



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

September 25, 2006

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

BEPCO, L. P.
c/o **James Bruce**
P. O. Box 1056
Santa Fe, New Mexico 87504

Re: *Administrative application (administrative application reference No. pTDS0-624351560) filed on behalf of the operator, BEPCO. L. P., with the New Mexico Oil Conservation Division's office in Santa Fe, New Mexico on August 29, 2006 for an unorthodox subsurface oil well location/producing area in the Nash Draw-Delaware Bone Spring (Avalon Sand) Pool (47545) within a 120-acre project area comprising the SW/4 NE/4 (Unit G) and the N/2 SE/4 (Units I and J) of Section 30, Township 24 South, Range 30 East, NMPM, Eddy County, New Mexico, for its Poker Lake Unit Well No. 251 (API No. 30-015-34404).*

Dear Mr. Bruce:

Per my e-mail of Wednesday, September 6, 2006, I stated this application would be suspended until this well's directional survey was provided me. I received your telefax of September 19, 2006 with your cover note and a C-102 showing a line connected by two points, which is supposed to represent "the final location of the wellbore." This information is insufficient; without the directional survey I cannot adequately determine the path of this wellbore, your application is therefore deemed incomplete. Unfortunately, time has run out, for I can no longer wait for you to provide me with this information. This filing is hereby **denied** and is being returned to you.

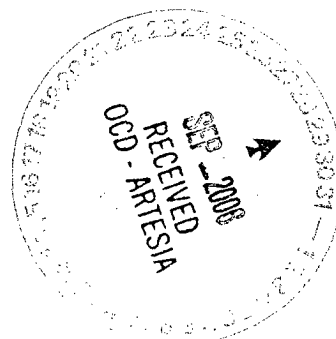
Thank you.

Sincerely,

Michael E. Stogner
Staff Engineer

MES/ms

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad



DATE IN 3/29/06	SUSPENSE	ENGINEER M. STOVER	LOGGED IN 3/31/06	TYPE NSL	APP NO. PTD50624351560
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

JAMES BRUCE
 P.O. BOX 1056
 SANTA FE, NM 87504
 Print or Type Name

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Signature

Attorney for Applicant
 Title

Date

jamesbruc@aol.com
 e-mail Address

2006 AUG 29 PM 3 31

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

August 29, 2006

Hand delivered

Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F(2), BEPCO, L.P. (the successor to Bass Enterprises Production Co.) applies for approval of an unorthodox oil well location for the following well:

<u>Well:</u>	Poker Lake Unit Well No. 251
<u>Surface location:</u>	1980 feet FSL & 785 feet FEL
<u>Terminus location:</u>	1650 feet FNL & 2306 feet FEL (estimated)
<u>Well unit (project area):</u>	SW $\frac{1}{4}$ NE $\frac{1}{4}$ and N $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 30, Township 24 South, Range 30 East, N.M.P.M., Eddy County, New Mexico

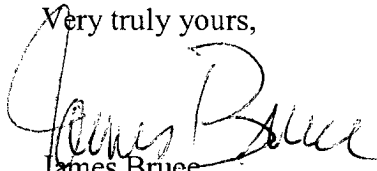
The well has been drilled to a depth sufficient to test the Delaware formation (Nash Draw-Delaware Pool). The formation is spaced on statewide rules, with 40 acre spacing, and wells to be located no closer than 330 feet to a quarter-quarter section line. Applicant attempted to form a project area comprised of the S $\frac{1}{2}$ NE $\frac{1}{4}$ and N $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 30, under which the well location would be orthodox. However, the Artesia District Office would not approve that well unit, and required the 120 acre unit described above.

A Form C-102 for the well is attached as Exhibit A. The wellbore approaches to within about 100 feet of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 30, making it unorthodox. (Documents showing the exact location of the wellbore will be submitted to the Division as soon as they are available.)

All of Section 30 is covered by Federal Lease LC 069627, which has common working, royalty, and overriding royalty ownership. Therefore, there is no adversely affected offset owner, and notice has not been given to anyone. See Exhibit B.

