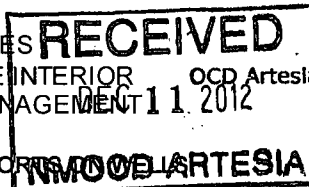


UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
OCD Artesia  
11 2012



FORM APPROVED  
OMB No. 1004-0135  
Expires November 30, 2000

**SUNDRY NOTICES AND REPORTS TO BLM**  
Do not use this form for proposals to drill or to re-enter an abandon well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.	NM - 02952 - A
6. If Indian, Allottee or Tribe Name	
7. If Unit or CA/ Agreement, Name and/ or No.	NMNM70965X
8. Well Name and No.	JAMES RANCH UNIT # 107H
9. API Well No.	30-015-37062
10. Field and Pool, or Exploratory Area	Quahada Ridge SE (Delaware)
11. County or Parish, State	EDDY COUNTY, N.M.

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator BOPCO, L.P.	
3a. Address P.O. Box 2760 Midland, Texas 79702-2760	3b. Phone No. (include area code) (432) 683-2277
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) UL M, 860' FSL, 990' FWL, SEC 36, T22S, R30E Lat N32.3433692, Long W103.840853	

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/ Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment	<input type="checkbox"/> Casing Repair	<input checked="" type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Excavate Frac Pit
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposed is to deepen directionally or recomple horizontally, give subsurface locations measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/ BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**BOPCO, L.P. respectfully requests approval for an additional frac pond to be excavated and lined north of the existing frac pond located west of the JRU # 107H. The berm located on the north side will be used and will be extended to the east. The dimensions on the proposed pond are 320' x 420' out side and 250' x 350' inside by 12' deep. The berm will measure seven feet in width at the top, and 25 feet at the base. The pond will be secured by a perimeter chain link fence, topped with barbed wire, with a 20' access gate on the east side. The surrounding soil will be protected with a double 20 mil reinforced liner. The pond will hold fresh water off the Double Eagle water tap. Prevention of unwanted contamination of the fresh water in the pond will be ensured by posting of a gate guard to monitor traffic in and out at the pond.**

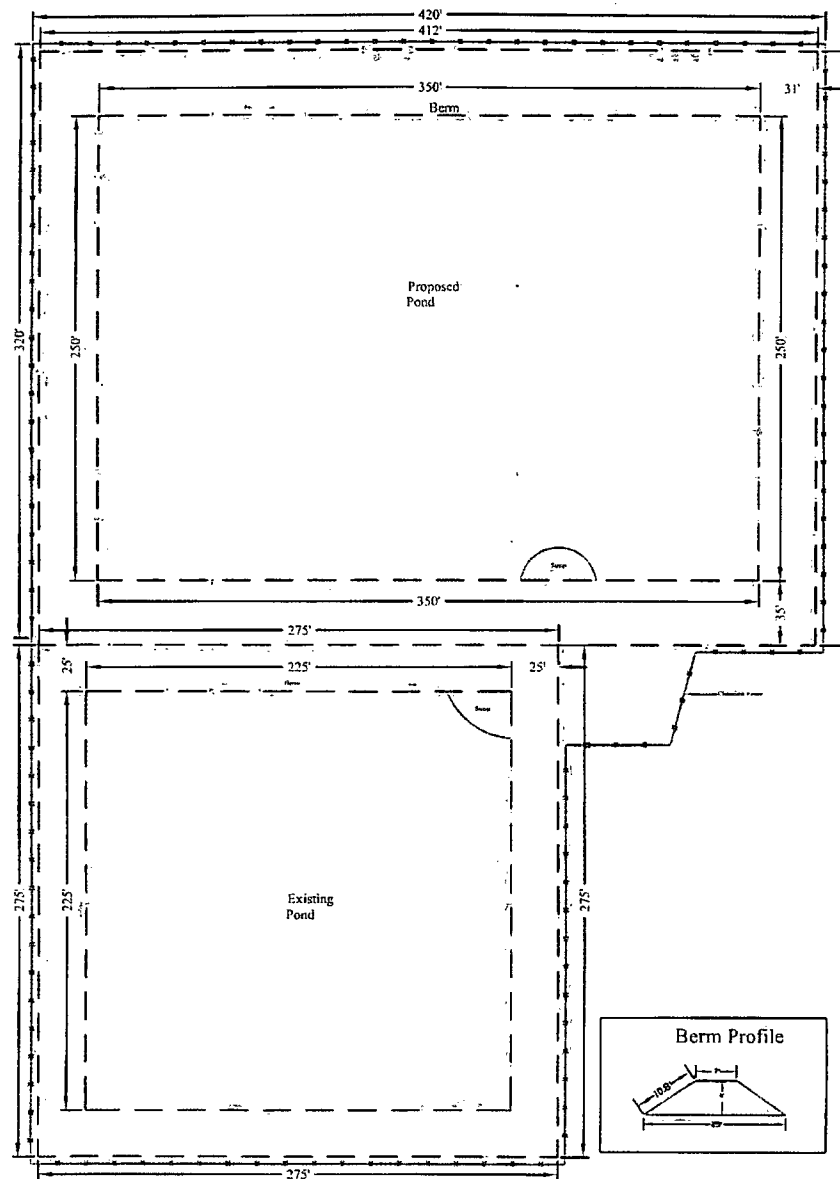
**The pond will hold 166,000 bbls FW. Diagrams of the pit dimensions and berm size are attached along with the survey plats and a map.**

