

PTGW

DATE IN 4-21-11	SUSPENSE	ENGINEER DB	LOGGED IN 4.21.11	TYPE NSL	APP NO. 111152081
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



BOPCO 260377
 James Ranch Unit #110
 6373

ADMINISTRATIVE APPLICATION CHECKLIST

30-015-38115

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

306407
 Eddy
 Fed

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- [D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

2011 APR 21 P 1:34
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[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce
 Print or Type Name

James Bruce
 Signature

Attorney
 Title

4/19/11
 Date

jamesbruc@aol.com
 e-mail Address

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

April 19, 2011

Jami Bailey
Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Ms. Bailey:

Pursuant to NMAC 19.15.15.13, BOPCO, L.P. applies for approval of an unorthodox oil well location for the following well:

<u>Well:</u>	James Ranch Unit Well No. 110
<u>Surface location:</u>	2235 feet FSL & 530 feet FEL §1-23S-30E
<u>Bottom hole location:</u>	660 feet FNL & 2310 feet FWL §8-23S-31E
<u>Well unit (project area):</u>	E½SE¼ of §1-23S-30E; W½SW¼ of §6-23S-31E; N½N½ §7-23S-31E; and N½NW¼ of §8-23S-30E, Eddy County, New Mexico (400 acres)

The well will be drilled to a depth sufficient to test the Southeast Quahada Ridge-Delaware Pool. The pool is spaced on statewide rules, with 40 acre spacing, and wells to be located no closer than 330 feet to a quarter-quarter section line. A Form C-102 is attached as **Exhibit A**.

The BLM, as surface owner, is trying to minimize surface disturbance. Therefore, the surface location is being placed on or near existing wellpads. **Exhibit B**.

The entry point in the Delaware is the surface location. However, due to the well's directional plan it will encroach on the offsetting NE¼NE¼ §12-23S-30E (it will be approximately 200 feet from the NE¼NE¼ §12).

The working interest owner of the NE¼NE¼ §12 is Occidental Permian L.P. Notice of the application has been given to the offset, as shown on **Exhibit C**.

Please contact me if you need any further information on this application.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and extends to the right with a long horizontal flourish.

James Bruce

Attorney for BOPCO, L.P.

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 15, 2009

Submit one copy to appropriate
District Office

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number		Pool Code	Pool Name
		50470	Quahada Ridge SE (Delaware)
Property Code	Property Name		Well Number
306407	JAMES RANCH UNIT		110H
OGRID No.	Operator Name		Elevation
260737	BOPCO, L.P.		3294'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	1	23 S	30 E		2235	SOUTH	530	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
C	8	23 S	31 E		660	NORTH	2310	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
400	N		

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

SURFACE LOCATION
Lat - N 32°19'58.52"
Long - W 103°49'38.41"
NMSPCE- N 485218.026
E 697621.651
(NAD-83)

PROPOSED DELAWARE PENETRATION POINT
Lat - N 32°19'58.52"
Long - W 103°49'38.41"
NMSPCE- N 485218.026
E 697621.651
(NAD-83)

PROPOSED LOWER LBC "W" SAND PP
Lat - N 32°19'55.47"
Long - W 103°49'37.13"
NMSPCE- N 484910.20
E 697733.69
(NAD-83)

PROPOSED BOTTOM HOLE LOCATION
Lat - N 32°19'28.11"
Long - W 103°48'03.35"
NMSPCE- N 482184.90
E 705793.20
(NAD-83)

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.

Signature _____ Date _____

Gary E. Gerhard
Printed Name

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 supervision, and that the same is true and correct to the best of my belief.

