

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

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Cabinet Secretary

Karen W. Garcia
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



August 30, 2010

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

Administrative Order NSL-6240

Re: BOPCO, L.P.
James Ranch Unit Well No. 130H
API No. 30-015-
Unit H, Section 36-22S-30E
Eddy County

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW1019-433813**) 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 as a horizontal well in the Delaware formation, at a location that will be unorthodox under Division Rule 16.14.B(2). The proposed surface location, point of penetration and terminus of the well are as follows:

Surface Location: 2185 feet from the North line and 180 feet from the East line
(Unit H) of Section 36, Township 22S, Range 30E, NMPM
Eddy County, New Mexico

Point of Penetration: 2185 feet from the North line and 180 feet from the East line
(Unit H) of Section 36

Terminus 1800 feet from the North line and 330 feet from the East line
(Unit H) of Section 31, Township 22S, Range 31E, NMPM



The S/2 N/2 of Section 31 will be dedicated to the proposed well to form a project area comprising four standard 40-acre, more or less, spacing units in the undesignated Southeast Quahada Ridge-Delaware Pool (50443). This pool 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 unorthodox because a portion of the producing interval will be less than 330 feet from the western boundary of the project area, and therefore outside the producing area.

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

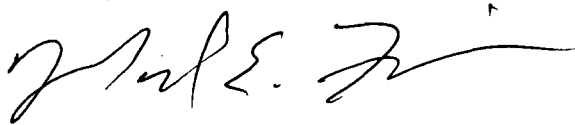
It is our understanding that you are seeking this location because of surface use considerations. It is further understood notice of this application to offsetting operators or owners is not required due to common ownership.

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,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Assistant Director

MEF/tw

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe
United States Bureau of Land Management - Carlsbad