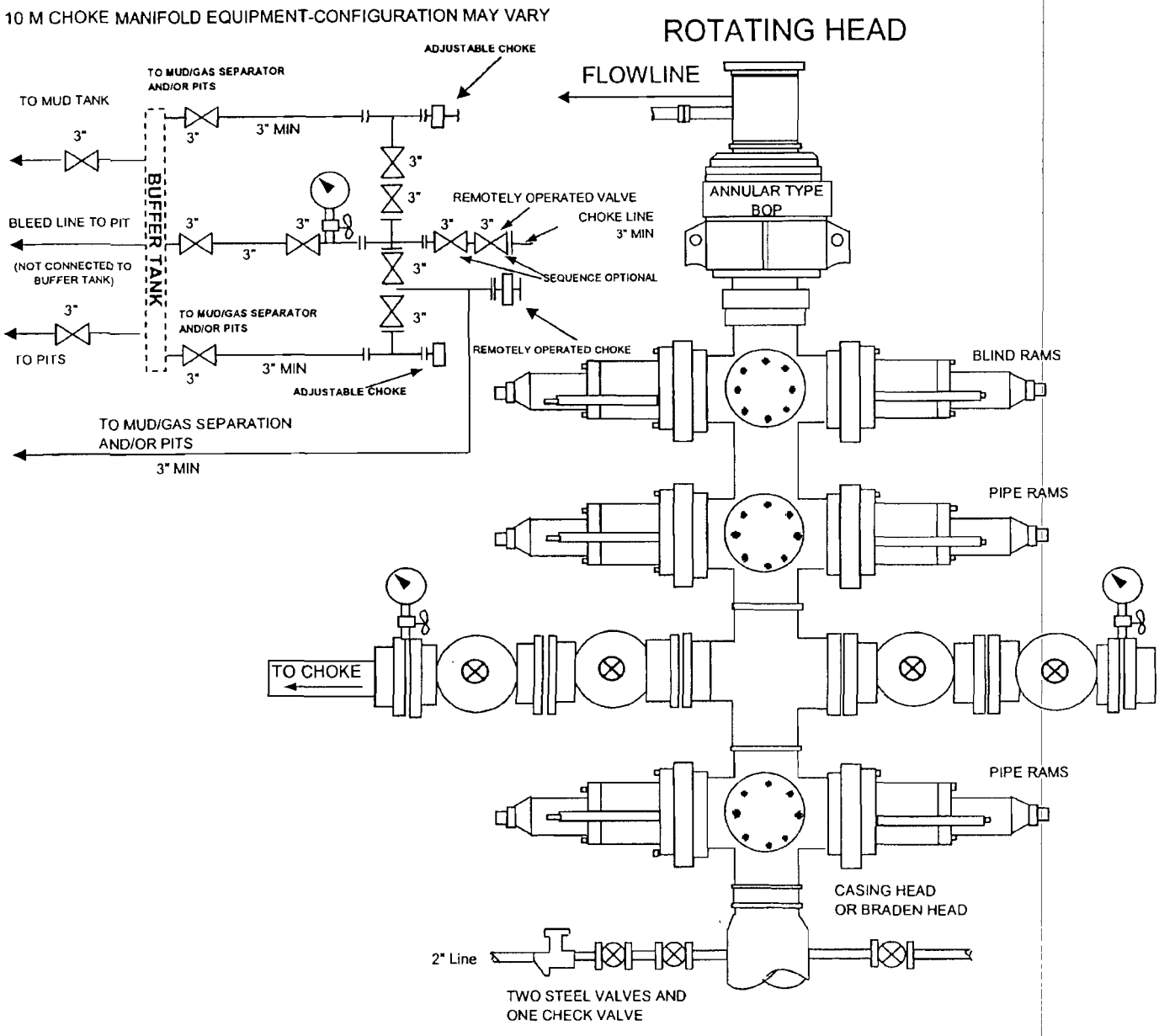
F. Manual controls to be installed before drilling cement plug

G. Valve to control flow through drill pipe to be located on rig floor.

H Chokes must be adjustable Choke spool may be used between rams

DIAGRAM 1

BEPCO, L. P.
10-M WP BOPE WITH 5-M WP ANNULAR



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

A. Opening between the ram to be flanged, studded, or clamped.
B. All connections from operating manifolds to preventers to be all steel hose or tube a mininum of one inch in diameter.
C. The available closing pressure shall be at least 15% in excess of that required with suffficient volume to operate (close, open, and re-close) the preventers.
D. All connections to and from preventer tohave a pressure rating equivalent to that of the BOPs.
E. Manual controls to be installed before drilling cement plug.
F. Kelly cick to be installed on kelly.
G. Inside clowout preventer to be available on rig floor.
H. Dual operating controls: one located by drillers position and the other located a safe distance from the rig floor.
I. All chockes will be adjustable.

DIAGRAM 2