ATS-12-957

EA-12-1163

OCD Artesia

SECRETARY'S POTASH

Form 3160-3
(April 2004)

FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5 Lease Serial No.
SHL: NM 02447, BHL: NM 02447

6 If Indian, Allotee or Tribe Name

TOS 9/19/2012

1a. Type of work ☑ DRILL ☐ REENTER

7 If Unit or CA Agreement, Name and No.
Big Eddy Unit 68294X

1b. Type of Well ☑ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
Big Eddy Unit 248H <30576>

2 Name of Operator
BOPCO, L. P. <260737>

9 API Well No.
30-015-40714

3a Address **P. O. Box 2760**
Midland, TX 79702

3b Phone No. *(include area code)*
432-683-2277

10 Field and Pool, or Exploratory
WC Williams Sink (Bone Spring) <97650>

4. Location of Well *(Report location clearly and in accordance with any State requirements *)*

At surface **NENE , UL A, 1175' FNL, 10' FEL, Lat:N32.620864, Long:W103.830839**

At proposed prod. zone **NENE, UL A, 380' FNL, 1155' FEL, Sec 34, T19S-R31E**

11. Sec , T R M or Blk and Survey or Area
Sec 35, T19S, R31E

14 Distance in miles and direction from nearest town or post office*
30 miles NE of Carlsbad, NM

12 County or Parish
Eddy County

13 State
NM

15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drlg. unit line, if any)	16 No of acres in lease	17 Spacing Unit dedicated to this well
10' / **10'**	**1360**	**200**
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft	19 Proposed Depth	20 BLM/BIA Bond No on file
40'	**15,861' MD / 9,251' TVD**	**COB 000050**
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22 Approximate date work will start*	23. Estimated duration
3,486' GL	**12/01/2012**	**35**

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, shall be attached to this form:

1 Well plat certified by a registered surveyor
2 A Drilling Plan
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office)
4 Bond to cover the operations unless covered by an existing bond on file (see Item 20 above)
5. Operator certification
6. Such other site specific information and/or p[illegible]s may be required by the authorized officer.

25 Signature	Name *(Printed/Typed)*	Date
Jeremy Braden	**Jeremy Braden**	7/10/12
Title **Engineering Assistant**		

Approved by *(Signature)*	Name *(Printed/Typed)*	Date
/s/ Jesse J. Juen	/s/ Jesse J. Juen	SEP 10 2012
Title **STATE DIRECTOR**	Office **NM STATE OFFICE**	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

**(Instructions on page 2)*

CAPITAN CONTROLLED WATER BASIN

RECEIVED
SEP 18 2012
NMOCD ARTESIA

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

SEE ATTACHED FOR CONDITIONS OF APPROVAL

BOPCO, L.P.

P. O. Box 2760
Midland, Texas 79702

432-683-2277 FAX-432-687-0329

July 5, 2012

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
Big Eddy Unit 248H
1,175' FNL, 10' FEL, SEC. 35, T19S, R31E, 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,

Stephen M. Martinez
Division Drilling Superintendent

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised July 16, 2010

Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-015-40714	97650	WC Williams Sink (Bone Spring)

Property Code	Property Name	Well Number
305860	BIG EDDY UNIT	248H

OGRID No.	Operator Name	Elevation
260737	BOPCO, L.P.	3486'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	35	19 S	31 E		1175	NORTH	10	EAST	EDDY

Bottom Hole Location If Different From Surface

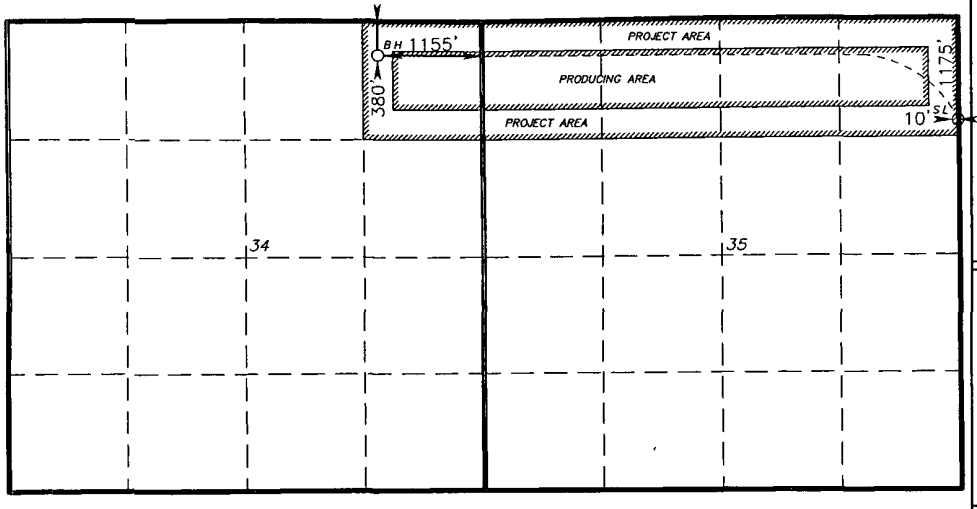
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	34	19 S	31 E		380	NORTH	1155	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
200			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

PROPOSED BOTTOM HOLE LOCATION
Lat - N 32°37'22.87"
Long - W 103°51'06.21"
NMSPCE- N 590702.104
E 648278.781
(NAD-27)

SURFACE LOCATION
BONE SPRING PEN. PT.
Lat - N 32°37'15.11"
Long - W 103°49'51.02"
NMSPCE- N 589946.996
E 654712.395
(NAD-27)



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jeremy Braden 7-10-12
Signature Date

Jeremy Braden
Printed Name

jdbraden@basspet.com
Email Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the best of my belief

OCTOBER 20, 2011
Date Surveyed

Signature & Seal of Professional Surveyor

GARY L. JONES NEW MEXICO 7977 REGISTERED PROFESSIONAL LAND SURVEYOR NO. 20

Certificate No. Gary L. Jones 7977

BASIN SURVEYS 25854

Surface casing is to be set into the Rustler below all fresh water sands at an approximate depth of 1,191' and cement circulated to surface.

A Capitan Reef string will be set at an approximate depth of 2,880' and cement circulated to surface.

7" casing will be set at approximately 9,305' MD, 9,119' TVD (in curve) and cemented in two stages with DV Tool set at approximately 5,000'. Cement will be circulated to surface.

Drilling procedure, BOP diagram, and anticipated tops are attached.

This well is located inside the the R111 Potash area and Secretary's Potash area.

The surface location is nonstandard and located inside the Big Eddy Unit.

The bottom hole location is standard and located inside the Big Eddy Unit.

Surface Lease Numbers – NM 02447

Bottom Hole Lease Numbers – NM 02447

BOPCO, L.P., at P. O. Box 2760, Midland, TX, 79702 is a subsidiary of BOPCO, L.P., 201 Main Street, Ft. Worth, TX, 76102. Bond No. COB000050 (Nationwide).

EIGHT POINT DRILLING PROGRAM
BOPCO, L.P.

NAME OF WELL: Big Eddy Unit 248H
LEGAL DESCRIPTION - SURFACE: 1,175' FNL, 10' FEL, Section 35, T19S, R31E, Eddy County, NM.
BHL: 380' FNL, 1,155' FEL, Section 34, T19S, R31E, Eddy County, New Mexico.

POINT 1: ESTIMATED FORMATION TOPS (See No. 2 Below)

POINT 2: WATER, OIL, GAS AND/OR MINERAL BEARING FORMATIONS

Anticipated Formation Tops: KB 3,516' (estimated)
GL 3,486'

FORMATION	TOP EST FROM KB (TVD)	MD	SUB-SEA TOP	BEARING
T/Fresh Water	150'	150'	+ 3,376'	Fresh Water
Rustler Anhydrite	1,000'	1,000'	+ 2,516'	Barren
T/Salt	1,201'	1,201'	+ 2,315'	Barren
B/Salt	2,443'	2,443'	+ 1,073'	Barren
T/Yates	2,631'	2,631'	+ 885'	Barren
T/Reef	2,930'	2,930'	+ 586'	Water
T/Delaware Mnt..Group	4,353'	4,353'	- 837'	Oil/Gas
Bone Spring	7,189'	7,189'	- 3,673'	Oil/Gas
1st Bone Spring Sand	8,394'	8,394'	- 4,876'	Oil/Gas
Est KOP	8,605'	8,605'	- 5,089'	Oil/Gas
2nd Bone Spring A Sand	9,184'	9,440'	- 5,668'	Oil/Gas
2nd Bone Spring B Sand	9,262'	9,635'	- 5,746'	Oil/Gas
Target #1	9,321'	10,011'	- 5,805'	Oil/Gas
TD Horizontal Hole	9,251'	15,861'	- 5,735'	Oil/Gas

POINT 3: CASING PROGRAM

TYPE	INTERVALS	HOLE SIZE	PURPOSE	CONDITION
30"	0' – 80'	36"	Conductor	Contractor Design
20", 106.50#, J-55 BT&C	0' – 1,191'	26"	Surface	New
13-3/8", 61#, J-55, BT&C	0' – 2,400'	17-1/2"	Intermediate 1	New
13-3/8", 68#, J-55, BT&C	2,400' – 2,880'	17-1/2"	Intermediate 1	New
9-5/8", 40#, N-80, 8rd, LT&C or 9-5/8", 40#, J-55, 8rd, LT&C*	0' – 4,373'	12-1/4"	Intermediate 2	New
7", 26#, N-80, Buttress or 8rd LTC*	0' – 8,000'	8-3/4"	Production	New
7", 26#, P-110, LT&C* or 7",26#, HCL-80, LT&C*	8,000' – 9,305'	8-3/4"	Production	New

Casing Program Continued....

TYPE	INTERVALS	HOLE SIZE	PURPOSE	CONDITION
4-1/2", 11.6#, HCP-110 8rd, LT&C	9,255' – 15,861'	6-1/8"	Completion System	New
4-1/2", 11.6#, HCP-110 BTC	9,255' – 15,861'	6-1/8"	Completion System	New

*** Depending on availability**

CASING DESIGN SAFETY FACTORS:

TYPE	TENSION	COLLAPSE	BURST
20", 106.50#, J-55, BT&C	14.63	1.23	2.29
13-3/8", 61#, J-55, BT&C**	7.78	1.15	2.50
13-3/8", 68#, J-55, BT&C**	6.47	1.20	2.69
9-5/8", 40#, J-55, 8rd, LT&C*	4.18	1.25	1.62
9-5/8", 40#, N-80, 8rd, LT&C*	4.88	1.38	2.36
7", 26#, N-80, Buttress*	3.37	1.23	1.62
7", 26#, N-80, 8rd, LT&C***	2.89	1.18	1.62
7", 26# P-110, LT&C***	3.39	1.25	1.96
7", 26#, HCL-80, LT&C***	2.25	1.34	1.25
7", 26#, HCN-80, LT&C***	2.79	1.48	1.42

Completion System:

TYPE	TENSION	COLLAPSE	BURST
4-1/2", 11.6#, HCP-110 8rd, LT&C	3.01	1.66	2.07
4-1/2", 11.6#, HCP-110, BTC	3.96	1.76	2.07

*** Depending on availability.**

****13-3/8", 61#, J-55, BT&C casing will not be run deeper than 2,400'. The 13-3/8", 68#, J-55, BT&C will be run from 2,400' to interval TVD.***

*****7", 26#, N-80, 8rd, LT&C casing will not be run deeper than 8,000'. The 7", 26#, P-110, LT&C or 7", 26#, HCL-80/N80 will be run from 8,000' to interval TVD.***

DESIGN CRITERIA AND CASING LOADING ASSUMPTIONS:

SURFACE CASING - (20")

Tension — A 1.6 design factor utilizing the effects of buoyancy (9.2 ppg).

Collapse — A 1.125 design factor with full internal evacuation and a collapse force equal to the mud gradient in which the casing will be run (0.48 psi/ft). The effects of axial load on collapse will be considered.

Burst — A 1.3 design factor with a surface pressure equal to the fracture gradient at setting depth less a gas gradient to the surface. Internal burst force at the shoe will be fracture pressure a that depth. Backup pressure will be formation pore pressure. In all cases a conservative fracture pressure will be used such that it represents the upper limit of potential fracture resistance up to a 1.0 psi/ft gradient. The effects of tension on burst will not be utilized.

PROTECTIVE CASING - (13-3/8")

Tension — A 1.6 design factor utilizing the effects of buoyancy (10.2 ppg).

Collapse — A 1.125 design factor with full internal evacuation and a collapse force equal to the mud gradient in which the casing will be run (0.52 psi/ft). The effects of axial load on collapse will be considered.

In the case of development drilling, collapse design should be analyzed using internal evacuation equal to 1/3 the proposed total depth of the well. This criterion will be used when there is absolutely no potential of the protective string being used as a production casing string.

Burst — A 1.0 surface design factor and a 1.3 downhole design factor with a surface pressure equivalent to the fracture gradient at setting depth less a gas gradient to the surface. Internal burst force at the shoe will be fracture pressure at that depth. Back pressure will be formation pore pressure. In all cases a conservative fracture pressure will be used such that it represents the upper limit of potential fracture resistance up to a 1.0 psi/ft gradient

PROTECTIVE CASING - (9-5/8")

Tension — A 1.6 design factor utilizing the effects of buoyancy (9.0 ppg).

Collapse — A 1.125 design factor with full internal evacuation and a collapse force equal to the mud gradient in which the casing will be run (0.52 psi/ft). The effects of axial load on collapse will be considered.

In the case of development drilling, collapse design should be analyzed using internal evacuation equal to 1/3 the proposed total depth of the well. This criterion will be used when there is absolutely no potential of the protective string being used as a production casing string.

