Form 3160-5 (April2004)

OCD-ARTESIA UNITEDSTATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORMAPPROVED OM B No 1004-0137 Expires: March 31, 2007

5. Lease Serial No

| SUNDRY NOTICES AND REPORTS ON WELLS | | | | NMNM 05 <u>43</u> 280 A | |
|---|---|---|---|--|--|
| | is form for proposals ell. Use Form 3160 - 3 | | | | ottener beneathed ED |
| SUBMIT IN TRIPLICATE - Other instructions on reverse side. | | | | 7. If Unit or (| A/Agreenhent, Name and No. |
| 1 Type of Well Gas Well X Other | | | | 8. Well Name | NMOCD ARTESIA |
| 2 Name of Operator | | | | Hudson Federal #1 9. API Well No | |
| BOPCO, L.P. | | | | | |
| 3a Address 3b Phone No. (include area code) | | | | 30-015-21052 | |
| P.O. Box 2760 Midland TX 79702 (432)683-2277 | | | | 10 Field and Pool, or Exploratory Area SWD (Delaware) | |
| 4 Location of Well (Footage, Sec, T, R, M, or Survey Description) | | | | · | |
| 1830' FNL, 1980' FWL, Sec 1, T23S, R30E | | | | 11. County or Eddy NM | Parish, State |
| 12. CHECK AF | PPROPRIATE BOX(ES)TO | O INDICATE NATUR | E OF NOTICE, R | EPORT, OR C | THER DATA |
| TYPEOF SUBMISSION | | TYI | | | |
| Noticeof Intent Subsequent Report Final Abandonment Notice | Acidize AlterCasing Casing Repair Change Plans Convert to Injection | Deepen FractureTreat New Construction Plug and Abandon Plug Back | Production (State Reclamation Recomplete Temporarily Ab | X X | Water Shut-Off Well Integrity OtherMechnical integrity test |
| If the proposal is to deepen dire Attach the Bond under which t following completion of the inv testing has been completed. Fir determined that the site is ready | ectionally or recomplete horizont the work will be performed or pro- volved operations. If the operational Abandonment Notices shall by for final inspection.) | nally, give subsurface location ovide the Bond No. on file on results in a multiple compose filed only after all require mechanical integri | ons and measured and tr with BLM/BIA Requi oletion or recompletion ments, including reclan ty test as follows | rue vertical depths ired subsequent re in a new interval, nation, have been S (BLM Writt | en Order # 0912PSO5W |
| psi. Test witnessed by P | aul Swartz (BLM) and | Don Morehouse (I | Mosaic Potash). | Return well | to injection. |
| Note the following presso | Accept | on 01/19/10: TP - On 01/19/10: TP - On 01/19/10: TP - On 01/19/10: TP - | 760 psi, SICP - AC | | BOB RECORD 3 2010 Ayles Kristo FLAND MANAGEMENT SBAD FIELD OFFICE SBAD FIELD OFFICE |
| 14 I hereby certify that the foreg Name (Printed/Typed) | going is true and correct | | | BURLARI | Julia |

