

MULTI-POINT SURFACE USE PLAN

NAME OF WELL: Poker Lake Unit #342H

30-015-38666

LEGAL DESCRIPTION - SURFACE: 1295' FNL, 115' FWL, Section 23, T24S, R30E, Eddy County, NM.
BHL: 1250' FNL, 45' FEL, Section 26, T24S, R30E, Eddy County, New Mexico.

POINT 1: EXISTING ROADS

A) Proposed Well Site Location:

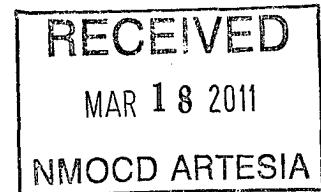
See Exhibit "A".

B) Existing Roads:

From the junction of State Hwy 128 and Twin Wells Road, go south 8.5 miles to windmill. Go around windmill going Northerly to proposed location (See Exhibit "E").

C) Existing Road Maintenance or Improvement Plan:

See Exhibit "B" & "E"



POINT 2: NEW PLANNED ACCESS ROUTE

A) Route Location:

Approximately 2640' of existing lease road will be up-graded. (See Exhibit "E")

B) Width

12' 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. A new cattle guard will be installed as shown on Exhibit "E".

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 are located within one mile of Poker Lake Unit #342H.

B) New Facilities in the Event of Production:

New production facilities will be built at Poker Lake Unit #261 battery (located in NWSE quarter Sec 21, T24S, R30E. A new separator / treater will be set at the Poker Lake Unit #261 battery. A 2-7/8" flowline carrying oil, water, and gas will be laid on top of ground from Poker Lake Unit #342H to Poker Lake Unit #261 battery following existing lease road and right-of-way granted in November 2010 (Serial number NM-125487) for 10" water transfer line to a point in the SE/c NENW Sec 22. Flowline will then follow new rout to PLU #261. Right-of-way will be applied for before construction (See attached Exhibit E & "F"). Power line routes will be applied for with a sundry at a later date. A rental generator will be used at Poker Lake Unit #342H for temporary power.

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.

- 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 wells 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 \$1339.00 fee for this project should be taken from BOPCO's remaining balance in the MOA overpayment account. 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

January 12, 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

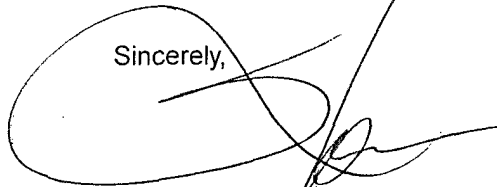
RE: APPLICATION FOR PERMIT TO DRILL
POKER LAKE UNIT #342H
1,295' FNL, 115' FWL, SEC. 23, T24S, R30E, EDDY COUNTY, NM

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 it's 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 "Stephen M. Martinez", written over a large, loopy circular flourish.

Stephen M. 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

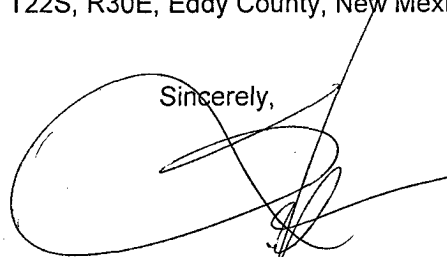
January 12, 2011

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 Poker Lake Unit #342H located 1295' FNL, 115' FWL, of Section 23, T22S, R30E, Eddy County, New Mexico.

