

30-015-39293

MULTI-POINT SURFACE USE PLAN

NAME OF WELL: Poker Lake Unit #328H

LEGAL DESCRIPTION - SURFACE: 2400' FSL, 305' FWL, Section 12, T24S, R30E, Eddy County, NM.
BHL: 2295' FSL, 715' FWL, Section 2, T24S, R30E, Eddy County, New Mexico.

POINT 1: EXISTING ROADS

A) Proposed Well Site Location:

See Exhibit "A".

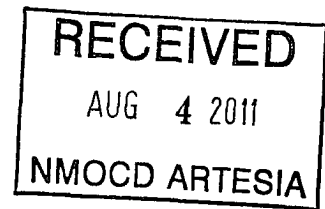
B) Existing Roads:

From the junction of Twin Wells and McDonald, go northeast 3.7 miles to lease road. On lease road go north turning west 1.1 miles to two track and proposed lease road.

C) Existing Road Maintenance or Improvement Plan:

See Exhibit "B" & "C"

POINT 2: NEW PLANNED ACCESS ROUTE



A) Route Location:

Approximately 3384' of new lease road will be built. (See Exhibit "E")

B) Width

14' wide

C) Maximum Grade

Grade to match existing topography or as per BLM requirements.

D) Turnout Ditches

As required by BLM stipulations

E) Culverts, Cattle Guards, and Surfacing Equipment

If required, culverts and cattle guards will be set per BLM Specs.

POINT 3: LOCATION OF EXISTING WELLS

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

POINT 4: LOCATION OF EXISTING OR PROPOSED FACILITIES

Page 2

- A) No existing production facilities operated by BOPCO, L.P. are located within one mile of the Poker Lake Unit #328H.

- B) New Facilities in the Event of Production:

New production facilities will be built at Poker Lake Unit #78 battery (located in NENE quarter Sec 25, T24S, R30E. A new separator / treater will be set at the Poker Lake Unit #78 battery. A 2-7/8" flowline carrying oil, water, and gas will be laid on top of ground from Poker Lake Unit #328H to Poker Lake Unit #78 battery following existing lease roads (See Exhibit "F"). A rental generator will be set at #328H for the initial testing. A sundry describing the permanent power line will be submitted at a later date.

- C) Rehabilitation of Disturbed Areas Unnecessary for Production:

Following the construction, those access areas required for continued production will be graded to provide drainage and minimize erosion. The areas unnecessary for use will be graded to blend in with 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 Johnson Station 50 miles east of Carlsbad, New Mexico or other commercial facilities. Brine water will be hauled from commercial facilities.

- B) Water Transportation System

Water hauling to the location will be over the existing and proposed roads.

POINT 6: SOURCE OF CONSTRUCTION MATERIALS

- A) Materials

On-site caliche will be used. If this is not sufficient, caliche will be hauled from a BLM approved pit.

- B) Land Ownership

Federally Owned

- C) Materials Foreign to the Site

No construction materials foreign to this area are anticipated for this drill site.

- D) Access Roads

See Exhibits "B" & "E".

POINT 7: METHODS FOR HANDLING WASTE MATERIAL

Page 3

A) Cuttings

Cuttings will be contained in the roll off bins and disposed of a CRI.

B) Drilling Fluids

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

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. Prior to cleanup operations, any hydrocarbon material in the reserve pit will be removed by skimming or burning as the situation would dictate.

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

None required.

POINT 9: WELL SITE LAYOUT

A) Rig Orientation and Layout

Exhibit "D" shows the dimensions of the well pad, 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 Access Road

See Exhibits "B" and "E".

C) Lining of the Pits

No reserve pits - closed loop system.

POINT 10: PLANS FOR RESTORATION OF THE SURFACE

Page 4

A) Reserve Pit Cleanup - Not applicable. Closed loop drilling fluid system will be used

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

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. (See diagram 2)

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

Slightly rolling hills.

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 three existing water well within 1-1/2 miles of proposed location. These wells are located in Section 23, T24S, R30E. (See Exhibit "A")

G) Residences and Buildings

None in the immediate vicinity.

H) Historical Sites

None observed.

I) Archeological Resources

No independent archeological survey has been done. This well location is located in the area covered by Memorandum of Agreement – Permian Basin. A Payment of \$1379.00 fee for this project is included in this application. Any location or construction conflicts will be resolved before construction begins.

J) Surface Ownership

The well site is on federally owned land. There will be no new access roads required for this location.

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

L) Open Pits

No open pits will be used for drilling or production. Any open top tanks will be netted.

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

SMM/keh

BOPCO, L.P.

P. O. Box 2760
Midland, Texas 79702

432-683-2277

FAX-432-687-0329

March 24, 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

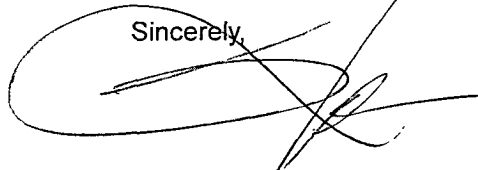
RE: APPLICATION FOR PERMIT TO DRILL
POKER LAKE UNIT #328H
2400' FSL, 305' FWL, SEC. 12, T24S, R30E, EDDY COUNTY, NM

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.

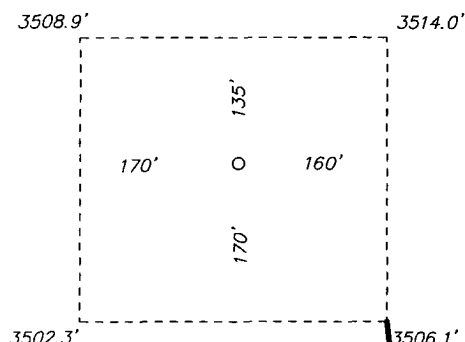
If you have any questions regarding the accuracy of the plan provided herein, please do not hesitate to contact me at (432) 683-2277.

Sincerely,

A handwritten signature in black ink, appearing to be "S.M. Martinez", written over a large, loopy flourish.