Burst — A 1.0 surface design factor and a 1.3 downhole design factor with a surface pressure equivalent to the fracture gradient at setting depth less a gas gradient to the surface. Internal burst force at the shoe will be fracture pressure at that depth. Back pressure will be formation pore pressure. In all cases a conservative fracture pressure will be used such that it represents the upper limit of potential fracture resistance up to a 1.0 psi/ft gradient.

Production CASING - (7")

Tension — A 1.6 design factor utilizing the effects of buoyancy (9.0 ppg).

Collapse — A 1.0 design factor with full internal evacuation and a collapse force equal to the mud gradient in which the casing will be run (0.48 psi/ft). The effects of axial load on collapse will be considered.

Burst — A 1.125 design factor with anticipated maximum tubing pressure (5000 psig) on top of the maximum anticipated packer fluid gradient. (0.433 psi/ft) Backup on production strings will be formation pore pressure. (0.433 psi/ft) The effects of tension on burst will not be utilized.

Completion System - (4-1/2")

Tension — A 1.6 design factor utilizing the effects of buoyancy (9.0 ppg).

Collapse — A 1.0 design factor with full internal evacuation and a collapse force equal to the mud gradient in which the casing will be run (0.48 psi/ft). The effects of axial load on collapse will be considered.

Burst — A 1.125 design factor with anticipated maximum tubing pressure (5000 psig) on top of the maximum anticipated packer fluid gradient. (0.433 psi/ft) Backup on production strings will be formation pore pressure. (0.433 psi/ft) The effects of tension on burst will not be utilized.

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM 1 & 2)

The BOPE when rigged up on the 20" surface casing head (17-1/2" hole) will consist of 20" hydril and diverter system per Diagram B (2,000 psi WP). The hydril when installed on surface casing will be tested to 1,000 psi.

The BOPE when rigged up on the 13-3/8" surface casing head (12-1/4" open hole) will consist of 13-5/8" X 5,000 psi dual ram BOP's with mud cross, choke manifold, chokes, and hydril per Diagram 1 (5,000 psi WP). The pipe and blind rams, choke, kill lines, kelly cocks, inside BOP, etc. when installed on the surface casing head will be hydro-tested to 250-300 psig and 2000 psig by independent tester. The hydril when installed on surface casing head will be tested to 1000 psi.

The BOPE when rigged up on the 9-5/8" intermediate casing spool (8-3/4" open hole) will consist of 13-5/8" x 5,000 psi annular, 13-5/8" x 5,000 psi pipe & blind rams with mud cross, choke manifold and chokes as in Diagram 1. The pipe and blind rams, choke, kill lines, kelly cocks inside BOP, etc. will be tested to 3000 psig by independent tester. In addition to the high pressure test, a low pressure (250-300 psig) test will be required. Hydril will be tested to 1500 psig.

The BOPE when rigged up on the 7" intermediate casing spool (6-1/8" open hole) will consist of 13-5/8" x 5,000 psi annular, 13-5/8" x 5,000 psi pipe & blind rams with mud cross choke manifold and chokes as in Diagram 1. The pipe and blind rams, choke, kelly lines, kelly cocks inside BOP, etc. will be tested to 3000 psig by independent tester. In addition to the high pressure test, a low pressure (250-300 psig) test will be required. Hydril will be tested to 1500 psig.

PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM 1 & 2) Cont.....

These tests will be performed:

a) Upon installation
b) After any component changes
c) Thirty days after a previous test
d) As required by well conditions

A function test to ensure that the preventers are operating correctly will be performed on each trip.

BOPCO, L.P. would like to utilize an armored, 3.5", 5000 psi WP flex hose for the choke line in the drilling of the well. This is rig equipment and will help quicken nipple up time thus saving money without a safety problem. The hose itself is rated to 5000 psi ,and has 5000 psi flanges on each end. This well is to be drilled to 15,861' MD (9,251' TVD) and max surface pressure should be +/-2311 psi as prescribed in onshore order #2 shown as 0.22 psi/ft. Thus, 2000 psi BOPE (for 12-1/4" hole) and 3000 psi BOPE (for 8-3/4" and 6-1/8" hole) is all that is needed for this well. **The flex hose information is attached along with diagram 2. The company man will have all the proper paper work on location.**

Please refer to diagram 2 for choke manifold and closed loop system layout.

POINT 5: MUD PROGRAM

DEPTH	MUD TYPE	WEIGHT	FV	PV	YP	FL	Ph
0' - 1,191'	FW Spud Mud	8.5 – 9.2	38-70	NC	NC	NC	10.0
1,191' - 2,880'	Brine Water	9.8 – 10.2	28-30	NC	NC	NC	9.5 – 10.5
2,880' - 4,370'	FW/Gel	8.7 – 9.0	28-36	NC	NC	NC	9.5 – 10.0
4,370' – 15,861'	FW/Gel/Starch	8.7 – 9.0	28-36 10-12 18-20	<20	9.5 – 10.0		

NOTE: May increase vis for logging purposes only.

POINT 6: TECHNICAL STAGES OF OPERATION

A) TESTING
None anticipated.

B) LOGGING See COA
Run #1: GR with MWD during drilling of build and horizontal portions of 8-3/4" and 6-1/8" hole, also possible PEX\BHC in vertical portion of hole.
Run #2: Shuttle log w/GR, PE, Density, Neutron, Resistivity, CMI in lateral leg open hole as necessary.
Mud Logger: Rigged up at surface.

C) CONVENTIONAL CORING
None anticipated

D) CEMENT

INTERVAL	AMT SXS	FT OF FILL	TYPE	GAL/SX	PPG	FT3/SX
Surface:(FW String)						
Lead 0' – 691'	1200	691'	Class C + 2% CaCl + 4% Bentonite + 0.25 lb/sk Cello Flake + 3 lb/sk LCM-1	8.69	13.50	1.75
Tail: 691' – 1,191'	1183	500'	Class C + 2% CaCl + 0.25 lb/sk Cello Flake	6.35	14.80	1.35
1st Int: (Salt String)						
Lead: 0' – 2,380'	1560	2,380'	EconoCem HLC+ 5% CaCl + 5#/sk Gilsonite	9.32	12.90	1.85
Tail: 2,380' – 2,880'	585	500'	HalCem C	6.34	14.80	1.35
2nd Int: (Reef String)						
Lead: 0' – 3,873'	932	3,873'	EconoCem HLC + 5% CaCl + 5 #/sk Gilsonite	9.32	12.90	1.85
Tail: 3,873' – 4,373'	271	500'	HalCemC	6.34	14.80	1.33
7" Production:						
Stage:1 Lead: 5,000' – 8,605'	305	3,605'	Tuned Light + 0.75% CFR-3 + 1.5 #sk CaCl	12.41	10.20	2.76
Tail: 8,605' – 9,305'	116	700'	VersaCem-PBSH2 + 0.4% Halad-9	8.76	13.0	1.65
DV Tool @ 5,000'						
Stage 2:						
See COA Lead: 0' – 4,500'	360	4,500'	EconoCem HLC + 1% Econlite + 5% CaCl + 5#/sk Gilsonite	10.71	12.60	2.04
Tail:4,500' – 5,000'	100	500'	HalCem C	6.34	14.80	1.33

Cement excesses will be as follows

Surface – 100% excess with cement circulated to surface.

1st and 2nd Intermediate – 50% excess above fluid caliper with cement circulated to surface.

Production – 50% above gauge hole or 35% above electric log caliper with cement circulated 500' up into the 9-5/8" 1st intermediate casing in **areas outside the SOPA**. Cement will be circulated to surface on areas inside the SOPA.

Cement volumes will be adjusted proportionately for depth changes of the multi stage tool.

E) SKID RIG OPERATIONS

BOPCO, L.P. plans to drill this well in conjunction with the Big Eddy Unit 249H utilizing rig skidding operations. BOPCO, L.P. requests a variance to the approved APD for Item #2 under VII. Drilling, Section A. Drilling Operations Requirements, which states the rig shall not be moved off of the hole until production casing is set. The request is to allow the rig to skid in between wellbores and drill both wells sequentially.

The Latshaw Rig #18 will be used to drill the same hole interval on all of the wells in sequence by skidding between the wells. Once a hole section has been drilled, it will be cased and cemented according to all applicable rules and regulations. The wellhead will be nippled up and tested as soon as casing is cut off after the applicable WOC time has been reached. A blind flange of the same pressure rating as the wellhead will be utilized to seal the wellbore on all casing strings except the second intermediate and lateral well sections in which the tubing head will be utilized. Pressure will be monitored via wing valves on each wellhead section and a means for intervention will be maintained while rig is not over the well. The BOP stack will be nippled up and tested on the wellhead before drilling operations resume on each casing string. The rig will skid between the wells until each well has been drilled to TD.

F) DIRECTIONAL DRILLING

BOPCO, L.P. plans to drill out the 9-5/8" intermediate casing with a 8-3/4" bit to a TVD of approximately 8,605' at which point a directional hole will be kicked off and drilled at an azimuth of 349.00 degrees, building angle at 12 deg/100' to 60 degrees at a TVD of 8,605' (MD 9,105'). This angle and azimuth will be maintained for 200' to a measured depth of 9,305' (9,119' TVD). At this depth 7", 26#, HCN-80, HCL-80, N-80 or P-110, LTC casing will be installed and cemented in two stages (DV Tool @ approximately 5,000') with cement circulated to surface. A 6-1/8" open hole lateral will then be drilled out from 7" casing at an azimuth of 270.00 degrees, and the curve finished at a MD of 9,976' (9,321' TVD). From EOC the lateral will be drilled at an azimuth of 270 degrees and an inclination of 90.68 degrees to a total depth of 15,861' (9,251' TVD). At this depth a 4-1/2" Completion System with packers installed for zone isolation will be run into the into the production lateral.

G) COMPLETIONS SYSTEM

A 4-1/2" completion system with open hole packers will be run in the production lateral to a depth of 15,861'. The top of the Completion System will be set at approximately 9,225'. Cement will not be required for this system.

H) H_2S SAFTEY EQUIPMENT

As stated in the BLM Onshore Order 6, for wells located in a known H2S area, H2S equipment will be rigged up after setting surface casing. For the wells located inside known H2S areas the flare pit will be located 150' from the location. For wells located outside known H2S areas the flare pit will be located 100' away from the location. (See page 6 of Survey plat package and diagram 2) There is not any H2S anticipated in the area, although in the event that H2S is encountered, the H2S contingency plan attached will be implemented. (Please refer to diagram 2 for choke manifold and closed loop system layout.) See H2S location layout diagram for location of all H2S equipment on location.

I) CLOSED LOOP AND CHOKE MANIFLOLD

Please see diagram 2.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout Delaware section. A BHP of 4362 psi (max) or MWE of 9.0 ppg is expected. Lost circulation may exist in the Delaware Section from 4,353'-9,321' TVD.

POINT 8: OTHER PERTINENT INFORMATION

A) Auxiliary Equipment

Upper and lower kelly cocks. Full opening stab in valve on the rig floor.

B) Anticipated Starting Date

Upon approval

45 days drilling operations

14 days completion operations

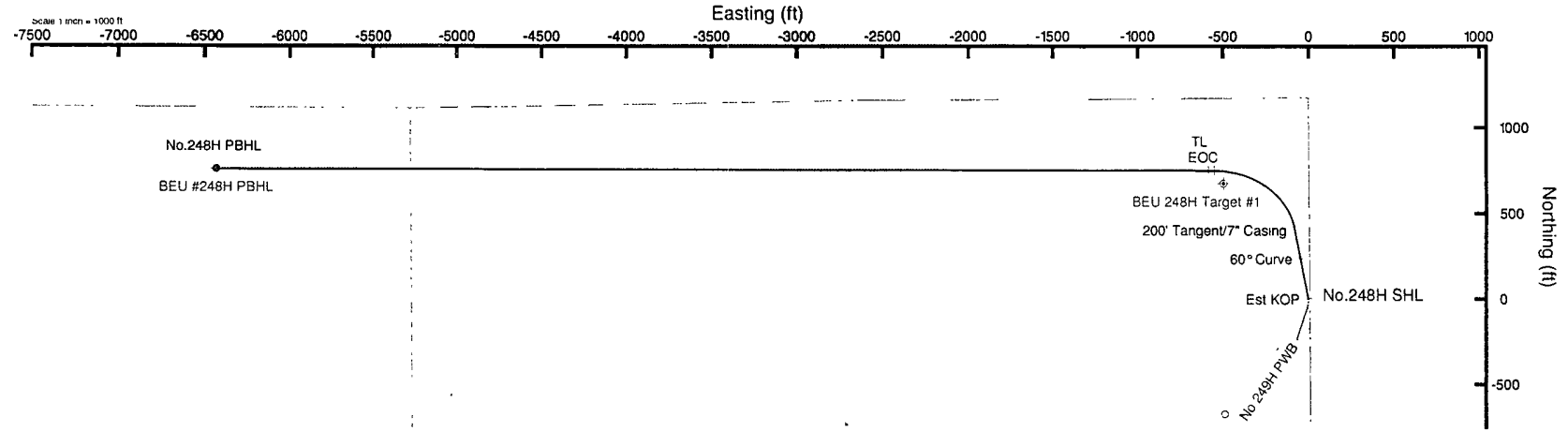
JDB

BOPCO, L.P.

