DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO
1/31/13	3/12/25	WVJ		SWD	pWVJ1305954310

Last Notice 2/25/13

ABOVE THIS LINE FOR DIVISION USE ONLY

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

30-015-41074
James Ranch Unit 21 Federal SWD #1

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]

DEVONIAN 15,291 - 16,801 Ofr.

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

BOPCO G/21/22S/30E EDDY

[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

No WIPP
No Reef
Yes POTASH

[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.

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

Emma Z. Galindo	Emma Z. Galindo	Engineering Assist	1/25/13
Print or Type Name	Signature	Title	Date

ezgalindo@basspet.com
e-mail Address

BOPCO, L. P.
6 DESTA DRIVE, SUITE 3700 (79705)
P. O. BOX 2760
MIDLAND, TEXAS 79702

(432) 683-2277

FAX (432) 687-0329

January 30, 2013

Re: Notice of Application for Authorization to Complete this well as a SWD Well
James Ranch Unit 21 Federal SWD #1
Eddy County, New Mexico
File: 100-WF: JRU21FedSWD1.C108

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

Mr. Jones:

Enclosed please find BOPCO, L.P.'s **Application for Authorization to Drill and Complete** this well for disposal purposes only into the James Ranch Unit 21 Federal SWD #1 located in Section 21, T22S, R30E, Eddy County, New Mexico.

The subject well is on Federal land and a complete copy of the application has been sent to the BLM's Carlsbad office via Certified Mail, Cert #7160-3901-9846-4644-8017. Please find a copy of the notice attached. I will provide a copy of the signed receipt card when it returns. In addition, Conoco Phillips has working interest in this well. A letter of notification has been sent and a copy is attached.

Once we receive the newspaper ad and affidavit of publication from Carlsbad Current Argus, I will send you a copy. If additional information is required, please contact Emma Z. Galindo at the letterhead address, phone number or via email at ezgalindo@basspet.com.

Sincerely,

Emma Z. Galindo

Emma Z. Galindo
Engineering Assistant

ezg
Attachments

CC: BLM

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL
RESOURCES DEPARTMENT

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____Secondary Recovery _____Pressure Maintenance __X__Disposal _____Storage
Application qualifies for administrative approval? _____Yes _____No

II. OPERATOR: BOPCO, L.P.

ADDRESS: P.O. Box 2760, Midland, TX 79702

CONTACT PARTY: Emma Z. Galindo PHONE: (432)683-2277

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____Yes __X__No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Emma Z. Galindo TITLE: Engineering Assistant

SIGNATURE: Emma Z. Galindo DATE: 01/25/2013

E-MAIL ADDRESS: ezgalindo@basspet.com

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

(1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.

(2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

(1) The name of the injection formation and, if applicable, the field or pool name.

(2) The injection interval and whether it is perforated or open-hole.

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

(4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.

(5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include: Attached

(1) The name, address, phone number, and contact party for the applicant;

(2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;

(3) The formation name and depth with expected maximum injection rates and pressures; and,

(4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

III. Well Data

A. 1) Lease name: James Ranch Unit 21 Federal SWD
Well #: 1
Section: 21
Township: T22S
Range: 30E
Footage: 1451' FNL & 1861' FEL

2) Casing Info:

Casing size	Set depth	Sacks cmt	Hole size	TOC	Method
30", 157.68#, X52, PE	120		36"	Surface	Circulated
20, 133#, J-55, BTC	546'	1,126	26"	Surface	Circulated
13-3/8", 68#, HCN-80, BTC	3556'	2,785	17-1/2"	Surface	Circulated
9-5/8", 53.50#, L-80, LT&C	7500'	965	12-1/4"		
9-5/8", 53.50#, HCL-80, LT&C **	11,000'	2,260	12-1/4"	Surface	Circulated
7-5/8", 39#, P-110, Ultra FJ	10,800'-14,000'	570	8-1/2"	TO T.O.L.	Circulated
7-5/8", 42.80#, P-110, Ultra FJ	14,000-15,321'		8-1/2"		
	15,321-16,801'		5-1/2"	OH	

**DV Tool @ 5,500'

3) Tubing to be used (size, lining material, setting depth):
4-1/2" 12.75#, L-80, RTS-8 IPC tbg set @15,271'.

4) Name, model, and depth of packer to be used:
4-1/2" Baker FA Nickel Plated EXT/INT PC Pkr set @ 15,271'.

B. 1) Name of the injection formation and, if applicable, the field or pool name:
Devonian

2) The injection interval and whether it is perforated or open hole:
Open hole from 15,321 - 16,801 O.H.
BOPCO will evaluate the open hole interval by mudlogging the well as well as running open hole logs as in the ND 19 SWD.

3) State if the well was drilled for injection or, if not, the original purpose of the well:
Newly drilled well for injection.

4) Give the depths of any other perforated intervals and detail on the sacks of cement or BPs used to seal off such perforations:
NA

5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any:
Higher: Bone Spring - 7,383' Lower: None

C-108 DATA

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each wells type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

There are no wells that penetrate the proposed injection zone.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected: 30,000 average, 35,000 maximum BWPD
2. Whether the system is open or closed: closed
3. Proposed average and maximum injection pressure: 3,058 psi maximum, 2,500 psi average
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water: Produce water will come from the Delaware formation.
5. If injection is for disposal purposes into a zone not productive of oil & gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water: N/A

VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with TDS of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval:

Lithologic Detail:	**Carbonate**
Geological Name:	**Devonian**
Thickness:	**1510'**
Depth:	**15,291' - 16,801'**

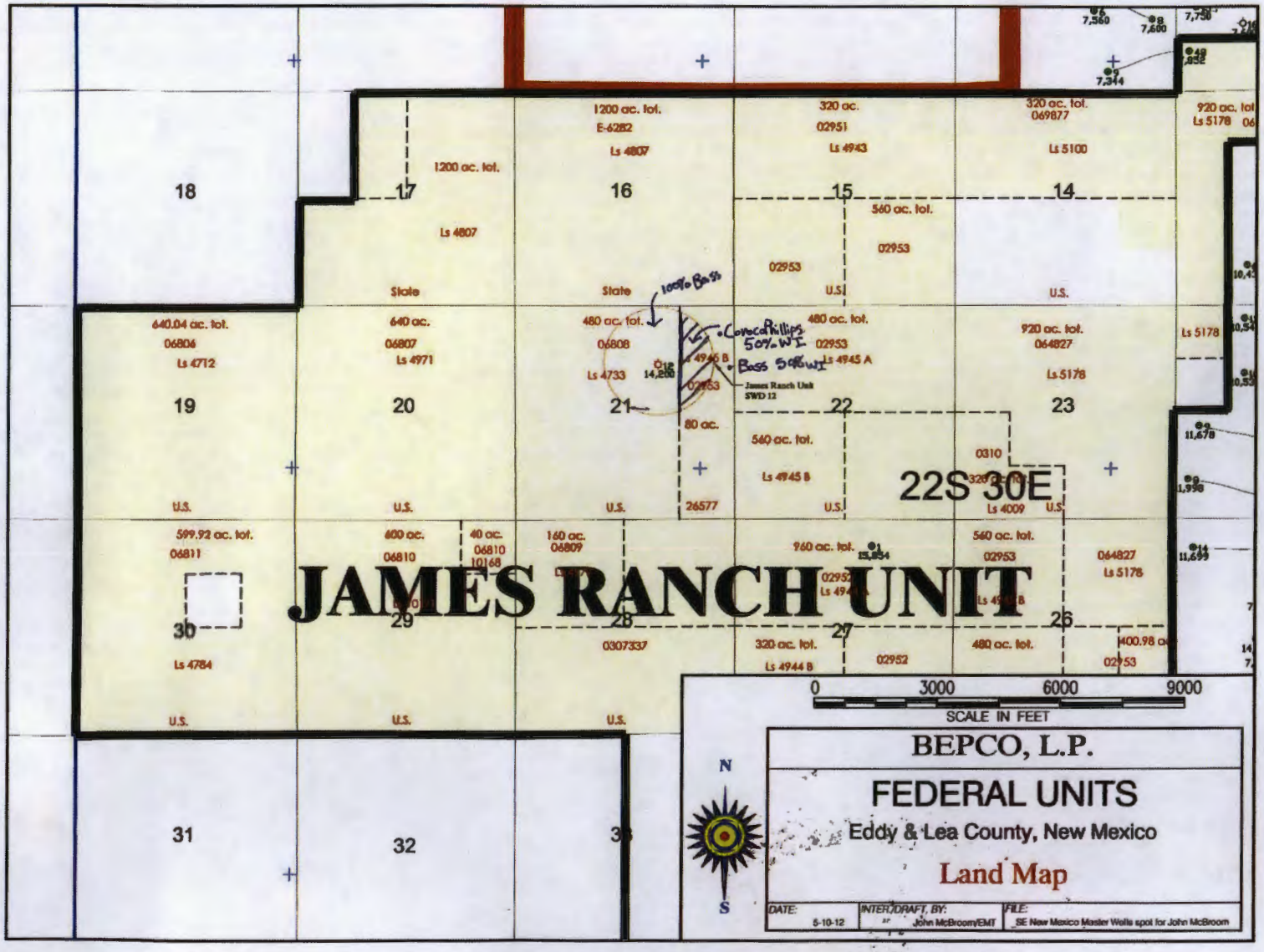
The Rustler Formation is a known source of fresh water throughout this geographic area. Average depth of Rustler is 148-540'. No sources of fresh water are known to exist below the proposed disposal zone.

IX. Describe the proposed stimulation program, if any:
The open hole section from 15,321-16,801' will be acidized with approximately 50 gallons 15% NEFE HCl per foot for a total of 74,000 gallons.

X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted.)
Logs will be submitted. This will be a newly drilled well.

XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
No known fresh water wells within one mile of proposed well.

XII. Applicants for disposal wells must make an affimative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydology connection between the disposal zone and any underground sources of drinking water.
Applicant hereby affirms that he has examined the available geologic and engineering data and finds no evidence of open faults, or other hydrologic connection between the disposal zone and any underground source of drinking water.



F:\DRAFTING\WTD\NM\Federal Units\WORK MAPS_SE New Mexico Master Wells spot for John McBroom.dwg, 8.5x11 Well half mile boundary, 5-10-12, 5/10/2012 11:18:30 AM, eteddy

PROPOSED WELLBORE DIAGRAM

Lease: James Ranch Unit 21 SWD **Well No.:** 1
Injection Reservior: Devonian
Location: 1451' FNL & 1861' FEL S21-T22S-R30E
County: EDDY **St:** NM **API:** 30-015-

Elevation GL:	
Elevation KB:	
Spud:	
Completed	

Surface Csg.

Size:	20"
Wt	133#
Grd	J-55, BTC
Set @:	546'
Sxs cmt:	1126
TOC:	Surface
Hole Size:	26"

Intermediate Csg.

Size:	13 3/8"
Wt	68#
Grd	HCN-80, BTC
Set @:	3556'
Sxs Cmt:	2785
TOC:	Surface
Hole Size:	17 1/2"

Production Csg.