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Bill Franks	Title Production Foreman
Signature <i>Bill Franks</i>	Date 10/10/12

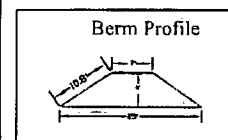
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved by <i>/s/ Don Peterson</i>	Title <b>FIELD MANAGER</b>	Date <b>DEC 5 2012</b>
Office <b>CARLSBAD FIELD OFFICE</b>		

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.

Title 18 U.S.C. Section 1001, makes 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.



--- - Berm  
 — - Fence



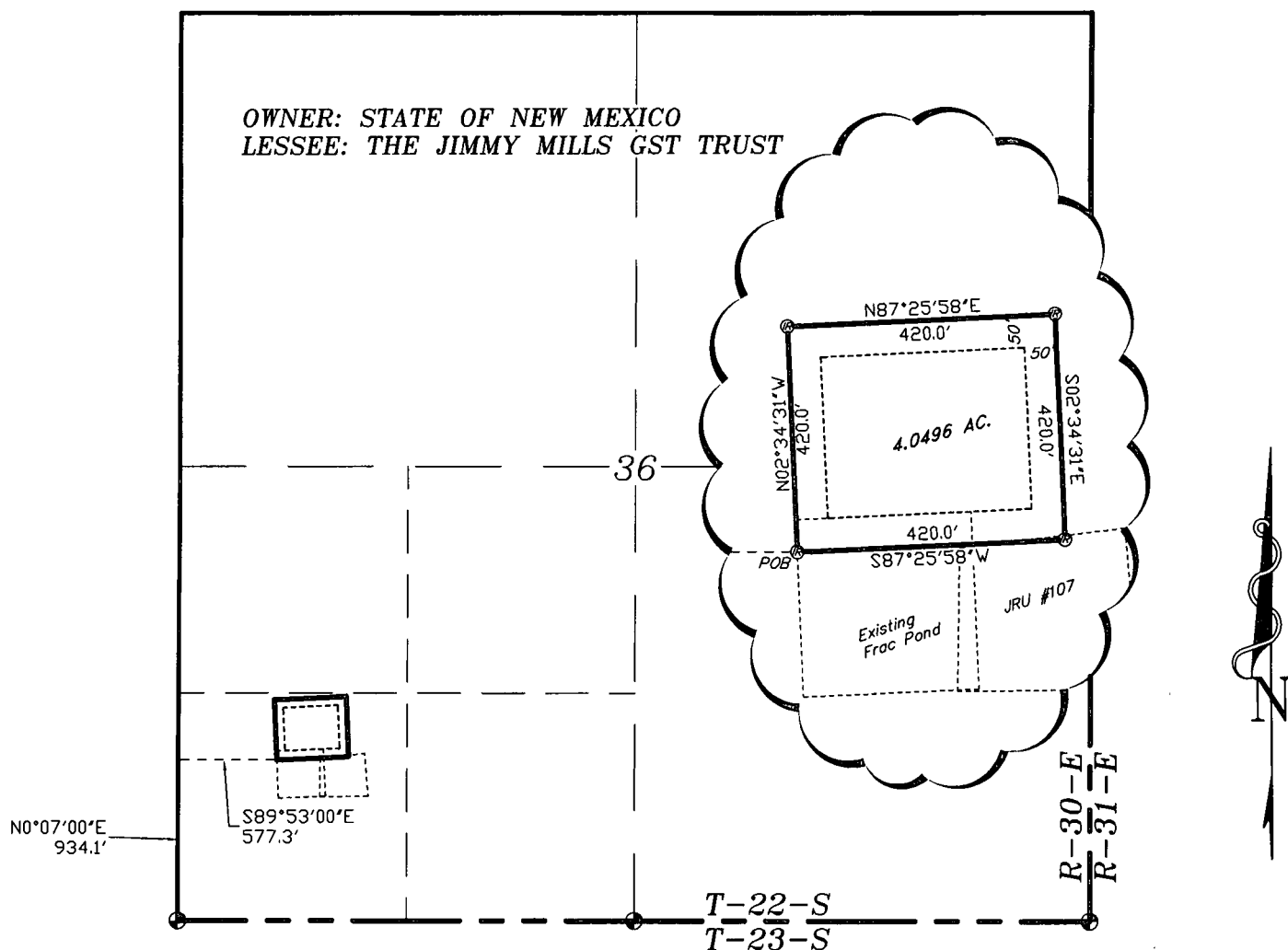
Date: 10/02/2012

Scale: NTS

Drawn By: TJS

James Ranch 107H Frac Pit  
 BOPCO, L.P.  
 Eddy County, New Mexico  
 N 32.34156, W 103.83099

SECTION 36, TOWNSHIP 22 SOUTH, RANGE 30 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.



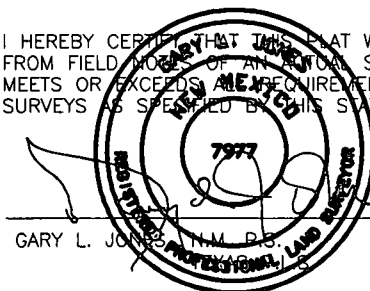
LEGAL DESCRIPTION

A TRACT OF LAND LOCATED IN SECTION 36, TOWNSHIP 22 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS.