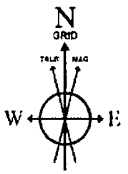
Location: Eddy County, NM
Field: (Big Eddy) Sec 34, T21S, R29E
Facility: Big Eddy Unit No.248H

Slot: No.248H SHL
Well: No.248H
Wellbore: No.248H PWB

BAKER HUGHES



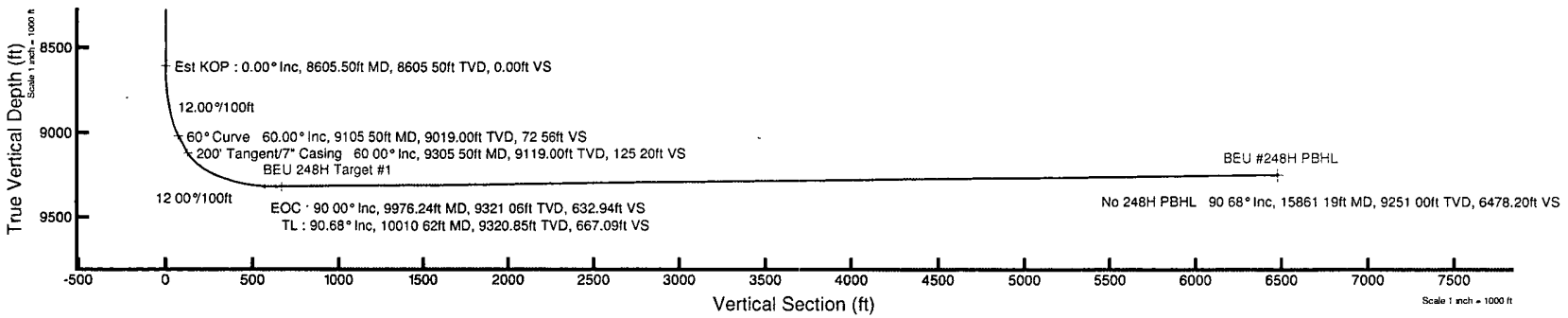
Plot reference wellpath is Rev-B 0	
True vertical depths are referenced to Rig on No 248H SHL (KB)	Grid System: NAD27 / TM New Mexico SP, Eastern Zone (3001), US feet
Measured depths are referenced to Rig on No 248H SHL (KB)	North Reference: Grid north
Rig on No 248H SHL (KB) to Mean Sea Level: 3516 feet	Scale: True distance
Mean Sea Level to Mud line (At Slot: No 248H SHL): -3486 feet	Depths are in feet
Coordinates are in feet referenced to Slot	Created by: gentry on 6/29/2012



BGGM (1945.0 to 2013.0) Dip: 60.44° Field: 48720.7 nT
Magnetic North is 7.70 degrees East of True North (at 6/28/2012)
Grid North is 0.27 degrees East of True North
To correct azimuth from True to Grid subtract 0.27 degrees
To correct azimuth from Magnetic to Grid add 7.43 degrees
For example: if the Magnetic North Azimuth = 90 degs, then the Grid North Azimuth = 90 + 7.43 = 97.43

Well Profile Data

Design Comment	MD (ft)	Inc (°)	Az (°)	TVD (ft)	Local N (ft)	Local E (ft)	DLS (°/100ft)	VS (ft)
Tie On	30.00	0.000	349.000	30.00	0.00	0.00	0.00	0.00
Est KOP	8605.50	0.000	349.000	8605.50	0.00	0.00	0.00	0.00
60° Curve	9105.50	60.000	349.000	9019.00	234.35	-45.55	12.00	72.56
200' Tangent/7" Casing	9305.50	60.000	349.000	9119.00	404.37	-78.60	0.00	125.20
EOC	9976.24	90.000	270.000	9321.06	747.92	-549.50	12.00	632.94
TL	10010.62	90.684	270.071	9320.85	747.94	-583.89	2.00	667.09
No.248H PBHL	15861.19	90.684	270.071	9251.00	755.16	-6434.04	0.00	6478.20



Azimuth 276.69° with reference 0.00 N, 0.00 E

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Planned Wellpath Report

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BAKER HUGHES

REFERENCE WELLPATH IDENTIFICATION			
Operator	**BOPCO, L.P.**	Slot	**No.248H SHL**
Area	**Eddy County, NM**	Well	**No.248H**
Field	**(Big Eddy) Sec 34, T21S, R29E**	Wellbore	**No.248H PWB**
Facility	**Big Eddy Unit No.248H**		

REPORT SETUP INFORMATION			
Projection System	**NAD27 / TM New Mexico SP, Eastern Zone (3001), US feet**	Software System	**WellArchitect® 3.0.0**
North Reference	**Grid**	User	**Gentbry**
Scale	**0.999937**	Report Generated	**6/29/2012 at 1:44:18 PM**
Convergence at slot	**0.27° East**	Database/Source file	**WA Midland/No.248H_PWB.xml**

WELLPATH LOCATION	Local coordinates		Grid coordinates		Geographic coordinates	
	North[ft]	**East[ft]**	**Easting[US ft]**	**Northing[US ft]**	**Latitude**	**Longitude**
Slot Location	**0.00**	**0.00**	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W
Facility Reference Pt			**654712.40**	**589947.00**	32°37'15.106"N	103°49'51.024"W
Field Reference Pt			**610823.03**	**524402.80**	32°26'28.262"N	103°58'26.774"W

WELLPATH DATUM			
Calculation method	**Minimum curvature**	Rig on No.248H SHL (KB) to Facility Vertical Datum	**30.00ft**
Horizontal Reference Pt	**Slot**	Rig on No.248H SHL (KB) to Mean Sea Level	**3516.00ft**
Vertical Reference Pt	**Rig on No.248H SHL (KB)**	Rig on No.248H SHL (KB) to Mud Line at Slot (No.248H SHL)	**30.00ft**
MD Reference Pt	**Rig on No.248H SHL (KB)**	Section Origin	**N 0.00, E 0.00 ft**
Field Vertical Reference	**Mean Sea Level**	Section Azimuth	**276.69°**

Planned Wellpath Report

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BAKER HUGHES

REFERENCE WELLPATH IDENTIFICATION			
Operator	**BOPCO, L.P.**	Slot	**No.248H SHL**
Area	**Eddy County, NM**	Well	**No.248H**
Field	**(Big Eddy) Sec 34, T21S, R29E**	Wellbore	**No.248H PWB**
Facility	**Big Eddy Unit No.248H**		

WELLPATH DATA (176 stations) † = interpolated/extrapolated station

MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [US ft]	Grid North [US ft]	Latitude	Longitude	DLS [°/100ft]	Comments
0.00†	0.000	349.000	0.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
30.00	0.000	349.000	30.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	Tie On
130.00†	0.000	349.000	130.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
230.00†	0.000	349.000	230.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
330.00†	0.000	349.000	330.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
430.00†	0.000	349.000	430.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
530.00†	0.000	349.000	530.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
630.00†	0.000	349.000	630.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
730.00†	0.000	349.000	730.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
830.00†	0.000	349.000	830.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
930.00†	0.000	349.000	930.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
1000.00†	0.000	349.000	1000.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	Rustler Anhydrite
1030.00†	0.000	349.000	1030.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
1130.00†	0.000	349.000	1130.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
1201.00†	0.000	349.000	1201.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	T/Salt
1230.00†	0.000	349.000	1230.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
1330.00†	0.000	349.000	1330.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
1430.00†	0.000	349.000	1430.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
1530.00†	0.000	349.000	1530.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
1630.00†	0.000	349.000	1630.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
1730.00†	0.000	349.000	1730.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
1830.00†	0.000	349.000	1830.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
1930.00†	0.000	349.000	1930.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
2030.00†	0.000	349.000	2030.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
2130.00†	0.000	349.000	2130.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
2230.00†	0.000	349.000	2230.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
2330.00†	0.000	349.000	2330.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
2430.00†	0.000	349.000	2430.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
2443.00†	0.000	349.000	2443.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	B/Salt
2530.00†	0.000	349.000	2530.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
2630.00†	0.000	349.000	2630.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
2631.00†	0.000	349.000	2631.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	Yates
2730.00†	0.000	349.000	2730.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
2830.00†	0.000	349.000	2830.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
2930.00†	0.000	349.000	2930.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	Reef
3030.00†	0.000	349.000	3030.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
3130.00†	0.000	349.000	3130.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
3230.00†	0.000	349.000	3230.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
3330.00†	0.000	349.000	3330.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
3430.00†	0.000	349.000	3430.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
3530.00†	0.000	349.000	3530.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
3630.00†	0.000	349.000	3630.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
3730.00†	0.000	349.000	3730.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
3830.00†	0.000	349.000	3830.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
3930.00†	0.000	349.000	3930.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	

Planned Wellpath Report

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BAKER HUGHES

REFERENCE WELLPATH IDENTIFICATION			
Operator	BOPCO, L.P.	Slot	No.248H SHL
Area	Eddy County, NM	Well	No.248H
Field	(Big Eddy) Sec 34, T21S, R29E	Wellbore	No.248H PWB
Facility	Big Eddy Unit No.248H		

WELLPATH DATA (176 stations) † = interpolated/extrapolated station

MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [US ft]	Grid North [US ft]	Latitude	Longitude	DLS [°/100ft]	Comments
4030.00†	0.000	349.000	4030.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
4130.00†	0.000	349.000	4130.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
4230.00†	0.000	349.000	4230.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
4330.00†	0.000	349.000	4330.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
4353.00†	0.000	349.000	4353.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	T/DMG
4430.00†	0.000	349.000	4430.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
4530.00†	0.000	349.000	4530.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
4630.00†	0.000	349.000	4630.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
4730.00†	0.000	349.000	4730.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
4830.00†	0.000	349.000	4830.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
4930.00†	0.000	349.000	4930.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
5030.00†	0.000	349.000	5030.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
5130.00†	0.000	349.000	5130.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
5230.00†	0.000	349.000	5230.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
5330.00†	0.000	349.000	5330.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
5430.00†	0.000	349.000	5430.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
5530.00†	0.000	349.000	5530.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
5630.00†	0.000	349.000	5630.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
5730.00†	0.000	349.000	5730.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
5830.00†	0.000	349.000	5830.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
5930.00†	0.000	349.000	5930.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
6030.00†	0.000	349.000	6030.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
6130.00†	0.000	349.000	6130.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
6230.00†	0.000	349.000	6230.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
6330.00†	0.000	349.000	6330.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
6430.00†	0.000	349.000	6430.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
6530.00†	0.000	349.000	6530.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
6630.00†	0.000	349.000	6630.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
6730.00†	0.000	349.000	6730.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
6830.00†	0.000	349.000	6830.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
6930.00†	0.000	349.000	6930.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
7030.00†	0.000	349.000	7030.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
7130.00†	0.000	349.000	7130.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
7189.00†	0.000	349.000	7189.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	Bone Spring
7230.00†	0.000	349.000	7230.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
7330.00†	0.000	349.000	7330.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
7430.00†	0.000	349.000	7430.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
7530.00†	0.000	349.000	7530.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
7630.00†	0.000	349.000	7630.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
7730.00†	0.000	349.000	7730.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
7830.00†	0.000	349.000	7830.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
7930.00†	0.000	349.000	7930.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
8030.00†	0.000	349.000	8030.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
8130.00†	0.000	349.000	8130.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
8230.00†	0.000	349.000	8230.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	

Planned Wellpath Report

Rev-B.0

BAKER HUGHES

REFERENCE WELLPATH IDENTIFICATION			
Operator	BOPCO, L.P.	Slot	No.248H SHL
Area	Eddy County, NM	Well	No.248H
Field	(Big Eddy) Sec 34, T21S, R29E	Wellbore	No.248H PWB
Facility	Big Eddy Unit No.248H		

