

365
BOPCO, L.P.
201 MAIN STREET, SUITE 2700
FORT WORTH, TEXAS 76102
817 / 390-8400

ANDY MORRISON
DIVISION LANDMAN

February 28, 2013

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FEDERAL EXPRESS

Bureau of Land Management
Carlsbad District Office
620 E. Green St.
Carlsbad, New Mexico 88220
Attn: Mr. Edward Fernandez

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attention: Mr. Pete Martinez

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

Re: 2013 Plan of Development
Big Eddy Unit
Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the Big Eddy Unit Agreement dated April 10, 1952, BOPCO, L.P., Operator of the referenced unit, hereby submits a Plan of Development for the Big Eddy Unit for the year 2013.

2012 Activity

- *Drilling*
 - The Bone Spring horizontal development program commenced with four (4) wells being spud.
 - Two (2) wells reached total depth in 2012, but were not completed until early 2013.
 - Two (2) wells were spud in late 2012.
 - One (1) Saltwater Disposal Well was completed in 2012.
- *Plugged and Abandoned*
 - No Big Eddy Unit wells were plugged and abandoned in 2012.
- *Saltwater Disposal*
 - One (1) Saltwater Disposal Well was completed in 2012.
- *Infrastructure*
 - The Big Eddy Unit 38 production battery was constructed to service Delaware production in the area.
 - The Big Eddy Unit Hackberry 34 production battery and Saltwater Disposal Station was constructed to service Bone Spring production in the area.
- *Participating Areas*
 - No Big Eddy Unit Participating Areas were revised or established in 2012.

Future Development

- *Bone Spring*
 - Four (4) Bone Spring wells are expected to be drilled in 2013.
- *Wolfcamp*
 - One (1) Wolfcamp well is expected to be drilled in 2013, which originally appeared on the 2012 Plan of Development as a Bone Spring well.

Offset Obligations

- Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands covered by the Big Eddy Unit Agreement or pursuant to applicable regulations.

Modifications

- In accordance with the terms and provisions of the Big Eddy Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

Effective Date

- This Plan of Development became effective on January 1, 2013.

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one (1) signed original to the undersigned for our records.

Sincerely,



Andy Morrison

HAM:mec

ACCEPTED AND AGREED this _____ day of _____, 2013.

BUREAU OF LAND MANAGEMENT

By: _____

COMMISSIONER OF PUBLIC LANDS

By: _____

NEW MEXICO OIL CONSERVATION DIVISION

By:  _____

Big Eddy Unit - Future Wolfcamp Development

Well Name	Surface Location		Bottom Hole Location		Depth
	S-T-R	Footage Call	S-T-R	Footage Call	
BEU 265H	34-19-31	1,120' FNL & 1,980' FWL	33-19-31	660' FNL & 1,980' FEL	14,780'

Big Eddy Unit - Future Bone Spring Development

Well Name	Surface Location		Bottom Hole Location		Depth
	S-T-R	Footage Call	S-T-R	Footage Call	
BEU DI5 24H	27-20S-31E	2000' FNL & 1878' FEL	25-20S-31E	2000' FNL & 1994' FEL	19,753'
BEU DI9 34H	21-21S-30E	540' FSL & 880' FEL	30-21S-30E	660' FNL & 1000' FEL	19,555'
BEU DI9 35H	21-21S-30E	580' FSL & 880' FEL	19-21S-30E	660' FSL & 1000' FEL	19,555'
BEU 254	15-21S-29E	1900' FNL & 330' FEL	13-21S-29E	1900' FNL & 2200' FEL	16,995'

Big Eddy Unit - Future Bone Spring Development

Well Name	Surface Location		Bottom Hole Location		Depth
	S-T-R	Footage Call	S-T-R	Footage Call	

Bone Spring

248H	35-19-31	1,175' FNL & 10' FEL	34-19-31	380' FNL & 1,155' FEL	15,700
249H	35-19-31	1,215' FNL & 10' FEL	34-19-31	1,980' FNL & 1,155' FEL	15,600
251H	35-19-31	660' FSL & 10' FEL	34-19-31	660' FSL & 1,155' FEL	15,517
252H	35-19-31	620' FSL & 10' FEL	2-20-31	330' FSL & 660' FEL	14,785