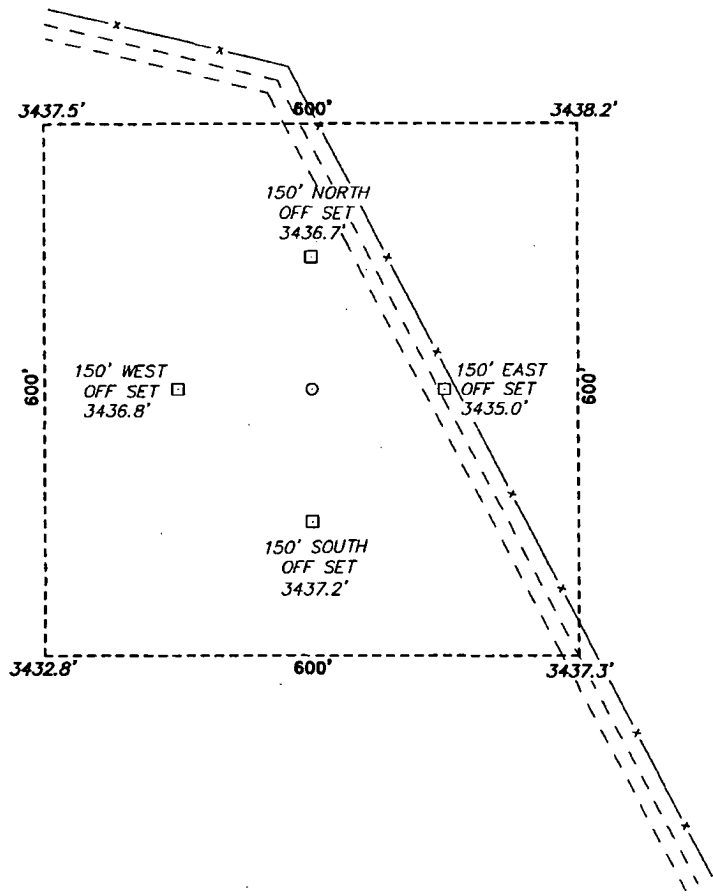
Sincerely,

A handwritten signature in black ink, appearing to be 'Stephen Martinez', written over a horizontal line.

Stephen Martinez
Division Drilling Superintendent

SMM/keh

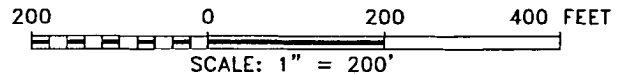
SECTION 23, TOWNSHIP 24 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



BOPCO, L.P.
POKER LAKE UNIT #342H
ELEV. - 3436'
Lat - N 32°12'24.96"
Long - W 103°51'33.92"
NMSPCE - N 439324.533
E 646580.104
(NAD-27)

Directions to Location:

FROM THE JUNCTION OF HWY 128 AND TWIN WELLS,
GO SOUTH 8.5 MILES ON TWIN WELLS TO WINDMILL,
GO AROUND WINDMILL GOING NORTHERLY TO
PROPOSED LOCATION.



BOPCO, L.P.