Stephen M. Martinez
Division Drilling Superintendent

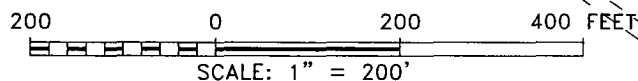
SECTION 12, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



BOPCO, L.P.
POKER LAKE UNIT #328H
ELEV. - 3509'

Lat - N 32°13'53.90"
Long - W 103°50'29.32"
NMSPCE- N 448336.760
E 652088.544
(NAD-27)

2-TRACK 3257.5' (0.6 MILES)



Directions to Location.

FROM THE JUNCTION OF TWIN WELLS AND McDONALD,
GO NORTHEAST 3.7 MILES TO LEASE ROAD, ON
LEASE ROAD GO NORTH TURNING WEST 1.1 MILES TO
TWO TRACK AND PROPOSED LEASE ROAD

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

W.O. Number. 23969 Drawn By. J. SMALL

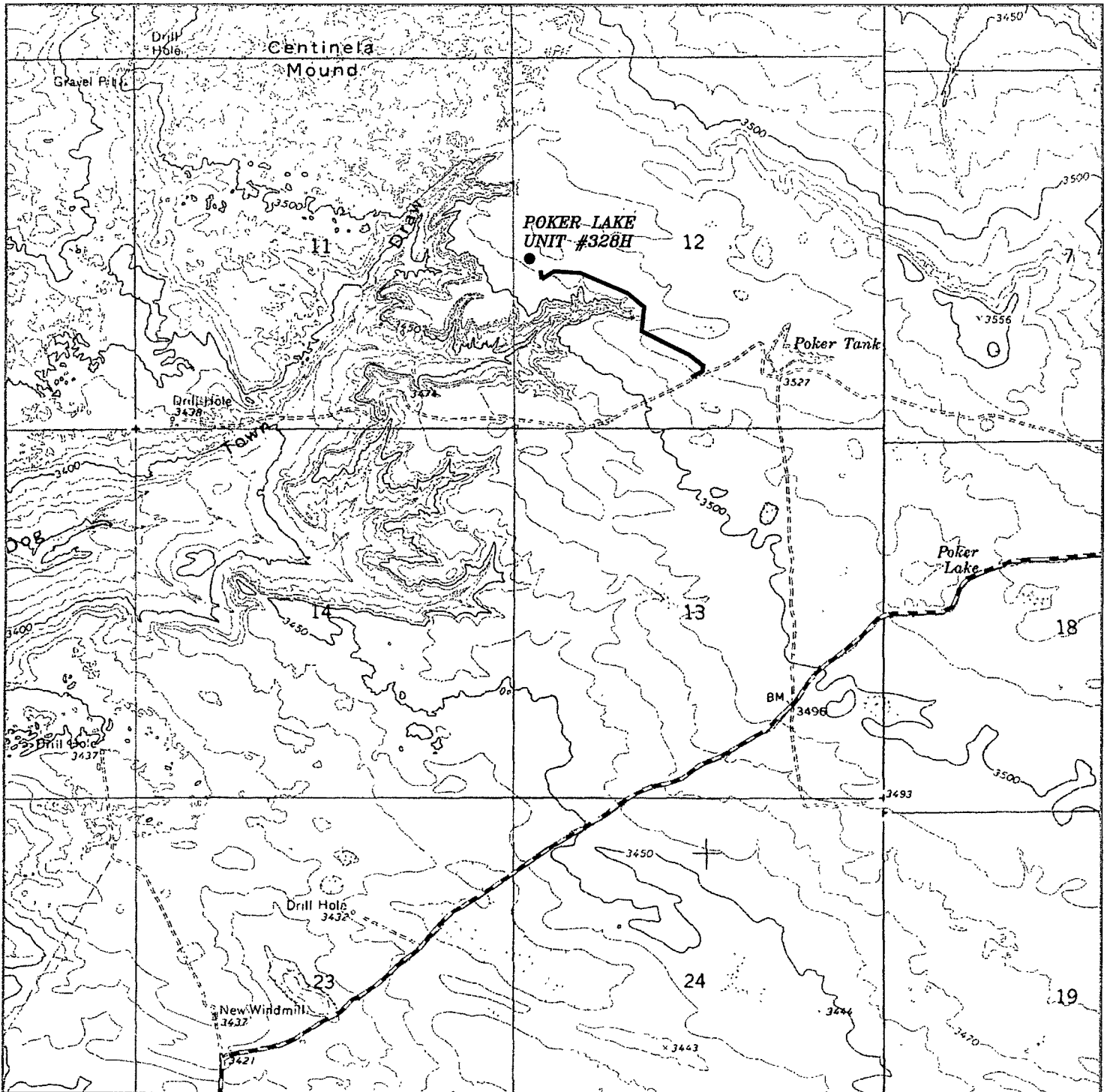
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BOPCO, L.P.

REF: POKER LAKE UNIT #328H / WELL PAD TOPO

THE POKER LAKE UNIT #328H LOCATED 2400'
FROM THE SOUTH LINE AND 305' FROM THE WEST LINE OF
SECTION 12, TOWNSHIP 24 SOUTH, RANGE 30 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

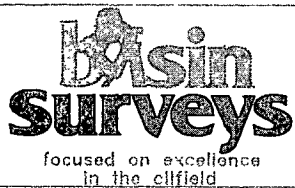
Survey Date. 01-18-2011 Sheet 1 of 1 Sheets



POKER LAKE UNIT #328H

Located 2400' FSL and 305' FWL

Section 12, Township 24 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico.