BEGINNING AT A POINT WHICH LIES N.00°07'00"E., 934.1 FEET AND S.89°53'00"E., 577.3 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 36; THENCE N.02°34'31"W., 420.0 FEET; THENCE N.87°25'58"E., 420.0 FEET; THENCE S.02°34'31"E., 420.0 FEET; THENCE S.87°25'58"W., 420.0 FEET TO THE POINT OF BEGINNING. SAID TRACT CONTAINING 4.0496 ACRES, MORE OR LESS, AND BEING ALLOCATED BY FORTIES AS FOLLOWS.

SW/4SW/4 4.0496 ACRES

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACCURATE SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.



GARY L. JONES, L.M.S., No. 7977  
No. 5074



**BOPCO, L.P.**

REF: PROPOSED JAMES RANCH UNIT #107 FRAC TRACT

A TRACT OF LAND IN  
SECTION 36, TOWNSHIP 22 SOUTH, RANGE 30 EAST,  
N.M.P.M., EDDY COUNTY, NEW MEXICO.

**BASIN SURVEYS** P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 27410 Drawn By: K. GOAD

Date: 09-24-2012 Disk: KJG - 27410TRACT.DWG

Survey Date: 09-14-2012 Sheet 1 of 1 Sheets

## Franks, William H

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**From:** Reggie Brooks [rbrooks@talonlpe.com]  
**Sent:** Tuesday, October 09, 2012 12:51 PM  
**To:** Franks, William H  
**Cc:** David Adkins  
**Subject:** James Ranch frac pond #2

Bill,

Please see the attached drawing.