REF: POKER LAKE UNIT #342H / WELL PAD TOPO

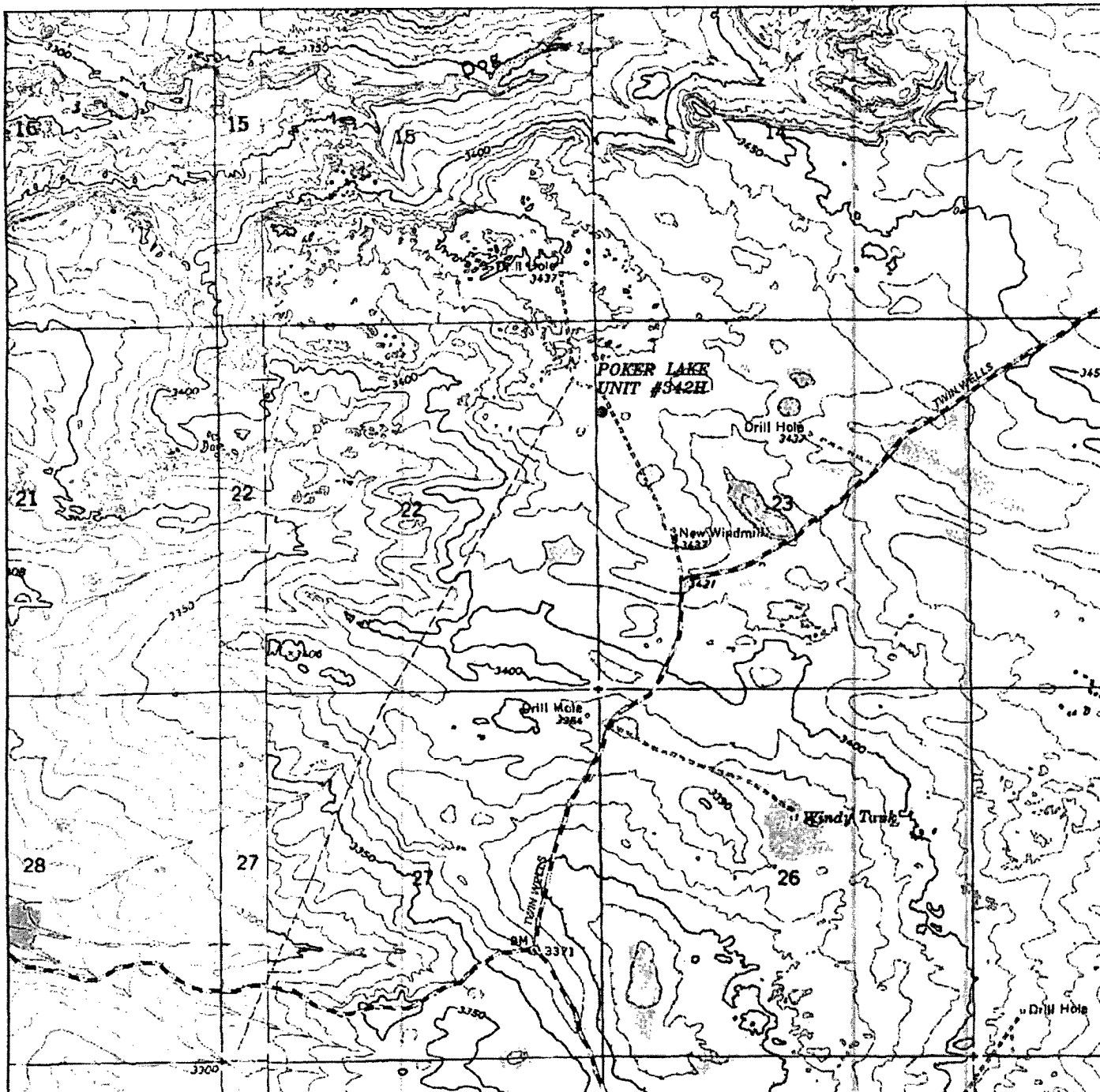
THE POKER LAKE UNIT #342H LOCATED 1295'
FROM THE NORTH LINE AND 115' FROM THE WEST LINE OF
SECTION 23, TOWNSHIP 24 SOUTH, RANGE 30 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

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

W.O. Number: 23829 Drawn By: J. SMALL

Date: 12-20-2010 Disk: JMS 23829

Survey Date: 12-09-2010 Sheet 1 of 1 Sheets



POKER LAKE UNIT #342H

Located 1295' FNL and 115' FWL

Section 23, Township 24 South, Range 30 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