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 23969

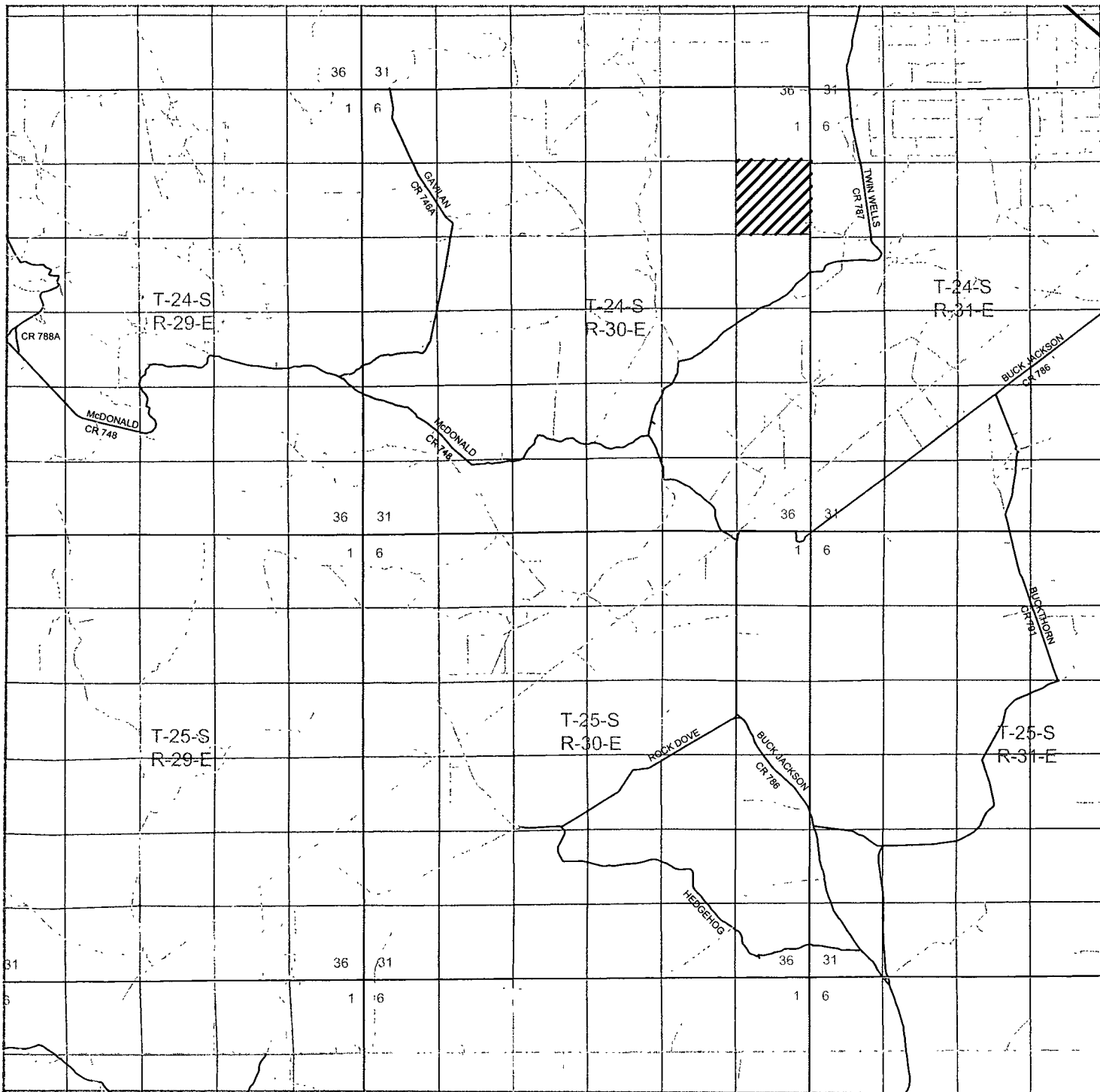
Survey Date: 01-18-2011

Scale: 1" = 2000'

Date: 01-19-2011



BOPCO, L.P.



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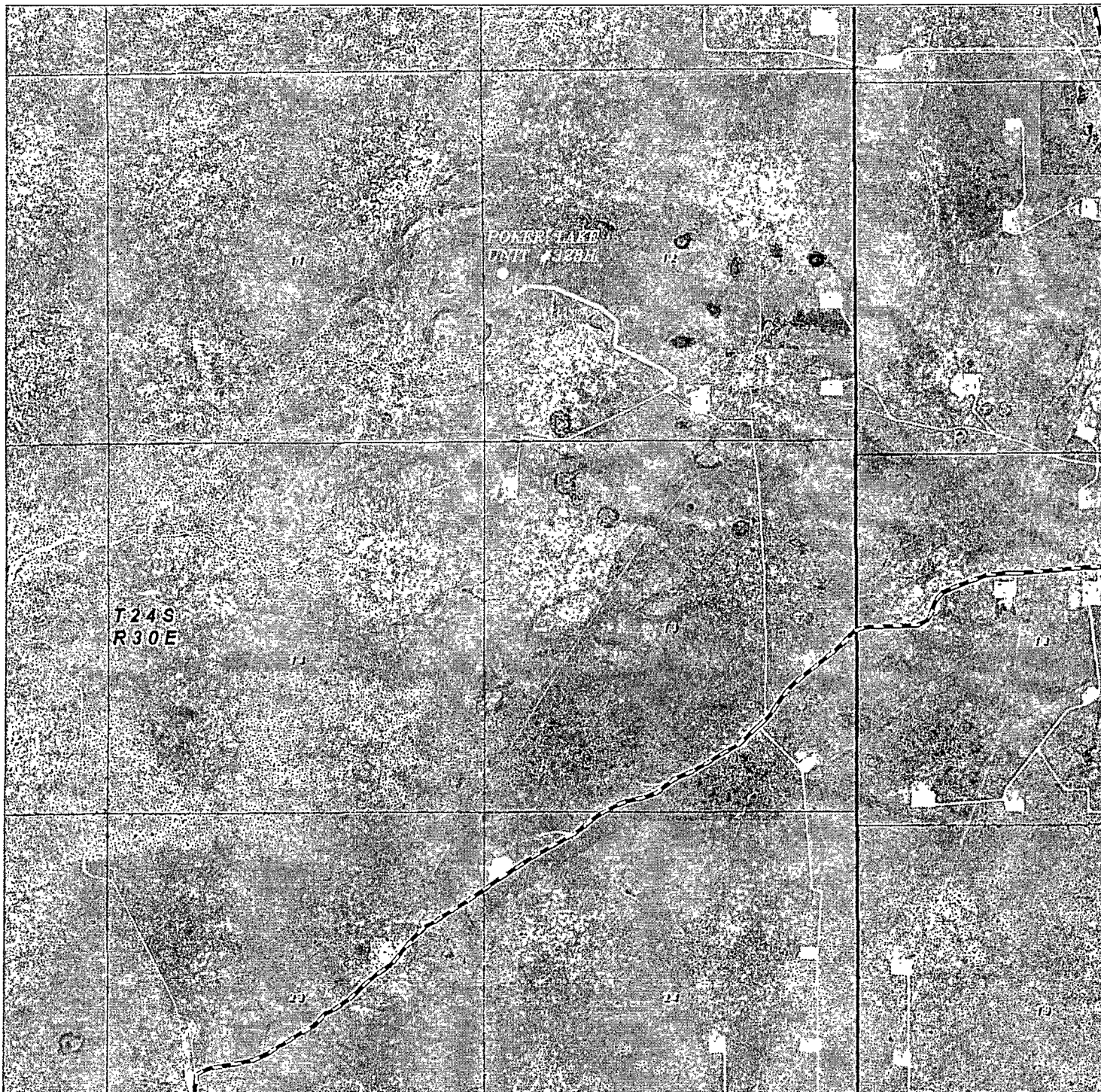
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Scale: 1" = 2 Miles