The construction estimate for this project is as follows;

- \* Build to specified dimensions 250'x 350' inside and 320'x 420' outside. 12' deep
- \* Push overburden to North
- \* Use sandy material from overburden to pad under liner.
- \* Install Double 20 mil liner.
- \* Remove and re-use approx. 345' of existing chain link fence.
- \* Install 6' chain link fence around perimeter of frac pond.
- \* Install and remove approx. 300' of 4 string barbed wire fence between existing and new frac pond during construction.
- \* Re-build ramp to accommodate both frac ponds
- \* This frac pond will hold 166,518 barrels.

Total construction estimate; \$197,660.00.

Reggie Brooks  
Construction Manager  
Talon LPE  
408 West Texas Avenue  
Artesia, NM 88210  
cell (575) 441-7353

**BLM LEASE NUMBER:** NM 02952A  
**COMPANY NAME:** BOPCO L.P.  
**ASSOCIATED WELL NO. & NAME:** James Ranch Unit 107H

**FRAC POND CONDITIONS OF APPROVAL**

A copy of the Sundry Notice and attachments, including stipulations, survey plat and diagram, will be on location during construction. BLM personnel may request to see a copy of your permit during construction to ensure compliance with all conditions of approval.

Holder agrees to comply with the following conditions of approval to the satisfaction of the Authorized Officer:

1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this permit.
2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated.
3. Required Standard Conditions of Approval:
  - Contact the Supervisory Environmental Protection Specialist, Jim Amos, at 575-234-5909 at least 24 hours prior to starting construction.
  - The frac pond will only be authorized to contain freshwater and testing of water quality is required. Additives are not allowed without consent of the authorized officer.
  - If at any time the water in the frac pond becomes polluted with salts or other contaminants, use of the frac pond will cease and desist, and all liquids will be removed from the frac pond and disposed of properly.
  - Confine all construction and maintenance activity to the authorized area.
  - Temporary pipelines flowing from the frac pond to the target well will be laid along existing roadways unless an exception has been granted by the authorized officer.
  - Mineral materials extracted during construction of the frac pond will be stored on location and/or used for constructing the frac pond.
  - The frac pond will be lined.
  - The operator shall stockpile topsoil approximately 25 feet outside the bermed perimeter of the pond in a low profile manner, reasonably protected from wind and water erosion

- Topsoil shall not be used for constructing the frac pond. The topsoil will be used for final reclamation purposes only.
- The frac pond shall be fenced on all sides to prevent livestock and wildlife from entering the pond. The fence must be installed at the base of the berm.
- Install earthen erosion-control structures as are suitable for the specific terrain and soil conditions.
- The plastic lining will be removed prior to final abandonment
- Reclamation efforts will commence immediately after the frac pond is no longer needed for the purpose of completing wells.
- Within 3 months of completion of frac operations on associated wells, all earthwork and final reclamation must be completed. This includes reclaiming and/or removal of:
  - Any roads approved for use with the pond
  - Surface water lines
  - Tanks, pumps, fencing etc.
- Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

Requirements for Operations and Final Reclamation:

4. If, during any phase of the construction, operation, maintenance, or termination of the frac pond, any pollutant should be released from the contaminated frac pond, the control and total removal, disposal, and cleaning up of such pollutant, wherever found, shall be the responsibility of holder, regardless of fault.

5. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

6. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific

values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

7. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

8. After all disturbed areas have been satisfactorily contoured and prepared for seeding the location needs to be revegetated with the seed mixture provided. Seeding may need to be repeated until revegetation is successful. Operators shall contact Jim Amos, Supervisor, Environmental Protection – (575)234-5909, **prior** to beginning surface reclamation operations.

9. Seeding is required: Use the following seed mix.

- |   |  |
|---|--|
| <input type="checkbox"/> seed mixture 1 | <input type="checkbox"/> seed mixture 3      |
| <input type="checkbox"/> seed mixture 2 | <input type="checkbox"/> seed mixture 4      |
| <input type="checkbox"/> LPC mixture    | <input type="checkbox"/> Aplomado Falcon mix |

10. The topsoil to be stripped is approximately                      inches in depth.

11. Upon failure of holder to control, dispose of, or clean up such discharge, or to repair all damages resulting there-from, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

12. Special Stipulations: Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken: Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.