

MULTI-POINT SURFACE USE PLAN

NAME OF WELL: North Indian Flats 24 Federal #14H

30-015-39136

LEGAL DESCRIPTION - SURFACE: 10' FNL & 2230' FEL, Section 24, T21S, R28E, Eddy County, NM.
BHL: 810' FNL, 2230' FEL, Section 24, T21S, R28E, Eddy County, NM.

POINT 1: EXISTING ROADS

A) Proposed Well Site Location

See Exhibit "A".

B) Existing Roads

From mile marker 43 on Highway 62/180, go west 0.4 mile to lease road south and BOPCO sign; then go south 4.3 miles to a lease road; then southeast for 2.0 miles to a road north; then north for 2.6 miles to a "Y", take the left fork and go northwest for 0.6 mile to a proposed lease road.

C) Existing Road Maintenance or Improve Plan

See Exhibit "B"

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MAY 27 2011

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POINT 2: NEW PLANNED ACCESS ROUTE

A) Route Location

See Exhibit "B". The new road will be 12' wide and approximately 3834' long from existing lease road. The road will be constructed of watered and 6" of compacted caliche.

B) Width

12' Wide.

C) Maximum Grade

Not Applicable.

D) Turnouts

As required by BLM stipulations.

E) Culverts, Cattle Guards, and Surfacing Equipment

None.

POINT 3: LOCATION OF EXISTING WELLS

Exhibit "A" indicates existing wells within the surrounding area.

POINT 4: LOCATION OF EXSITING OR PROPOSED FACILITIES

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- A) Existing facilities are located within one mile which are owned and controlled by lessee/operator:

Closest Oil/Gas production facilities are located at the Big Eddy Unit #74 well site. The North Indian Flats 24 Federal #14H is located approximately one mile north of the Big Eddy Unit #74. (See Exhibit "A")

- B) New Facilities in the Event of Production:

Additional production facilities will be added to the Big Eddy Unit #74 (Section 24, T21S-R28E, NWNE) and will be used via flow lines. A new flow line consisting of 2-7/8" steel pipe will be laid on top of ground within 50' of the centerline of the access road and existing roads which have previously been arch cleared. (See exhibit "E") Initially no power lines will be installed. A rental electric generator will be set to power pumping unit.

- C) Rehabilitation of Disturbed Areas Unnecessary for Production:

Following the construction of production facilities, those access areas required for continued production will be graded to provide drainage and minimize erosion. The areas necessary for use will be graded to blend in the surrounding topography – See Point 10.

POINT 5: LOCATION AND TYPE OF WATER SUPPLY

- A) Location and Type of Water Supply

Fresh water will be hauled from the City of Carlsbad or piped from the IMC Booster Station water well located 5.2 miles east of Carlsbad. Brine water will be hauled from I & W Brine Water Station 0.75 miles southeast of Carlsbad.

- B) Water Transportation System

Water hauled to the location will be over the existing and proposed roads or transported via temporary poly-line from the fresh water source.

POINT 6: SOURCE OF CONSTRUCTION MATERIALS

- A) Materials-

Onsite caliche or if necessary caliche will be hauled from BLM approved pit located in Sec. 5, T21S, R29E

- B) Land Ownership

Federally Owned.

C) Materials Foreign to the Site

Caliche will be hauled from the nearest BLM approved caliche pit.

D) Access Roads

3834' of new access roads are required. See Exhibit "B".

POINT 7: METHODS FOR HANDLING WASTE MATERIAL

A) Cuttings – Closed Loop System

Cuttings will be contained in the steel pits and will be hauled to an approved disposal facility.

B) Drilling Fluids – Closed Loop System

Drilling fluids will be contained in the steel pits, frac tanks, and will be disposed of at licensed disposal facilities.

C) Produced Fluids

Water production will be contained in the steel pits.

Hydrocarbon fluid or other fluids that may be produced during testing will be retained in test tanks.

D) Sewage

Current laws and regulations pertaining to the disposal of human waste will be complied with.