Date: 01-19-2011



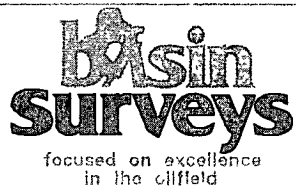
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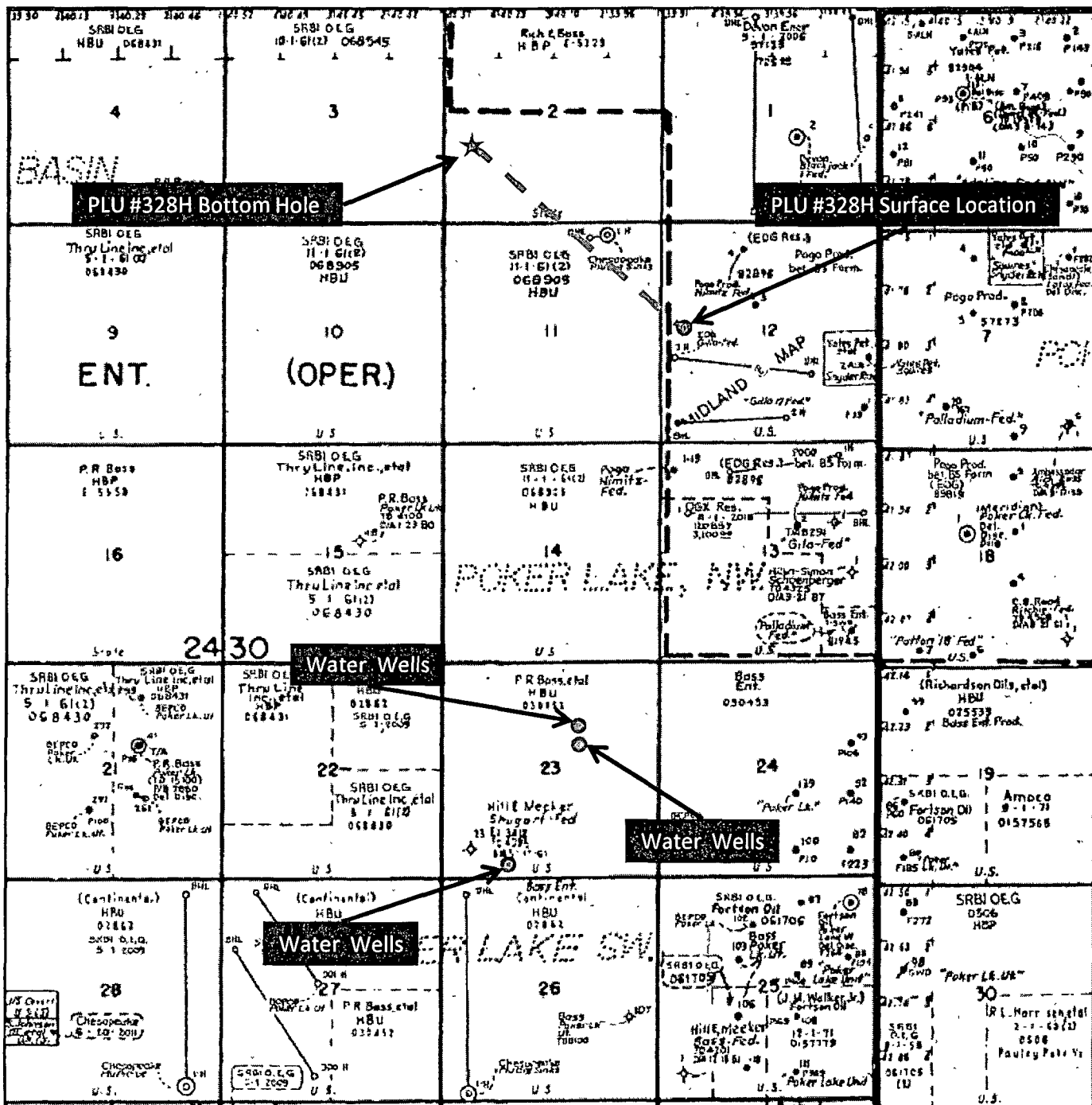
Scale: 1" = 2000'

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



BOPCO, L.P.

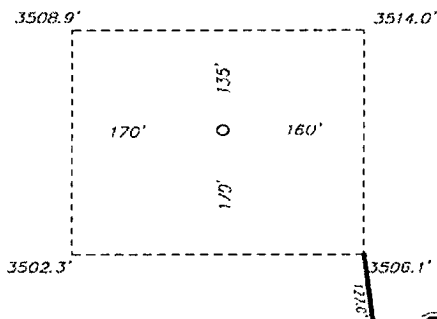
Poker Lake Unit #328H Exhibit "A"



Poker Lake Unit #328H
Exhibit "B"

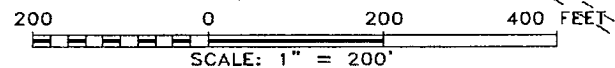


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BASIN SURVEYS P.O. BOX 1785-HCBRS, NEW MEXICO

W.O. Number: 23969 Drawn By: J. SMALL

Date: 01-19-2011 Disk: JMS 23969

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REF: POKER LAKE UNIT #328H / WELL PAD TOPO