Size:	9 5/8"
Wt	53.5#
Grd	L-80, LT&C
Set @:	11000'
Sxs Cmt:	3225
TOC:	Surface
Hole Size:	12 1/4"

Liner

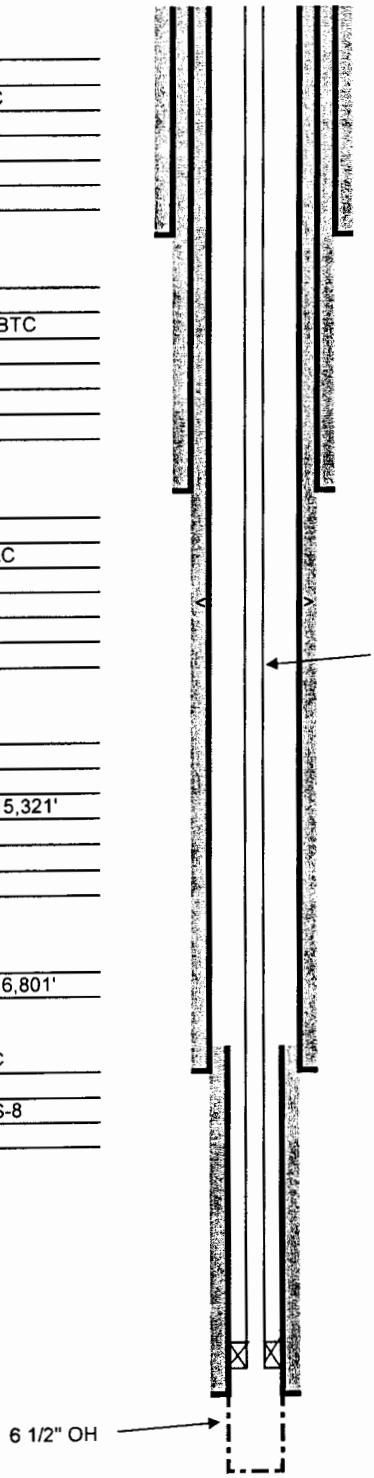
Size:	7 5/8"
Wt	39#
Grd	P-110 FJ
Set @:	10,800 - 15,321'
Sxs Cmt:	570
TOC:	10,800'
Hole Size:	8 1/2"

Open Hole

Size:	6 1/2"
Depth:	15321' - 16,801'

Tubing

Size:	4 1/2" IPC
Wt	12.75#
Grd	L-80, RTS-8
Set @:	15,271'



TD: 16,801

Updated: 1/22/2013
Author: ezg
Engr: CCC

REVISED GEOLOGICAL PROGNOSIS

BOPCO, L. P.	WEST TEXAS DIVISION	Issue Date:	4/23/2012

FIELD OR PROSPECT	WELL NAME	WELL NO.	API CLASS	EXP/DEV	EST. W.I	EST. N.R.I
James Ranch	James Ranch Unit SWD	12	1	SWD	1.00	

	LOCATION	COUNTY	STATE	PRIMARY OBJECTIVE
Surface:	1,371' FNL & 1821' FEL, Sec. 21, T22S-R30E	Eddy	NM	Devonian
Bottom Hole:		Lateral Length:		

TOTAL DEPTH	DRILLING TARGETS	
MD: 16,800'	Target 1:	TVD:
TVD:	Target 2:	TVD:
	TD:	TVD:

Pilot Hole Y/N	NA	Pilot Hole Depth:	Lateral Drilling Direction

FORMATION TOPS

FORMATION / MARKER	ELEVATIONS GL: 3,164' KB: 3,190'			ESTIMATED DEPTHS		BEST GEOLOGICAL CORRELATION WELL	
						Operator	BOPCO
						Well	James Ranch Unit No. 12
						KB:	3,180'
	MD	TVD	SUBSEA	SUBSEA	Actual from Log		
Rustler	190'		3,000'	3,000'	180'		
Salado	555'		2,635'	2,635'	545'		
Lamar	3,535'		-345'	-345'	3,525'		
Delaware Sands	3,580'		-390'	-390'	3,570'		
Bone Spring	7,383'		-4,193'	-4,193'	7,373'		
Wolfcamp	10,692'		-7,502'	-7,502'	10,682'		
Middle Wolfcamp	11,350'		-8,160'	-8,160'	11,340'		
Strawn	12,262'		-9,092'	-9,092'	12,272'		
Atoka	12,394'		-9,204'	-9,204'	12,384'		
Morrow	13,253'		-10,063'	-10,063'	13,243'		
Middle Morrow	13,519'		-10,329'	-10,329'	13,509'		
Lower Morrow	13,914'		-10,724'	-10,724'	13,904'		
Mississippian Lime	14,661'		-11,471'	-11,611'	14,920' **		
Woodford	15,121'		-11,931'	-12,071'	15,360' **		
Devonian	15,290'		-12,100'	-12,240'	15,549' **		
TD	16,800'		-13,610'				

RESERVOIR OBJECTIVES	PRIMARY	SECONDARY	DEPTH
Devonian	X		15,290' - 16,800'

SIGNIFICANT OFFSET WELLS

OPERATOR	WELL NAME	WELL NO.	LOCATION	COUNTY	STATE
BOPCO	James Ranch Unit	12	1,450' FNL & 1,830' FEL, Sec. 21, T22S-R30E	Eddy	NM
BOPCO	Legg Federal	1	660' FNL & 2,004' FWL, Sec 27, T22S-R30E	Eddy	NM

TARGET SAND TOP DEPTHS	MUD LOGGER
Top target sand @ SL	VENDOR: MORCO
Top target sand @ EOC=	UNIT ON BY: Surface to pick surface casing
Top target sand @ Target 1=	SAMPLES FROM: Surface TO: TD
	SAMPLE INTERVAL (FT.): 10'

WIRELINE LOGGING PROGRAM

Spectral GR, Neutron-Density, Resistivity, Sonic from top of Delaware to TD. Cased hole GR-Neutron to surface.

Elemental Capture Spectroscopy Log from Bone Spring to Devonian. Rotary sidewall cores in Bone Spring and Wolfcamp.

MUST COMMENCE BY

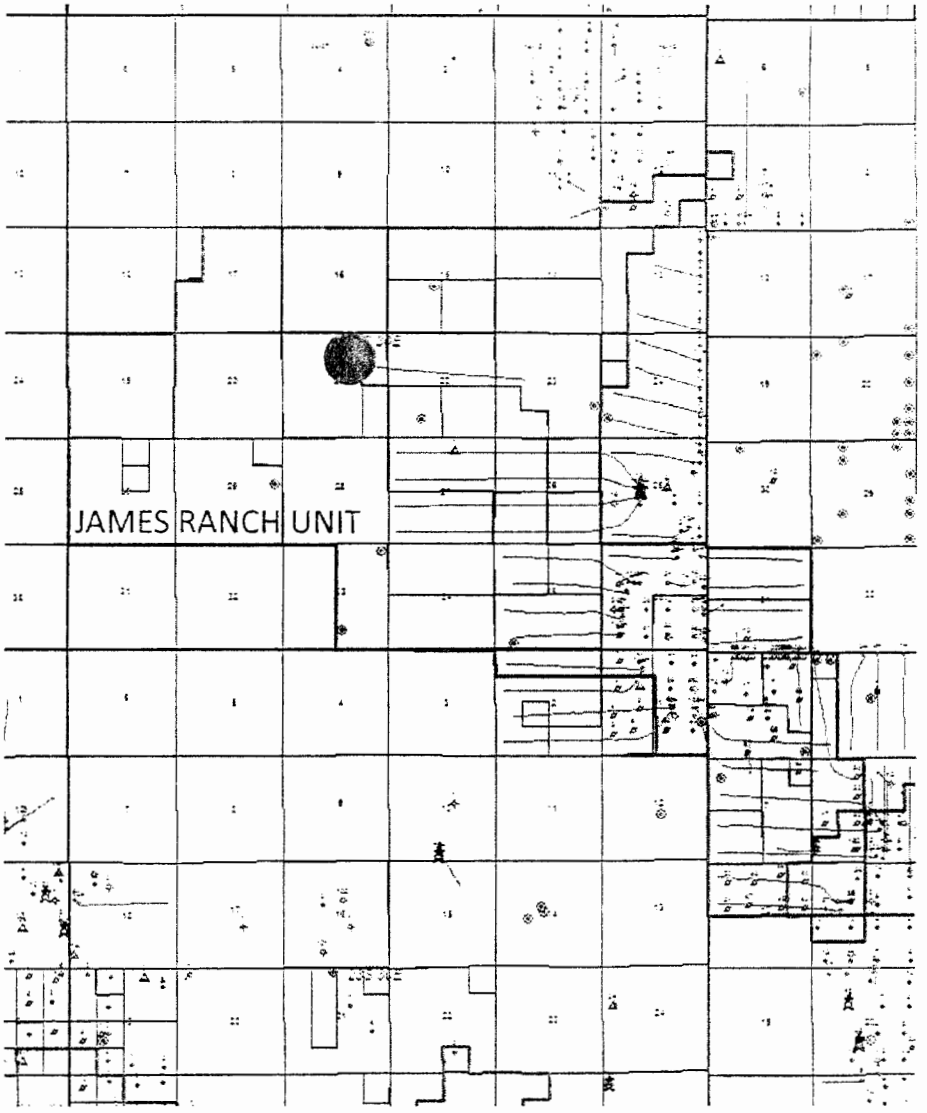
REMARKS

Revised for total depth to maximize SWD capability.

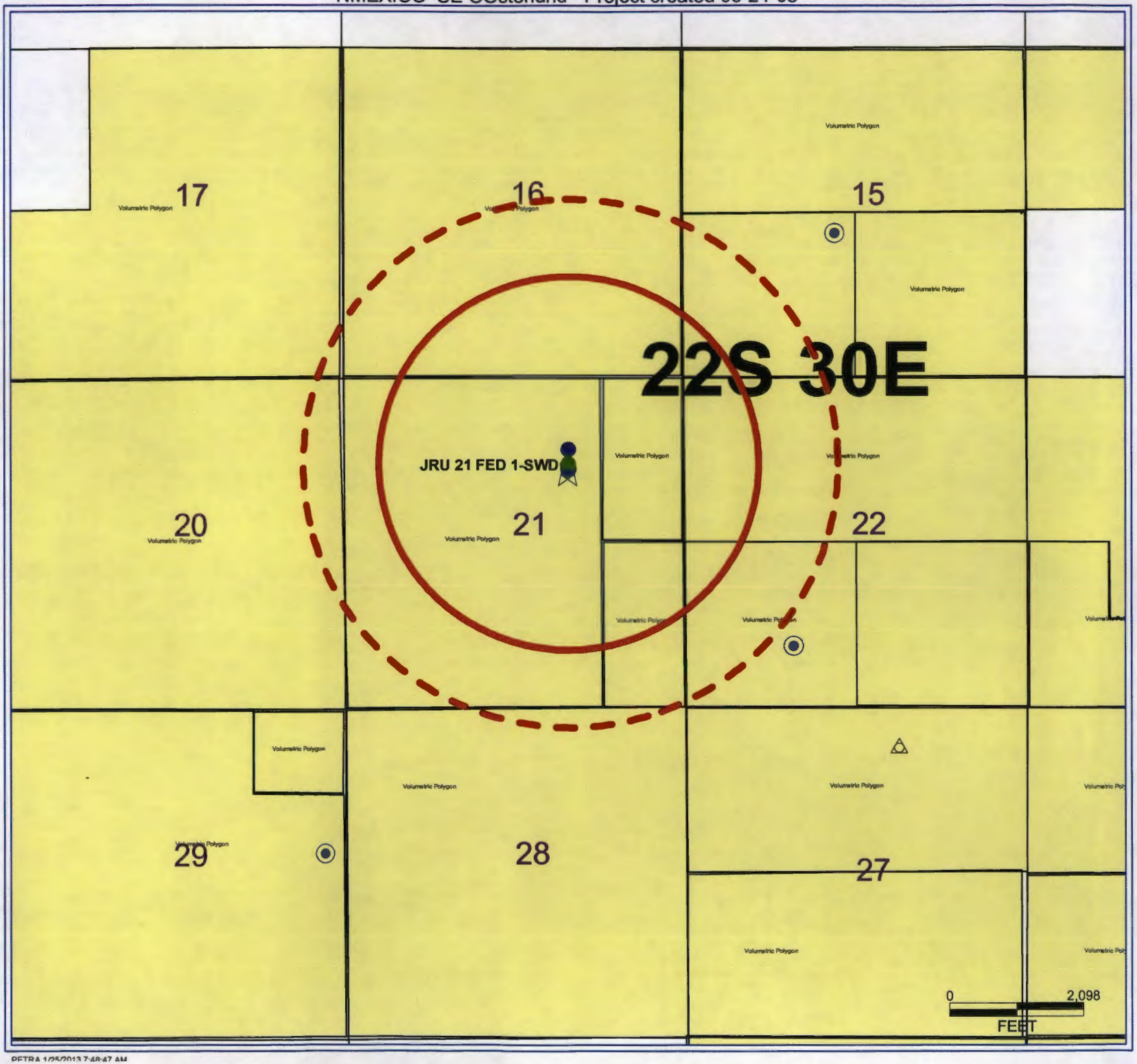
**** These offset formation tops are from the BOPCO Legg Federal No. 1.**

Recommended by: (GEO)	Brian Pregger	Approved by (signature)	Date
XC: L. Muncy, S. Neuse, G. Hillis, W. Dannels, R. Sutton, C. Addington, Well File	EX: M. Roper, F. McCreight, K. Adams, J. Smitherman, B. Brigham, S. Johnson, S. Martinez, S. Doyle, K. Holster, W. McKee		4-23-12

James Ranch Unit No. 12 SWD



NMEXICO SE COsterlund - Project created 06-24-08



PETRA 1/25/2013 7:48:47 AM

P.O. BOX 98
MIDLAND, TX. 79702
PHONE (432) 683-4521

Martin Water Laboratories, Inc.