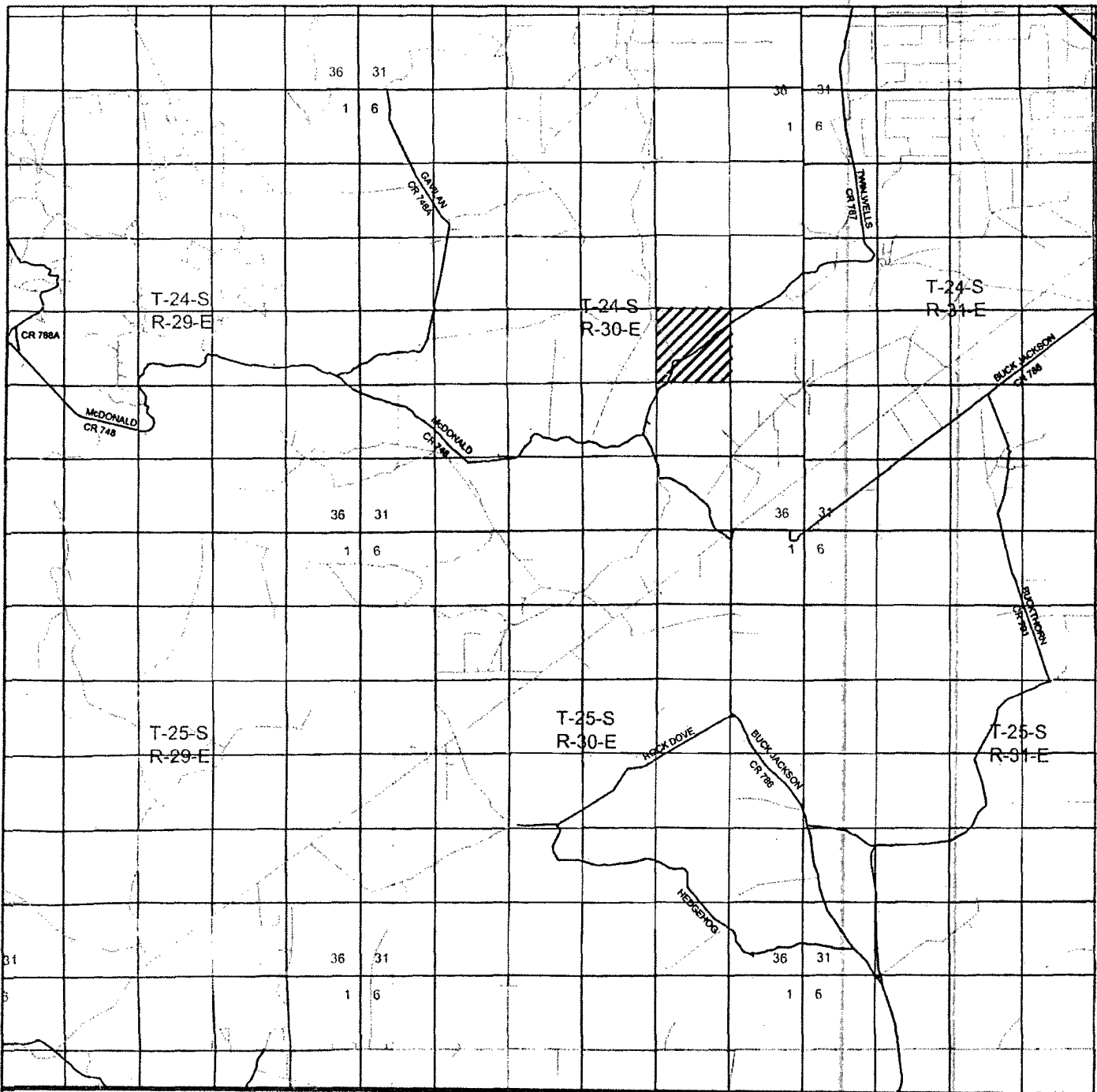
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Survey Date: 12-09-2010

Scale: 1" = 2000'

Date: 12-20-2010

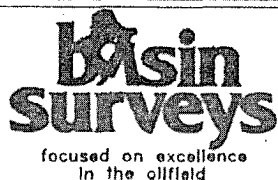
BOPCO, L.P.



POKER LAKE UNIT #342H

Located 1295' FNL and 115' FWL

Section 23, Township 24 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico.