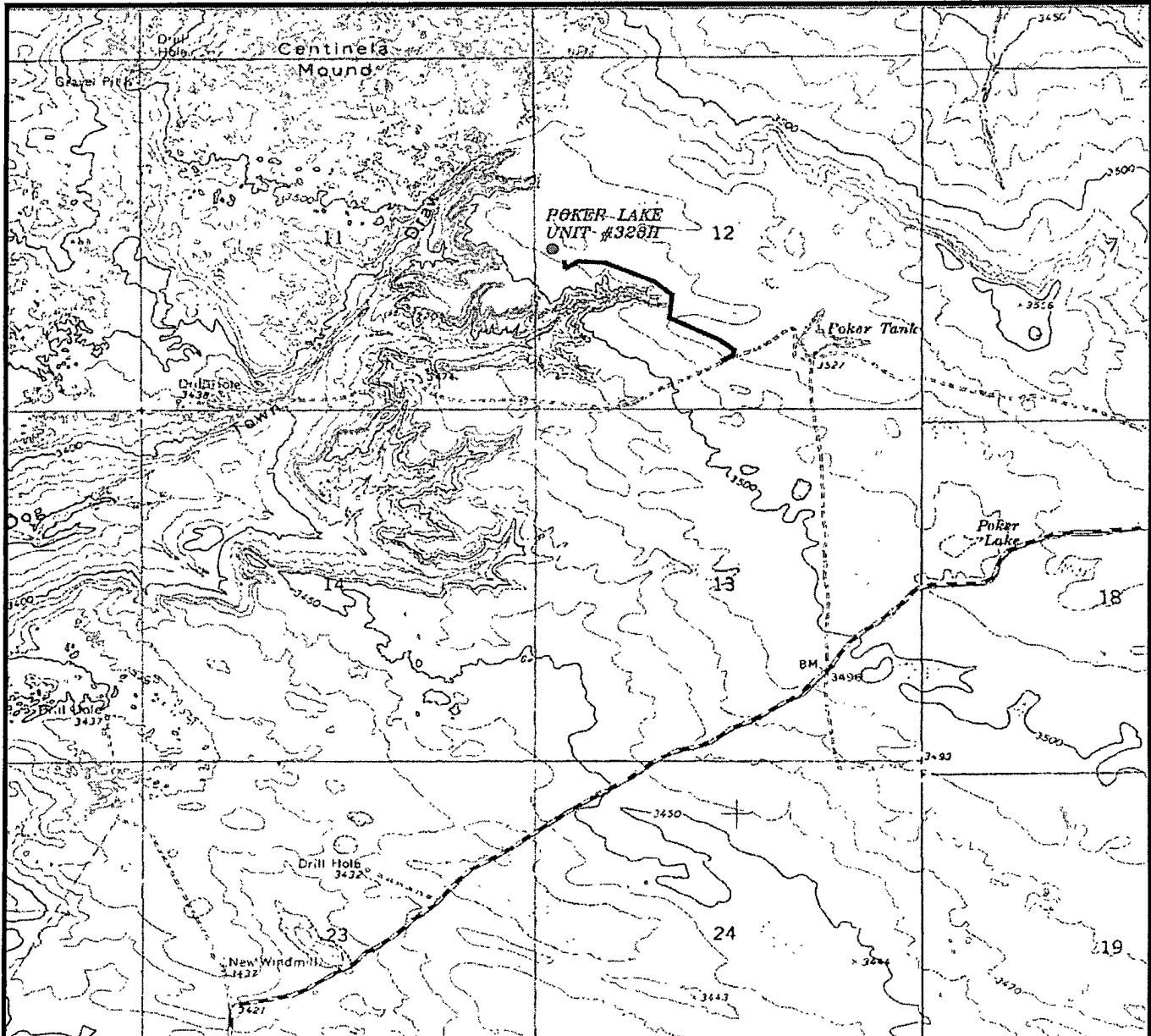
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N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 01-18-2011 Sheet 1 of 1 Sheets

Poker Lake Unit #328H
Exhibit "C"



POKER LAKE UNIT #328H
Located 2400' FSL and 305' FWL
Section 12, Township 24 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico.



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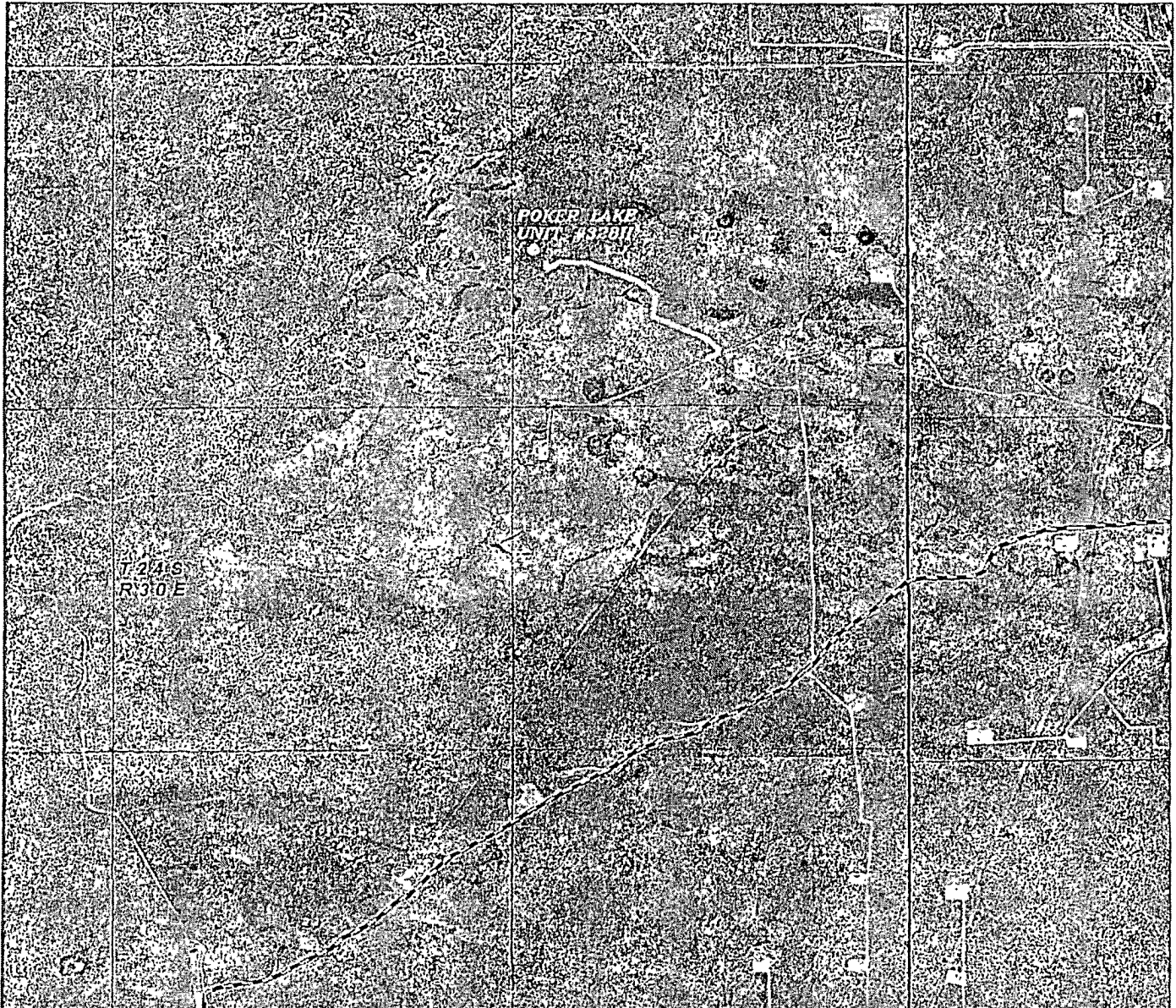
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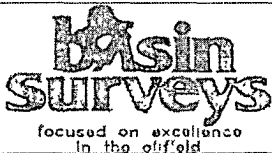
Date: 01-10-2011