709 W. INDIANA
MIDLAND, TEXAS 79701
FAX (432) 682-8819

RESULT OF WATER ANALYSES

LABORATORY NO. 1112-73
SAMPLE RECEIVED 10-25-12
RESULTS REPORTED 10-31-12

TO: Carlos Cruz
PO Box 2267, Midland, TX 79702

COMPANY BOPCO LEASE

FIELD OR POOL

SECTION BLOCK SURVEY COUNTY Eddy STATE NM

SOURCE OF SAMPLE AND DATE TAKEN:

NO. 1 JR #29. 10-19-12
NO. 2 JR #124. 10-19-12
NO. 3 PLU #78. 10-19-12
NO. 4 PLU #213. 10-19-12

REMARKS:

CHEMICAL AND PHYSICAL PROPERTIES

	NO. 1	NO. 2	NO. 3	NO. 4
Specific Gravity at 60° F.	1.1976	1.2000	1.1942	1.1990
pH When Sampled				
pH When Received	5.50	5.40	5.40	5.40
Bicarbonate as HCO_3	12	10	12	10
Supersaturation as $CaCO_3$				
Undersaturation as $CaCO_3$				
Total Hardness as $CaCO_3$	95,000	87,000	84,000	84,000
Calcium as Ca	31,200	28,400	26,800	29,200
Magnesium as Mg	4,131	3,888	4,131	2,673
Sodium and/or Potassium	82,557	94,524	85,775	90,371
Sulfate as SO_4	153	151	153	136
Chloride as Cl	194,540	207,320	191,700	198,800
Iron as Fe	91	44	89	51
Barium as Ba	0	0	0	0
Turbidity, Electric				
Color as Pt				
Total Solids, Calculated	312,593	334,293	308,571	321,189
Temperature °F.				
Carbon Dioxide, Calculated				
Dissolved Oxygen,				
Hydrogen Sulfide	0.0	0.0	0.0	0.0
Resistivity, ohms/m at 77° F.	0.044	0.039	0.045	0.044
Suspended Oil				
Filtrable Solids as mg/l				
Volume Filtered, ml				

Results Reported As Milligrams Per Liter

Additional Determinations And Remarks

The undersigned certifies the above to be true and correct to the best of his knowledge and belief.

Form No. 3

By Greg Ogden, B.S.

LATHAM PRINTING CO. - 333-1292

Form 3160-3
(April 2004)

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NMNM 006808

6. If Indian, Allotee or Tribe Name

1a. Type of work: ☑ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.
James Ranch Unit NMNM 70965X

1b. Type of Well: ☐ Oil Well ☐ Gas Well ☑ Other ☑ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
James Ranch Unit 21 Fed SWD 1

2. Name of Operator
BOPCO, L. P.

9. API Well No.

3a. Address **P. O. Box 2760**
Midland, TX 79702

3b. Phone No. *(include area code)*
432-683-2277

10. Field and Pool, or Exploratory
SWD Devonian

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface **SENE, UL G, 1451' FNL, 1861' FEL, Lat:N32.380833, Lng:W103.88313333**
At proposed prod. zone

11. Sec., T. R. M. or Blk. and Survey or Area
21, T22S, R30E, Mer, NMP

14. Distance in miles and direction from nearest town or post office*
14 miles NW of Loving

12. County or Parish
Eddy

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
1,451' (lease line)
6,788' (unit line)

16. No. of acres in lease
480

17. Spacing Unit dedicated to this well
This is an SWD well, there will be no production

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
40'

19. Proposed Depth
16,801' TVD

20. BLM/BIA Bond No. on file
COB 000050

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3,165' GL

22. Approximate date work will start*
12/01/2012

23. Estimated duration
110

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature /Jeremy Braden/ — Name *(Printed/Typed)* **Jeremy Braden** — Date 10/30/12

Title **Engineering Assistant**

Approved by *(Signature)* — Name *(Printed/Typed)* — Date

Title — Office

Application approval 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.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

**(Instructions on page 2)*

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
1220 S. 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 87505

Form C-102
Revised July 16, 2010

Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	96101	SWD Devonian

Property Code	Property Name	Well Number
306407	JAMES RANCH UNIT 21	1 SWD

OGRID No.	Operator Name	Elevation
260737	BOPCO, L.P.	3165'

Surface Location

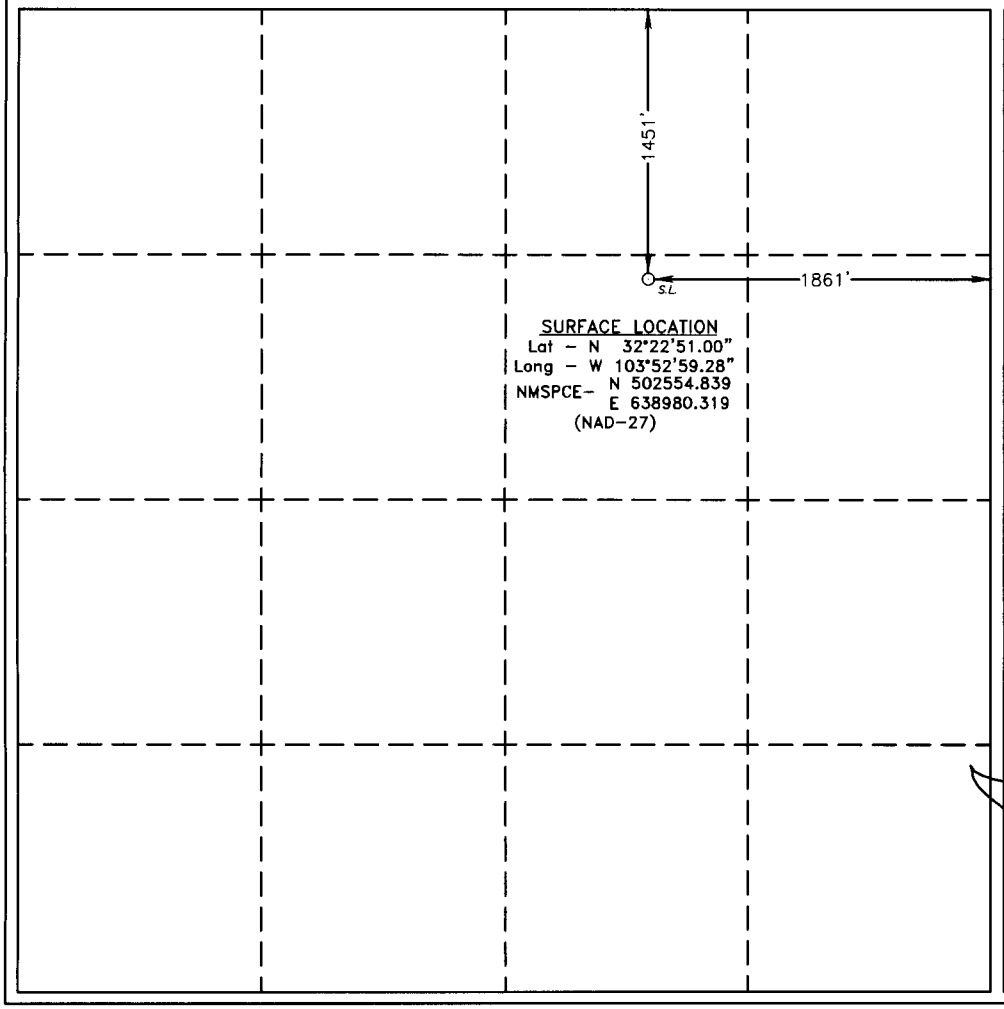
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	21	22 S	30 E		1451	NORTH	1861	EAST	EDDY

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
0			

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



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 unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this 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

Jeremy Braden
Printed Name

jdbraden@basspet.com
Email Address

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 supervison, and that the same is true and correct to the best of my belief.

SEPTEMBER 26, 2012
Date Surveyed

Signature & Seal of Professional Surveyor

NEW MEXICO 7977 REGISTERED PROFESSIONAL LAND SURVEYOR

NO. 27432

Certificate No. Gary L. Jones 7977

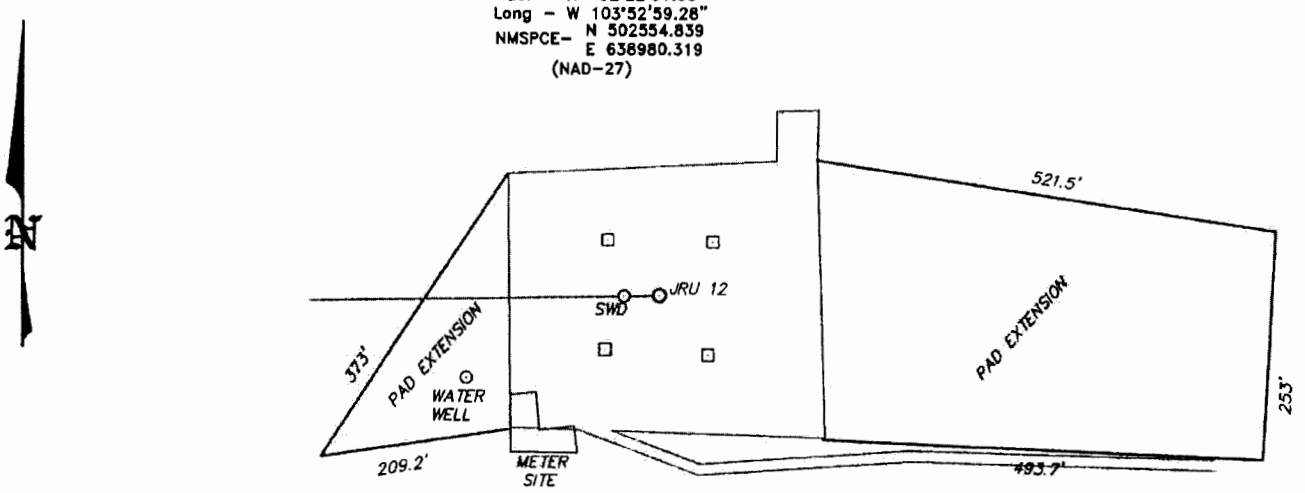
BASIN SURVEYS 27432

SECTION 21, TOWNSHIP 22 SOUTH, RANGE 30 EAST, N.M.P.M.,

EDDY COUNTY, WELL PAD LAYOUT **NEW MEXICO.**

BOPCO, L.P.
JAMES RANCH UNIT 21 #1 SWD
ELEV. - 3165'

Lat - N 32°22'51.00"
Long - W 103°52'59.28"
NMSPCE- N 502554.839
E 638980.319
(NAD-27)



200 0 200 400 FEET
SCALE: 1" = 200'

Directions to Location:

FROM THE JUNCTION OF HWY 128 AND CIMARRON, GO NORTH ON CIMARRON FOR APPROX. 6.2 MILES TO LEASE ROAD, ON LEASE ROAD GO SOUTHWESTERLY TO WELL PAD AND PROPOSED WELL LOCATION.

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

BOPCO, L.P.

REF: JAMES RANCH UNIT 21 #1 SWD / WELL PAD TOPO

THE JAMES RANCH UNIT 21 #1 SWD LOCATED 1451' FROM THE NORTH LINE AND 1861' FROM THE EAST LINE OF SECTION 21, TOWNSHIP 22 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

W.O. Number: 27432	Drawn By: J. SMALL		
Date: 10-01-2012	Disk: JMS 27432	Survey Date: 09-26-2012	Sheet 1 of 6 Sheets

JAMES RANCH UNIT 21 #1 SWD

Located 1451' FNL and 1861' FEL
Section 21, Township 22 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico.