E) Garbage

Portable containers will be utilized for garbage disposal during the drilling of this well.

F) Cleanup of Well Site

Upon release of the drilling rig, the surface of the drilling pad will be graded to accommodate a completion rig if electric log analysis indicate potential productive zones. Reasonable cleanup will be performed prior to the final restoration of the site.

POINT 8: ANCILLARY FACILITIES

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None required.

POINT 9: WELL SITE LAYOUT

A) Rig Orientation and Layout

Exhibit "D" shows the dimensions of the well pad and closed loop system, and the location of major rig components. Only minor leveling of the well site will be required. No significant cuts or fills will be necessary.

B) Locations of closed loop system and access road

See Exhibits "B" & "D".

C) Lining of the Pits

No reserve pit. Closed loop system.

POINT 10: PLANS FOR RESTORATION OF THE SURFACE

A) Reserve Pit Cleanup - Not applicable (see Point 9C above).

The pits will be fenced immediately after construction and shall be maintained until they are backfilled. Previous to backfill operations, any hydrocarbon material on the pits' surfaces shall be removed. The fluids and solids contained in the pits shall be backfilled with soil excavated from the site and soil adjacent to the reserve pits. The restored surface of the pits shall be contoured to prevent impoundment of surface water flow. Water-bars will be constructed as needed to prevent excessive erosion. Topsoil, as available, shall be placed over the restored surface in a uniform layer. The area will be seeded according to the Bureau of Land Management stipulations during the appropriate season following restoration.

B) Restoration Plans - Production Developed

In addition, those areas not required for production will be graded to blend with the surrounding topography. Topsoil, as available, will be placed upon those areas and seeded. The portion of the site required for production will be graded to minimize erosion and provide access during inclement conditions. Following depletion and abandonment of the site, restoration procedures will be those that follow under Item C.

C) Restoration Plans - No Production Developed

With no production developed, the entire surface disturbed by construction of the well site will be restored. The site will be contoured to blend with the surrounding topography and provide drainage of surface water. The topsoil, as available, shall be replaced in a uniform layer and seeded according to the Bureau of Land Management's stipulations.

D) Rehabilitation's Timetable

Upon completion of drilling operations, the initial cleanup of the site will be performed as soon as weather and site conditions allow economic execution of the work.

POINT 11: OTHER INFORMATION

A) Terrain

Relatively flat.

B) Soil

Caliche and sand.

C) Vegetation

Sparse, primarily grasses and mesquite with very little grass.

D) Surface Use

Primarily grazing.

E) Surface Water

There are no ponds, lakes, streams or rivers within several miles of the wellsite.

F) Water Wells

There are no water wells located within one mile of the proposed well site.

G) Residences and Buildings

None in the immediate vicinity.

H) Historical Sites

None observed.

I) Archeological Resources

An archeological survey has been performed for this area and will be submitted to the Bureau of Land Management. Any location or construction conflicts will be resolved before construction begins.

J) Surface Ownership

The well site is on federal owned land.

POINT 11: OTHER INFORMATION – cont'd

Page 6

K) Well signs will be posted at the drilling site.

L) Open Pits - None used. Closed loop system.

POINT 12: OPERATOR'S FIELD REPRESENTATIVE

(Field personnel responsible for compliance with development plan for surface use).

DRILLING

Stephen Martinez
Box 2760
Midland, Texas 79702
(432) 683-2277

PRODUCTION

Dean Clemmer
3104 East Green Street
Carlsbad, New Mexico 88220
(575) 887-7329

Carlos Cruz
Box 2760
Midland, Texas 79702
(432) 683-2277

BOPCO, L.P.