WELLPATH DATA (176 stations) † = interpolated/extrapolated station

MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [US ft]	Grid North [US ft]	Latitude	Longitude	DLS [°/100ft]	Comments
8330.00†	0.000	349.000	8330.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
8394.00†	0.000	349.000	8394.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	1st Bone Spring Sand
8430.00†	0.000	349.000	8430.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
8530.00†	0.000	349.000	8530.00	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	
8605.50	0.000	349.000	8605.50	0.00	0.00	0.00	654712.40	589947.00	32°37'15.106"N	103°49'51.024"W	0.00	Est KOP
8630.00†	2.940	349.000	8629.99	0.19	0.62	-0.12	654712.28	589947.61	32°37'15.112"N	103°49'51.025"W	12.00	
8730.00†	14.940	349.000	8728.59	4.91	15.84	-3.08	654709.32	589962.84	32°37'15.263"N	103°49'51.059"W	12.00	
8830.00†	26.940	349.000	8821.82	15.75	50.86	-9.89	654702.51	589997.85	32°37'15.609"N	103°49'51.136"W	12.00	
8930.00†	38.940	349.000	8905.59	32.24	104.14	-20.24	654692.15	590051.13	32°37'16.137"N	103°49'51.255"W	12.00	
9030.00†	50.940	349.000	8976.25	53.67	173.35	-33.70	654678.70	590120.34	32°37'16.823"N	103°49'51.408"W	12.00	
9105.50	60.000	349.000	9019.00	72.56	234.35	-45.55	654666.85	590181.33	32°37'17.427"N	103°49'51.543"W	12.00	60° Curve
9130.00†	60.000	349.000	9031.25	79.01	255.17	-49.60	654662.80	590202.15	32°37'17.633"N	103°49'51.589"W	0.00	
9230.00†	60.000	349.000	9081.25	105.33	340.19	-66.13	654646.27	590287.16	32°37'18.475"N	103°49'51.778"W	0.00	
9305.50	60.000	349.000	9119.00	125.20	404.37	-78.60	654633.80	590351.34	32°37'19.110"N	103°49'51.920"W	0.00	200' Tangent/7" Casing
9330.00†	60.327	345.632	9131.19	132.25	425.10	-83.27	654629.13	590372.07	32°37'19.316"N	103°49'51.974"W	12.00	
9430.00†	62.516	332.187	9179.19	173.14	506.71	-114.86	654597.54	590453.68	32°37'20.125"N	103°49'52.339"W	12.00	
9440.47†	62.820	330.815	9184.00	178.51	514.89	-119.30	654593.10	590461.85	32°37'20.206"N	103°49'52.390"W	12.00	2nd Bone Spring A Sand
9530.00†	65.934	319.405	9222.82	232.03	580.88	-165.45	654546.96	590527.84	32°37'20.861"N	103°49'52.926"W	12.00	
9630.00†	70.351	307.376	9260.15	306.35	644.37	-232.82	654479.59	590591.32	32°37'21.492"N	103°49'53.710"W	12.00	
9635.53†	70.620	306.733	9262.00	310.84	647.51	-236.98	654475.43	590594.46	32°37'21.524"N	103°49'53.759"W	12.00	2nd Bone Spring B Sand
9730.00†	75.521	296.042	9289.57	392.84	694.39	-314.04	654398.38	590641.34	32°37'21.991"N	103°49'54.657"W	12.00	
9830.00†	81.207	285.247	9309.79	487.73	728.77	-405.54	654306.88	590675.71	32°37'22.336"N	103°49'55.725"W	12.00	
9930.00†	87.190	274.786	9319.92	586.86	745.99	-503.34	654209.09	590692.94	32°37'22.511"N	103°49'56.867"W	12.00	
9976.24	90.000	270.000	9321.06	632.94	747.92	-549.50	654162.93	590694.87	32°37'22.532"N	103°49'57.407"W	12.00	EOC
10010.62	90.684	270.071	9320.85	667.09	747.94	-583.89	654128.55	590694.89	32°37'22.534"N	103°49'57.809"W	2.00	TL
10030.00†	90.684	270.071	9320.62	686.34	747.96	-603.26	654109.17	590694.91	32°37'22.535"N	103°49'58.035"W	0.00	
10130.00†	90.684	270.071	9319.43	785.66	748.09	-703.26	654009.19	590695.03	32°37'22.541"N	103°49'59.204"W	0.00	
10230.00†	90.684	270.071	9318.23	884.99	748.21	-803.25	653909.20	590695.16	32°37'22.546"N	103°50'00.374"W	0.00	
10330.00†	90.684	270.071	9317.04	984.32	748.33	-903.24	653809.21	590695.28	32°37'22.552"N	103°50'01.543"W	0.00	
10430.00†	90.684	270.071	9315.85	1083.64	748.46	-1003.23	653709.23	590695.40	32°37'22.558"N	103°50'02.712"W	0.00	
10530.00†	90.684	270.071	9314.65	1182.97	748.58	-1103.23	653609.24	590695.53	32°37'22.564"N	103°50'03.881"W	0.00	
10630.00†	90.684	270.071	9313.46	1282.29	748.70	-1203.22	653509.25	590695.65	32°37'22.570"N	103°50'05.050"W	0.00	
10730.00†	90.684	270.071	9312.26	1381.62	748.83	-1303.21	653409.27	590695.77	32°37'22.576"N	103°50'06.219"W	0.00	
10830.00†	90.684	270.071	9311.07	1480.94	748.95	-1403.20	653309.28	590695.90	32°37'22.582"N	103°50'07.388"W	0.00	
10930.00†	90.684	270.071	9309.88	1580.27	749.07	-1503.20	653209.30	590696.02	32°37'22.588"N	103°50'08.557"W	0.00	
11030.00†	90.684	270.071	9308.68	1679.59	749.20	-1603.19	653109.31	590696.14	32°37'22.593"N	103°50'09.726"W	0.00	
11130.00†	90.684	270.071	9307.49	1778.92	749.32	-1703.18	653009.32	590696.27	32°37'22.599"N	103°50'10.895"W	0.00	
11230.00†	90.684	270.071	9306.29	1878.24	749.44	-1803.18	652909.34	590696.39	32°37'22.605"N	103°50'12.064"W	0.00	
11330.00†	90.684	270.071	9305.10	1977.57	749.57	-1903.17	652809.35	590696.51	32°37'22.611"N	103°50'13.233"W	0.00	
11430.00†	90.684	270.071	9303.91	2076.90	749.69	-2003.16	652709.36	590696.64	32°37'22.617"N	103°50'14.402"W	0.00	
11530.00†	90.684	270.071	9302.71	2176.22	749.81	-2103.15	652609.38	590696.76	32°37'22.623"N	103°50'15.572"W	0.00	
11630.00†	90.684	270.071	9301.52	2275.55	749.94	-2203.15	652509.39	590696.88	32°37'22.628"N	103°50'16.741"W	0.00	
11730.00†	90.684	270.071	9300.32	2374.87	750.06	-2303.14	652409.41	590697.01	32°37'22.634"N	103°50'17.910"W	0.00	
11830.00†	90.684	270.071	9299.13	2474.20	750.18	-2403.13	652309.42	590697.13	32°37'22.640"N	103°50'19.079"W	0.00	
11930.00†	90.684	270.071	9297.94	2573.52	750.31	-2503.13	652209.43	590697.25	32°37'22.646"N	103°50'20.248"W	0.00	

Planned Wellpath Report

Rev-B.0

BAKER HUGHES

REFERENCE WELLPATH IDENTIFICATION			
Operator	**BOPCO, L.P.**	Slot	**No.248H SHL**
Area	**Eddy County, NM**	Well	**No.248H**
Field	**(Big Eddy) Sec 34, T21S, R29E**	Wellbore	**No.248H PWB**
Facility	**Big Eddy Unit No.248H**		

WELLPATH DATA (176 stations) † = interpolated/extrapolated station

MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [US ft]	Grid North [US ft]	Latitude	Longitude	DLS [°/100ft]	Comments
12030.00†	90.684	270.071	9296.74	2672.85	750.43	-2603.12	652109 45	590697.38	32°37'22.652"N	103°50'21.417"W	0.00	
12130.00†	90.684	270.071	9295.55	2772.17	750.55	-2703.11	652009.46	590697.50	32°37'22.658"N	103°50'22.586"W	0.00	
12230.00†	90.684	270.071	9294.35	2871.50	750.68	-2803.10	651909.47	590697.62	32°37'22.663"N	103°50'23.755"W	0.00	
12330.00†	90.684	270.071	9293.16	2970.83	750.80	-2903.10	651809.49	590697.75	32°37'22.669"N	103°50'24.924"W	0.00	
12430.00†	90.684	270.071	9291.97	3070.15	750.92	-3003.09	651709.50	590697.87	32°37'22.675"N	103°50'26.093"W	0.00	
12530.00†	90.684	270.071	9290.77	3169.48	751.05	-3103.08	651609.52	590697.99	32°37'22.681"N	103°50'27.262"W	0.00	
12630.00†	90.684	270.071	9289.58	3268.80	751.17	-3203.08	651509.53	590698.12	32°37'22.687"N	103°50'28.431"W	0.00	
12730.00†	90.684	270.071	9288.38	3368.13	751.29	-3303.07	651409.54	590698.24	32°37'22.692"N	103°50'29.600"W	0.00	
12830.00†	90.684	270.071	9287.19	3467.45	751.42	-3403.06	651309.56	590698.36	32°37'22.698"N	103°50'30.769"W	0.00	
12930.00†	90.684	270.071	9286.00	3566.78	751.54	-3503.05	651209.57	590698.49	32°37'22.704"N	103°50'31.939"W	0.00	
13030.00†	90.684	270.071	9284.80	3666.10	751.66	-3603.05	651109.58	590698.61	32°37'22.710"N	103°50'33.108"W	0.00	
13130.00†	90.684	270.071	9283.61	3765.43	751.79	-3703.04	651009.60	590698.73	32°37'22.716"N	103°50'34.277"W	0.00	
13230.00†	90.684	270.071	9282.41	3864.75	751.91	-3803.03	650909.61	590698.86	32°37'22.721"N	103°50'35.446"W	0.00	
13330.00†	90.684	270.071	9281.22	3964.08	752.03	-3903.02	650809.63	590698.98	32°37'22.727"N	103°50'36.615"W	0.00	
13430.00†	90.684	270.071	9280.03	4063.41	752.16	-4003.02	650709.64	590699.10	32°37'22.733"N	103°50'37.784"W	0.00	
13530.00†	90.684	270.071	9278.83	4162.73	752.28	-4103.01	650609.65	590699.23	32°37'22.739"N	103°50'38.953"W	0.00	
13630.00†	90.684	270.071	9277.64	4262.06	752.40	-4203.00	650509.67	590699.35	32°37'22.744"N	103°50'40.122"W	0.00	
13730.00†	90.684	270.071	9276.45	4361.38	752.53	-4303.00	650409.68	590699.47	32°37'22.750"N	103°50'41.291"W	0.00	
13830.00†	90.684	270.071	9275.25	4460.71	752.65	-4402.99	650309.69	590699.60	32°37'22.756"N	103°50'42.460"W	0.00	
13930.00†	90.684	270.071	9274.06	4560.03	752.77	-4502.98	650209.71	590699.72	32°37'22.762"N	103°50'43.629"W	0.00	
14030.00†	90.684	270.071	9272.86	4659.36	752.90	-4602.97	650109.72	590699.85	32°37'22.768"N	103°50'44.798"W	0.00	
14130.00†	90.684	270.071	9271.67	4758.68	753.02	-4702.97	650009.74	590699.97	32°37'22.773"N	103°50'45.967"W	0.00	
14230.00†	90.684	270.071	9270.48	4858.01	753.15	-4802.96	649909.75	590700.09	32°37'22.779"N	103°50'47.137"W	0.00	
14330.00†	90.684	270.071	9269.28	4957.34	753.27	-4902.95	649809.76	590700.22	32°37'22.785"N	103°50'48.306"W	0.00	
14430.00†	90.684	270.071	9268.09	5056.66	753.39	-5002.95	649709.78	590700.34	32°37'22.791"N	103°50'49.475"W	0.00	
14530.00†	90.684	270.071	9266.89	5155.99	753.52	-5102.94	649609.79	590700.46	32°37'22.796"N	103°50'50.644"W	0.00	
14630.00†	90.684	270.071	9265.70	5255.31	753.64	-5202.93	649509.80	590700.59	32°37'22.802"N	103°50'51.813"W	0.00	
14730.00†	90.684	270.071	9264.51	5354.64	753.76	-5302.92	649409.82	590700.71	32°37'22.808"N	103°50'52.982"W	0.00	
14830.00†	90.684	270.071	9263.31	5453.96	753.89	-5402.92	649309.83	590700.83	32°37'22.813"N	103°50'54.151"W	0.00	
14930.00†	90.684	270.071	9262.12	5553.29	754.01	-5502.91	649209.85	590700.96	32°37'22.819"N	103°50'55.320"W	0.00	
14939.87†	90.684	270.071	9262.00	5563.09	754.02	-5512.78	649199.97	590700.97	32°37'22.820"N	103°50'55.435"W	0.00	2nd Bone Spring B Sand
15030.00†	90.684	270.071	9260.92	5652.61	754.13	-5602.90	649109.86	590701.08	32°37'22.825"N	103°50'56.489"W	0.00	
15130.00†	90.684	270.071	9259.73	5751.94	754.26	-5702.90	649009.87	590701.20	32°37'22.831"N	103°50'57.658"W	0.00	
15230.00†	90.684	270.071	9258.54	5851.26	754.38	-5802.89	648909.89	590701.33	32°37'22.836"N	103°50'58.827"W	0.00	
15330.00†	90.684	270.071	9257.34	5950.59	754.50	-5902.88	648809.90	590701.45	32°37'22.842"N	103°51'00.000"W	0.00	
15430.00†	90.684	270.071	9256.15	6049.92	754.63	-6002.87	648709.91	590701.57	32°37'22.848"N	103°51'01.165"W	0.00	
15530.00†	90.684	270.071	9254.95	6149.24	754.75	-6102.87	648609.93	590701.70	32°37'22.854"N	103°51'02.334"W	0.00	
15630.00†	90.684	270.071	9253.76	6248.57	754.87	-6202.86	648509.94	590701.82	32°37'22.859"N	103°51'03.504"W	0.00	
15730.00†	90.684	270.071	9252.57	6347.89	755.00	-6302.85	648409.96	590701.94	32°37'22.865"N	103°51'04.673"W	0.00	
15830.00†	90.684	270.071	9251.37	6447.22	755.12	-6402.84	648309.97	590702.07	32°37'22.871"N	103°51'05.842"W	0.00	
15861.19	90.684	270.071	9251.00[1]	6478.20	755.16	-6434.04	648278.78	590702.10	32°37'22.872"N	103°51'06.206"W	0.00	No.248H PBHL

TARGETS

Name	MD [ft]	TVD [ft]	North [ft]	East [ft]	Grid East [US ft]	Grid North [US ft]	Latitude	Longitude	Shape
1) BEU #248H PBHL	15861.19	9251.00	755.16	-6434.04	**648278.78**	**590702.10**	32°37'22.872"N	103°51'06.206"W	point

