New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson Governor

Jon Goldstein Cabinet Secretary

Jim Noel Deputy Cabinet Secretary Mark Fesmire Division Director Oil Conservation Division



July 13, 2010

Mr. James Bruce P.O. Box 1056 Santa Fe, NM 87504

Administrative Order NSL-6230

Re: BOPCO, L.P. North Indian Flats 19 Well No. 3 API No. 30-015 2310 feet FSL and 200 feet FWL Lot 3, Section 19-21S-29E Eddy County, New Mexico

Dear M:

Reference is made to the following:

(a) your application (administrative application reference No. pTGW10-19433640) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of BOPCO, L.P. [OGRID 260737] (BOPCO), on July 13, 2010, and

(b) the Division's records pertinent to this request.

BOPCO has requested to drill the above-referenced well at an unorthodox oil well location, described above in the caption of this letter. Lot 3 (NW/4 SW/4 equivalent) of Section 19 will be dedicated to this well in order to form a non-standard 30.47-acre wildcat Delaware, oil spacing unit. Spacing is governed by statewide Rule 15.9.A, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from the western unit boundary.

Your application on behalf of BOPCO has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that BOPCO is seeking this location in order to conform to United States Bureau of Land Management surface use requirements.



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It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Mark E. Fesmire, P.E. Director

MEF/db

cc: New Mexico Oil Conservation Division - Artesia United States Bureau of Land Management