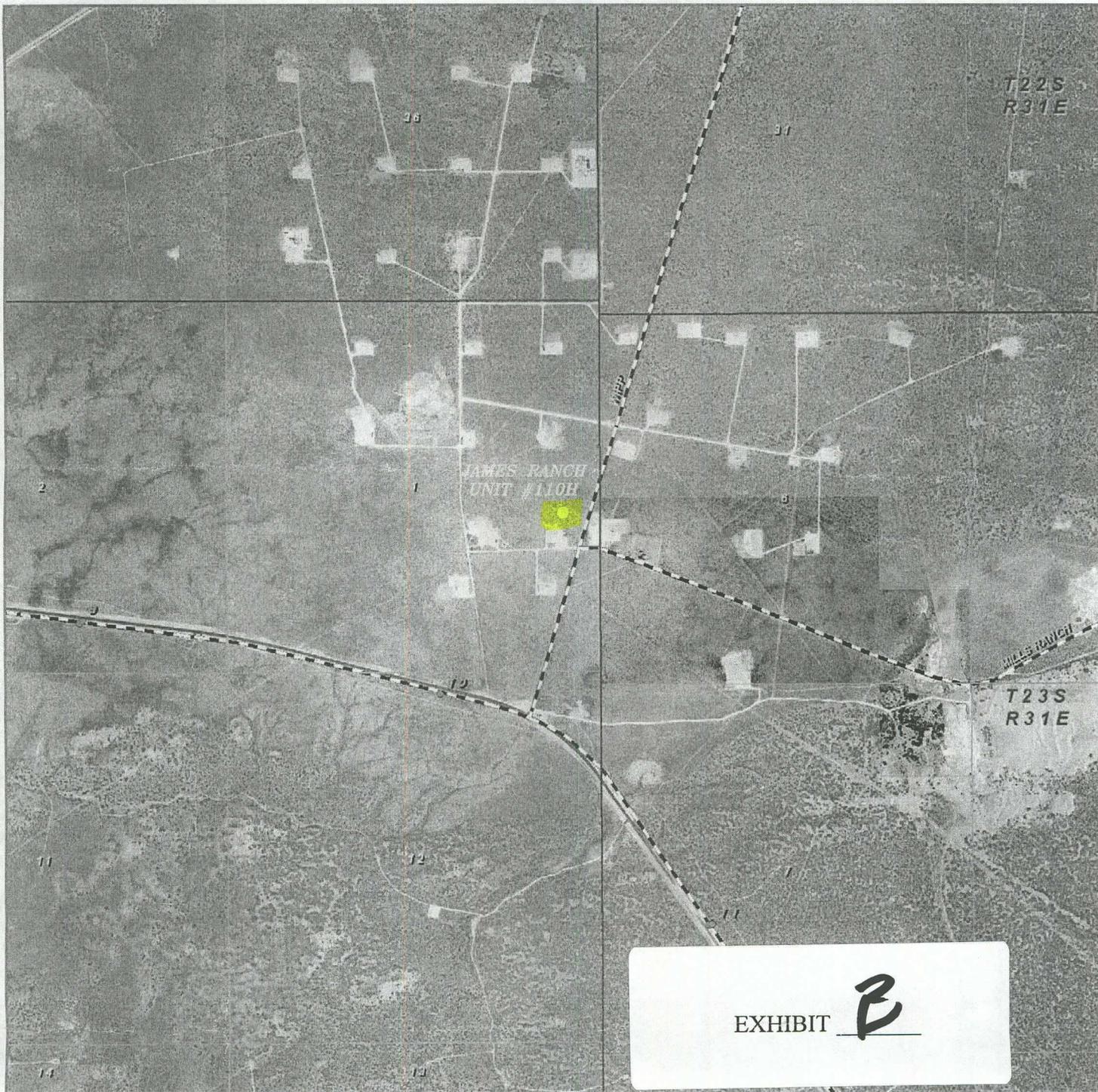
FEBRUARY 2010
Date Surveyed

Signature & Seal of Professional Surveyor

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

EXHIBIT **A**



JAMES RANCH UNIT #110H
 Located 2235' FSL and 530' FEL
 Section 1, Township 23 South, Range 30 East,
 N.M.P.M., Eddy County, New Mexico.

basin
surveys
 focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

W.O. Number: JMS 22334

Scale: 1" = 2000'

YELLOW TINT - USA LAND
 BLUE TINT - STATE LAND
 NATURAL COLOR - FEE LAND



BOPCO, L.P.

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

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(505) 982-2151 (Fax)

jamesbruce@aol.com

April 19, 2011

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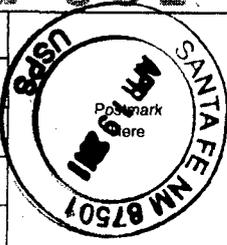
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Sent To: Occidental Permian L.P.
5 Greenway Plaza
Houston, Texas 77046

Street, Apt. No.,
or PO Box No.

City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions



CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Occidental Permian L.P.
5 Greenway Plaza
Houston, Texas 77046

Ladies and gentlemen:

BOPCO, L.P. has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location in Section 7, Township 23 South, Range 31 East, N.M.P.M., Eddy County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter, (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter later.

Very truly yours,


James Bruce

Attorney for BOPCO, L.P.

EXHIBIT **C**

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

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SANTA FE, NEW MEXICO 87501

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(505) 660-6612 (Cell)
(505) 982-2131 (Fax)

jamesbruce@aol.com

May 20, 2011

Via fax

David K. Brooks
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: BOPCO, L.P. ("BOPCO") unorthodox location application
James Ranch Unit Well No. 110

Dear Mr. Brooks:

I previously sent you the attached letter on behalf of BOPCO. BOPCO and Occidental Permian Ltd. have now reached agreement on development of their respective acreage, and OXY does not object to BOPCO's application. See attached letter. Therefore, BOPCO requests that you process the application for approval. Thank you.

Very truly yours,



James Bruce

Attorney for BOPCO, L.P.

cc: Ocean Munds-Dry (via fax)

JAMES BRUCE
ATTORNEY AT LAW

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SANTA FE, NEW MEXICO 87504

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jamesbruce@aol.com

May 9, 2011

Via fax

David K. Brooks
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: BOPCO, L.P. ("BOPCO") unorthodox location application

Dear Mr. Brooks:

BOPCO filed the attached application with the Division 20 days ago. The only offset is Occidental Permian L.P. ("OXY"). BOPCO desires to give OXY an additional 10 days to review the application. Therefore, do not issue any order on this application at this time. Either Ms. Munds-Dry (attorney for OXY) or I will get back to you on this matter during that period. Thank you.