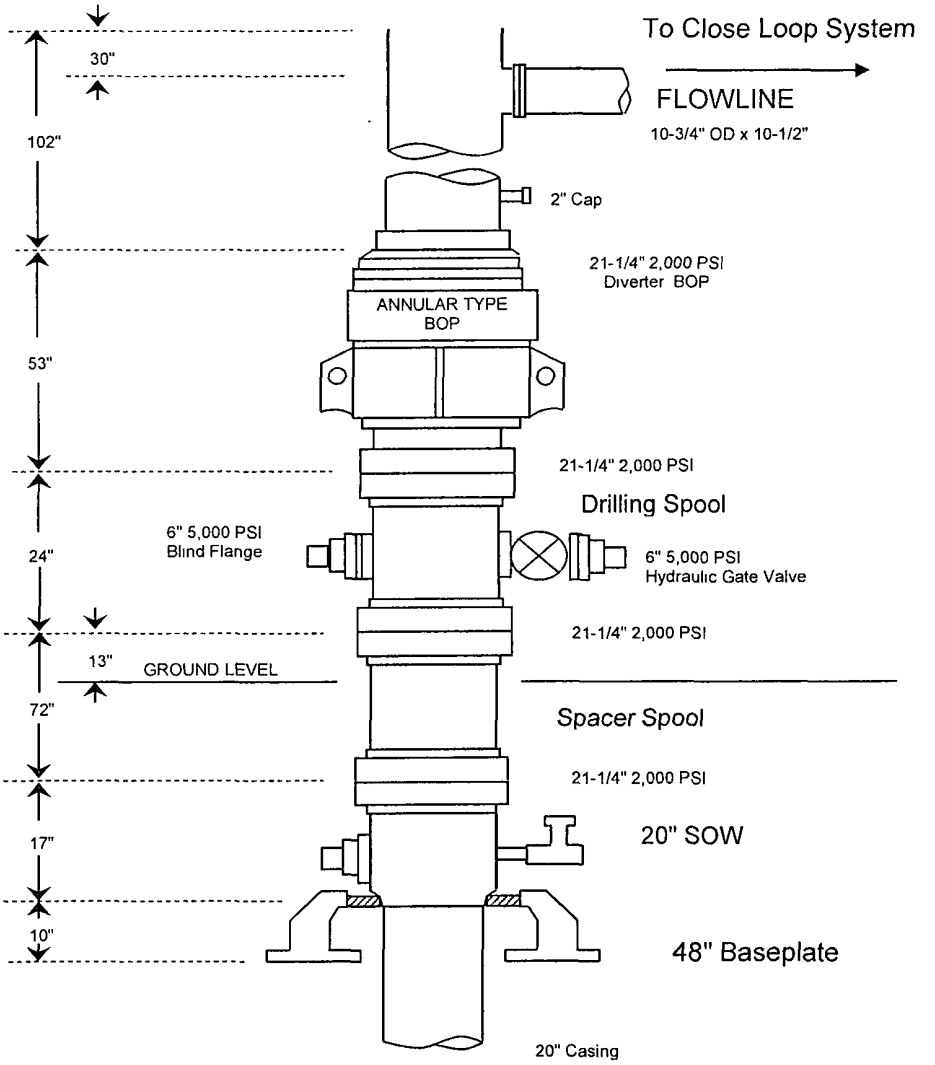
BEU 248H Target #1	9321.00	671.85	-494.53	**654217.90**	**590618.80**	32°37'21.776"N	103°49'56.768"W	point

SURVEY PROGRAM - Ref Wellbore: No.248H PWB Ref Wellpath: Rev-B.0

Start MD [ft]	End MD [ft]	Positional Uncertainty Model	Log Name/Comment	Wellbore
30.00	15861.19	NaviTrak (Standard)		No.248H PWB

BOPCO, L. P

20" 2,000 PSI Diverter



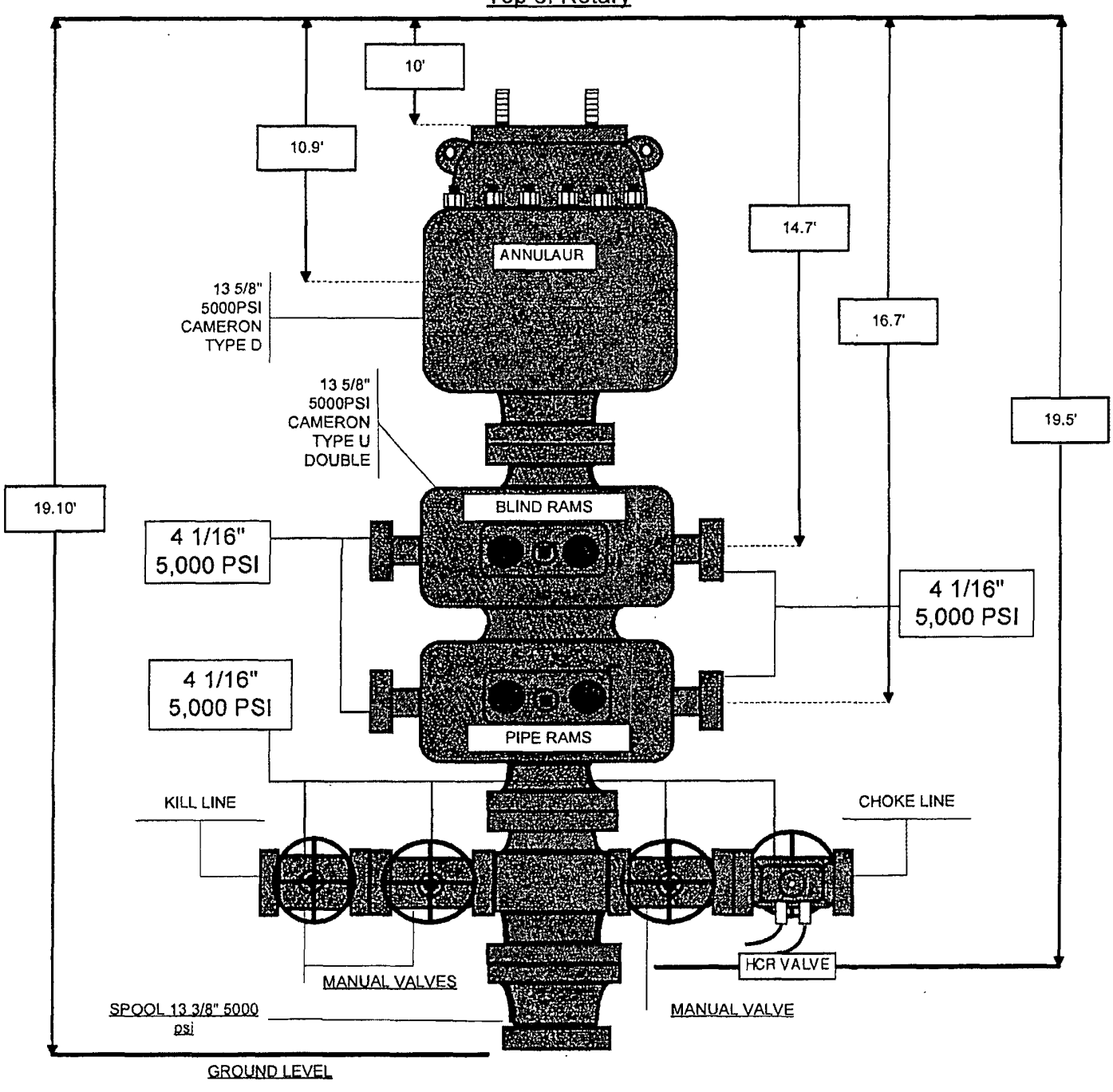
Note: Actual lengths of casing heads may vary. Always measure items prior to installing in order to ensure proper spacing.

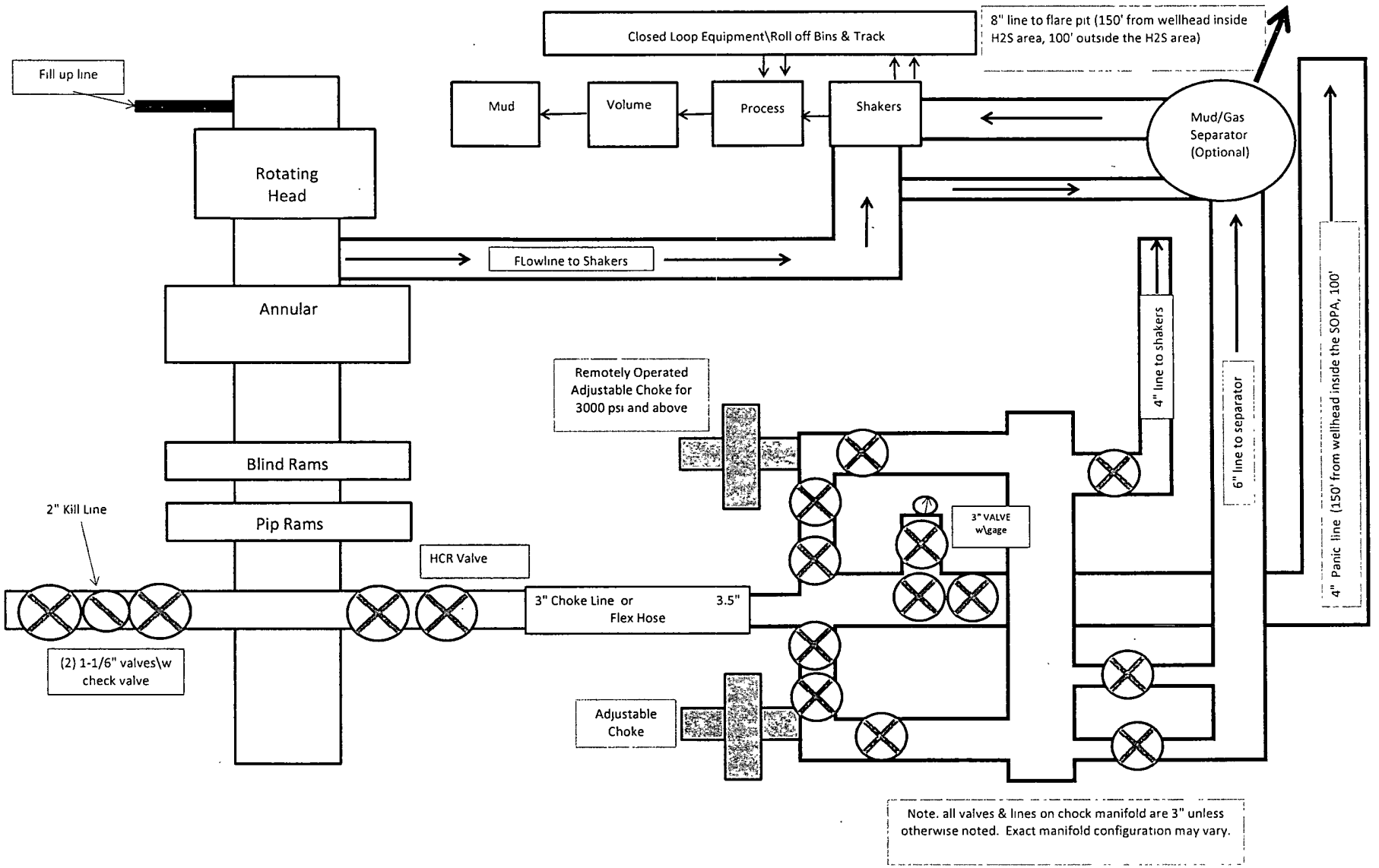
DIAGRAM B

Diagram 1

LATSHAW DRILLING

RIG 18





13-5/8" X 5-M BOPE (2 Rams and Rotating Head) & Closed Loop System Equipment Schematic
Diagram 2

Midwest Hose
& Specialty, Inc.

INTERNAL HYDROSTATIC TEST REPORT

Customer:	Customer P.O. Number:
LATSHAW	RIG 18

HOSE SPECIFICATIONS

Type: Rotary / Vibrator Hose C/K /API 7K		Hose Length: 40 FEET
I.D. 3.5 INCHES		O.D. 5.31 INCHES

WORKING PRESSURE	TEST PRESSURE	BURST PRESSURE
7,500 PSI	15,000 PSI	N/A PSI

COUPLINGS

Part Number	Stem Lot Number	Ferrule Lot Number
E3.5X64WB	LOT 10-12	LOT 10-12
E3.5X64WB	LOT 10-12	LOT 10-12

Type of Coupling:	Die Size:
Swage-It	5.75 INCHES

PROCEDURE

Hose assembly pressure tested with water at ambient temperature.

TIME HELD AT TEST PRESSURE	ACTUAL BURST PRESSURE:
1 1/2 MIN.	N/A PSI

Hose Assembly Serial Number:	Hose Serial Number:
1337641-1	7554

Comments:

Date:	Tested:	Approved:
2/14/2012	Donnie McLemore	Preston Morgan

Midwest Hose & Specialty, Inc.

Internal Hydrostatic Test Graph

February 12, 2012

Customer: Latshaw

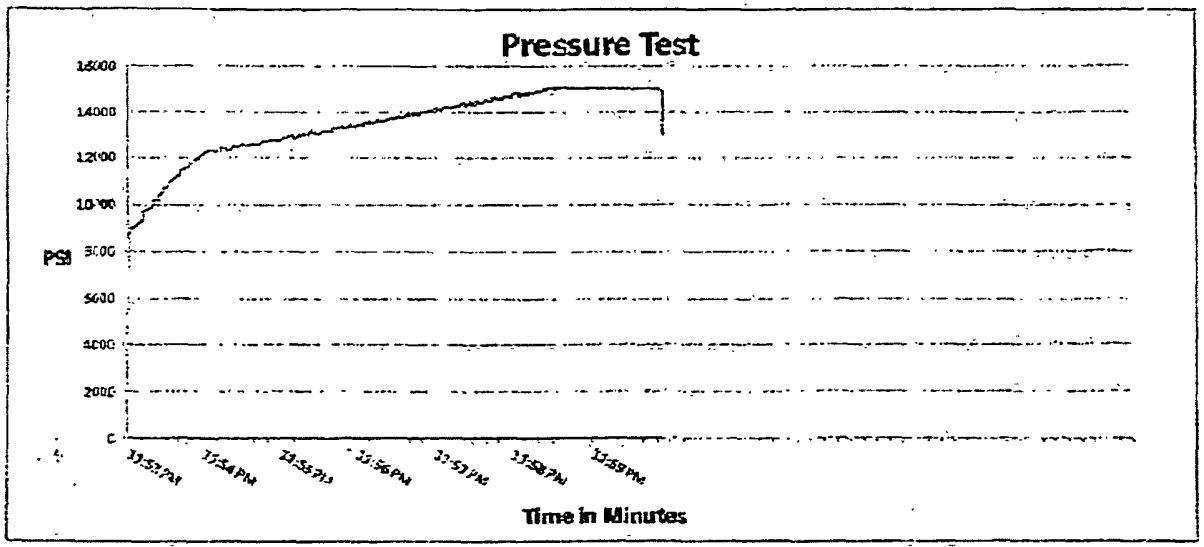
Pick Ticket #: 137641-1

Hose Specifications

Hose Type	Length
E	40'
I.D.	**O.D.**
3.5"	5 22/71
Working Pressure	**Burst Pressure**
7500 PSI	Standard Safety Multiplier Applies

Verification

Type of Fitting	Coupling Method
41/16 10K	Swage
Die Size	**Final O.D.**
5.75"	5 19/25
Hose Serial #	**Hose Assembly Serial #**
7554	137641.1



Test Pressure	Time Held at Test Pressure	Actual Burst Pressure	Peak Pressure
15000 PSI	1 2/4 Minutes		15131 PS

Comments: Hose assembly pressure tested with water at ambient temperature.