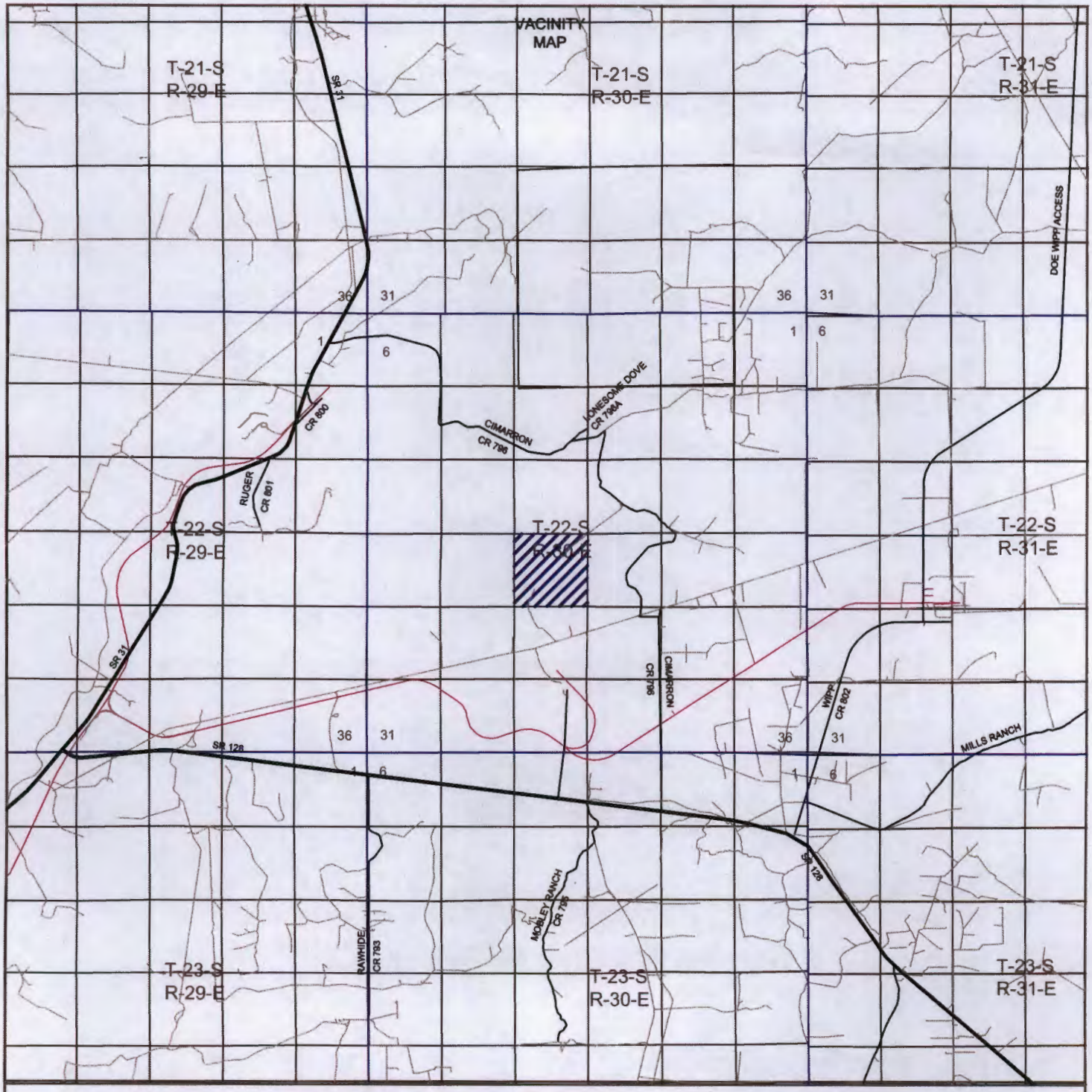
Basin Surveys
focused on excellence in the oilfield

P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393-7316 – Office
(575) 392-2206 – Fax
basinsurveys.com

W.O. Number:	JMS 27432
Survey Date:	09-26-2012
Scale:	1" = 2000'
Date:	10-01-2012

N

BOPCO, L.P.



JAMES RANCH UNIT 21 #1 SWD

Located 1451' FNL and 1861' FEL
Section 21, Township 22 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico.

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(575) 392-2206 - Fax
basinsurveys.com

W.O. Number:	JMS 27432
Survey Date:	09-26-2012
Scale:	1" = 2 Miles
Date:	10-01-2012

BOPCO, L.P.

JAMES RANCH UNIT 21 #1 SWD

Located 1451' FNL and 1861' FEL
Section 21, Township 22 South, Range 30 East,
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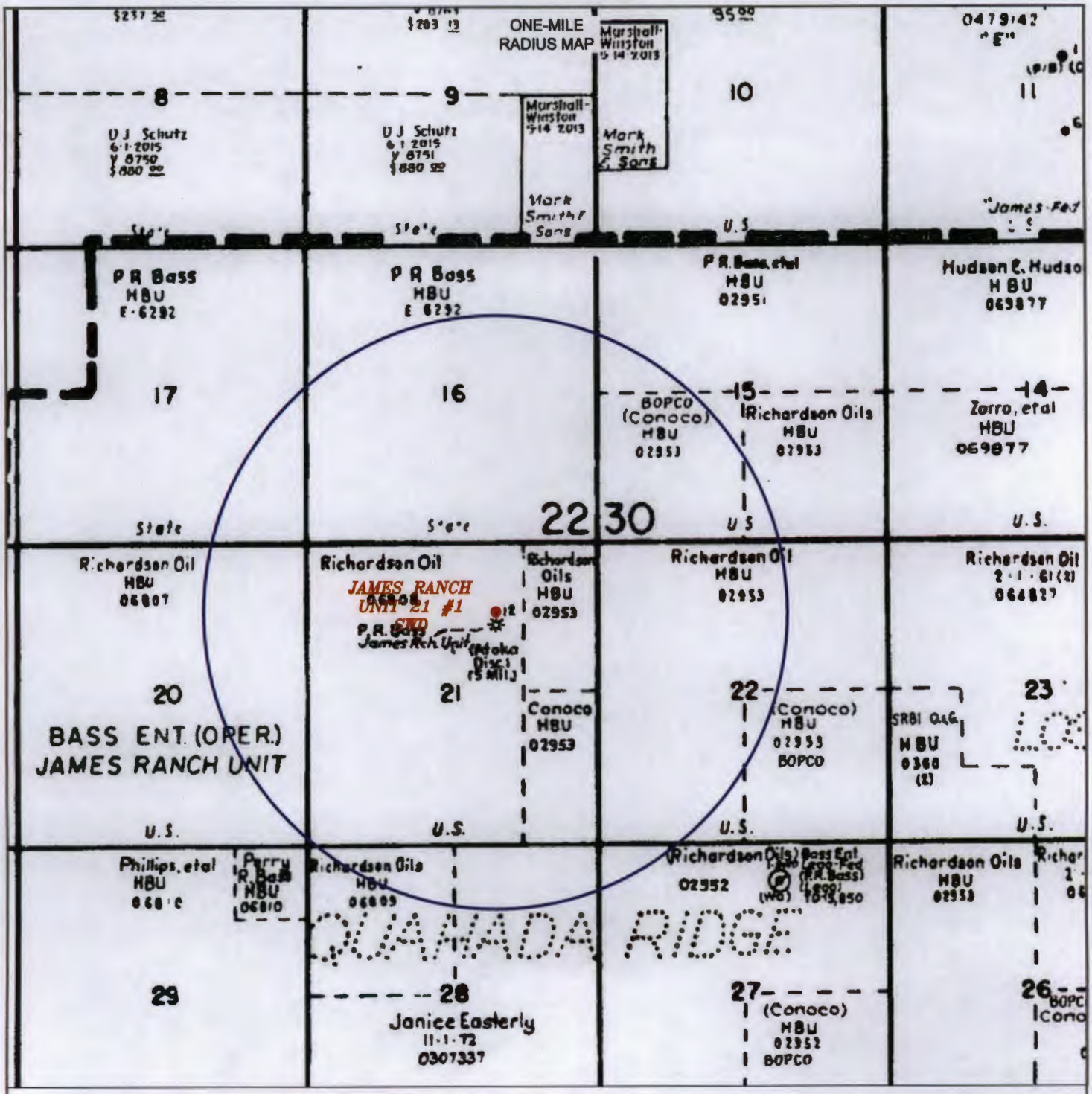
basinsurveys.com

W.O. Number: JMS 27432

Scale: 1" = 2000'

YELLOW TINT – USA LAND
BLUE TINT – STATE LAND
NATURAL COLOR – FEE LAND

BOPCO, L.P.



JAMES RANCH UNIT 21 #1 SWD
Located 1451' FNL and 1861' FEL
Section 21, Township 22 South, Range 30 East,
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(575) 392-2206 – Fax
basinsurveys.com

W.O. Number: JMS 27432

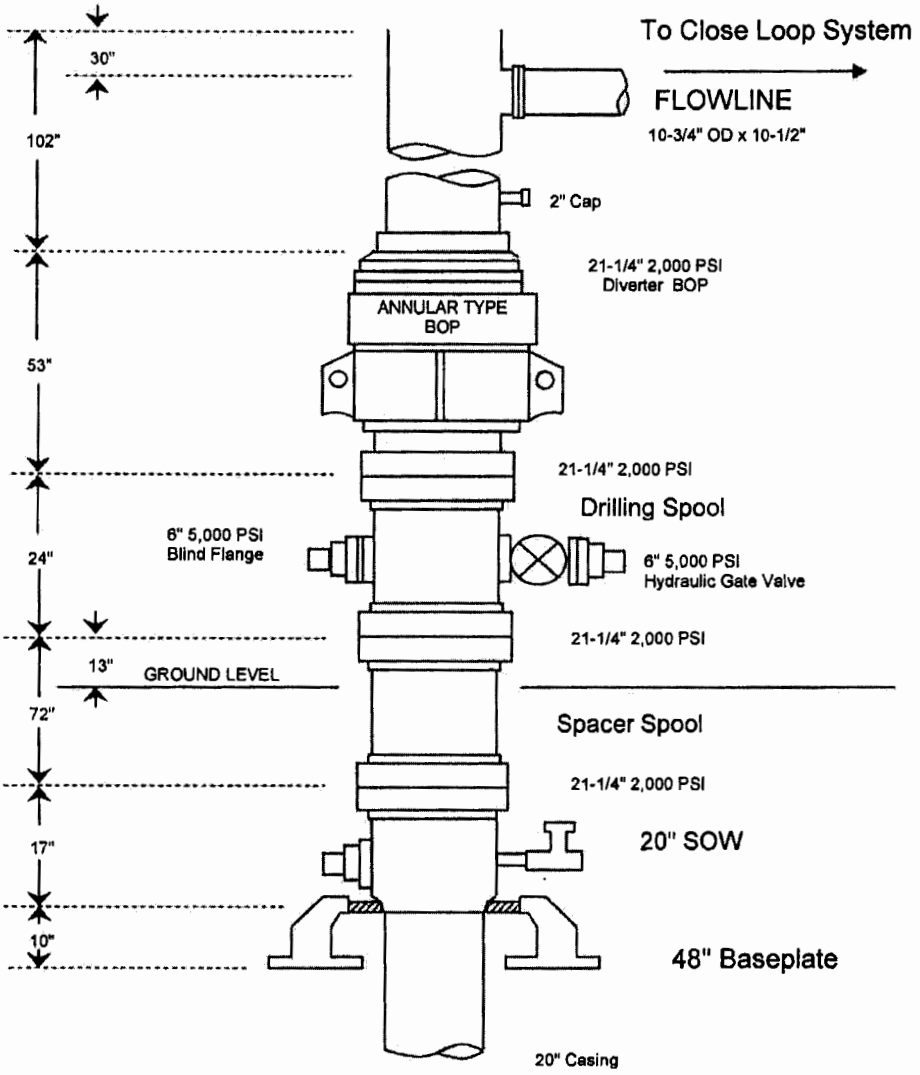
Scale: None

YELLOW TINT – USA LAND
BLUE TINT – STATE LAND
NATURAL COLOR – FEE LAND

BOPCO, L.P.