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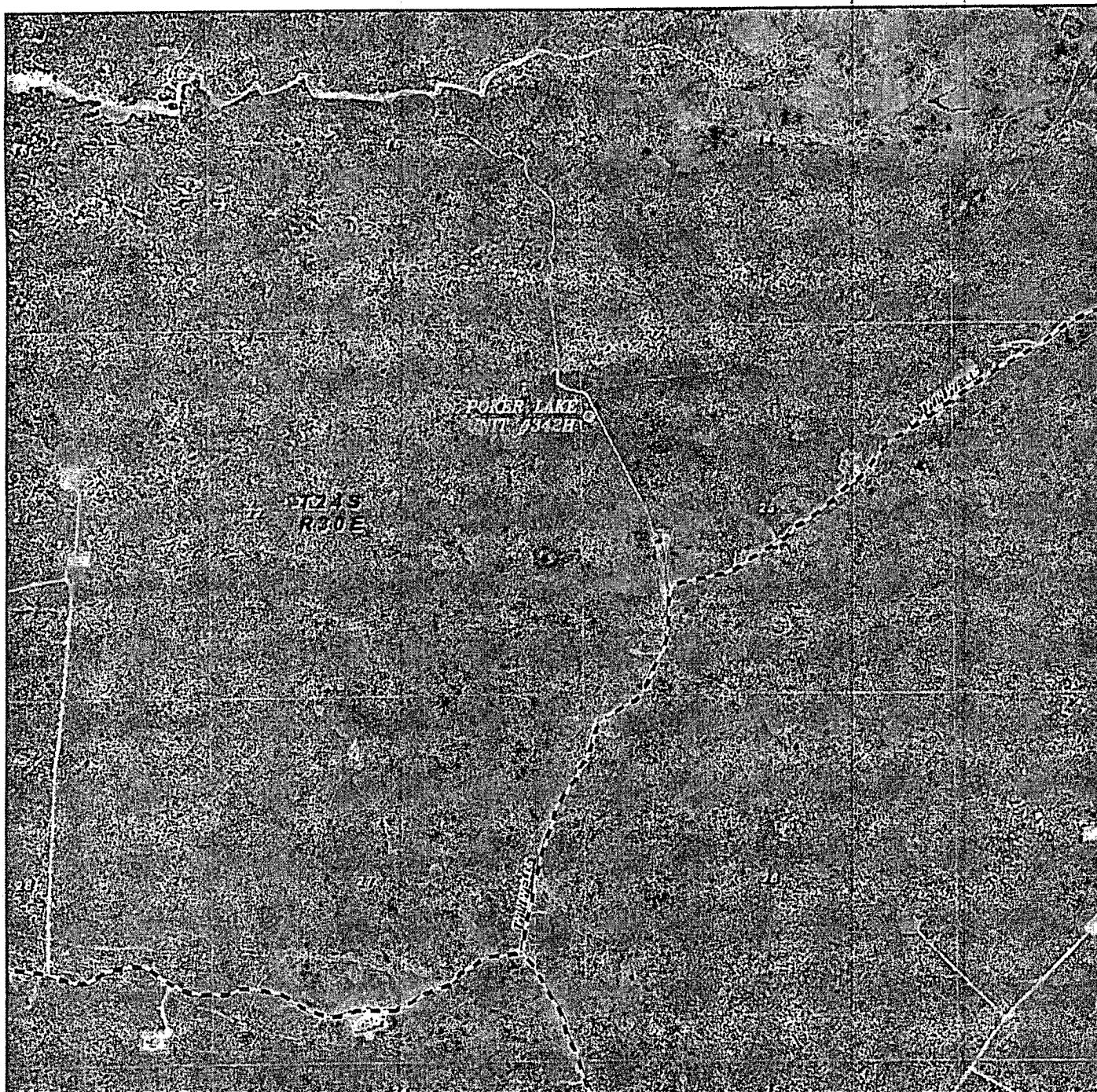
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Survey Date: 12-09-2010

Scale: 1" = 2 Miles

Date: 12-20-2010

BOPCO, L.P.