Tested By: *Donnie McLemore*

x _____

Approved By: *Preston Morgan*

x _____

Midwest Hose
& Specialty, Inc.

INTERNAL HYDROSTATIC TEST REPORT

Customer:	Customer P.O. Number:
LATSHAW	RIG 18

HOSE SPECIFICATIONS

Type: Rotary / Vibrator Hose C/K /API 7K		Hose Length: 40 FEET	
I.D. 3.5 INCHES		O.D. 5.30 INCHES	
WORKING PRESSURE	TEST PRESSURE	BURST PRESSURE	
7,500 PSI	15,000 PSI	N/A PSI	

COUPLINGS

Part Number	Stem Lot Number	Ferrule Lot Number
E3.5X64WB	LOT 10-12	LOT 10-12
E3.5X64WB	LOT 10-12	LOT 10-12

Type of Coupling:	Die Size:
Swage-It	5.75 INCHES

PROCEDURE

Hose assembly pressure tested with water at ambient temperature.

TIME HELD AT TEST PRESSURE	ACTUAL BURST PRESSURE:
2 1/4 MIN.	N/A PSI

Hose Assembly Serial Number:	Hose Serial Number:
1337841-2	7554

Comments:

Date:	Tested:	Approved:
2/14/2012	Dennis McLemore	Preston Morgan

Midwest Hose & Specialty, Inc.

Internal Hydrostatic Test Graph

February 14, 2012

Customer: Latshaw

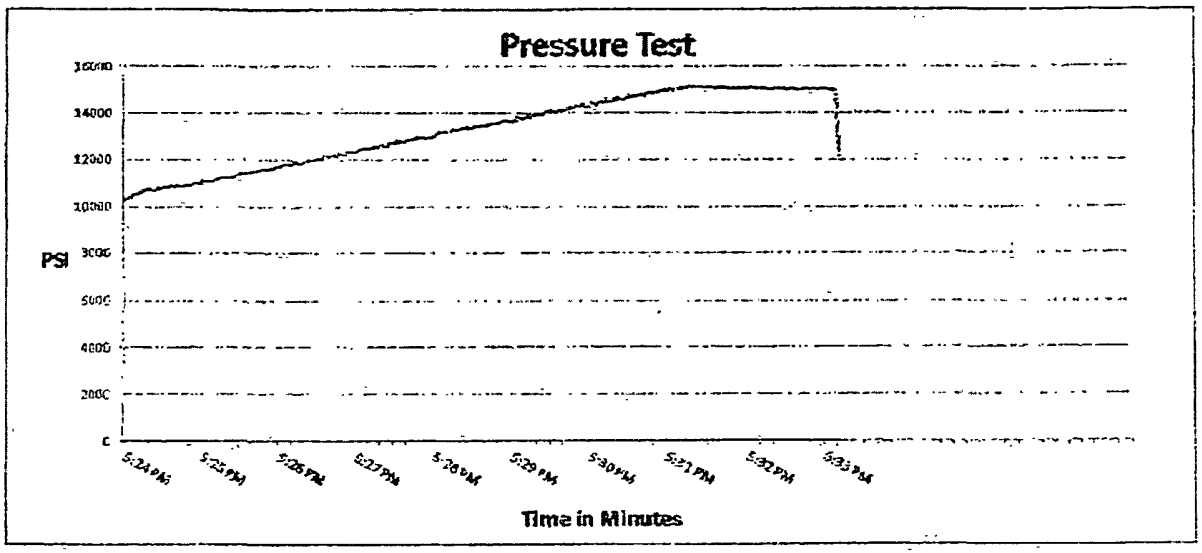
Pick Ticket # 137641-2

Hose Specifications

Hose Type	Length
E	40'
I.D.	**O.D.**
2.5"	5 3/10
Working Pressure	**Burst Pressure**
7500 PSI	Standard Safety Multiplier Applied

Verification

Type of Fitting	Coupling Method
4"W5	Swage
Die Size	**Final O.D.**
5.75	5.30"
Hose Serial #	**Hose Assembly Serial #**
5.76	137641-2



Test Pressure	Time Held at Test Pressure	Actual Burst Pressure	Peak Pressure
15000 PSI	2 1/4 Minutes		15219 PSI

Comments: Hose assembly pressure tested with water at ambient temperature.

Tested By: Donnie McClemore

Approved By: Preston Morgan

Latshaw 18 Rig Diagram Exhibit

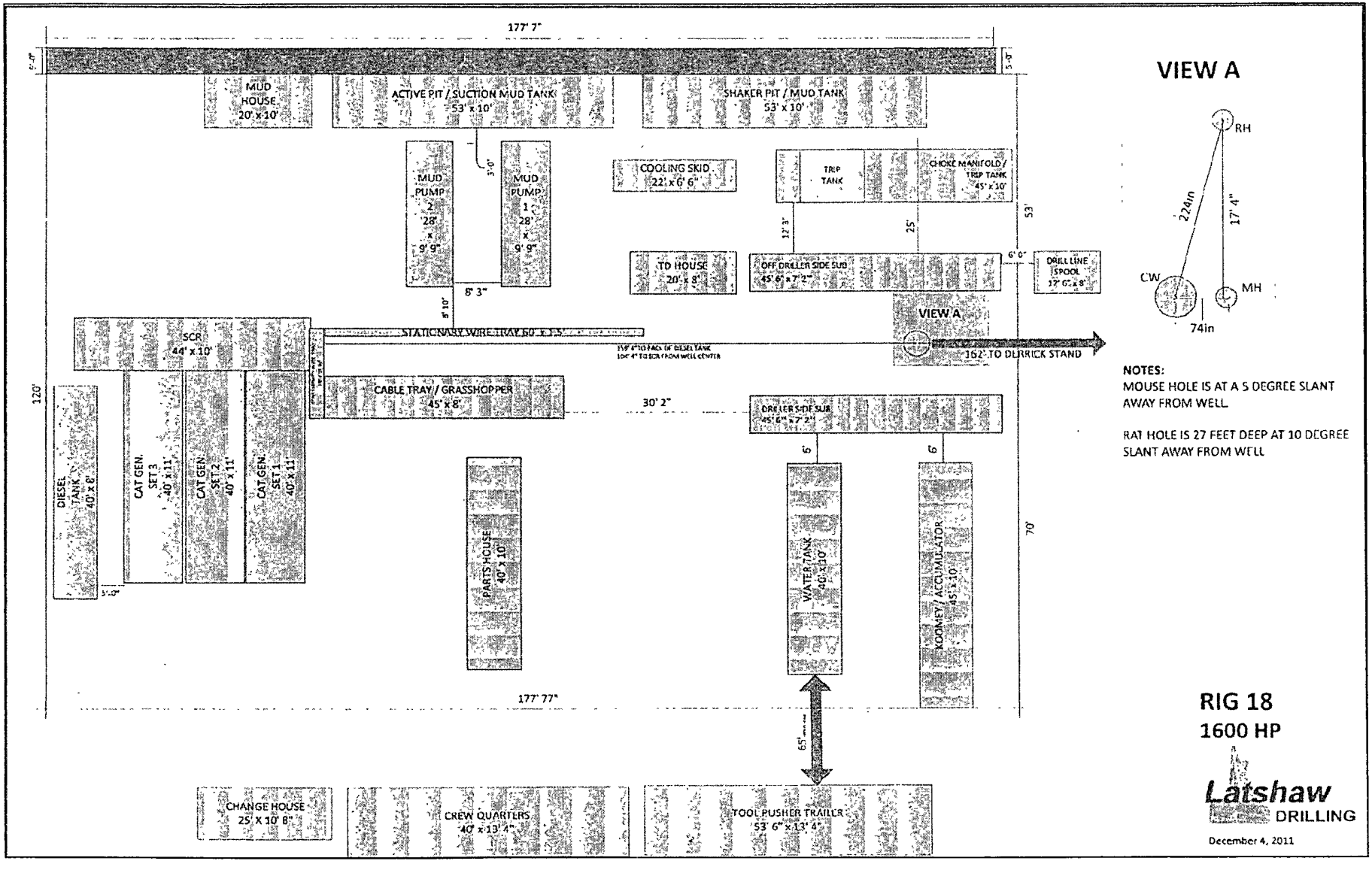


TABLE OF CONTENTS

H_2S CONTINGENCY PLAN SECTION

Scope:

This contingency plan provides an organized plan of action for alerting and protecting the public within an area of exposure prior to an intentional release, or following the accidental release of a potentially hazardous volume of hydrogen sulfide. The plan establishes guidelines for all personnel whose work activity may involve exposure to Hydrogen Sulfide Gas (H_2S).

Objective:

Prevent any and all accidents, and prevent the uncontrolled release of H_2S into the atmosphere.

Provide proper evacuation procedures to cope with emergencies.

Provide immediate and adequate medical attention should an injury occur.

Discussion of Plan:

Suspected Problem Zones:

Implementation: This plan, with all details, is to be fully implemented 500' above or three days prior to drilling into the first known sour zone

Emergency Response and Public Protection Procedure: This section outlines the conditions and denotes steps to be taken in the event of an emergency.

Emergency Equipment and Procedure: This section outlines the safety and emergency equipment that will be required for the drilling of this well.

Training Provisions: This section outlines the training provisions that must be adhered to 500 feet above or three days prior to drilling into the first known sour zone.

Emergency call lists: Included are the telephone numbers of all persons that would need to be contacted should an H_2S emergency occur.

Briefing: This section deals with the briefing of all persons involved with the drilling of this well.

Public Safety: Public Safety Personnel will be made aware of the drilling of this well.

EMERGENCY PROCEDURES AND PUBLIC PROTECTION SECTION

I. In the event of any evidence of H_2S levels above 10 ppm, take the following steps immediately:

A. Secure breathing apparatus.

B. Order non-essential personnel out of the danger zone.

C. Take steps to determine if the H_2S level can be corrected or suppressed, and if so, proceed with normal operations.

II. If uncontrollable conditions occur, proceed with the following:

A. Take steps to protect and/or remove any public downwind of the rig, including partial evacuation or isolation. Notify necessary public safety personnel and the New Mexico Oil & Gas of the situation.

B. Isolate area and prevent entry by unauthorized persons into the 100 ppm ROE.

C. Remove all personnel to the Safe Briefing Area.

D. Notify public safety personnel for help with maintaining roadblocks and implementing evacuation. Phone number list attached.

E. Determine and proceed with the best possible plan to regain control of the well. Maintain tight security and safety measures.

III. Responsibility:

A. The Company Approved Supervisor shall be responsible for the total implementation of the plan.

B. The Company Approved Supervisor shall be in complete command during any emergency.

C. The Company Approved Supervisor shall designate a back up Supervisor in the event that he/she is not available.

EMERGENCY PROCEDURE IMPLEMENTATION

I. Drilling or Tripping

A. All Personnel

1. When alarm sounds, don escape unit and report to upwind Safe Briefing Area.
2. Check status of other personnel (buddy system).
3. Secure breathing apparatus.
4. Wait for orders from supervisor.

B. Drilling Foreman

1. Report to the upwind Safe Briefing Area.
2. Don Breathing Apparatus and return to the point of release with the Tool Pusher or Driller (buddy system).
3. Determine the concentration of H_2S.
4. Assess the situation and take appropriate control measures.

C. Tool Pusher

1. Report to the upwind Safe Briefing Area.
2. Don breathing apparatus and return to the point of release with the Drilling Foreman or the Driller (buddy system).
3. Determine the concentration.
4. Assess the situation and take appropriate control measures.

D. Driller

1. Check the status of other personnel (in a rescue attempt, always use the buddy system).
2. Assign the least essential person to notify the Drilling Foreman and Tool Pusher, in the event of their absence.

3. Assume the responsibility of the Drilling Foreman and the Tool Pusher until they arrive, in the event of their absence.

E. Derrick Man and Floor Hands

1. Remain in the upwind Safe Briefing Area until otherwise instructed by a supervisor.

F. Mud Engineer

1. Report to the upwind Safe Briefing Area.

2. When instructed, begin check of mud for pH level and H_2S level.

G. On-site Safety Personnel

1. Don Breathing Apparatus.

2. Check status of all personnel.

3. Wait for instructions from Drilling Foreman or Tool Pusher.

II. Taking a Kick

A. All personnel report to the upwind Safe Briefing Area.

B. Follow standard BOP procedures.

III. Open Hole Logging

A. All unnecessary personnel should leave the rig floor.

B. Drilling Foreman and Safety Personnel should monitor the conditions and make necessary safety equipment recommendations.