P. O. Box 2760
Midland, Texas 79702

432-683-2277

FAX-432-687-0329

March 11, 2011

Bureau of Land Management
Carlsbad Field Office
620 East Green Street
Carlsbad, New Mexico 88220-6292

Attn: Mr. Don Peterson – Assistant Field Manager, Minerals

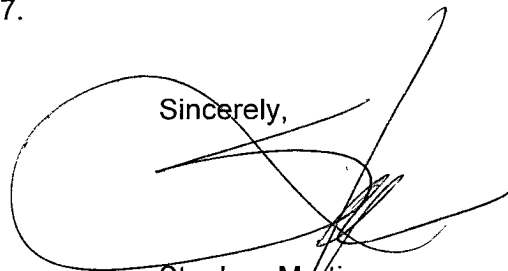
RE: APPLICATION FOR PERMIT TO DRILL – 3162.4
North Indian Flats 24 Federal #14H
10' FNL, 2230' FEL, Sec. 24, T21S, R28E, Eddy County, NM

Dear Mr. Peterson,

In reference to the above captioned well, I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in the attached eight point drilling plan and multi-use surface plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by BOPCO, L.P. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

If you have any questions regarding the accuracy of the plan provided herein, please do not hesitate to contact me at (432) 683-2277.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'Stephen Martinez', is written over the word 'Sincerely,'.

Stephen Martinez
Division Drilling Superintendent

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

(432) 683-2277

FAX (432) 687-0329

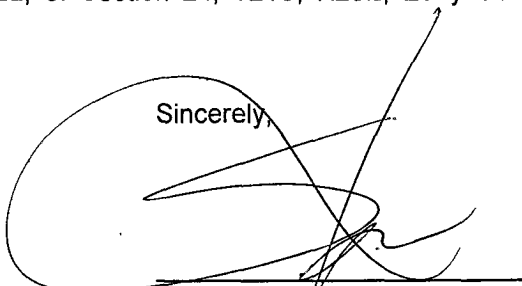
March 8, 2011

Bureau of Land Management
620 E. Greene
Carlsbad, New Mexico 88220
Attn: John Chopp

Dear Mr. Chopp,

BOPCO, L.P. respectfully requests exception to the Prairie Chicken timing restrictions for North Indian Flats 24 Federal #14H located 10' FNL, 2230' FEL, of Section 24, T21S, R28E, Eddy County, New Mexico.

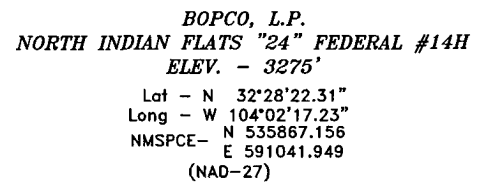
Sincerely,



Stephen Martinez
Division Drilling Superintendent

GEG/keh

NEW MEXICO.



FROM MILE MARKER 43 ON US HWY 62/180, GO WEST FOR 0.4 MILE TO A LEASE ROAD SOUTH AND BEPCO SIGN; THENCE GO SOUTH 4.3 MILES TO A LEASE ROAD; THENCE SOUTHEAST FOR 2.0 MILES TO A ROAD NORTH; THENCE NORTH FOR 2.6 MILES TO A "Y", TAKE THE LEFT FORK AND GO NORTHWEST FOR 0.6 MILE TO A PROPOSED LEASE ROAD.