BOPCO, L.P.

Poker Lake Unit #328H
Exhibit "E"



POKER LAKE UNIT #328H
Located 2400' FSL and 305' FWL
Section 12, Township 24 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico.



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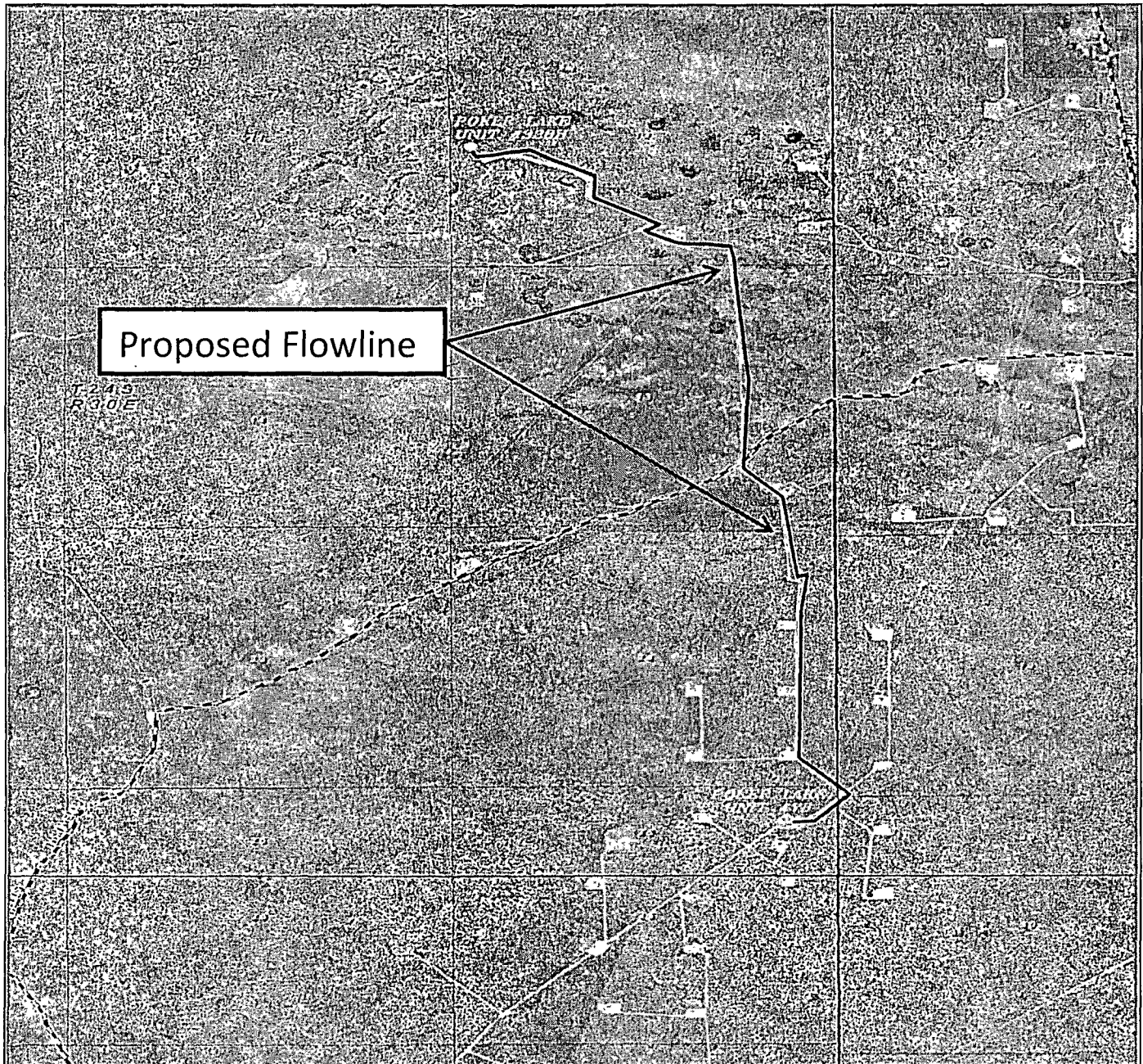
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Scale: 1" = 2000'

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

BOPCO, L.P.

Poker Lake Unit #328H
Exhibit "F"



POKER LAKE UNIT #328H
Located 2400' FSL and 305' FWL
Section 12, Township 24 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico.