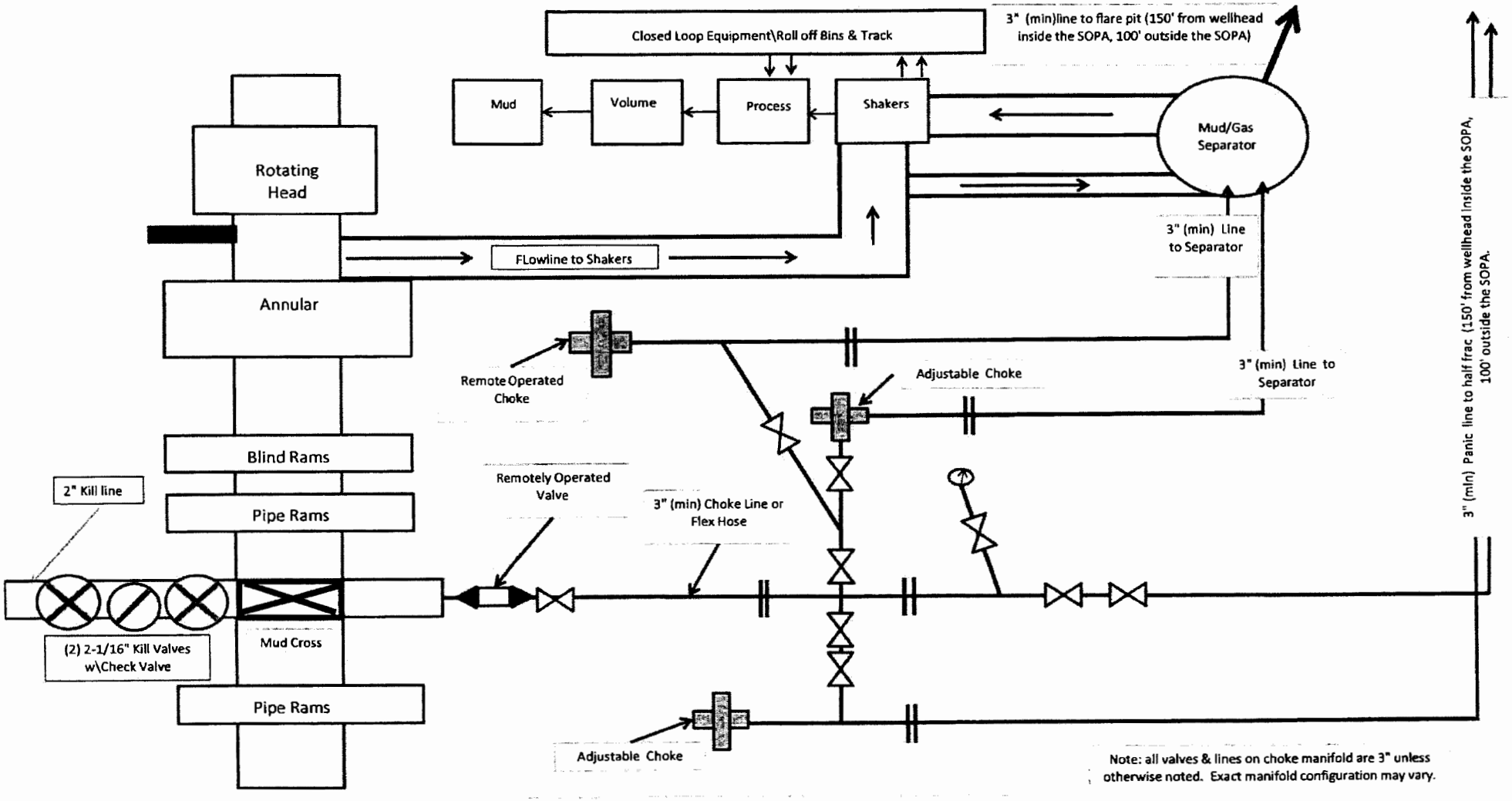
BOPCO, L. P

20" 2,000 PSI Diverter



Note: Actual lengths of casing heads may vary. Always measure items prior to installing in order to ensure proper spacing.

DIAGRAM B



10M Choke Manifold And Closed Loop System
Diagram 2

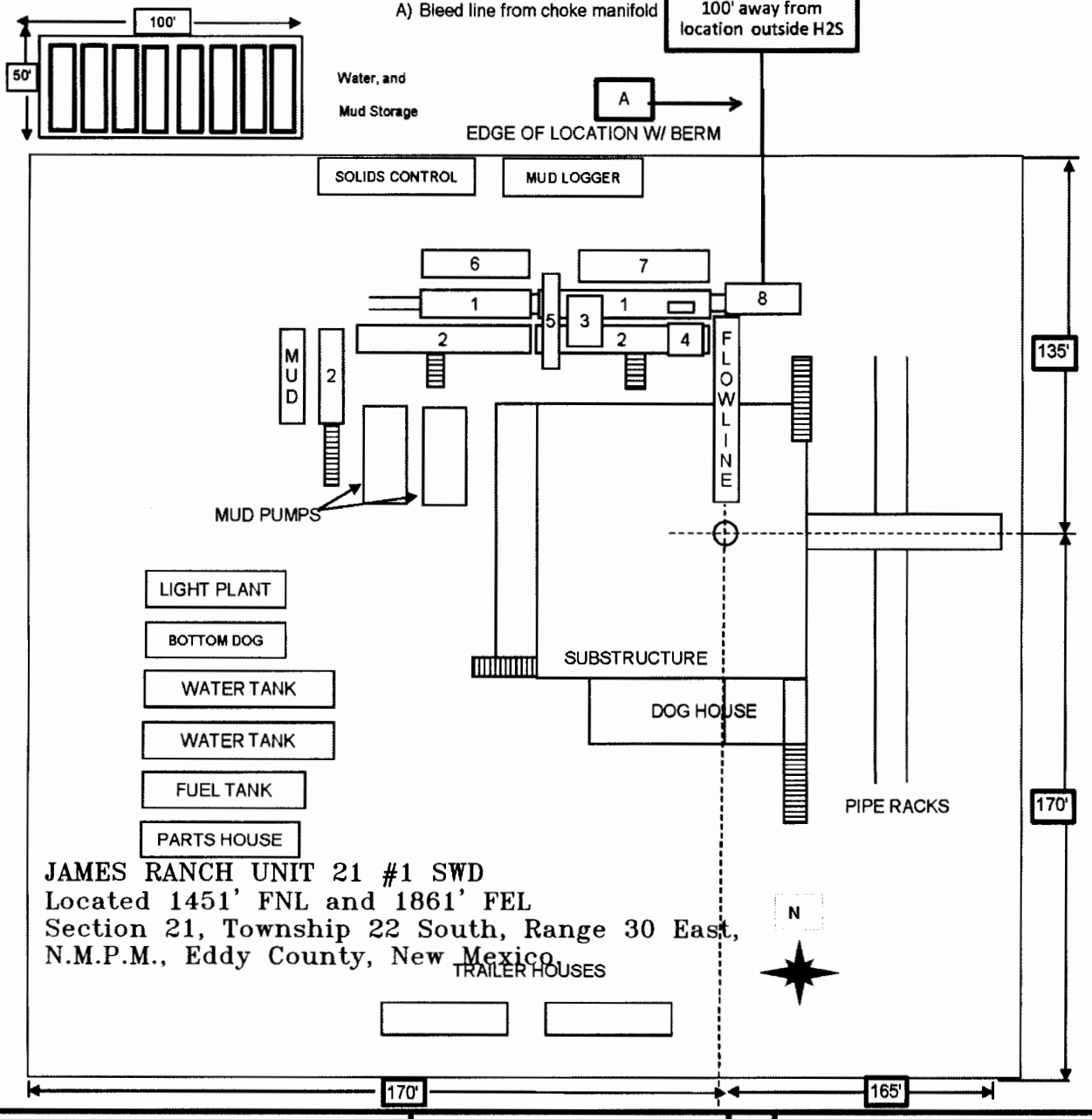
RIG LAYOUT

Exhibit "D"

RIG LAYOUT SCHEMATIC
INCLUSIVE OF CLOSED-LOOP DESIGN PLAN

Solids Control Equipment Legend

1) Roll Off Bin
2) Steel Tank
3) Mud Cleaner
4) Shaker
5) Centrifuge
6) Dewatering Unit
7) Catch Tank
8) Choke Manifold
A) Bleed line from choke manifold



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basinsurveys.com

W.O. Number: JMS 27432
Survey Date: 09-26-2012
Scale: 1" = 2000'
Date: 10-01-2012

BOPCO, L.P.

20" OD Surface casing is to be set into the Rustler below all fresh water sands at an approximate depth of 546' and cement circulated to surface.

13-3/8" OD salt/potash protection casing will be set into the Lamar Lime at 3,556'. Cement will be circulated to surface.

9-5/8" OD protection\production casing will be set at approximately 11,000' into the Wolfcamp formation and cemented in two stages with DV tool set at approximately 5,500'. Cement will be circulated to surface.
Drilling procedure, BOP diagram, and anticipated tops are attached.

This well is located inside the R111 Potash area and Secretary's Potash area.

The surface location is nonstandard and located inside the Poker Lake Unit.

Surface Lease Numbers- Federal Lease: NMNM 0006808

BOPCO, L.P., at P. O. Box 2760, Midland, TX, 79702 is a subsidiary of BOPCO, L.P., 201 Main Street, Ft. Worth, TX, 76102. Bond No. COB000050 (Nationwide).

EIGHT POINT DRILLING PROGRAM
BOPCO, L.P.

NAME OF WELL: James Ranch Unit 21 SWD 1
LEGAL DESCRIPTION - SURFACE: 1,451' FNL, 1,861' FEL, Section 21, T22S, R30E, Eddy County, NM.

POINT 1: ESTIMATED FORMATION TOPS (See No. 2 Below)

POINT 2: WATER, OIL, GAS AND/OR MINERAL BEARING FORMATIONS

Anticipated Formation Tops: KB 3,191' (estimated)
GL 3,165'

Formation Description	Est from KB (TVD)	Est (MD)	SUB-SEA TOP	BEARING
T/Fresh Water	346'	346'	+ 2,845'	Fresh Water
T/Rustler	191'	191'	+ 3,000'	Barren
T/Salado	556'	556'	+ 2,635'	Barren
T/Lamar	3,536'	3,536'	- 345'	Oil/Gas
Delaware Sand	3,581'	3,581'	- 390'	Oil/Gas
Bone Spring	7,384'	7,384'	- 4,193'	Oil/Gas
Wolfcamp	10,693'	10,693'	- 7,502'	Oil/Gas
Middle Wolfcamp	11,351'	11,351'	- 8,160'	Oil/Gas
Strawn	12,283'	12,283'	- 9,092'	Oil/Gas
Atoka	12,395'	12,395'	- 9,204'	Oil/Gas
Morrow	13,254'	12,254'	- 10,063'	Oil/Gas
Middle Morrow	13,520'	13,520'	- 10,329'	Oil/Gas
Lower Morrow	13,915'	13,915'	- 10,724'	Oil/Gas
Mississippian Lime	14,662'	14,662'	- 11,471'	Oil/Gas
Woodford	15,122'	15,122'	- 11,931'	Oil/Gas
Devonian	15,291'	15,291'	- 12,100'	Disposal Zone\BW
TD	16,801'	16,801'	- 13,610'	Disposal Zone\BW

POINT 3: CASING PROGRAM

TYPE	INTERVAL MD	HOLE SIZE	PURPOSE	INSTALLATION TYPE
30"	0' – 120'	36"		
20", 133 ppf, J-55, BTC	0' – 546'	26"	Surface	New
13-3/8", 68 ppf, HCN-80, BTC	0' – 3,556'	17-1/2"	Potash	New
9-5/8", 53.50 ppf, L-80, LTC*	0' – 7,500'	12-1/4"	Production	New
9-5/8", 53.50 ppf, HCL-80, LTC*	7,500' – 11,000'	12-1/4"	Production	New
7-5/8", 39 ppf, P-110 Ultra FJ	10,800' – 14,000'	8-1/2"	Prod. Liner	New
7-5/8", 42.80 ppf, P-110 Ultra FJ	14,000' – 15,321'	8-1/2"	Prod Liner.	New

***9-5/8", 53.50, L-80 & HCL-80 will be special drift casing. It will drift up to 8.5".**

CASING DESIGN SAFETY FACTORS:

TYPE	TENSION	COLLAPSE	BURST
20", 94 ppf, J-55, BTC	13.92	2.29	2.89
13-3/8", 68 ppf, HCN-80, BTC	6.78	1.29	2.25
9-5/8", 53.50 ppf, L-80, LTC*	2.27	1.31	1.67
9-5/8", 53.50 ppf, HCL-80, LTC*	6.04	1.39	1.66
7-5/8", 39 ppf, P-110 Ultra FJ	8.95	1.18	1.66
7-5/8", 42.80 ppf, P-110 Ultra FJ	22.60	1.38	1.86

***9-5/8", 53.50, L-80 & HCL-80 will be special drift casing. It will drift up to 8.5".**

DESIGN CRITERIA AND CASING LOADING ASSUMPTIONS:

SURFACE CASING - (20")

Tension — A 1.6 design factor utilizing the effects of buoyancy (9.2 ppg).

Collapse — A 1.0 design factor with full internal evacuation and a collapse force equal to the mud gradient in which the casing will be run (0.48 psi/ft). The effects of axial load on collapse will be considered.

Burst — A 1.3 design factor with a surface pressure equal to the fracture gradient at setting depth less a gas gradient to the surface. Internal burst force at the shoe will be fracture pressure a that depth. Backup pressure will be formation pore pressure. In all cases a conservative fracture pressure will be used such that it represents the upper limit of potential fracture resistance up to a 1.0 psi/ft gradient. The effects of tension on burst will not be utilized.

PROTECTIVE CASING - (13-3/8")

Tension — A 1.6 design factor utilizing the effects of buoyancy (10.2 ppg).

Collapse — A 1.125 design factor with full internal evacuation and a collapse force equal to the mud gradient in which the casing will be run (0.52 psi/ft). The effects of axial load on collapse will be considered.