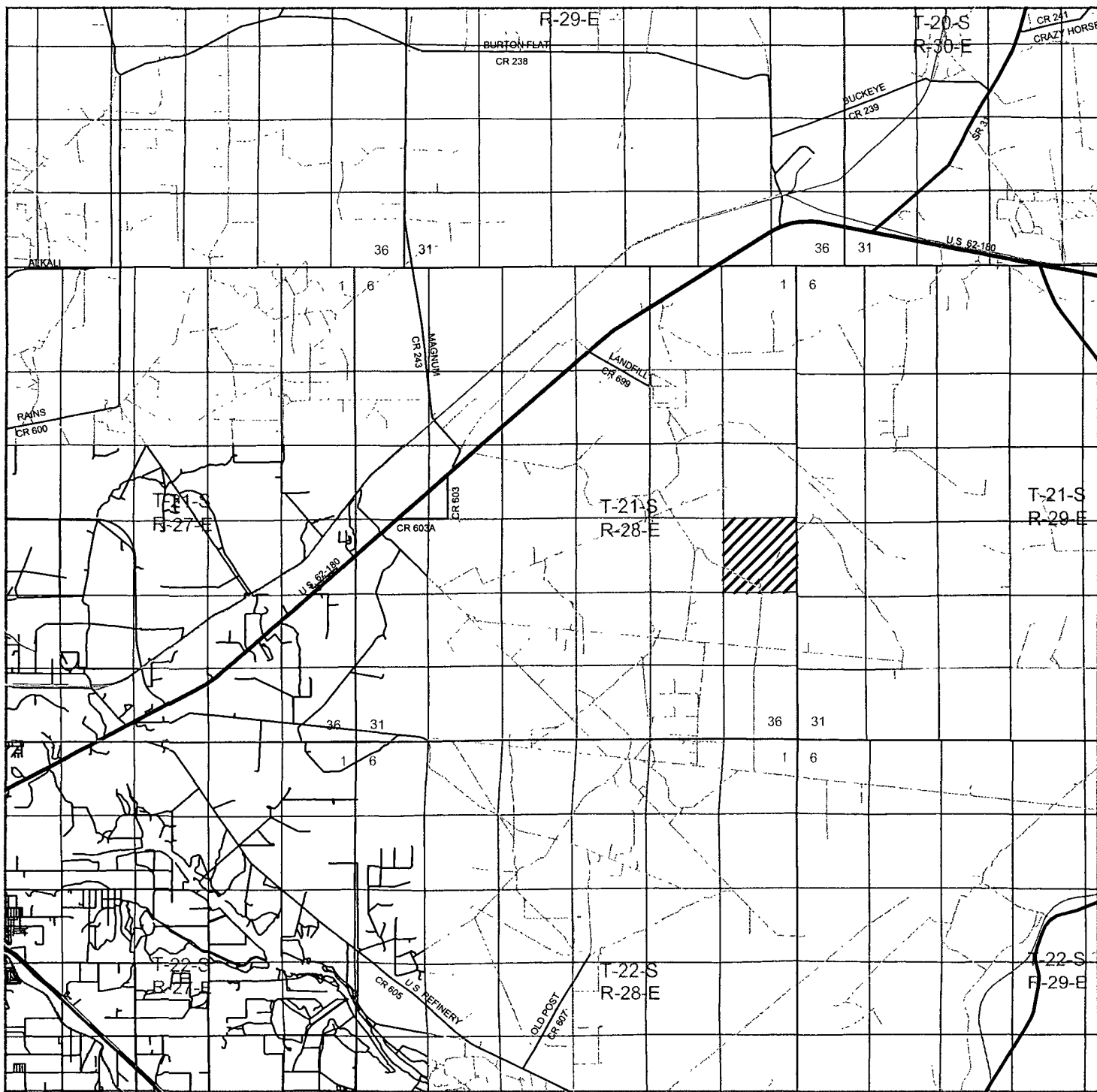
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N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 02-21-2011

Sheet 1 of 1 Sheets



NORTH INDIAN FLATS "24" FEDERAL #14H
 Located 10' FNL and 2230' FEL
 Section 24, Township 21 South, Range 28 East,
 N.M.P.M., Eddy County, New Mexico.

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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 24207