POKER LAKE UNIT #342H

Located 1295' FNL and 115' FWL

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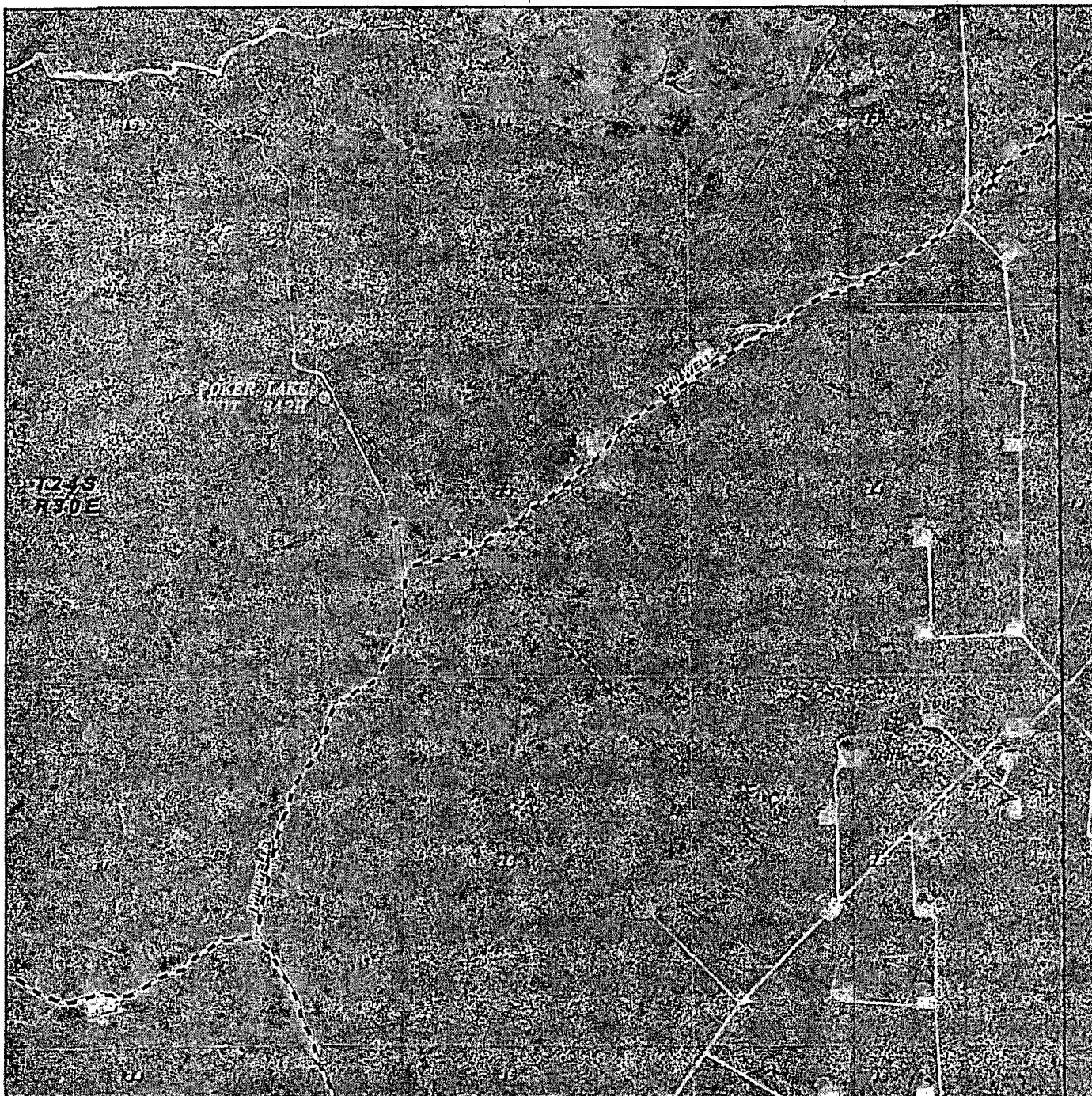
W.O. Number: JMS 23829

Scale: 1" = 2000'

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



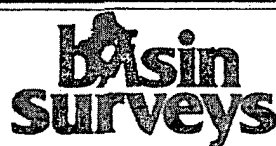
BOPCO, L.P.