In the case of development drilling, collapse design should be analyzed using internal evacuation equal to 1/3 the proposed total depth of the well. This criterion will be used when there is absolutely no potential of the protective string being used as a production casing string.

Burst — A 1.0 surface design factor and a 1.3 downhole design factor with a surface pressure equivalent to the fracture gradient at setting depth less a gas gradient to the surface. Internal burst force at the shoe will be fracture pressure at that depth. Back pressure will be formation pore pressure. In all cases a conservative fracture pressure will be used such that it represents the upper limit of potential fracture resistance up to a 1.0 psi/ft gradient.

Production CASING - (9-5/8")

Tension — A 1.6 design factor utilizing the effects of buoyancy (9.5 ppg).

Collapse — A 1.125 design factor with full internal evacuation and a collapse force equal to the mud gradient in which the casing will be run (0.48 psi/ft). The effects of axial load on collapse will be considered.

Burst — A 1.25 design factor with anticipated maximum tubing pressure (5000 psig) on top of the maximum anticipated packer fluid gradient. (0.433 psi/ft) Backup on production strings will be formation pore pressure. (0.433 psi/ft) The effects of tension on burst will not be utilized.

Production Liner - (7-5/8")

Tension — A 1.6 design factor utilizing the effects of buoyancy (12.5 ppg).

Collapse — A 1.125 design factor with full internal evacuation and a collapse force equal to the mud gradient in which the casing will be run (0.48 psi/ft). The effects of axial load on collapse will be considered.

Burst — A 1.25 design factor with anticipated maximum tubing pressure (5000 psig) on top of the maximum anticipated packer fluid gradient. (0.433 psi/ft) Backup on production strings will be formation pore pressure. (0.433 psi/ft) The effects of tension on burst will not be utilized.

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM 2)

The BOPE when rigged up on the 20" surface casing head (17-1/2" hole) will consist of 20" annular and diverter system per Diagram B (2,000 psi WP). The annular when installed on surface casing will be tested to 1,000 psi. There will be a 6", 5000 psi or better gate valve installed on the drilling spool for fill up. The choke manifold system will be rigged up to the hydraulic gate valve on the drilling spool.

After running the 13-3/8" surface casing, a 13-5/8" BOP/BOPE system with a minimum rating of 10M will be installed, used, maintained and tested as per Onshore Order 2. In addition to the high pressure test, a low pressure (250-300 psig) test will be performed

After running the 9-5/8" intermediate casing, a 13-5/8" BOP/BOPE system with a minimum rating of 10M will be installed on the 9-5/8" intermediate casing spool (8-1/2" open hole), used, maintained and tested as per Onshore Order 2. In addition to the high pressure test, a low pressure (250-300 psig) test will be performed.

After running the 7-5/8" liner, a 13-5/8" BOP/BOPE system with a minimum rating of 10M will be installed on the 9-5/8" intermediate casing spool (8-3/4" open hole), used, maintained and tested as per Onshore Order 2. In addition to the high pressure test, a low pressure (250-300 psig) test will be performed.

H2S contingency

H2S monitors shall be installed prior to drilling out the surface shoe. If H2S is encountered in quantities greater than 10 PPM, the well will be shut in and H2S equipment will be installed, including a flare line that will be extended pursuant to onshore oil and gas order #6.

These tests will be performed:

a) Upon installation
b) After any component changes
c) Thirty days after a previous test
d) As required by well conditions

A function test to insure that the preventers are operating correctly will be performed on each trip.

BOPCO, L.P. would like to request a variance to use an armored, 3" or 3.5", 10,000 psi WP flex hose for the choke line in the drilling of the well if the rig is equip with hose. (See specification for hose that might be used, attached with APD exhibits). This is rig equipment and will help quicken nipple up time thus saving money without a safety problem. The hose itself is rated to 10,000 psi and has 10,000 psi flanges on each end. This well is to be drilled to 16,801' MD (16,801' TVD) and max surface pressure should be +/- 3356 psi as prescribed in onshore order #2 shown as max BHP minus 0.22 psi/ft.

Please refer to diagram 2 for choke manifold and closed loop system layout. If an armored flex hose is utilized, the company man will have all of the proper certified paper work for that hose available on location. Please refer to diagram 2 for choke manifold and closed loop system layout.

POINT 5: MUD PROGRAM

DEPTH	MUD TYPE	WEIGHT	FV	PV	YP	FL	Ph
0 – 546'	FW Spud Mud	8.5 – 9.2	70-40	20	12	NC	10.0
546' – 3,556'	Brine Water	9.8 – 10.2	28-32	NC	NC	NC	10.0
3,556' – 9,000'	FW/Gel	8.7 – 9.0	28-32	NC	NC	NC	9.5 -10.5
9,000' – 11,980'	Cut Brine\Brine Mud	9.0 – 9.5	34-42	10	8	< 25	9.5 – 10.5
11,980' – 16,300'	XCD Brine Mud	11.0 – 12.5	45-48	20	10	< 5	9.5 – 10.5
16,300' – 16,801'	Fresh Water Mud	8.4 – 8.6	28-30	NC	NC	NC	9.5 – 10.5

NOTE: May increase vis for logging purposes only.

POINT 6: TECHNICAL STAGES OF OPERATION

A) TESTING
None anticipated.

B) LOGGING

Run #1: GR, Neutron-Density, Resistivity, Dipole Sonic from top of Delaware to TD. Cased hole GR-Neutron to surface.

Mud Logger: Rigged up at 100'

C) CONVENTIONAL CORING

D) CEMENT

INTERVAL	AMOUNT SXS	FT OF FILL	TYPE	GALS/SX	PPG	FT^3/SX
SURFACE: Lead: 0' – 346'	610	346'	Cemex premium Plus C + 4% bentonite	9.15	13.50	1.73
Tail: 346' – 546'	516	200'	Cemex Premium Plus C + CaCl2	6.48	14.80	1.35
INTERMEDIATE: Lead: 0' – 3,056'	2220	3056'	Class C + 0.1% HR-601, 3% salt	9.88	12.90	1.83
Tail: 3,056' – 3,556'	565	500'	HalCem C	6.34	14.80	1.33
Production Stage 1: Lead: 5 ,500' – 8,000'	615	2500'	Econ Cem + 0.57 Lap-1 + 5#\sk Kol-Seal + 8#\sk CaCl2 + 0.77 HR-800 + 0.47 CFR-3	14.65	11.75	2.60
Tail: 8,000' – 11,000'	1645	3000'	HalCem H + 0.67 Halad 9 + 0.27 HR-80D + 3#\Sk Kol-Seal	4.86	15.85	1.17
DV Tool @ 5,500' Stage 2: Lead: 0' – 5,000'	720	5000'	Tuned Light + 1.25 #\sk CFR-3 + 0.15 #\sk WG-17 + 1 #\sk CaCl2 + 20 #\sk HGS 6000 + 3 #\sk Kol-Seal + 1 #\sk Cal-Seal 60	13.14	9.80	3.00
Tail: 5,000' – 5,500'	245	500'	HalCem C + 0.4% Halad 9	6.34	14.80	1.33
Production Liner Tail: 10,800' – 15,321'	570	4521'	VersaCem H + 0.5% Halad – 344 + 0.30% HR-601	5.05	14.40	1.24

Cement excesses will be as follows:

Surface – 100% excess with cement circulated to surface.

1st Intermediate – 50% excess above fluid caliper with cement circulated to surface.

Production- Production Liner – 50% above gauge hole or 35% above electric log caliper with cement circulated up into the 9-5/8" intermediate casing.

Cement volumes will be adjusted proportionately for depth changes of the multi stage tool.

E) H_2S SAFETY EQUIPMENT

As stated in the BLM Onshore Order 6, for wells located inside the H2S area, H_2S equipment will be rigged up after setting surface casing. For the wells located inside the H2S area the flare pit will be located 150' from the location. For wells located outside the H2S area flare pit will be located 100' away from the location. **(See page 6 of Survey plat package and diagram 2)** There is not any H_2S anticipated in the area, although in the event that H_2S is encountered, the H_2S contingency plan attached will be implemented. **(Please refer to diagram 2 for choke manifold and closed loop system layout.) Please refer to H2S location diagram for location of important H2S safety items.**

F) CLOSED LOOP AND CHOKE MANIFLOLD

Please see diagram 2.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout Delaware section. Lost circulation may exist, but not likely, in the Delaware Section from 3,981'- 7,900' TVD. Once in the Bone Spring, pore pressures will gradually increase to the top of the Wolfcamp. 9-5/8" casing will be set in the Wolfcamp and pore pressures will continue to increase through the Strawn and Atoka sections. A 7-5/8" production liner will be set into the Devonian with mud weights at 12.5 ppg or less. The Devonian BHP is 7200 psi and can be drilled with 8.5 ppg fresh water. Maximum surface pressures in the Devonian if productive could be 7944 psi with 7500 ppm H2S and 5% CO2.

POINT 8: OTHER PERTINENT INFORMATION

A) Auxiliary Equipment

Upper and lower kelly cocks. Full opening stab in valve on the rig floor.

B) Anticipated Starting Date

Upon approval

110 days drilling operations

10 days completion operations

JDB

BOPCO, L. P.
6 DESTA DRIVE, SUITE 3700 (79705)
P. O. BOX 2760
MIDLAND, TEXAS 79702

(432) 683-2277 FAX (432) 687-0329

January 22, 2013

Carlsbad Current Argus
P O Box 1629
Carlsbad, NM 88220

Re: Notice of Application to Dispose
James Ranch Unit 21 SWD #1
Sec 21; T22S; R30E
Eddy County, New Mexico
File: 100-WF: .C108
Certification: 7160 3901 9846 4644 8000

Gentlemen:

Enclosed for publication is a legal advertisement. BOPCO, L.P. requests that this be published for three consecutive days. BOPCO, L.P. is required by the New Mexico Oil Conservation Division to furnish them with a copy of this advertisement, from your newspaper, giving the dates of publication. Also enclosed is a check for the fee required to run this advertisement. Email me with any questions at ezgalindo@basspet.com.

Please send the ad, the affidavit of publication and the invoice to Emma Z. Galindo at the above letterhead address.

Sincerely,

Emma Z. Galindo

7160 3901 9846 4644 8000

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P O Box 1629
Carlsbad, NM 88220

PS Form 3800, January 2005 US Postal Service Certified Mail Receipt

BOPCO, L. P.
6 DESTA DRIVE, SUITE 3700 (79705)
P. O. BOX 2760
MIDLAND, TEXAS 79702

(432) 683-2277 FAX (432) 687-0329

January 25, 2013

Re: Notice of Application for Authorization
to Dispose
James Ranch Unit 21 Federal SWD #1
Sec.21, T22S, R30E
Eddy County, New Mexico
File: 100-WF: JRU21FEDSWD1.C108

Tom Scarbrough
Conoco Phillips Company
600 N. Dairy Ashford Street
3WL-14066
Houston, TX 77079

Gentlemen:

This letter and attached copy of our injection well application is to notify you, as Working Interest owner, that BOPCO, L.P. is petitioning the Oil Conservation Division to grant permission to dispose of fluid into a zone not productive of oil and gas in the subject wellbore.

If you should have any questions or require additional information, please contact Emma Z. Galindo at the above letterhead address, phone number or via email at ezgalindo@basspet.com Any objections or requests for hearing must be filed with the Oil Conservation Division, 1220 South St. Frances Dr., Santa Fe, New Mexico 87505, within 15 days of this letter's date.

Sincerely,

Galindo

7160 3901 9846 4444 8192

US Postal Service
Certified Mail Receipt
Domestic Mail Only
No Insurance Coverage Provided

Postage	$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$

Postmark Here

Sent To:

Tom Scarbrough
Conoco Phillips Company
600 N. Dairy Ashford Street
Houston, TX 77079

PS Form 3800, January 2005 US Postal Service Certified Mail Receipt

ITEM #35662 LABEL
version DF 6/05

TO REORDER GO TO
www.walzpostal.com
OR CALL 1-800-882-3811

FOLD AND TEAR HERE

Thank you for using Return Receipt Service

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) | B. Date of Delivery

C. Signature

X

☐ Agent
☐ Addressee

D. Is delivery address different from item 1?
If YES, enter delivery address below:

☐ Yes
☐ No

2. Article Number

7160 3901 9846 4644 8017

3. Service Type **CERTIFIED MAIL**

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

1. Article Addressed to:

LINE 1•

Bureau of Land Managenent
620 E. Greene Street
Carlsbad, NM 88220-6292

JRW21FEDSND #1

PS Form 3811, January 2005 Domestic Return Receipt

Jones, William V., EMNRD

From: Galindo, Emma Z. <EZGalindo@BassPet.Com>
Sent: Monday, February 25, 2013 12:59 PM
To: Jones, William V., EMNRD
Subject: FW: JRU 21 SWD - Mosaic Potash Notification
Attachments: Mosaic with certified.pdf

The letter to the nearest Potash Lessee went out on February 19, 2013. Although the letter attached has 2012. As soon as I get a copy of the return receipt I will forward it to you.