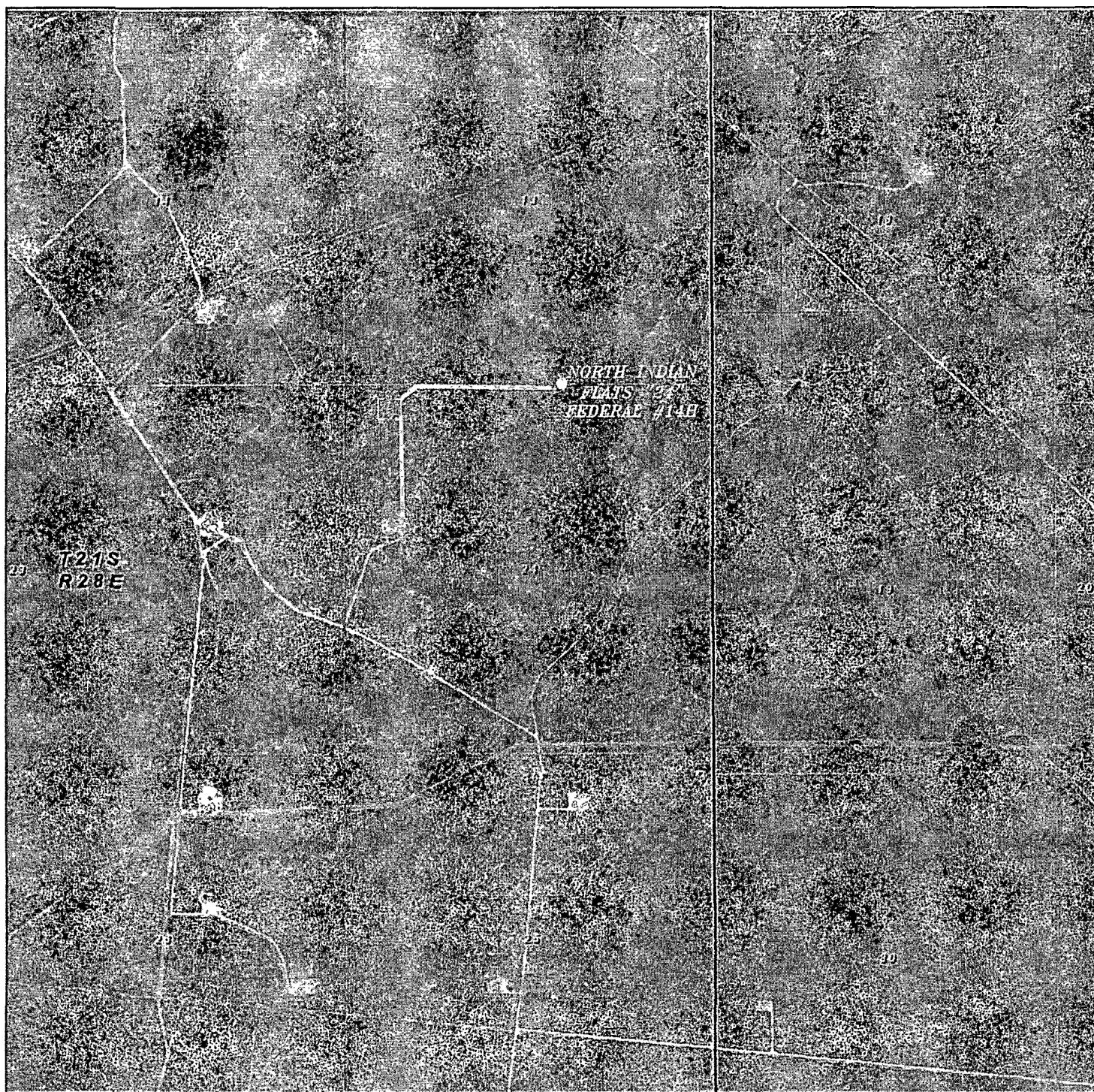
Survey Date: 02-21-2011

Scale: 1" = 2 Miles

Date: 02-23-2011



BOPCO, L.P.



