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March 13, 2014

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. David Brooks

Re: 2014 Plan of Development
James Ranch Unit
Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the James Ranch Unit Agreement dated April 22, 1952, BOPCO, L.P., Operator of the referenced unit, hereby submits a Plan of Development for the James Ranch Unit for the year 2014.

2013 Activity

- *Drilling*
 - The Bone Spring horizontal development program continued with three (3) wells being completed.
- *Plugged and Abandoned*
 - No James Ranch Unit wells were plugged and abandoned in 2013.
- *Participating Areas*
 - No Participating Areas were revised or established in 2013.

Future Development

- *Delaware*
 - Three (3) Delaware wells are expected to be drilled in 2014. .
- *Bone Spring*
 - Seventeen (17) Bone Spring wells are expected to be drilled in 2014.

Offset Obligations

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

Modifications

- In accordance with the terms and provisions of the James Ranch 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, 2014.

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 _____, 2014.

BUREAU OF LAND MANAGEMENT

By: _____

COMMISSIONER OF PUBLIC LANDS

By: _____

NEW MEXICO OIL CONSERVATION DIVISION

By: _____

James Ranch Unit - 2013 Development

	Surface Location		Bottom Hole Location		Depth
	S-T-R	Footage Call	S-T-R	Footage Call	
JRU 144H	36-22-30	2,315' FNL & 2,594' FEL	31-22-30	2,240' FNL & 390' FEL	15,830'
JRU 148H	36-22-30	2,455' FNL & 660' FEL	31-22-31	1,980' FEL & 330' FEL	16,540'
JRU DI-1 126H	21-22-30	1,441' FNL & 1,841' FEL	19-22-30	660' FSL & 330' FWL	21,017'

James Ranch Unit - 2014 Bone Spring Development

Well	SL Footage Calls	BHL Footage Calls	MD
JRU DI 1-157H	James Ranch DI-1, 1544' FNL & 1656' FEL, 21-22-30	1980' FNL & 330' FWL, 19-22-30	22,900'
JRU DI 1-162H	James Ranch DI-1, 1413' FNL & 1455' FEL, 21-22-30	660' FNL & 330' FEL, 23-22-30	21,600'
JRU DI 1-164H	James Ranch DI-1, slot not designated	660' FSL & 330' FEL, 23-22-30	22,800'
JRU DI1-161H	James Ranch DI-1, slot not designated	660' FSL & 330' FEL, 14-22-30	22,300'
JRU DI1-158H	James Ranch DI-1, slot not designated	1980' FSL & 330' FWL, 19-22-30	23,400'
JRU DI1-159H	James Ranch DI-1, slot not designated	660' FSL & 330' FWL, 19-22-30	24,300'
JRU DI 2-193H	James Ranch DI-2, slot not designated	1980' FSL & 330' FWL, 27-22-30	22,950'
JRU DI 2-194H	James Ranch DI-2, slot not designated	660' FSL & 330' FWL, 27-22-30	23,875'
JRU DI2-191H	James Ranch DI-2, slot not designated	660' FNL & 330' FWL, 27-22-30	23,800'
JRU DI2-192H	James Ranch DI-2, slot not designated	1980' FNL & 330' FWL, 27-22-30	22,950'
JRU DI2-167H	James Ranch DI-2, slot not designated	1980' FSL & 330' FWL, 27-22-30	21,600'
JRU DI2-168H	James Ranch DI-2, slot not designated	660' FSL & 330' FWL, 27-22-30	22,525'
JRU DI2-165H	James Ranch DI-2, slot not designated	660' FNL & 330' FWL, 27-22-30	22,450'
JRU DI2-166H	James Ranch DI-2, slot not designated	1980' FNL & 330' FWL, 27-22-30	21,600'
JRU DI 1A-204H	James Ranch DI-1A, 1400' FNL & 2560' FWL, 21-22-30	1980' FNL & 2310' FWL, 23-22-30	22,900'
JRU 190H	680' FNL & 330' FEL, 36-22-30	660' FNL & 2310' FEL, 35-22-30	17,950'
JRU 195H	800' FSL & 330' FEL, 36-22-30	660' FSL & 2310' FEL, 35-22-30	20,900'