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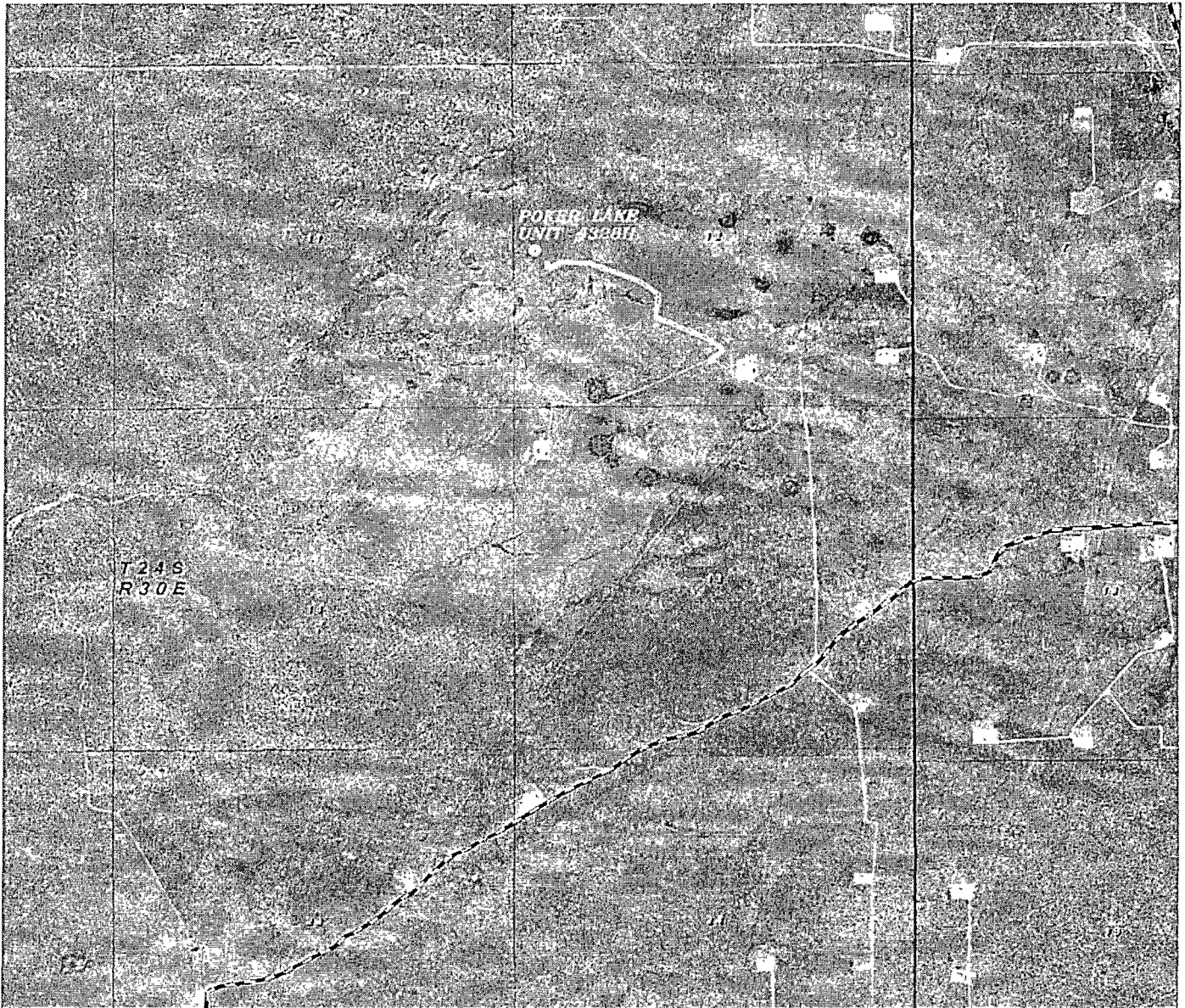
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Scale: 1" = 2000'

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

BOPCO, L.P.

Poker Lake Unit #328H
Exhibit "E"



POKER LAKE UNIT #328H
Located 2400' FSL and 305' FWL
Section 12, Township 24 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico.

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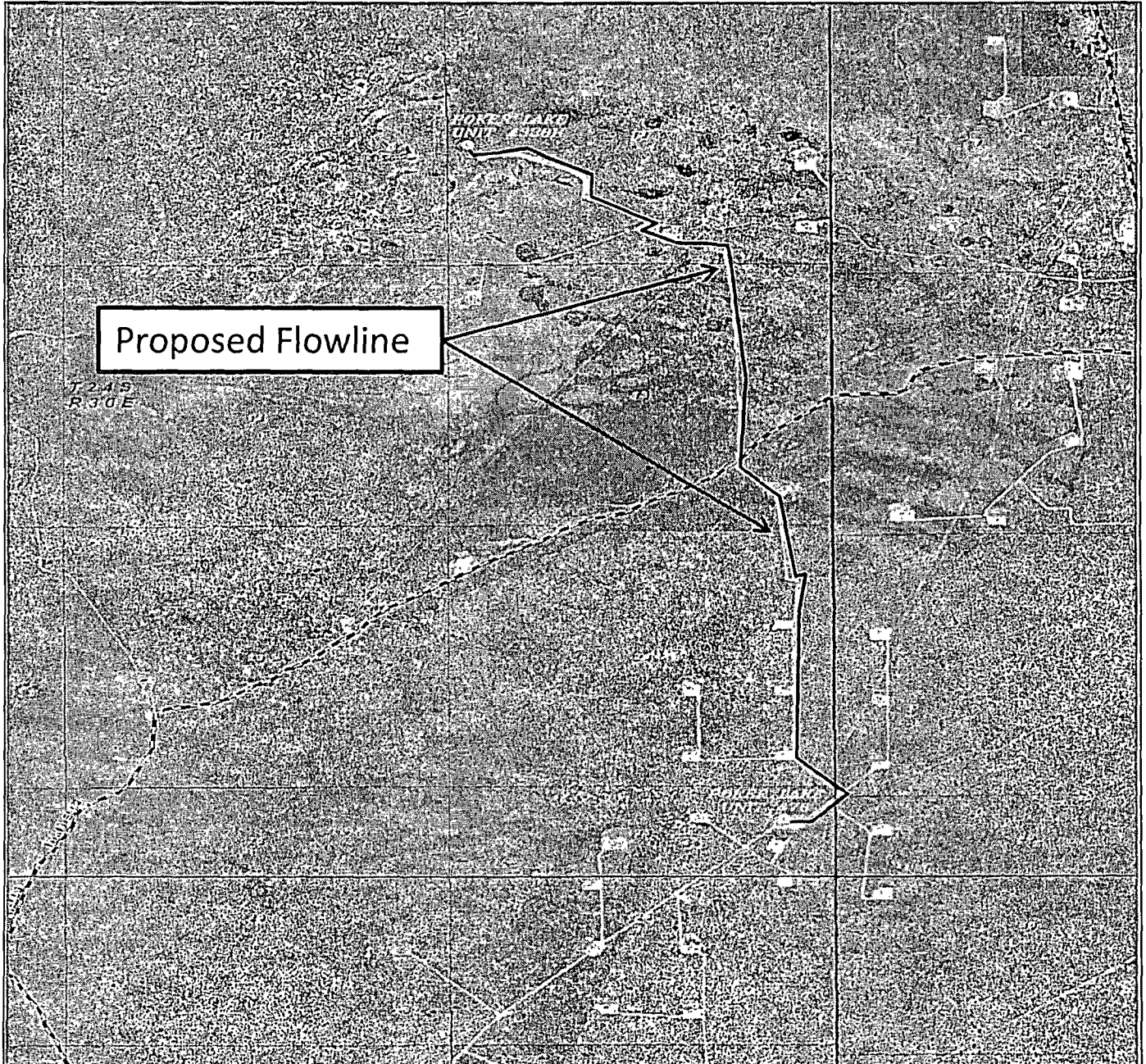
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YELLOW TINT - USA LAND
BLUL TINT - STATE LAND
NATURAL COLOR - FFE LAND