Thanks,
Emma

From: Morrison, Andy
Sent: Monday, February 18, 2013 4:18 PM
To: Galindo, Emma Z.
Cc: Sutton, Ross; Smitherman, John; Cruz, Carlos; Johnson, Steve F
Subject: JRU 21 SWD - Mosaic Potash Notification

Emma,

Per your request, please find attached the notification I am sending to Mosaic Potash regarding the subject well. It will be sent via Certified Mail tomorrow (since today is a post office holiday). If you need anything else from me please let me know.

Thanks,
Andy

Andy Morrison
BOPCO, L.P.
201 N. Main St., Suite 2900
Fort Worth, TX 76102
Bus: (817) 339-7036
Fax: (817) 339-7102

From: Jackson, Lea Ann
Sent: Monday, February 18, 2013 4:12 PM
To: Morrison, Andy
Subject:

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

ANDY MORRISON
DIVISION LANDMAN

February 19, 2012

CERTIFIED MAIL – RETURN RECEIPT REQUESTED
7008 0500 0001 3079 0174

Mosaic Potash Carlsbad Inc.
PO Box 71
1361 Potash Mines Road
Carlsbad, New Mexico 88221-0071

Attention: Mr. David Vaughn

Re: Notice of Application for Authorization to Dispose

Dear Mr. Vaughn,

This letter and the attached copy of our Form C-108 Application for Authorization to Dispose are to notify you that BOPCO, L.P. is petitioning the Oil Conservation Division to grant permission to dispose of fluid into a zone not productive of oil and gas in the subject wellbore.

If you have any questions or need more information, please contact the undersigned at (817) 339-7036 or via e-mail at amorrison@basspet.com. Any objections or requests for hearing must be filed with the Oil Conservation Division, 1220 South St. Frances Dr., Santa Fe, New Mexico 87505, within 15 days of the date of this letter.

Regards,

Andy Morrison

AM:mc

SENDER: *COMPLETE THIS SECTION*

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. David Vaughn
Mosaic Potash Carlsbad Inc.
PO Box 71
1361 Potash Mines Road
Carlsbad, New Mexico 88221-0071

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X ☐ Agent ☐ Addressee

B. Received by *(Printed Name)* C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☑ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

2. Article Number *(Transfer from service label)* 7008 0500 0001 3079 0174

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

CERTIFIED MAIL™

7008 0500 0001 3079 0174

7008 0500 0001 3079 0174

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

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OFFICIAL USE

Postage $
Certified Fee
Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Total Pr

Postmark Here

Sent To Mr. David Vaughn
Mosaic Potash Carlsbad Inc.
Street, Ai or PO Bo PO Box 71
City, Stat 1361 Potash Mines Road
Carlsbad, New Mexico 88221-0071

PS Form 3800, August 2006 See Reverse for Instructions

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL
RESOURCES DEPARTMENT

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance __X__ Disposal _____ Storage
Application qualifies for administrative approval? _____ Yes _____ No

II. OPERATOR: BOPCO, L.P.

ADDRESS: P.O. Box 2760, Midland, TX 79702

CONTACT PARTY: Emma Z. Galindo PHONE: (432)683-2277

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____ Yes __X__ No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Emma Z. Galindo TITLE: Engineering Assistant

SIGNATURE: Emma Z. Galindo DATE: 01/25/2013

E-MAIL ADDRESS: ezgalindo@basspet.com

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

(1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.

(2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

(1) The name of the injection formation and, if applicable, the field or pool name.

(2) The injection interval and whether it is perforated or open-hole.

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

(4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.

(5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include: Attached

(1) The name, address, phone number, and contact party for the applicant;

(2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;

(3) The formation name and depth with expected maximum injection rates and pressures; and,

(4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

III. Well Data

A. 1) Lease name: James Ranch Unit 21 Federal SWD
Well #: 1
Section: 21
Township: T22S
Range: 30E
Footage: 1451' FNL & 1861' FEL

2) Casing Info:

Casing size	Set depth	Sacks cmt	Hole size	TOC	Method
30", 157.68#, X52, PE	120		36"	Surface	Circulated
20, 133#, J-55, BTC	546'	1,126	26"	Surface	Circulated
13-3/8", 68#, HCN-80, BTC	3556'	2,785	17-1/2"	Surface	Circulated
9-5/8", 53.50#, L-80, LT&C	7500'	965	12-1/4"		
9-5/8", 53.50#, HCL-80, LT&C **	11,000'	2,260	12-1/4"	Surface	Circulated
7-5/8", 39#, P-110, Ultra FJ	10,800'-14,000'	570	8-1/2"	TO T.O.L.	Circulated
7-5/8", 42.80#, P-110, Ultra FJ	14,000-15,321'		8-1/2"		
	15,321-16,801'		5-1/2"	OH	

**DV Tool @ 5,500'

3) Tubing to be used (size, lining material, setting depth):
4-1/2" 12.75#, L-80, RTS-8 IPC tbg set @15,271'.

4) Name, model, and depth of packer to be used:
4-1/2" Baker FA Nickel Plated EXT/INT PC Pkr set @ 15,271'.

B. 1) Name of the injection formation and, if applicable, the field or pool name:
Devonian

2) The injection interval and whether it is perforated or open hole:
Open hole from 15,321 - 16,801 O.H.
BOPCO will evaluate the open hole interval by mudlogging the well as well as running open hole logs as in the ND 19 SWD.

3) State if the well was drilled for injection or, if not, the original purpose of the well:
Newly drilled well for injection.

4) Give the depths of any other perforated intervals and detail on the sacks of cement or BPs used to seal off such perforations:
NA

5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any:
Higher: Bone Spring - 7,383' Lower: None

C-108 DATA

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each wells type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

There are no wells that penetrate the proposed injection zone.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected: 30,000 average, 35,000 maximum BWPD
2. Whether the system is open or closed: closed
3. Proposed average and maximum injection pressure: 3,058 psi maximum, 2,500 psi average
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water: Produce water will come from the Delaware formation.
5. If injection is for disposal purposes into a zone not productive of oil & gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water: N/A

VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with TDS of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval:

Lithologic Detail:	Carbonate
Geological Name:	Devonian
Thickness:	1510'
Depth:	15,291' - 16,801'

The Rustler Formation is a known source of fresh water throughout this geographic area. Average depth of Rustler is 148-540'. No sources of fresh water are known to exist below the proposed disposal zone.

IX. Describe the proposed stimulation program, if any:
The open hole section from 15,321-16,801' will be acidized with approximately 50 gallons 15% NEFE HCl per foot for a total of 74,000 gallons.

X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted.)
Logs will be submitted. This will be a newly drilled well.

XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
No known fresh water wells within one mile of proposed well.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydology connection between the disposal zone and any underground sources of drinking water.
Applicant hereby affirms that he has examined the available geologic and engineering data and finds no evidence of open faults, or other hydrologic connection between the disposal zone and any underground source of drinking water.

PROPOSED WELLBORE DIAGRAM

Lease: James Ranch Unit 21 SWD **Well No.:** 1
Injection
Reservior: Devonian
Location: 1451' FNL & 1861' FEL S21-T22S-R30E
County: EDDY **St:** NM **API:** 30-015-

Elevation GL:	
Elevation KB:	
Spud:	
Completed	

Surface Csg.

Size:	20"
Wt	133#
Grd	J-55, BTC
Set @:	546'
Sxs cmt:	1126
TOC:	Surface
Hole Size:	26"

Intermediate Csg.

Size:	13 3/8"
Wt	68#
Grd	HCN-80, BTC
Set @:	3556'
Sxs Cmt:	2785
TOC:	Surface
Hole Size:	17 1/2"

Production Csg.

Size:	9 5/8"
Wt	53.5#
Grd	L-80, LT&C
Set @:	11000'
Sxs Cmt:	3225
TOC:	Surface
Hole Size:	12 1/4"

Liner

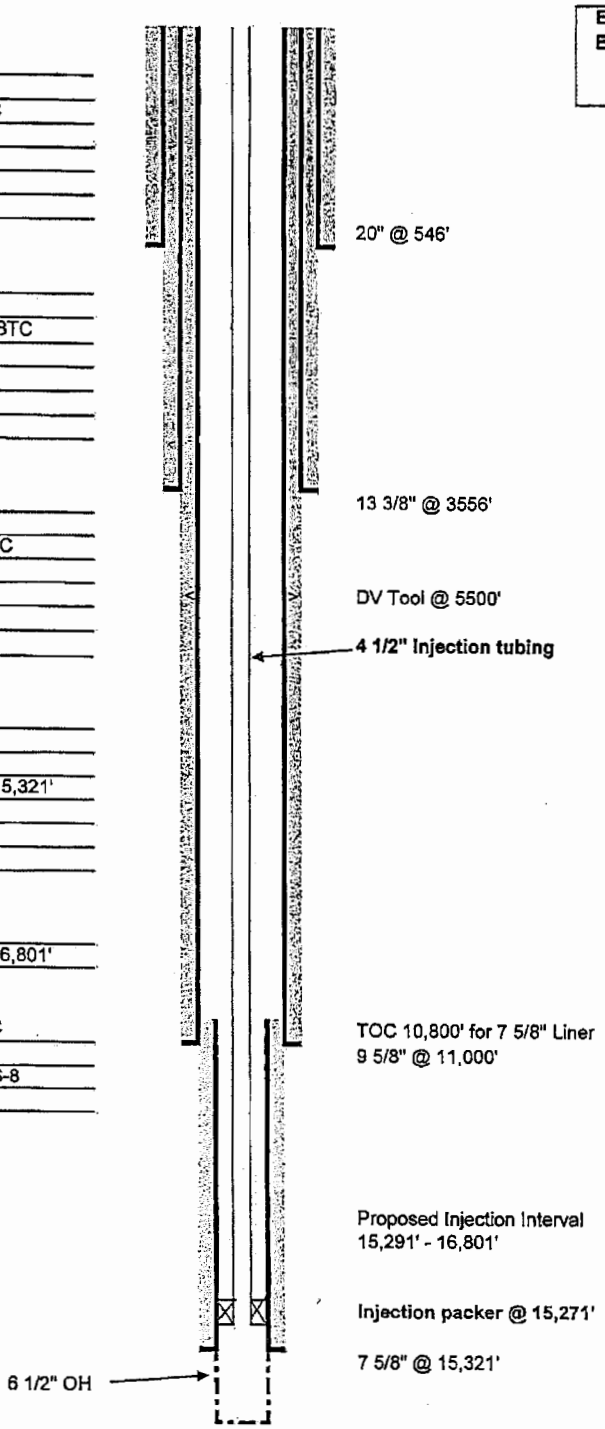
Size:	7 5/8"
Wt	39#
Grd	P-110 FJ
Set @:	10,800 - 15,321'
Sxs Cmt:	570
TOC:	10,800'
Hole Size:	8 1/2"

Open Hole

Size:	6 1/2"
Depth:	15321' - 16,801'

Tubing

Size:	4 1/2" IPC
Wt	12.75#
Grd	L-80, RTS-8
Set @:	15,271'



Updated: 1/22/2013
Author: ezg
Engr: CCC

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

Kathy McCarroll, being first duly sworn, on oath says:

That she is the Classified Supervisor of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

January 30	2013
January 31	2013
February 1	2013

That the cost of publication is **$146.00** and That payment thereof has been made and will be assessed as court costs.

Kathy McCarroll

Subscribed and sworn to before me this

1 day of February 2013

Stephanie Dobson

My commission expires 1/25/2014
Notary Public

OFFICIAL SEAL
STEPHANIE DOBSON
NOTARY PUBLIC
State of New Mexico
My Comm. Expires 1/25/2014

January 30, 31, and February 1, 2013

NOTICE OF APPLICATION FOR SALT WATER DISPOSAL WELL PERMIT

BOPCO, L.P. is in the process of applying to the New Mexico Oil Conservation Division for a permit to dispose of produced salt water into a porous formation not productive of oil or gas.

The applicant proposes to dispose of produced water into the James Ranch Unit 21 Federal SWD #1 (Devonian Formation). The maximum allowable injection pressure will be 3,058 psi and the estimated maximum rate will be 30,000 bbls produced water/day. The proposed disposal well is located in Eddy County, New Mexico in Section 21, T22S, R30E. The produced salt water will be disposed at a subsurface depth of 15,291' - 16,801'.