James Ranch Unit - 2014 Delaware Development

Well	SL Footage Calls	BHL Footage Calls	MD
JRU DI 1-135H	James Ranch DI-1, 1461' FNL & 1821' FEL, 21-22-30	1980' FSL & 330' FEL, 23-22-30	19,700'
JRU DI 1-169H	James Ranch DI-1, slot not designated	1980' FNL & 330' FWL, 19-22-30	20,700'
JRU DI1-156H	James Ranch DI-1, slot not designated	660' FNL & 330' FWL, 19-22-30	20,800'

James Ranch Unit - Well Status List

WELL NAME	RESERVOIR	MAJOR	STATUS	API	Agreement
JAMES RANCH #030	WOLFCAMP	OIL	SI	30-015-27704	290044
JAMES RANCH #048	DELAWARE	OIL	ACT	30-015-27791	0290003000
JAMES RANCH UNIT #001	ATOKA	GAS	ACT	30-015-04735	891 000558A
JAMES RANCH UNIT #003	ATOKA	GAS	ACT	30-015-20232	891 000558A
JAMES RANCH UNIT #004	ATK/MRW	GAS	ACT	30-015-20803	891 000558A
JAMES RANCH UNIT #007	BONE SPRING	OIL	ACT	30-015-21247	891 000558D
JAMES RANCH UNIT #010	ATOKA	GAS	ACT	30-015-23075	891 000558A
JAMES RANCH UNIT #011	BONE SPRING	OIL	ACT	30-015-23377	891 000558D
JAMES RANCH UNIT #012H	BONE SPRING	OIL	ACT	30-015-22162	029002953B, 0292253, 029006808
JAMES RANCH UNIT #013	ATOKA	GAS	ACT	30-015-24062	891 000558A
JAMES RANCH UNIT #014	MORROW	GAS	ACT	30-015-24420	029002887B, 029002887D
JAMES RANCH UNIT #015	STRAWN	GAS	ACT	30-015-24780	029002887A, 029002887D
JAMES RANCH UNIT #016	DEL/BS/WLF	OIL	ACT	30-015-28623	891 00558F
JAMES RANCH UNIT #017	DEL/BS/WLF	OIL	ACT	30-015-27784	891 00558F
JAMES RANCH UNIT #018	MORROW	GAS	ACT	30-015-27208	E-05229 (State)
JAMES RANCH UNIT #019	DELAWARE	OIL	ACT	30-015-27357	891 00558F
JAMES RANCH UNIT #027	DEL/BS/WLF	OIL	ACT	30-015-31033	029002953C
JAMES RANCH UNIT #029	DELAWARE	OIL	ACT	30-015-27735	891 00558F
JAMES RANCH UNIT #030	BS/WLF	OIL	SI	30-015-27704	0290044730
JAMES RANCH UNIT #031	DELAWARE	OIL	ACT	30-015-30829	891 00558F
JAMES RANCH UNIT #032	DELAWARE	OIL	ACT	30-015-30830	891 00558F
JAMES RANCH UNIT #033	DELAWARE	OIL	ACT	30-015-31207	891 00558F
JAMES RANCH UNIT #034	DELAWARE	OIL	ACT	30-015-31064	891 00558F
JAMES RANCH UNIT #035	DELAWARE	OIL	ACT	30-015-31167	891 00558F
JAMES RANCH UNIT #036	DELAWARE	OIL	ACT	30-015-27686	891 00558F
JAMES RANCH UNIT #037	DELAWARE	OIL	ACT	30-015-27703	891 00558F
JAMES RANCH UNIT #038	DELAWARE	OIL	ACT	30-015-30856	891 00558F
JAMES RANCH UNIT #041	DELAWARE	OIL	ACT	30-015-27734	891 00558F
JAMES RANCH UNIT #055	DELAWARE	OIL	ACT	30-015-27589	891 000558 G
JAMES RANCH UNIT #056	DELAWARE	OIL	ACT	30-015-27886	891 000558 G
JAMES RANCH UNIT #057	DELAWARE	OIL	ACT	30-015-27887	891 000558 G
JAMES RANCH UNIT #062	DELAWARE	OIL	ACT	30-015-35340	891 00558F
JAMES RANCH UNIT #063	DELAWARE	OIL	ACT	30-015-30857	891 00558F

James Ranch Unit - Well Status List

JAMES RANCH UNIT #065	DEL/BS/WLF	OIL	ACT	30-015-27995	891 00558F
JAMES RANCH UNIT #066	DELAWARE	OIL	ACT	30-015-31065	891 00558F
JAMES RANCH UNIT #067	DELAWARE	OIL	ACT	30-015-31004	891 00558F
JAMES RANCH UNIT #070	ATOKA	GAS	ACT	30-015-28012	030089051, 029479142, 300890510
JAMES RANCH UNIT #071	DEL/BS/WLF	OIL	ACT	30-015-27927	891 00558F
JAMES RANCH UNIT #073	DEL/BS/WLF	OIL	ACT	30-015-28979	891 00558F
JAMES RANCH UNIT #074	DELAWARE	OIL	ACT	30-015-31168	891 00558F
JAMES RANCH UNIT #075	DELAWARE	OIL	ACT	30-015-33114	891 00558F
JAMES RANCH UNIT #076	DEL/BS/WLF	OIL	ACT	30-015-29173	891 00558F
JAMES RANCH UNIT #079	DEL/BS/WLF	OIL	ACT	30-015-31056	891 00558F
JAMES RANCH UNIT #080	DEL/BS/WLF	OIL	ACT	30-015-32868	891 00558F
JAMES RANCH UNIT #082	DELAWARE	OIL	ACT	30-015-31208	891 00558F
JAMES RANCH UNIT #083	DELAWARE	OIL	ACT	30-015-31580	891 00558F
JAMES RANCH UNIT #084	DELAWARE	OIL	ACT	30-015-31405	891 00558F
JAMES RANCH UNIT #085	DELAWARE	OIL	ACT	30-015-35322	891 00558F
JAMES RANCH UNIT #087	DEL/BS/WLF	OIL	ACT	30-015-34277	891 00558F
JAMES RANCH UNIT #091	DELAWARE	OIL	ACT	30-015-33601	891 00558F
JAMES RANCH UNIT #103H	DELAWARE	OIL	ACT	30-015-37175	891 00558F
JAMES RANCH UNIT #104H	DELAWARE	OIL	ACT	30-015-37271	891 00558F
JAMES RANCH UNIT #105H	DELAWARE	OIL	ACT	30-015-37064	891 00558F
JAMES RANCH UNIT #106H	DELAWARE	OIL	ACT	30-015-37063	891 00558F
JAMES RANCH UNIT #107H	DELAWARE	OIL	ACT	30-015-37062	891 00558F
JAMES RANCH UNIT #108H	DELAWARE	OIL	ACT	30-015-37273	891 00558F
JAMES RANCH UNIT #110H	DELAWARE	OIL	ACT	30-015-38115	29002884B, 29002887B, 29002887D, 29004473
JAMES RANCH UNIT #111H	DELAWARE	OIL	ACT	30-015-38120	29002884B, 29002887A, 29002887D, 29004473
JAMES RANCH UNIT #112H	DELAWARE	OIL	ACT	30-015-36722	891 00303E
JAMES RANCH UNIT #113H	DELAWARE	OIL	ACT	30-015-37046	029002953C
JAMES RANCH UNIT #114H	DELAWARE	OIL	SI	30-015-37925	891 00558F
JAMES RANCH UNIT #115H	DELAWARE	OIL	ACT	30-015-38118	29002883A, 29002887B, 71071988B
JAMES RANCH UNIT #119H	DELAWARE	OIL	ACT	30-015-38117	29002887A, 29002887B, 71071988B
JAMES RANCH UNIT #120H	DELAWARE	OIL	ACT	30-015-38116	891 00558F
JAMES RANCH UNIT #121H	DELAWARE	OIL	ACT	30-015-38119	029002887A
JAMES RANCH UNIT #124H	DELAWARE	OIL	ACT	30-015-38113	029002887A
JAMES RANCH UNIT #129H	DELAWARE	OIL	ACT	30-015-38288	891 00558F

James Ranch Unit - Well Status List

JAMES RANCH UNIT #130H	DELAWARE	OIL	ACT	30-015-38308	891 00558F
JAMES RANCH UNIT DI1 #126H	2A BS SAND	OIL	ACT	30-015-39254	891 000558D
JAMES RANCH UNIT DI1 #163H	2ND BS SAND	OIL	ACT	30-015-41694	0290029538, 0292253, 029006808
JAMES RANCH UNIT DI2 #138H	DELAWARE	OIL	ACT	30-015-39766	891 00558F
JAMES RANCH UNIT DI2 #139H	DELAWARE	OIL	ACT	30-015-39793	891 00558F