Please contact me if you need any further information on this application.

Very truly yours,



James Bruce

Attorney for BEPCO, L.P.

DISTRICT I

1985 K. French Dr., Hobbs, NM 88406

DISTRICT II

811 South First, Artesia, NM 80510

DISTRICT III

1600 Rio Bravo Rd., Artec, NM 87410

DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87506

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87504-2080

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-34404	Pool Code 47545	Pool Name NASH DRAW (DELZBS/AVALON SAND)
Property Code 001796	Property Name POKER LAKE UNIT	Well Number 251H
UGRID No. 001801	Operator Name BEP CO, L.P.	Elevation 3180'

Surface Location

UL or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
1	30	24-S	30-E		1980	SOUTH	785	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
G	30	24-S	30-E		1650	NORTH	2306'	EAST	EDDY

Dedicated Acres 180	Joint or Infill N	Consolidation Code	Order No.
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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

LOT 1 40.28 ACRES	40.00 ACRES		OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature: <i>William R. Dannels</i> W.R. DANNELS Printed Name DIVISION DRILLING SUPT. Title 6/30/06 Date
LOT 2 40.31 ACRES	40.00 ACRES		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. Date Surveyed: 12/27/2004 Signature & Seal of Professional Surveyor: <i>[Signature]</i> Certificate No. 5044 AND SURVEYOR 7977 BASS SURVEYS
LOT 3 40.35 ACRES	40.00 ACRES		
LOT 4 40.38 ACRES	40.00 ACRES		

