

BOPCO, L.P.
201 MAIN ST.
FORT WORTH, TEXAS 76102-3131
817/390-8400

April 28, 2010

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

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: 2010 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 2010.

HISTORY OF PAST DEVELOPMENT

We refer to our previous Plans of Development for a detailed description of the operations conducted in this Unit in prior years.

2009 ACTIVITY

James Ranch Unit No. 103H, Eddy County, New Mexico – This was drilled at a legal location being 760' FNL & 1,730' FWL, Section 36, T22S-R30E, Eddy County, New Mexico. This well was completed in the Delaware Formation as an oil well.

James Ranch Unit No. 104H, Eddy County, New Mexico – This was drilled at a legal location being 2,000' FNL & 1,730' FWL, Section 36, T22S-R30E, Eddy County, New Mexico. This well was completed in the Delaware Formation as an oil well.

James Ranch Unit No. 105H, Eddy County, New Mexico – This was drilled at a legal location being 2,428' FNL & 1,340' FWL, Section 36, T22S-R30E, Eddy County, New Mexico. This well was completed in the Delaware Formation as an oil well.

James Ranch Unit No. 106H, Eddy County, New Mexico – This was drilled at a legal location being 1,596' FNL & 1,096' FWL, Section 36, T22S-R30E, Eddy County, New Mexico. This well was completed in the Delaware Formation as an oil well.

James Ranch Unit No. 107H, Eddy County, New Mexico – This was drilled at a legal location being 860' FSL & 990' FWL Section 36, T22S-R30E, Eddy County, New Mexico. This well was completed in the Delaware Formation as an oil well.

James Ranch Unit No. 108H, Eddy County, New Mexico – This was drilled at a legal location being 940' FNL & 2,080' FWL Section 1, T23S-R30E, Eddy County, New Mexico. This well was completed in the Delaware Formation as an oil well.

2009 PLUGGED AND ABANDONED

No James Ranch Unit wells were plugged and abandoned in 2010.

PARTICIPATING AREAS

BOPCO, L.P. has submitted all wells drilled to date where adequate information is available for commercial determination and participating areas. In the event you have not received commercial determinations for the wells that have been drilled and completed and are currently producing, please advise at your earliest convenience and we will submit same to you.

FUTURE DEVELOPMENT

James Ranch Unit No. 109H, Eddy County, New Mexico - This well will be drilled at a legal location being 2,310' FSL & 660' FWL, Section 6, T23S-R31E, Eddy County, New Mexico to a proposed depth of 17,500' to test the Bone Spring and Delaware.

James Ranch Unit No. 110H, Eddy County, New Mexico - This well will be drilled at a legal location being 2,310' FSL & 1,980' FWL, Section 6, T23S-R31E, Eddy County, New Mexico to a proposed depth of 17,500' to test the Delaware Formation.

James Ranch Unit No. 111H, Eddy County, New Mexico - This well will be drilled at a legal location being 2,310' FSL & 1,980' FEL, Section 6, T23S-R31E, Eddy County, New Mexico to a proposed depth of 17,500' to test the Delaware Formation.

James Ranch Unit No. 114H, Eddy County, New Mexico - This well will be drilled at a legal location being 330' FNL & 660' FEL, Section 6, T23S-R31E, Eddy County, New Mexico to a proposed depth of 15,000' to test the Delaware Formation.

James Ranch Unit No. 128H, Eddy County, New Mexico - This well will be drilled at a legal location being 330' FNL & 1400' FWL, Section 27, T22S-R30E, Eddy County, New Mexico to a proposed depth of 12,000' to test the Wolfcamp Formation.

James Ranch Unit No. 12 1H, Eddy County, New Mexico - This well will be drilled at a legal location being 1,450' FNL & 1,830' FEL, Section 21, T22S-R30E, Eddy County, New Mexico to a proposed depth of 14,500' to test the Delaware Formation.

James Ranch Unit No. 12 2H, Eddy County, New Mexico - This well will be drilled at a legal location being 1,450' FNL & 1,830' FEL, Section 21, T22S-R30E, Eddy County, New Mexico to a proposed depth of 14,200' to test the Delaware Formation.

Hudson 1 Federal 8H, Eddy County, New Mexico - This well will be drilled at a legal location being 2,050' FNL & 1,980' FEL, Section 1, T23S-R30E, Eddy County, New Mexico to a proposed depth of 14,200 to test the Delaware Formation.

Hudson 1 Federal 9H, Eddy County, New Mexico - This well will be drilled at a legal location being 2,375' FSL & 1,780' FEL, Section 1, T23S-R30E, Eddy County, New Mexico to a proposed depth of 13,000' to test the Delaware Formation.

Hudson 1 Federal 10H, Eddy County, New Mexico - This well will be drilled at a legal location being 2,300' FSL & 1,780' FEL, Section 1, T23S-R30E, Eddy County, New Mexico to a proposed depth of 13,000 to test the Delaware Formation.

OFFSET OBLIGATIONS

Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands within the James Ranch Unit area or pursuant to applicable regulations. Mediation

MODIFICATIONS

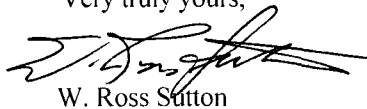
In accordance with the terms and provisions of the James Ranch Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

EFFECTIVE DATE

This Plan of Development became effective on January 1, 2010.

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.

Very truly yours,



W. Ross Sutton

WRS:ca

ACCEPTED AND AGREED this _____ day of _____, 2010.

BUREAU OF LAND MANAGEMENT

By: _____

COMMISSIONER OF PUBLIC LANDS

By: _____

NEW MEXICO OIL CONSERVATION DIVISION

By:  _____