Any questions concerning this application should be directed to Emma Z. Galindo, Engineering Assistant, BOPCO, L. P., P O Box 2760, Midland, Texas 79702-2760, (432) 683-2277.

Interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 S. St. Francis Dr., Santa Fe, New Mexico 87505 within 15 days.

Jones, William V., EMNRD

From: Galindo, Emma Z. <EZGalindo@BassPet.Com>
Sent: Wednesday, February 06, 2013 11:57 AM
To: Jones, William V., EMNRD
Subject: RE: Disposal application from BOPCO, L.P.: proposed James Ranch Unit 21 Federal SWD #1 30-015-NA Devonian Open Hole
Attachments: Carlsbad Argus Proof of delivery.pdf; Conoco Phillips Proof of Delivery.pdf; BLM- Proof of Delivery.pdf

Mr. Jones,

I am attaching the copies of the signed certified mail receipts. I have not received our affidavit of publication from the newspaper but I have the signed certified mail receipt of when they received our check for publication, I will furnish the affidavit as soon as I can.

I also have the geologist's comments on your request.....

Based on offsets in the southeastern portion of the James Ranch Unit, the formations which could potentially be encountered in the JRU 21 Federal SWD #1 below the base of Woodford would include Devonian, Silurian Fusselman, Ordovician Montoya, and Ordovician Simpson. The depths of these formations is uncertain at this time. None of these formations is expected to contain hydrocarbons.

If anything else is needed please let me know.

Brian H. Pregger
BOPCO, L.P.
201 Main St., Suite 2900
Fort Worth, TX 76102

Thanks,
Emma

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Thursday, January 31, 2013 1:21 PM
To: Galindo, Emma Z.
Cc: Ezeanyim, Richard, EMNRD; Shapard, Craig, EMNRD
Subject: Disposal application from BOPCO, L.P.: proposed James Ranch Unit 21 Federal SWD #1 30-015-NA Devonian Open Hole

Hello Emma,
I just received this a few minutes ago and glanced it over,

Would you please send a formal notice to the nearest Potash Lessee? And later, let me know the other notices went out (the copies I got did not show dates of notice). Then a copy of the actual newspaper notice.

If your geologist is not certain where the Devonian or deeper formations will be encountered, for providing notice, it is best to err on the side of caution and consider noticing for a larger disposal interval and possibly saying Devonian,

Silurian, Ordovician or something like that. When you finish with this well, you should know if you completed in formations deeper than Devonian. At that time we will need to amend the permit to make it accurately reflect what is in the open hole. We can do that without new notices if the gross interval was noticed prior. If not, then new notices must be sent out prior to amending the permit.

I will get you more feedback on this application as soon as possible.

Regards,

Will Jones

2. Article Number

7160 3901 9846 4644 8000

3. Service Type **CERTIFIED MAIL**

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

1. Article Addressed to:

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) | B. Date of Delivery

C. Signature

X ☐ Agent ☐ Addressee

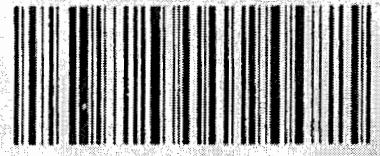
D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

Carlsbad Current Argus
P O Box 1629
Carlsbad, NM 88220

JRU 21 FED SWD 1

PS Form 3811, January 2005 Domestic Return Receipt

2. Article Number



7160 3901 9846 4644 8192

3. Service Type **CERTIFIED MAIL**

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

1. Article Addressed to:

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) | B. Date of Delivery

1/23/13

C. Signature

X

☐ Agent
☐ Addressee

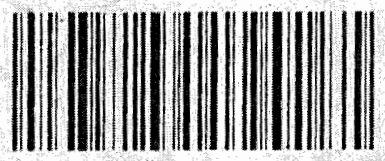
D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

Tom Scarbrough
Conoco Phillips Company
600 N. Dairy Ashford Street
Houston, TX 77079

JRU21FEDSWD1

PS Form 3811, January 2005 Domestic Return Receipt

2. Article Number



7160 3901 9846 4644 8017

3. Service Type **CERTIFIED MAIL**

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

1. Article Addressed to:

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) | B. Date of Delivery 2/1/13

C. Signature

X [signature] ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

Bureau of Land Managenent
620 E. Greene Street
Carlsbad, NM 88220-6292

JRU 21 FEDSWD #1

PS Form 3811, January 2005 Domestic Return Receipt

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Thursday, January 31, 2013 12:21 PM
To: 'Galindo, Emma Z.'
Cc: Ezeanyim, Richard, EMNRD; Shapard, Craig, EMNRD
Subject: Disposal application from BOPCO, L.P.: proposed James Ranch Unit 21 Federal SWD #1 30-015-NA Devonian Open Hole

Hello Emma,
I just received this a few minutes ago and glanced it over,

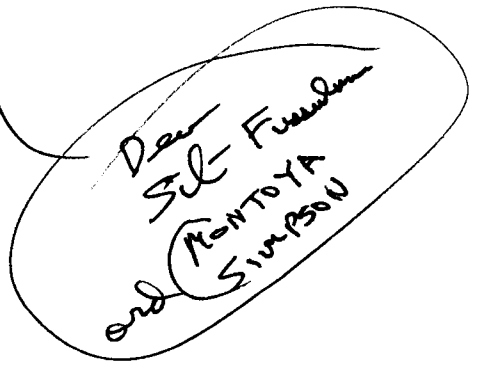
Would you please send a formal notice to the nearest Potash Lessee? And later, let me know the other notices went out (the copies I got did not show dates of notice). Then a copy of the actual newspaper notice. 1/30/13

If your geologist is not certain where the Devonian or deeper formations will be encountered, for providing notice, it is best to err on the side of caution and consider noticing for a larger disposal interval and possibly saying Devonian, Silurian, Ordovician or something like that. When you finish with this well, you should know if you completed in formations deeper than Devonian. At that time we will need to amend the permit to make it accurately reflect what is in the open hole. We can do that without new notices if the gross interval was noticed prior. If not, then new notices must be sent out prior to amending the permit.

I will get you more feedback on this application as soon as possible.

Regards,

Will Jones



Jones, William V., EMNRD

From: Galindo, Emma Z. <EZGalindo@BassPet.Com>
Sent: Friday, February 08, 2013 8:16 AM
To: Jones, William V., EMNRD
Subject: RE: Disposal application from BOPCO, L.P.: proposed James Ranch Unit 21 Federal SWD #1 30-015-NA Devonian Open Hole
Attachments: Affidavit of Publication-JRU21FedSWD1.pdf

Mr. Jones,

Attached is the Affidavit of Publication for the JRU 21 Federal SWD #1.

About the Notice to the Potash Lessee, Andy Morrison from our land dept. informed me that he would call you directly.

Please let me know if there is anything else needed on my part.

Thanks,
Emma

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Wednesday, February 06, 2013 2:44 PM
To: Galindo, Emma Z.
Subject: RE: Disposal application from BOPCO, L.P.: proposed James Ranch Unit 21 Federal SWD #1 30-015-NA Devonian Open Hole

Thank You!

From: Galindo, Emma Z. [mailto:EZGalindo@BassPet.Com]
Sent: Wednesday, February 06, 2013 11:57 AM
To: Jones, William V., EMNRD
Subject: RE: Disposal application from BOPCO, L.P.: proposed James Ranch Unit 21 Federal SWD #1 30-015-NA Devonian Open Hole

Mr. Jones,

I am attaching the copies of the signed certified mail receipts. I have not received our affidavit of publication from the newspaper but I have the signed certified mail receipt of when they received our check for publication, I will furnish the affidavit as soon as I can.

I also have the geologist's comments on your request.....

Based on offsets in the southeastern portion of the James Ranch Unit, the formations which could potentially be encountered in the JRU 21 Federal SWD #1 below the base of Woodford would include Devonian, Silurian Fusselman, Ordovician Montoya, and Ordovician Simpson. The depths of these formations is uncertain at this time. None of these formations is expected to contain hydrocarbons.

If anything else is needed please let me know.

Brian H. Pregger
BOPCO, L.P.
201 Main St., Suite 2900
Fort Worth, TX 76102

Thanks,
Emma

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Thursday, January 31, 2013 1:21 PM
To: Galindo, Emma Z.
Cc: Ezeanyim, Richard, EMNRD; Shapard, Craig, EMNRD
Subject: Disposal application from BOPCO, L.P.: proposed James Ranch Unit 21 Federal SWD #1 30-015-NA Devonian Open Hole

Hello Emma,
I just received this a few minutes ago and glanced it over,

Would you please send a formal notice to the nearest Potash Lessee? And later, let me know the other notices went out (the copies I got did not show dates of notice). Then a copy of the actual newspaper notice.

If your geologist is not certain where the Devonian or deeper formations will be encountered, for providing notice, it is best to err on the side of caution and consider noticing for a larger disposal interval and possibly saying Devonian, Silurian, Ordovician or something like that. When you finish with this well, you should know if you completed in formations deeper than Devonian. At that time we will need to amend the permit to make it accurately reflect what is in the open hole. We can do that without new notices if the gross interval was noticed prior. If not, then new notices must be sent out prior to amending the permit.

I will get you more feedback on this application as soon as possible.

Regards,

Will Jones

Injection Permit Checklist First Email Date: 1/31/13 Final Reply Date: 2/25/13 Final Notice Date: 2/25/13

Issued Permit: Type:WFX/PMX/SWD Number: 1402 Permit Date 3/12/13 (Legacy Permit: —)

Wells 1 Well Name(s): JAMES RANCH UNIT 21 Federal SWD #1

API Num: 30-0 15-~~00~~ 41074 Spud Date: Not yet New/Old: N (UIC Cl II Primacy March 7, 1982)

Footages 1451 FNL/1867 FEL Lot Unit G Sec 21 Tsp 22S Rge 30E County EDDY

General Location or Pool Area: MIDDLE OF J,R,U,

Operator: BOPCO, L.P. Contact EMMA Z. GALINDO

OGRID: 260737 RULE 5.9 Compliance (Wells) 3/490 (Finan Assur) OK IS 5.9 OK? OK

Well File Reviewed Now Current Status: NOT DRILLED/NOT PERMITED

Planned Work to Well: Permit/Drill/DISPOSE

Diagrams: Before Conversion ___ After Conversion ___ Are Elogs in Imaging?: Will be Submitted

Well Details:	Sizes Hole.....Pipe	Setting Depths	Stage Tool	Cement Sx or Cf	Cement Top and Determination Method
Planned ✓ or Existing Surface	36 — 30 26 — 20	120' 546	—	1126 SX	CIRC CIRC
Planned ✓ or Existing Interm	17½ — 13⅜	3556'	—	2785 SX	CIRC
Planned ✓ or Existing LongSt	12¼ — 9⅝	~~11000'~~	5500'	2260 + 965 SX	
Planned ✓ or Existing Liner	8½ — 7⅝	10800 — 15321'			
Planned ✓ or Existing OpenHole	6½	15321' — 16801'			

Depths/Formations:	Depths, Ft.	Formation	Tops?
Above			
Above			
Proposed Interval TOP:	15291	DEV, SIL ord.	
Proposed Interval BOTTOM:	16,801		
Below			
Below			

Max. PSI 3058 OpenHole ✓ ~~Perfs~~ Tubing Size 4½ Packer Depth 15271

~~Capitan Reef? (in__/thru__)~~ Potash? ✓ Noticed? 1/25/13 ~~[WIPP? Noticed?]~~ Salado Top ___ Bot ___ ~~Cliff House?~~

Fresh Water: MaxDepth: 540' FW Formation RUSTLER Wells? ~~None~~ Analysis? — Affirmative Statement ✓

Disposal Fluid: Formation Source(s) DELAWARE On Lease ___ Only from Operator ___ or Commercial ___

Disposal Interval: Protectable Waters? NO H/C Potential: Log will /Mudlog will /DST ___ /Tested ___ /Depleted ___ Other TO EVALUATE

Notice: Newspaper Post Date 1/30/13 Surface Owner BLM N. Date ~~1/31/13~~ 2/1/13

RULE 26.7(A) Identified Tracts? ✓ Affected Persons: Comanche N. Date 1/29/13

AOR: Maps? ✓ Well List? ✓ Producing in Interval? NO Formerly Produced in Interval? NO

Penetrating.....No. Active Wells 0 Num Repairs? 0 on which well(s)? —

Penetrating.....No. P&Aed Wells 0 Num Repairs? 0 on which well(s)? — Diagrams? —

Permit Conditions:

Issues:

Issues:

Issues: