

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



March 10, 2009

Mr. James Bruce
P.O. Box 1056
Santa Fe, NM 87504

Administrative Order NSL-6004

Re: BOPCO, L.P.
Poker Lake Unit Well No. 300
API No. 30-015-36950
Unit N, Section 27-24S-30E
Eddy County, New Mexico

Dear Mr. Bruce:

Reference is made to the following:

- (a) your application (**administrative application reference No. pKAA09-04259166**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of BOPCO, L.P., on February 11, 2008,
- (b) information submitted with your email dated March 10, 2009, and
- (c) the Division's records pertinent to this request.

BOPCO has requested to drill the above-referenced well as a horizontal well in the Bone Spring formation, at a location that will be unorthodox under Division Rule 16.14.B(2). The proposed surface location, point of penetration and terminus of the well are as follows:

Surface Location: 600 feet from the South line and 2200 feet from the West line
(Unit N) of Section 27, Township 24S, Range 30E, NMPM
Eddy County, New Mexico

Point of Penetration: Same as surface location

Terminus 600 feet from the North line and 500 feet from the East line



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(Unit A) of Section 28, Township 24S, Range 30E.

The W/2 NW/4 and the N/2 and SE/4 SW/4 of Section 27 and the E/2 NE/4 of Section 28 will be dedicated to the proposed well to form a project area comprising seven standard 40-acre spacing units in the Nash Draw Delaware-Bone Spring-Avalon Sand Pool (47545). This pool is governed by statewide Rule 15.9.A, which provides for 40-acre units, with wells located at least 660 feet from a unit outer boundary. This location is unorthodox because portions of the producing interval will be less than 660 feet from the boundary of the project area, and therefore outside the producing area.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

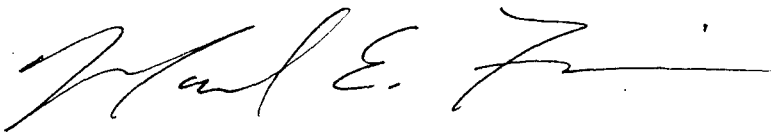
It is our understanding that you are seeking this location because of the unusual configuration of the project area. It is further understood notice of this application to offsetting operators or owners is not required because of common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire", with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Artesia
United States Bureau of Land Management - Carlsbad