EXHIBIT A

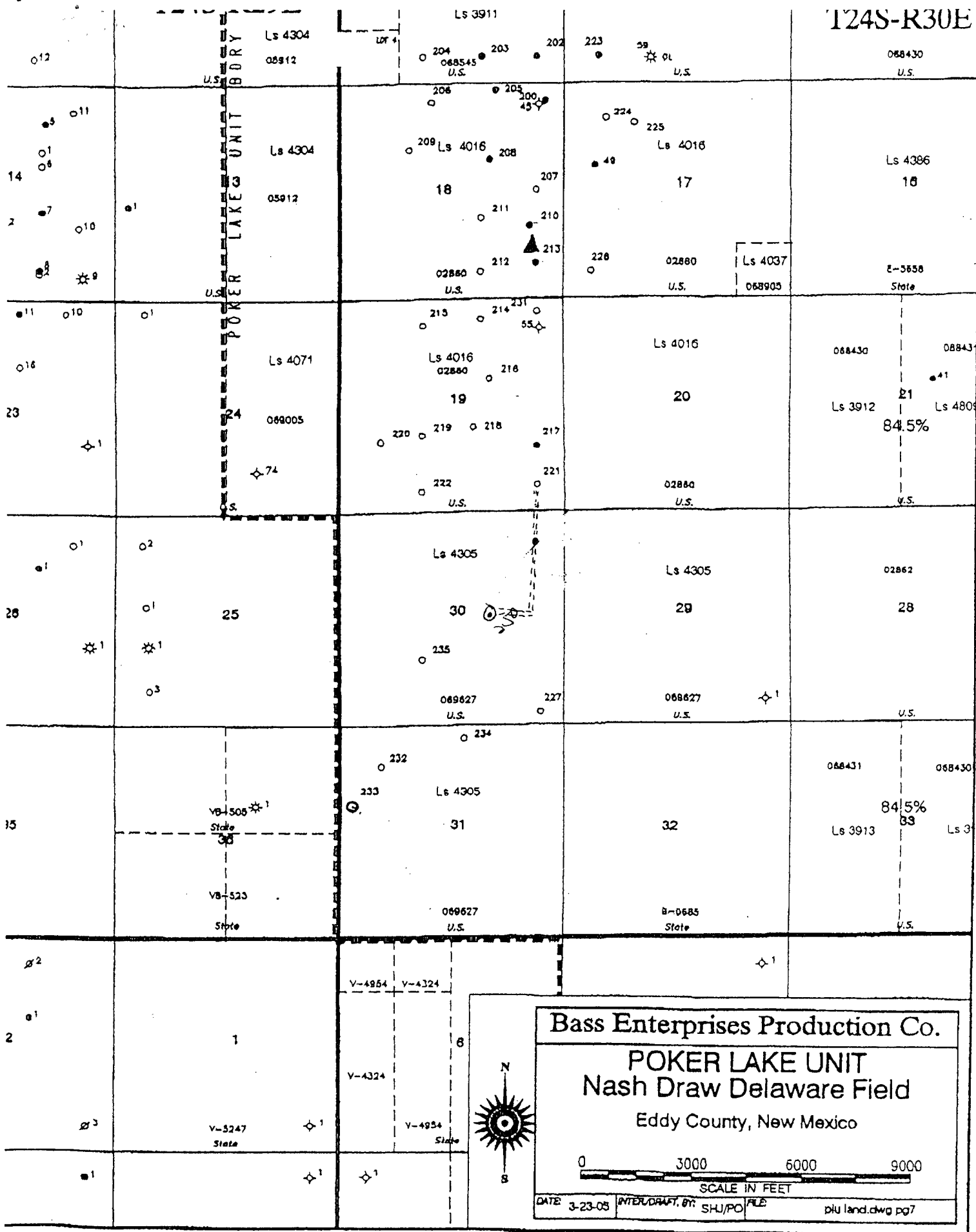


EXHIBIT B

Stogner, Michael, EMNRD

From: Stogner, Michael, EMNRD
To: Jim Bruce
Cc: Arrant, Bryan, EMNRD
Subject: BEPCO's Poker Lake Unit #251
Attachments:

Sent: Wed 9/6/2006 6:03 PM

RE: pTDS0-624351560

Per your statement contained within the subject application, "[D]ocuments showing the exact location of the wellbore will be submitted to the Division as soon as they are available"; my review of this application will be suspended until this well's directional survey is submitted.

JAMES BRUCE
Attorney at Law
Post Office Box 1056
Santa Fe, New Mexico 87504
Telephone: (505) 982-2043
Fax: (505) 982-2151
jamesbruce@aol.com

DELIVER TO: Michael E. Stogner

COMPANY: Oil Conservation Division

CITY: Santa Fe, New Mexico

FAX NUMBER: (505) 476-3462

PAGES: 2 (including cover sheet)

DATE: 9/21/06

MEMO: Mike: Regarding Bass Enterprises/Poker Lake Unit Well No. 251: Enclosed is a Form C-102 showing the final location of the wellbore.

CONFIDENTIALITY NOTICE

This transmission contains information which may be confidential or legally privileged. The information is intended only for the named recipient. If you are not the intended recipient, copying or distribution of the information is prohibited. If you have received this transmission in error, please call us and return the document to us. Thank you.

DISTRICT I

1020 N. French Dr., Hobbs, NM 88240

DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III

1000 Rio Hondo 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 87505Form C-102
Revised October 12, 2003Submit 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	
Property Code		Property Name POKER LAKE UNIT			Well Number 251H
UGRD No.		Operator Name BEPCO, L.P.			Elevation 3180'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	30	24 S	30 E		1980	SOUTH	785	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
G	30	24 S	30 E		1626.6	NORTH	2275	EAST	EDDY

Dedicated Acrea	Joint or Infill	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

40.28 ACRES LOT 1	80.00 ACRES		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 enlarged 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. Signature _____ Date _____ Printed Name _____
40.31 ACRES LOT 2	80.00 ACRES		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. Date Surveyed _____ Signature of Professional Surveyor _____ No. 7977 Certificate No. Gary L. Jones 7977 BASIN SURVEYS
40.35 ACRES LOT 3	80.00 ACRES		
40.38 ACRES LOT 4	80.00 ACRES		