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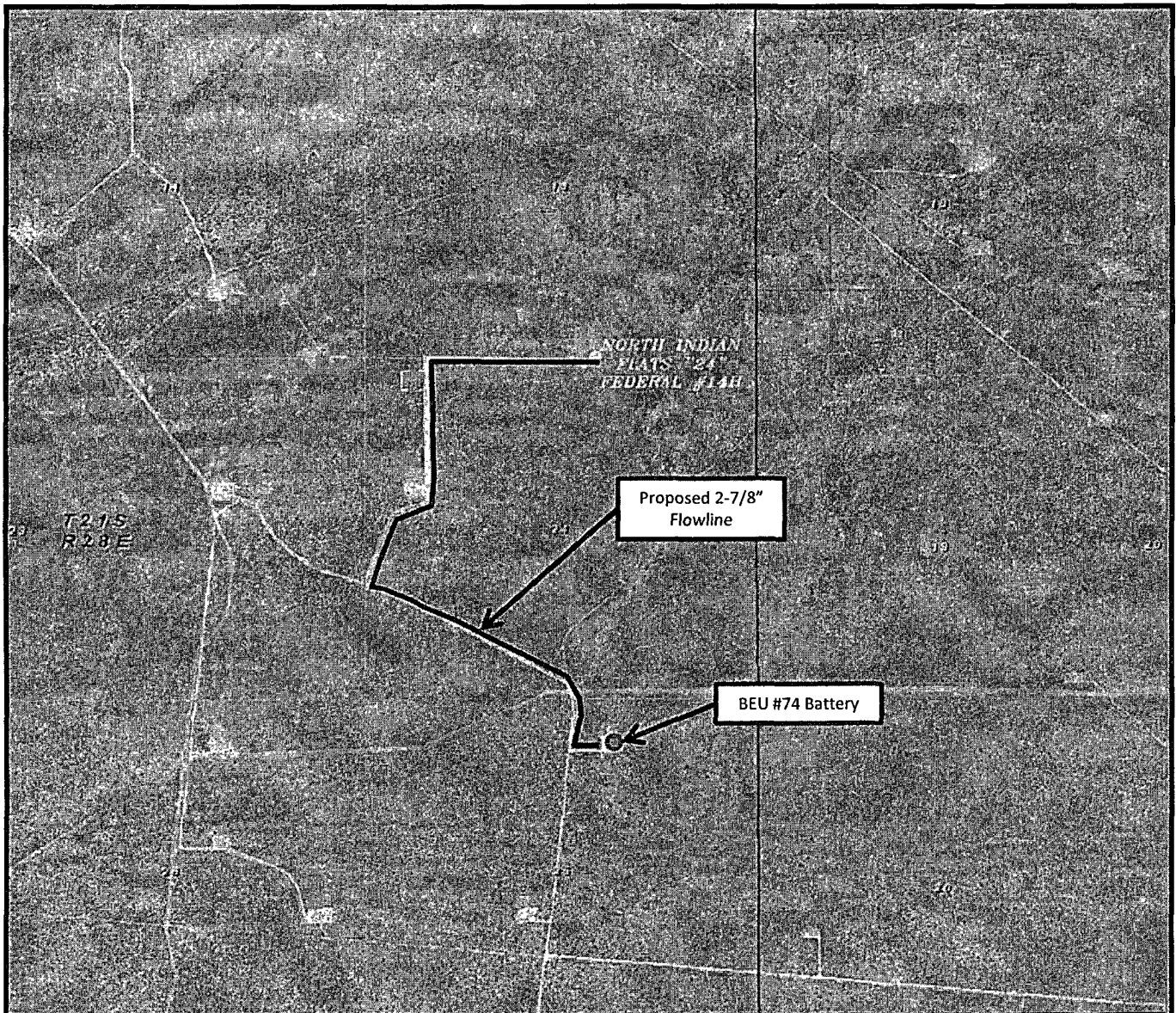
Scale. 1" = 2000'

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



BOPCO, L.P.

North Indian Flats 24 Federal #14H
Exhibit "E"



NORTH INDIAN FLATS "24" FEDERAL #14H
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W.O. Number: JMS 23959

Scale: 1" = 2000'

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

BOPCO, L.P.

North Indian Flats 24 Fed #14H Exhibit "D"



BOPCO, L.P
RIG LAYOUT SCHEMATIC
INCLUSIVE OF CLOSED-LOOP DESIGN PLAN
Cavaloz Drilling

