

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

March 1, 2011

FEDERAL EXPRESS

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: 2011 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 2011.

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.

2010 ACTIVITY

James Ranch Unit No. 114H, Eddy County, New Mexico - This well was drilled at a legal location being 270' FNL & 710' FEL, Section 6, T23S-R31E, Eddy County, New Mexico. This well was completed in the Delaware Formation.

James Ranch Unit No. 124H, Eddy County, New Mexico - This well was drilled at a legal location being 2,450' FNL & 1,430' FWL, Section 18, T23S-R31E, Eddy County, New Mexico. This well was completed in the Delaware Formation.

Hudson 1 Federal 8H, Eddy County, New Mexico - This well was drilled at a legal location being 1,015' FNL & 2,080' FWL, Section 1, T23S-R30E, Eddy County, New Mexico. This well was completed in the Delaware Formation.

Hudson 1 Federal 9H, Eddy County, New Mexico - This well was drilled at a legal location being 2,375' FSL & 1,780' FEL, Section 1, T23S-R30E, Eddy County, New Mexico. The well was completed in 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. This well was completed in the Delaware Formation.

2010 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 2010 BOPCO, L.P. applied for and gained approval for the 2nd Revision of the Delaware Formation Participating Area, NM70965F, James Ranch Unit, 14-08-001-558. The subject revision resulted in the addition of 1080 acres to the participating area for a total of 3,126.3 acres.

FUTURE DEVELOPMENT

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 20,670' to test the Delaware Formation

James Ranch Unit No. 109H, Eddy County, New Mexico - This well will be drilled at a legal location being 2,310' FSL & 530' FEL, Section 1, T23S-R30E, Eddy County, New Mexico to a proposed depth of 14,965' to test the Delaware Formation.

James Ranch Unit No. 110H, Eddy County, New Mexico - This well will be drilled at a legal location being 2,235' FSL & 530' FEL, Section 1, T23S-R301E, Eddy County, New Mexico to a proposed depth of 17,390' to test the Delaware Formation.

James Ranch Unit No. 120H, Eddy County, New Mexico - This well will be drilled at a legal location being 290' FSL & 1,990' FEL, Section 8, T23S-R31E, Eddy County, New Mexico to a proposed depth of 15,960' to test the Delaware Formation.

James Ranch Unit No. 121H, Eddy County, New Mexico - This well will be drilled at a legal location being 2,450' FNL & 1,500' FWL, Section 17, T23S-R31E, Eddy County, New Mexico to a proposed depth of 14,540' to test the Delaware Formation.

James Ranch Unit No. 129H, Eddy County, New Mexico - This well will be drilled at a legal location being 630' FNL & 330' FEL, Section 36, T22S-R30E, Eddy County, New Mexico to a proposed depth of 12,800' to test the Delaware Formation.

James Ranch Unit No. 130 1H, Eddy County, New Mexico - This well will be drilled at a legal location being 2,196' FSL & 180' FEL, Section 36, T22S-R30E, Eddy County, New Mexico to a proposed depth of 12,620' 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

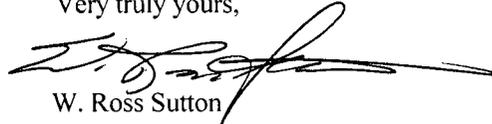
In accordance with the terms and provisions of the James Ranch Unit Agreement, this Plan of Development may be modified from time to time as a result of changing conditions.

EFFECTIVE DATE

This Plan of Development became effective on January 1, 2011.

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 4TH day of MARCH, 2011.

BUREAU OF LAND MANAGEMENT

By: _____

COMMISSIONER OF PUBLIC LANDS

By: _____

NEW MEXICO OIL CONSERVATION DIVISION

By: Ed Martin