IV. Running Casing or Plugging

A. Follow "Drilling or Tripping" procedures.

B. Assure that all personnel have access to protective equipment.

SIMULATED BLOWOUT CONTROL DRILLS

All drills will be initiated by activating alarm devices (air horn). Use one long blast on the air horn for ACTUAL and SIMULATED Blowout Control Drills. This operation will be performed by the Drilling Foreman or Tool Pusher at least one time per week for each of the following conditions, with each crew:

Drill # 1 Bottom Drilling

Drill # 2 Tripping Drill Pipe

In each of these drills, the initial reaction time to shutting in the well shall be timed as well as the total time for the crew to complete its entire pit drill assignment. The times must be recorded on the IADC Driller's Log as "Blowout Control Drill".

Drill No.:		
Reaction Time to Shut-In:	minutes,	seconds.
Total Time to Complete Assignment:	minutes,	seconds.

I. Drill Overviews

A. Drill No. 1- Bottom Drilling

1. Sound the alarm immediately.
2. Stop the rotary and hoist kelly joint above the rotary table.
3. Stop the circulatory pump.
4. Close the drill pipe rams.
5. Record casing and drill pipe shut-in pressures and pit volume increases.

B. Drill No. 2 – Tripping Drill Pipe

1. Sound the alarm immediately.
2. Position the upper tool joint just above the rotary table and set the slips.

3. Install a full opening valve or inside blowout preventor tool in order to close the drill pipe.

4. Close the drill pipe rams.

5. Record the shut-in annular pressure.

II. Crew Assignments

A. Drill No. 1 – Bottom Drilling

1. Driller

   a) Stop the rotary and hoist kelly joint above the rotary table.

   b) Stop the circulatory pump.

   c) Check flow.

   d) If flowing, sound the alarm immediately.

   e) Record the shut-in drill pipe pressure.

   f) Determine the mud weight increase needed or other courses of action.

2. Derrickman

   a) Open choke line valve at BOP.

   b) Signal Floor Man # 1 at accumulator that choke line is open.

   c) Close choke and upstream valve after pipe tams have been closed.

   d) Read the shut-in annular pressure and report readings to Driller.

3. Floor Man # 1

   a) Close the pipe rams after receiving the signal from the Derrickman.

   b) Report to Driller for further instructions.

4. Floor Man # 2

   a) Notify the Tool Pusher and Operator Representative of the H_2S alarms.

   b) Check for open fires and, if safe to do so, extinguish them.

   c) Stop all welding operations.

   d) Turn-off all non-explosion proof lights and instruments.

   e) Report to Driller for further instructions.

5. Tool Pusher

   a) Report to the rig floor.

   b) Have a meeting with all crews.

   c) Compile and summarize all information.

   d) Calculate the proper kill weight.

   e) Ensure that proper well procedures are put into action.

6. Operator Representative

   a) Notify the Drilling Superintendent.

   b) Determine if an emergency exists and if so, activate the contingency plan.

B. Drill No. 2 – Tripping Pipe

1. Driller

   a) Sound the alarm immediately when mud volume increase has been detected.

   b) Position the upper tool joint just above the rotary table and set slips.

   c) Install a full opening valve or inside blowout preventor tool to close the drill pipe.

   d) Check flow.

e) Record all data reported by the crew.

f) Determine the course of action.

2. Derrickman

a) Come down out of derrick.

b) Notify Tool Pusher and Operator Representative.

c) Check for open fires and, if safe to do so, extinguish them.

d) Stop all welding operations.

e) Report to Driller for further instructions.

3. Floor Man # 1

a) Pick up full opening valve or inside blowout preventor tool and stab into tool joint above rotary table (with Floor Man # 2).

b) Tighten valve with back-up tongs.

c) Close pipe rams after signal from Floor Man # 2.

d) Read accumulator pressure and check for possible high pressure fluid leaks in valves or piping.

e) Report to Driller for further instructions.

4. Floor Man # 2

a) Pick-up full opening valve or inside blowout preventor tool and stab into tool joint above rotary table (with Floor Man # 1).

b) Position back-up tongs on drill pipe.

c) Open choke line valve at BOP.

d) Signal Floor Man # 1 at accumulator that choke line is open.

e) Close choke and upstream valve after pipe rams have been closed.

f) Check for leaks on BOP stack and choke manifold.

g) Read annular pressure.

h) Report readings to the Driller.

5. Tool Pusher

a) Report to the rig floor.

b) Have a meeting with all of the crews.

c) Compile and summarize all information.

d) See that proper well kill procedures are put into action.

6. Operator Representative

a) Notify Drilling Superintendent

b) Determine if an emergency exists, and if so, activate the contingency plan.

IGNITION PROCEDURES

Responsibility:

The decision to ignite the well is the responsibility of the DRILLING FOREMAN in concurrence with the STATE POLICE. The State Police shall be the Incident Command on the scene of any major release. Intentional ignition must be coordinated with the NMOCD and local officials. In the event the Drilling Foreman is incapacitated, it becomes the responsibility of the RIG TOOL PUSHER. This decision should be made only as a last resort and in a situation where it is clear that:

1. Human life and property are endangered.

2. There is no hope of controlling the blowout under the prevailing conditions.

If time permits, notify the main office, but do not delay if human life is in danger. Initiate the first phase of the evacuation plan.

Instructions for Igniting the Well:

1. Two people are required for the actual igniting operation. Both men must wear self-contained breathing apparatus and must use a full body harness and attach a retrievable safety line to the D-Ring in the back. One man must monitor the atmosphere for explosive gases with the LEL monitor, while the Drilling Foreman is responsible for igniting the well.

2. The primary method to ignite is a 25mm flare gun with a range of approximately 500 feet.

3. Ignite from upwind and do not approach any closer than is warranted.

4. Select the ignition site best suited for protection and which offers an easy escape route.

5. Before igniting, check for the presence of combustible gases.

6. After igniting, continue emergency actions and procedures as before.

7. All unassigned personnel will limit their actions to those directed by the Drilling Foreman.

NOTE: After the well is ignited, burning Hydrogen Sulfide will convert to Sulfur Dioxide (SO_2), which is also highly toxic. Do not assume the area is safe after the well is ignited.

TRAINING REQUIREMENTS

When working in an area where Hydrogen Sulfide (H_2S) might be encountered, definite training requirements must be carried out. The Company Supervisor will ensure that all personnel at the well site, whether regularly assigned, contracted, or employed on an unscheduled basis, have had adequate training by a qualified instructor in the following:

1. Hazards and Characteristics of Hydrogen Sulfide and Sulfur Dioxide.
2. Physicals effects of Hydrogen Sulfide on the human body.
3. Toxicity of Hydrogen Sulfide and Sulfur Dioxide.
4. H_2S detection, emergency alarm and sensor location.
5. Emergency rescue.
6. First aid and artificial resuscitation.
7. The effects of Hydrogen Sulfide on metals.
8. Location safety.

In addition, Supervisory Personnel will be trained in the following areas:

1. If high tensile tubular are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well as well as blowout prevention and well control procedures.
3. The contents and requirements of the H_2S Drilling Operations Contingency Plan and the Public Protection Plan.

Service company personnel and visiting personnel must be notified if the zone contains H_2S, and each service company must provide adequate training and equipment for their employees before they arrive at the well site.

EMERGENCY EQUIPMENT

As stated in the BLM Onshore Order 6, for wells located in a known H_2S areas, H_2S equipment will be rigged up after setting surface casing. For wells located inside known H_2S areas, the flare pit will be located 150' from the location and for wells located outside known H_2S areas, the flare pit will be located 100' away from the location. (See page 6 of Survey plat package and diagram 2.)

It is not anticipated that any H_2S is in the area, however in the event that H_2S is encountered, the attached H_2S Contingency Plan will be implemented. (Please refer to diagram 2 for choke manifold and closed loop system layout.) See H_2S location layout diagram for location of all H_2S equipment on location.

All H_2S safety equipment and systems will be installed, tested and be operational when drilling reaches a depth of 500' above, or three days prior to penetrating a known formation containing H_2S.

Lease Entrance Sign:

Caution signs should be located at all roads providing direct access to the location. Signs shall have a yellow background with black lettering and contain the words "CAUTION" and "POISON GAS" that is legible from a distance of at least 50 feet.

LEASE NAME
CAUTION – POTENTIAL POISON GAS
HYDROGEN SULFIDE
NO ADMITTANCE WITHOUT AUTHORIZATION

Windsocks or Wind Streamers:

- A minimum of two 10" windsocks located at strategic locations so that they may be seen from any point on location.

- Wind streamers (if preferred) should be placed at various locations on the well site to ensure wind consciousness at all times. (Corners of location)

Hydrogen Sulfide Detector and Alarms:

- H_2S monitors with alarms will be located on the rig floor, at the cellar, and at the mud pits. These monitors will be set to alarm at 10 PPM with a red light and to alarm at 15 PPM with a red light and audible alarm.

Well Condition Flags:

The Well Condition flags should be located at all roads providing direct access to the location. It should have three (3) color coded flags (green, yellow and red) that will be used to denote the following location conditions:

GREEN – Normal Operating Conditions
YELLOW – Potential Danger
RED – Danger, H_2S Gas Present

Respiratory Equipment:

- Fresh air breathing equipment should be placed at the company supervision trailer and the safe briefing areas and should include the following:
  - A minimum of two SCBA's at each briefing area and the supervisor company supervision trailer.
  - Enough air line units to operate safely, anytime the H_2S concentration reaches the IDLH level (100 PPM).
  - Cascade system with enough breathing air hose and manifolds to reach the rig floor, the derrickman and the other operation areas.

Fire Extinguishers:

Adequate fire extinguishers shall be located at strategic locations.

Mud Program:

The mud program has been designed to minimize the volume of H_2S circulated to the surface. Proper mud weight, safe drilling practices and the use of H_2S scavengers will minimize hazards when penetrating H_2S bearing zones.

Metallurgy:

All drill strings, casing, tubing, wellhead; blowout preventer, drilling spools, kill lines, choke manifold and lines, and valves shall be suitable for H_2S service.

Well Control Equipment:

- Flare Line (See diagram 2).
- Choke manifold (See diagram 2).
- Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing units.
- Auxiliary equipment may include, if applicable, annular preventer & rotating head.

Communication Equipment:

- Proper communication equipment such as cell phones or 2 – way radios should be available for communication between the company man's trailer, rig floor and tool pusher's trailer.

Well Testing:

- There will be no drill stem testing.

Evacuation Plan:

- Evacuation routes should be established prior to spudding the well.
- Should be discussed with all rig personnel.

Designated Areas:

Parking and Visitor area:

- All vehicles are to be parked at a pre-determined safe distance from the wellhead.
- A smoking area will be designated at a pre-determined safe distance from the wellhead and any other possible flammable areas.

Safe Briefing Areas:

- Two Safe Briefing Areas shall be designated on either side of the location at the maximum allowable distance from the well bore so they offset prevailing winds or they are at a 180 degree angle if wind directions tend to shift in the area.

- Personal protective equipment should be stored at both briefing areas or if a moveable cascade trailer is used, it should be kept upwind of existing winds. When wind is from the prevailing direction, both briefing areas should be accessible.

NOTE:

- Additional equipment will be available at Indian Fire and Safety in Hobbs, NM or at Total Safety in Hobbs, NM.

EVACUATION PLAN

General Plan

The direct lines of action to protect the public from hazardous gas situations are as follows:

1. When the company approved supervisor (Drilling Foremen, Tool Pusher or Driller) determine that Hydrogen Sulfide gas cannot be limited to the well location, and the public will be involved, he will activate the evacuation plan. Escape routes are noted on the Area Map.

2. Company safety personnel or designee will notify the appropriate local government agency that a hazardous condition exists and evacuation needs to be implemented.

3. Company approved safety personnel that have been trained in the use of the proper emergency equipment will be utilized.

4. Law enforcement personnel (State Police, Local Police Department, Fire Department, and the Sheriff's Department) will be called to aid in setting up and maintaining road blocks. Also, they will aid in evacuation of the public if necessary.

NOTE: Law enforcement personnel will not be asked to come into a contaminated area. Their assistance will be limited to uncontaminated areas. Constant radio contact will be maintained with them.

5. After the discharge of gas has been controlled, Company approved safety personnel will determine when the area is safe for re-entry.

See Emergency Action Plan

Contacting Authorities

BOPCO L.P. personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available including directions to site. The following call list of essential and potential responders has been prepared for use during a release. (Operator Name)'s response must be in coordination with the State of New Mexico's "Hazardous Materials Emergency Response Plan" (HMER).