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Located 1295' FNL and 115' FWL

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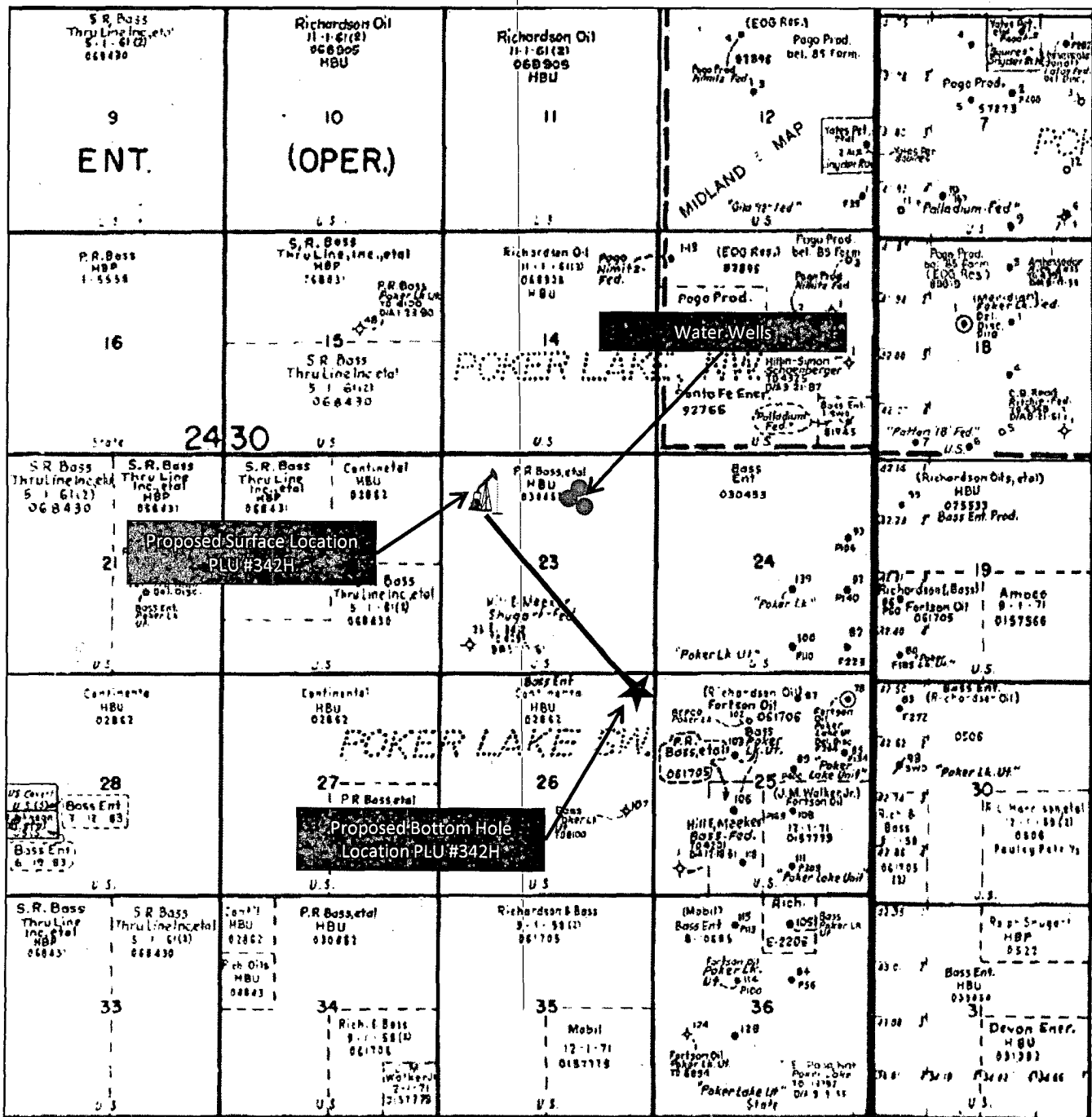
Scale: 1" = 3000'