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

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Title

Date

Title

Office

Regulatory Admin Assistant

Date

01/20/2010

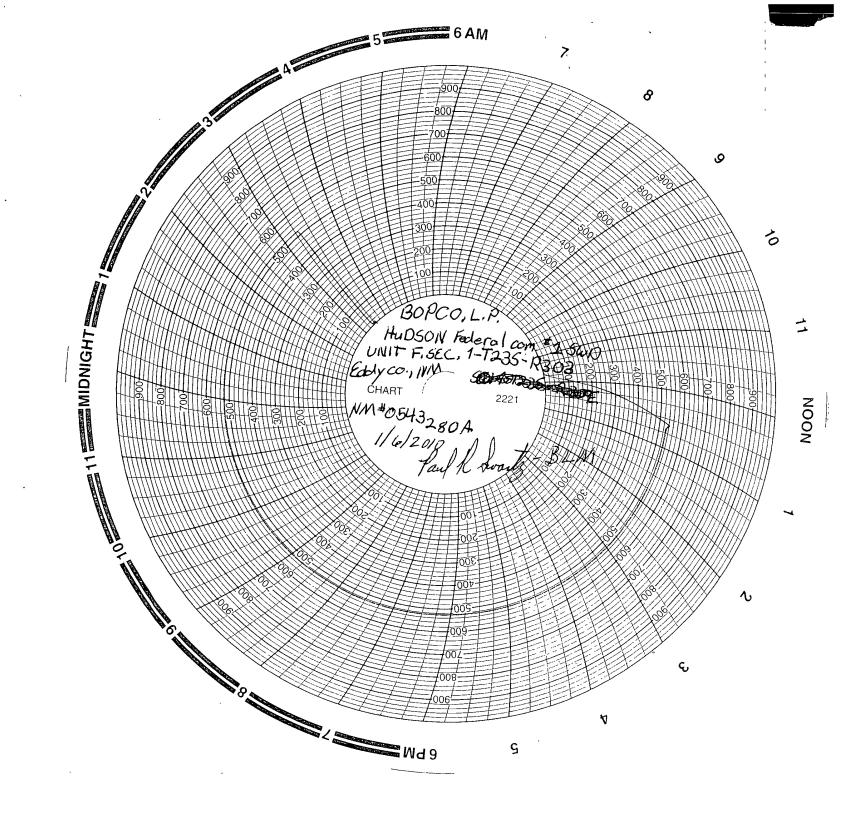
Valerie Truax

Signature

aleni Trual

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

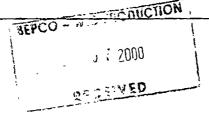
which would entitle the applicant to conduct operations thereon.





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary



Lori Wrotenbery
Director
Oil Conservation Division

ADMINISTRATIVE ORDER SWD-788

APPLICATION OF BASS ENTERPRISES PRODUCTION CO. FOR PRODUCED WATER DISPOSAL, EDDY COUNTY, NEW MEXICO.

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Bass Enterprises Production Co. made application to the New Mexico Oil Conservation Division on August 17, 2000, for permission to complete for produced water disposal its Hudson Federal Com Well No. 1 (API No. 30-015-21052) located 1830 feet from the North line and 1980 feet from the West line (Unit F) of Section 1, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and
- (4) The production casing string in the Hudson Federal Well No. 1 is not properly cemented so as to confine the injection water to the proposed injection interval.
- (5) The James Ranch Well No. 36 located in SW/4 NE/4 of Section 1, Township 23 South, Range 30 East, NMPM is not properly cemented so as to confine the injection water to the proposed injection interval.
 - (6) No objections have been received within the waiting period prescribed by said rule.



Administrative Order SWD-788
Bass Enterprises Production Co.
September 1, 2000
Page 2

IT IS THEREFORE ORDERED THAT:

The applicant herein, is hereby authorized to complete its Hudson Federal Com Well No. 1 (API No. 30-015-21052) located 1830 feet from the North line and 1980 feet from the West line (Unit F) of Section 1, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico, in a such manner as to permit the injection of produced water for disposal purposes into the Delaware formation from approximately 4,040 feet to 4,825 feet through 2 7/8 inch plastic-lined tubing set in a packer located at approximately 3,940 feet.

IT IS FURTHER ORDERED THAT:

Prior to commencing injection operations, a cast iron bridge plug shall be set in the Hudson Federal Well No. 1 at approximately 5,200 feet and capped with approximately 35 feet of cement.

Prior to commencing injection operations into the Hudson Federal Well No. 1, the James Ranch Well No. 36 located in SW/4 NE/4 of Section 1, Township 23 South, Range 30 East, NMPM, shall be cement squeezed across and at least 500 feet above the proposed injection interval.

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

Prior to commencing injection operations into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 808 psi.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Delaware formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and witnessed.



Administrative Order SWD-788 Bass Enterprises Production Co. September 1, 2000 Page 3

The operator shall immediately notify the supervisor of the Artesia district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Approved at Santa Fe, New Mexico, on this 1st day of September, 2000.

LORI WROTENBERY, Director

LW/MWA/kv

cc:

Oil Conservation Division - Artesia

U.S. Bureau of Land Management - Carlsbad