BOPCO, L.P.

Poker Lake Unit #328H
Exhibit "F"



POKER LAKE UNIT #328H
Located 2400' FSL and 305' FWL
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Well Number: JMS 25909

Scale: 1" = 200'

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

BOPCO, L.P.



BOPCO, L.P.
Poker Lake Unit #328H
Sec 12, T24S-R30E
Eddy County, NM

Exhibit "D"

RIG LAYOUT SCHEMATIC
INCLUSIVE OF CLOSED-LOOP DESIGN PLAN
Solids Control Equipment Legend

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

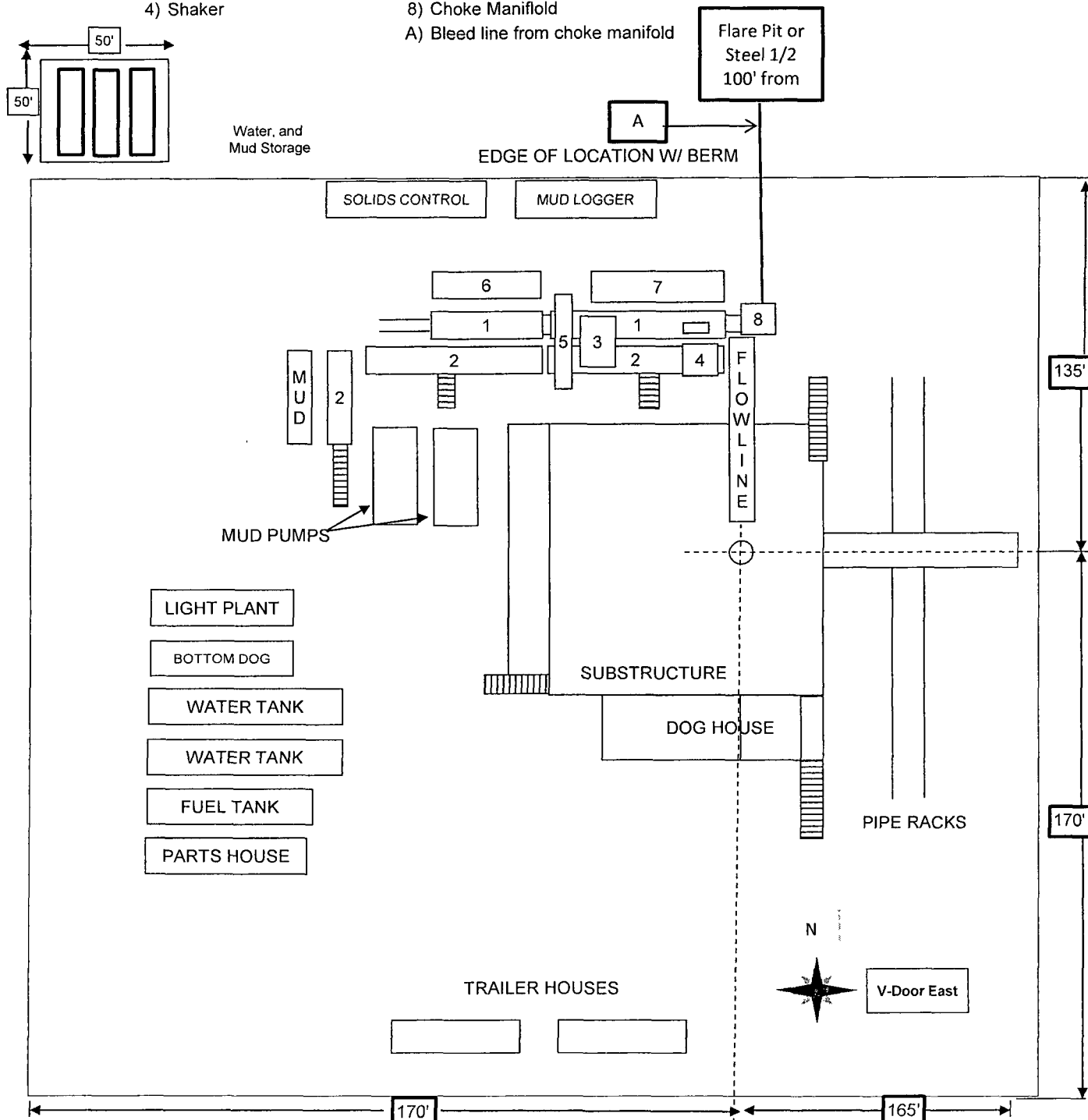


Diagram 2

BOPCO, Poker Lake Unit #328H

Interim Reclamation Well Pad Layout

