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BEP CO, L.P.
201 MAIN ST.
FORT WORTH, TEXAS 76102-3131
817/390-8400

April 8, 2008

RECEIVED

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**EXPRESS MAIL/
Return Receipt Requested**

Bureau of Land Management
Roswell District Office
2909 W. 2nd Street
Roswell, New Mexico 88201
Attention: Angel Mayes

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attention: Ms. Jami Bailey

New Mexico Oil Conservation Division
1220 St. Francis
Santa Fe, New Mexico 87505
Attention: Mr. William Jones

Re: 2008 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, Bass Enterprises Production Co., Operator of the referenced unit, hereby submits a Plan of Development for the James Ranch Unit for the year 2008.

HISTORY OF PAST DEVELOPMENT

We refer to our previous Plans of Development for a detailed description of the operations conducted in this Unit in prior years.

2007 ACTIVITY

James Ranch No. 62, Eddy County, New Mexico - This well was drilled at a legal location being 1200' FSL & 2080' FEL, Sec.1, T23S-R30E, Eddy County, New Mexico. This well was completed in the Delaware Formation as an oil well.

James Ranch No. 85, Eddy County, New Mexico - This well was drilled at a legal location being 2180' FSL & 350' FWL, Sec. 6, T23S-R31E, Eddy County, New Mexico. This well was completed in the Delaware Formation as an oil well.

2007 PLUGGED AND ABANDONED

No James Ranch Unit wells were plugged and abandoned in 2007.

PARTICIPATING AREAS

Bass Enterprises Production Co. has submitted all wells drilled to date where adequate information is available for commercial determination and participating areas. In the event you have not received commercial determinations for the wells that have been drilled and completed and are currently producing, please advise at your earliest convenience and we will submit same to you.

FUTURE DEVELOPMENT

Contingent Wells Pending Partner Participation:

James Ranch No. 101 - This well will be drilled at a legal location being 1,980' FNL & 1,965' FWL, Section 8, T23S-R31E, Eddy County, New Mexico to a proposed depth of 14,700' to test the Morrow Formation.

James Ranch No. 102 - This well will be drilled at a legal location being 660' FSL & 1,980' FWL, Section 8, T23S-R31E, Eddy County, New Mexico to a proposed depth of 14,700' to test the Morrow Formation.

OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands within the James Ranch Unit area or pursuant to applicable regulations. Mediation

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, 2008.

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.

Very truly yours,



Brad Glasscock
Landman

BG:ca

ACCEPTED AND AGREED this _____ day of _____, 2008.

BUREAU OF LAND MANAGEMENT

By: _____

COMMISSIONER OF PUBLIC LANDS

By: _____

NEW MEXICO OIL CONSERVATION DIVISION

By:  _____