Very truly yours,

COPY

James Bruce

Attorney for BOPCO, L.P.

cc: Ocean Munds-Dry (via fax)
Brad Glasscock (via fax)

BOPCO, L.P.
201 MAIN STREET, SUITE 2700
FORT WORTH, TEXAS 76102
817 / 300-8400

May 17, 2011

W. ROSS SUTTON
LAND MANAGER

Federal Express / E-mail

Occidental Permian Ltd.
5 Greenway Plaza, Suite 110
Houston, TX 77046
Attention: Donna G. Havins

Re: Letter Agreement
James Ranch #110H
SE/4 Section 1, T23S-R30E
Eddy County, New Mexico

Mrs. Havins:

As previously discussed, Occidental Permian LTD ("Oxy") has requested that BOPCO, L.P. ("Bass") not oppose Oxy's applications for permits to drill from a surface location within the boundaries of the James Ranch Unit, specifically in the S/2 of the SE/4 of Section 1, T23S-R30E and the S/2 of the SW/4 of Section 6, T23S-R31E Eddy County, New Mexico, to access and produce an Oxy suspended lease covering Section 12, T23S-R30E (the "Oxy Lease"). Bass as lease owner and operator of the James Ranch Unit and on behalf of the working interest owners in the James Ranch Unit, subject to the paragraph below, agrees not to oppose Oxy's application for a surface location for a multi-well pad at a location acceptable to the Bureau of Land Management ("BLM") near and to the south of the James Ranch Unit Well #62, or another mutually agreeable location within the S/2 of the SE/4 of Section 1, T23S-R30E or the S/2 of the SW/4 of Section 6, T23S-R31E that are also acceptable to the BLM. The location shall be designated when OXY files an Application for Permit to Drill on the Oxy Lease. It is further agreed that such location will not adversely affect Bass' ability to develop its own leasehold estate within the S/2 of the SE/4 of Section 1, T23S-R30E and the S/2 of the SW/4 of Section 6, T23S-R31E Eddy County, New Mexico. Bass also agrees to grant Oxy a surface and subsurface easement covering the well pad and up to four (4) directional well paths at the time Oxy files an Application for Permit to Drill on the Oxy Lease.

In consideration for Bass' agreements herein, Oxy agrees to not object to BOPCO, L.P.'s Non-Standard Location application for the JRU #110H which was filed by letter dated April 19, 2011, a copy of which was provided to Oxy. This letter agreement will be valid for a term of two (2) years from the date hereof. Please acknowledge your agreement with the above by signing in the space provided below and return to the

Oxy Letter Agreement
May 17, 2011
Page 2 of 2

undersigned. If you have any questions or concerns in the above regard, please do not hesitate to contact me at (817) 390-8670.

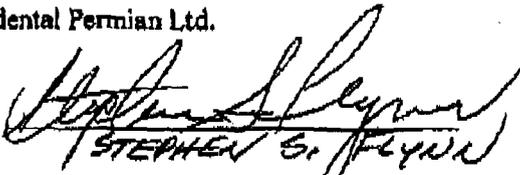
Very truly yours,



W. Ross Sutton
Land Manager

This instrument is executed and agreed to this 18 day of May, 2011 by:

Occidental Permian Ltd.

By: 
STEPHEN S. FLYNN

Dolt

Its: Attorney in Fact

Date: 5-18-11

JAMES BRUCE
Attorney at Law
Post Office Box 1056
Santa Fe, New Mexico 87504
Telephone: (505) 982-2043
Fax: (505) 982-2151
jamesbruc@aol.com

DELIVER TO: David K. Brooks

COMPANY: Oil Conservation Division

CITY: Santa Fe, New Mexico

FAX NUMBER: (505) 476-3462

PAGES: 4 (including cover sheet)

DATE: 5/9/11

MEMO:

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This transmission contains information which may be confidential or legally privileged. The information is intended only for the named recipient. If you are not the intended recipient, copying or distribution of the information is prohibited. If you have received this transmission in error, please call us and return the document to us. Thank you.

JAMES BRUCE
ATTORNEY AT LAW

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SANTA FE, NEW MEXICO 87501

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jamesbruce@aol.com

May 9, 2011

Via fax

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Oil Conservation Division
1220 South St. Francis Drive
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James Bruce

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cc: Ocean Munds-Dry (via fax)
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April 19, 2011

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The working interest owner of the NE¼NE¼ §12 is Occidental Permian L.P. Notice of the application has been given to the offset, as shown on **Exhibit C**.

Please contact me if you need any further information on this application.

Very truly yours,
COPY

James Bruce

Attorney for BOPCO, L.P.