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

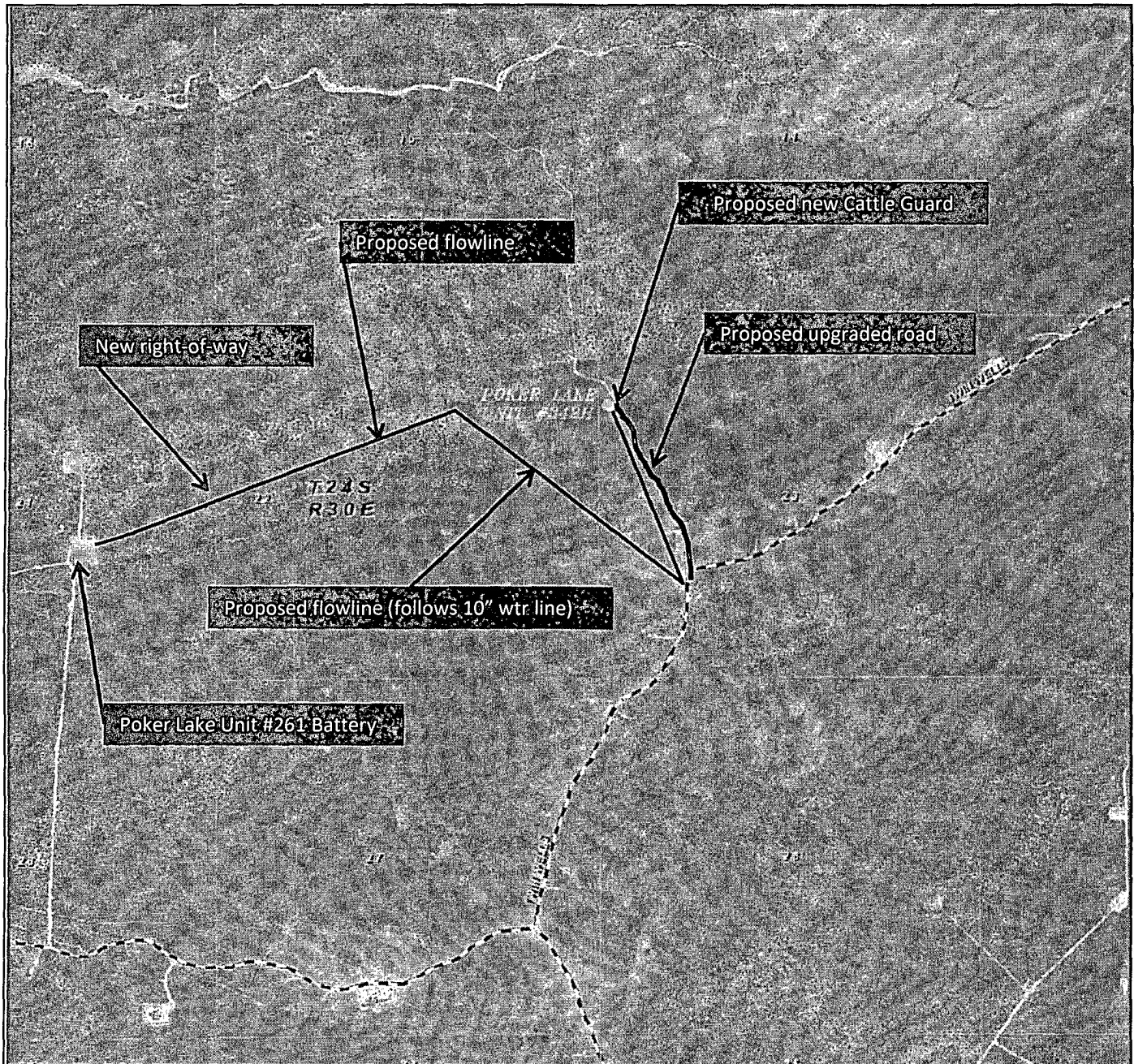
BOPCO, L.P.

Poker Lake Unit #342H

Exhibit "A"



where is
pku 293



POKER LAKE UNIT #342H
Located 1295' FNL and 115' FWL
Section 23, Township 24 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico.

Poker Lake Unit #342H

Exhibit "F"



* Granted 11/3/10 Serial No. NM-125487