H_2S CONTINGENCY PLAN EMERGENCY CONTACTS

BOPCO L.P. Midland Office 432-683-2277

Key Personnel

Name	Title	Cell Phone Number
Stephen Martinez	Drilling Supt.	432-556-0262
Buddy Jenkins	Assistant Supt	432-238-3295
Bill Dannels	Engineer	432-638-9463
Pete Lensing	Engineer	432-557-7157
Charles Warne	Engineer	432-894-1392

Artesia

Ambulance	911
State Police	575-746-2703
City Police	575-746-2703
Sheriff's Office	575-746-9888
Fire Department	575-746-2701
Local Emergency Planning Committee	575-746-2122
New Mexico Oil Conservation Division	575-748-1283

Carlsbad

Ambulance	911
State Police	575-885-3137
City Police	575-885-2111
Sheriff's Office	575-887-7551
Fire Department	575-887-3798
Local Emergency Planning Committee	575-887-6544
US Bureau of Land Management	575-887-6544

New Mexico Emergency Response Commission (Santa Fe)	505-476-9600
24 Hour	505-827-9126
New Mexico State Emergency Operations Center	505-476-9635
National Emergency Response Center (Washington, DC)	800-424-8802

Other

Wild Well Control	432-550-6202 (Permian Basin)
Cudd PressureControl	432-580-3544 or 432-570-5300 (Permian Basin)
Flight For Life – 4000 24th St. Lubbock, Texas	806-743-9911
Aerocare – R3, Box 49F, Lubbock, Texas	806-747-8923
Med Flight Air Amb – 2301 Yale Blvd SE #D3, Albuq., NM	505-842-4433
S B Air Med Service – 2505 Clark Carr Loop SE, Albuq., NM	505-842-4949
Indian Fire and Safety – 3317 NW Cnty Rd, Hobbs, NM	575-393-3093
Total Safety – 3229 Industrial Dr., Hobbs, NM	575-392-2973

TOXIC EFFECTS OF HYDROGEN SULFIDE

Hydrogen Sulfide is extremely toxic. The acceptable ceiling concentration for eight-hour exposure is 10 PPM, which is .001% by volume. Hydrogen Sulfide is heavier than air (specific gravity = 1.192) and colorless. It forms an explosive mixture with air between 4.3 and 46.0 percent by volume. Hydrogen sulfide is almost as toxic as hydrogen cyanide and is between five and six times more toxic than carbon monoxide. Toxicity data for hydrogen sulfide and various other gases are compared in Table I. Physical effects at various Hydrogen Sulfide exposure levels are shown in Table II.

Table I - TOXICITY OF VARIOUS GASES

Common Name	Chemical Formula	Specific Gravity (SC=1)	Threshold Limit (1)	Hazardous Limit (2)	Lethal Concentration (3)
Hydrogen Cyanide	HCN	0.94	10 PPM	150 PPM/HR	300 PPM
Hydrogen Sulfide	H2S	1.18	10 PPM	250 PPM/HR	600 PPM
Sulfur Dioxide	SO2	2.21	5 PPM	--	1000 PPM
Chlorine	CL2	2.45	1 PPM	4 PPM/HR	1000 PPM
Carbon Monoxide	CO	0.97	50 PPM	400 PPM/HR	1000 PPM
Carbon Dioxide	CO2	1.52	5000 PPM	5%	10%
Methane	CH4	0.55	90,000 PPM	Combustible in air	Above 5%

1) **Threshold Limit – Concentration at which it is believed that all worker may be repeatedly exposed day after day without adverse effects.**

2) **Hazardous Limit – Concentration that will cause death with short-term exposure.**

3) **Lethal Concentration – Concentration that will cause death with short-term exposure.**

Table II – PHYSICAL EFFECTS OF HYDROGEN SULFIDE

Percent (%)	PPM	Concentration Grains 100 STD. FT3*	Physical Effects
0.001	< 10	00.65	Obvious & unpleasant odor.
0.002	10	01.30	Safe for 8 hours of exposure.
0.010	100	06.48	Kills smell in 3-15 minutes. May sting eyes & throat.
0.020	200	12.96	Kills smell shortly; stings eyes & throat.
0.050	500	32.96	Dizziness; Breathing ceases in a few minutes. Needs prompt artificial respiration.
0.070	700	45.36	Unconscious quickly; Death will result if not rescued promptly.
0.100	1000	64.30	Unconscious at once; Followed by death within minutes.

- At 15.00 PSIA and 60° F.

USE OF SELF-CONTAINED BREATHING APPARATUS

1. Anyone who uses an SCBA shall: Be approved by a physician or licensed health care practitioner; Pass a fit test; Be trained in donning and doffing, proper use, including how to ensure a proper face seal, conducting an inspection of the SCBA, and conduct proper maintenance.

2. Such items as facial hair (beard or sideburns) and eyeglasses will not allow a proper face mask seal.

3. Anyone reasonably expected to wear SCBA's shall have these items removed before entering a toxic atmosphere.

4. A special mask with a mount for prescription glasses must be obtained for anyone who must wear eyeglasses in order to see while using an SCBA.

5. SCBA's should be worn in H_2S concentrations above 10 PPM.

RESCUE & FIRST AID FOR H_2S POISONING

DO NOT PANIC – REMAIN CALM – THINK

1. Hold your breath – do not inhale first.

2. Put on SCBA.

3. Remove victim(s) to fresh air as quickly as possible. Go upwind from source or at right angle to the wind. Do not go downwind.

4. Briefly apply chest pressure – using arm lift method of artificial respiration to clean victim's lungs and to avoid inhaling any toxic gas directly from victim's lungs.

5. Provide artificial respiration if needed.

6. Provide for prompt transportation to the hospital and continue giving artificial respiration if needed.

7. Inform hospital/medical facilities of the possibility of H2S gas poisoning before they treat.

Besides basic first aid, everyone on location should have a good working knowledge of artificial respiration and CPR, as well as first aid for eyes and skin contact with liquid H_2S.

Proposed H2S Safety Schematic

1) Location of windsocks.

2) Location of H2S alarms

3) Location of briefing areas.

4) Terrain of surrounding area (Please refer to page 2 of survey plat package also see point 11 of multi-surface use plan)

5) Location of flare line(s) and pit(s) (Please refer to diagram 2 choke manifold diagram and or page six of survey plat packet)

6) Location of caution and/or danger signs.

(7) Location of Breathing Equipment

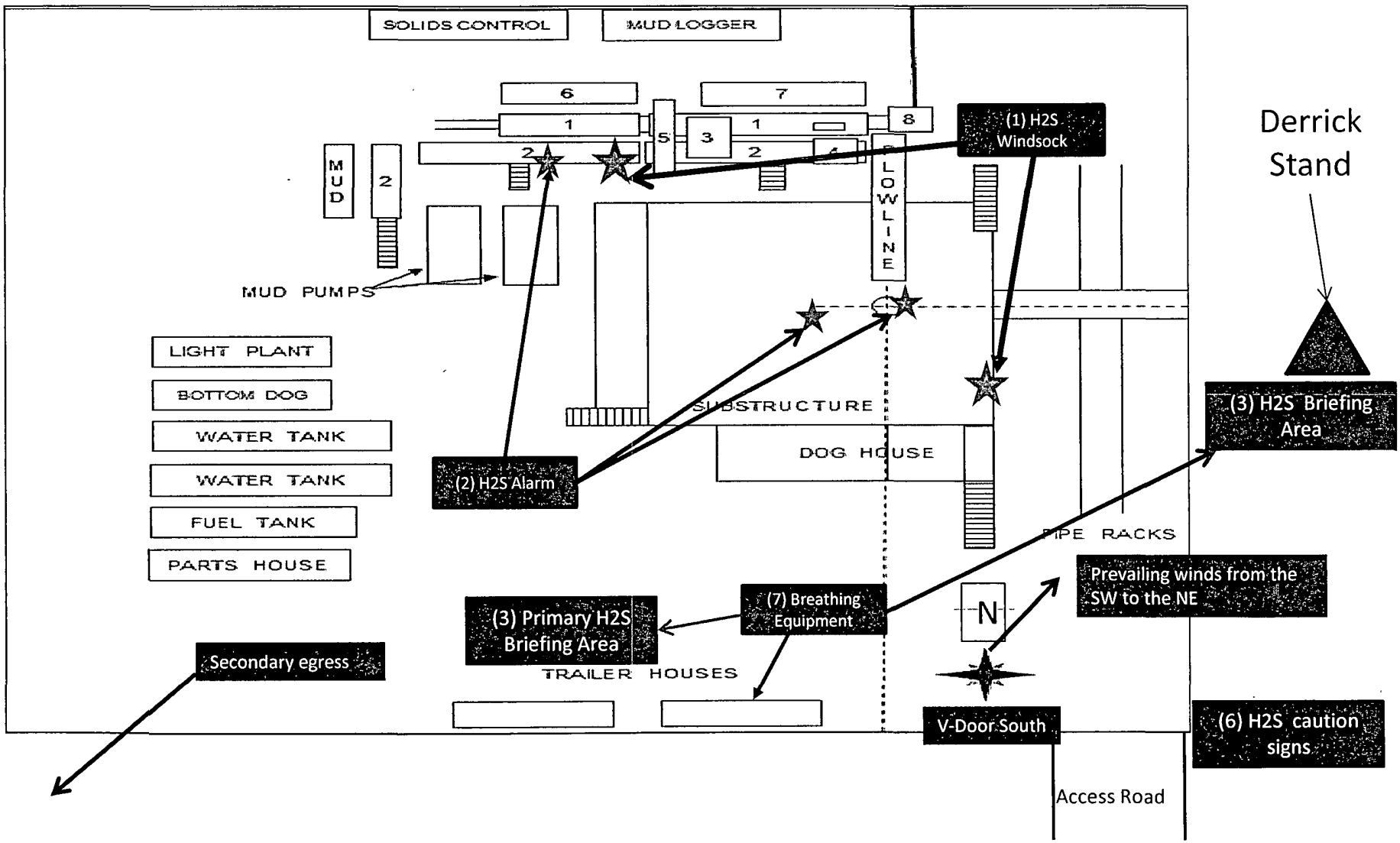
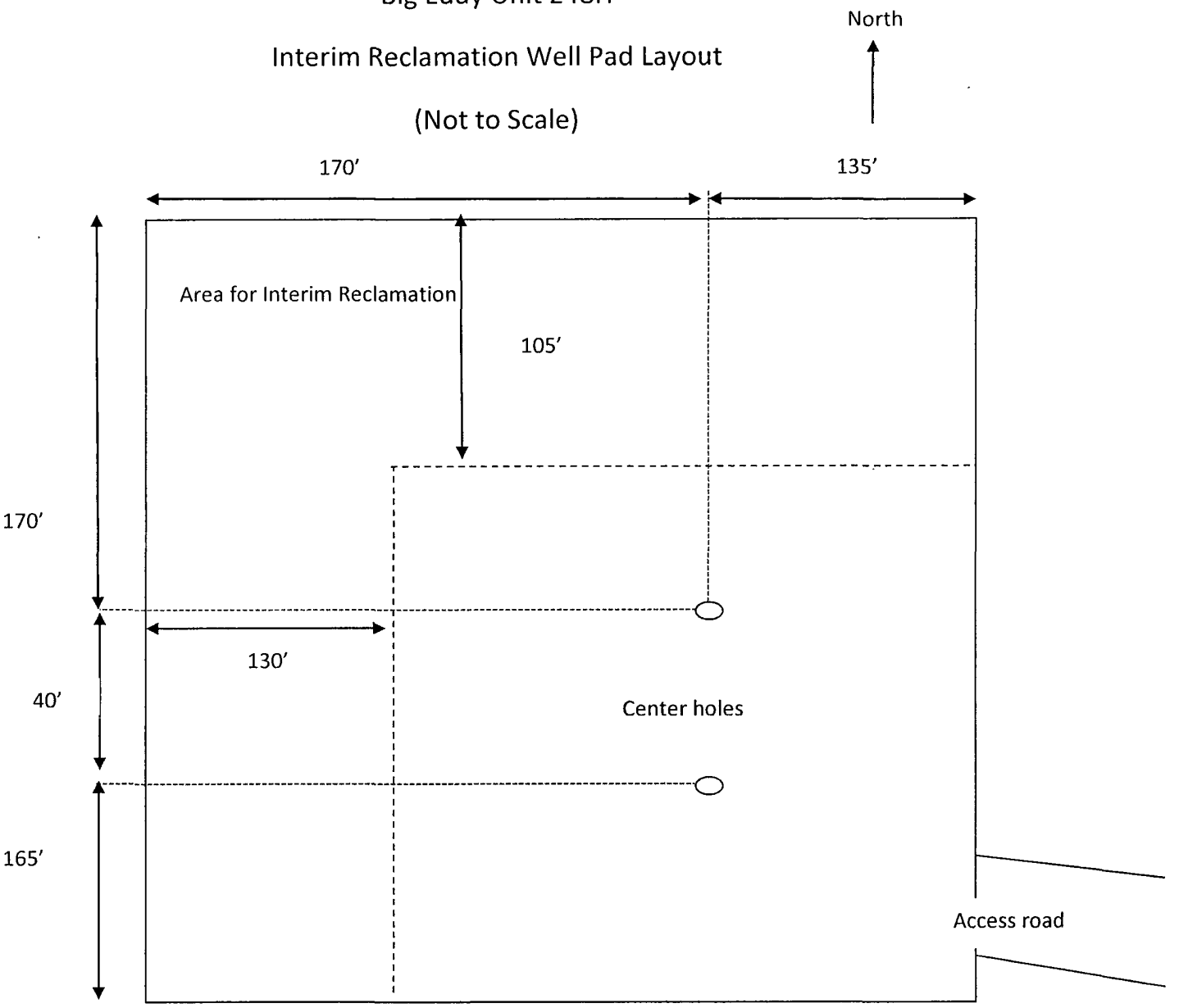


Diagram 3

Big Eddy Unit 248H

Interim Reclamation Well Pad Layout

(Not to Scale)



Location On-Site Notes

On December 14, 2011 a BLM on-site meeting was held with C.K. Jenkins - BOPCO, L.P., Randy Rust- BLM, and Robert Gomez- Basin Surveys. The Big Eddy Unit 248H was reviewed. The surface location was moved from its original location 765' north to avoid a pipeline ROW. The BEU 248H will be drilled on a duel pad with the BEU 249H. V-Door south.

PECOS DISTRICT
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	BOPCO
LEASE NO.:	NM-02447
WELL NAME & NO.:	Big Eddy Unit #248H
SURFACE HOLE FOOTAGE:	1175' FNL & 10' FEL
BOTTOM HOLE FOOTAGE	0380' FNL & 1155' FEL Sec. 34
LOCATION:	Section 35, T.19 S., R.31 E., NMPM
COUNTY:	Eddy County, New Mexico

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Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.