

472
BOPCO, L.P.
201 MAIN STREET, SUITE 2700
FORT WORTH, TEXAS 76102
817 / 390-8400

ANDY MORRISON
DIVISION LANDMAN

February 28, 2013

FEDERAL EXPRESS

Bureau of Land Management
Carlsbad District Office
620 E. Green St.
Carlsbad, New Mexico 88220
Attn: Mr. Edward Fernandez

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attention: Mr. Pete Martinez

RECEIVED
2013 MAR - 1 A.M.
New Mexico Oil Conservation Division
1220 St. Francis
Santa Fe, New Mexico 87505
Attention: Mr. William Jones

Re: 2013 Plan of Development
James Ranch Unit
Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the James Ranch Unit Agreement dated April 22, 1952, BOPCO, L.P., Operator of the referenced unit, hereby submits a Plan of Development for the James Ranch Unit for the year 2013.

2012 Activity

- *Drilling*
 - The Delaware horizontal development program continued with two (2) wells being completed.
- *Plugged and Abandoned*
 - No James Ranch Unit wells were plugged and abandoned in 2012.
- *Participating Areas*
 - No Participating Areas were revised or established in 2012.

Future Development

- *Delaware*
 - Two (2) Delaware wells are expected to be drilled in 2013. These wells appeared on the 2012 Plan of Development.
- *Bone Spring*
 - Four (4) Bone Spring wells are expected to be drilled in 2013.
- *Saltwater Disposal*
 - One (1) Saltwater Disposal well is expected to be drilled in 2013.

Offset Obligations

- Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands covered by the James Ranch Unit Agreement or pursuant to applicable regulations.

Modifications

- In accordance with the terms and provisions of the James Ranch Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

Effective Date

- This Plan of Development became effective on January 1, 2013.

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one (1) signed original to the undersigned for our records.

Sincerely,



Andy Morrison

HAM:mec

ACCEPTED AND AGREED this _____ day of _____, 2013.

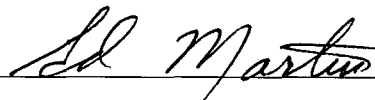
BUREAU OF LAND MANAGEMENT

By: _____

COMMISSIONER OF PUBLIC LANDS

By: _____

NEW MEXICO OIL CONSERVATION DIVISION

By:  _____

James Ranch Unit - 2012 Activity

		Surface Location		Bottom Hole Location		Depth
		S-T-R	Footage Call	S-T-R	Footage Call	
<i>Delaware</i>						
JRU 140H	25-22-30	2,619' FNL & 1,980' FWL		27-22-30	1,980' FNL & 330 FWL	18,950'
JRU 141H	25-22-30	2,619' FNL & 2,020' FWL		27-22-30	660' FNL & 350' FWL	18,980'

James Ranch Unit - Future Bone Spring Development

	Surface Location		Bottom Hole Location		Depth
	S-T-R	Footage Call	S-T-R	Footage Call	
JRU 144H	36-22-30	2,315' FNL & 2,594' FEL	31-22-30	2,240' FNL & 390' FEL	15,830'
JRU 145H	36-22-30	1700' FSL & 1994' FEL	31-22-30	1994' FSL & 390' FEL	16,000'
JRU 148H	36-22-30	2,455' FNL & 660' FEL	31-22-31	1,980' FEL & 330' FEL	16,540'
JRU 148H	36-22-30	1,015' FNL & 940' FEL	31-22-31	660' FSL & 330' FEL	16,665'

James Ranch Unit - Saltwater Disposal

Surface Location			
	S-T-R	Footage Call	TVD
JRU 21 SWD	21-22-30	1,451' FNL & 1,861' FEL	16,801'