

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

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February 29, 2012

FEDERAL EXPRESS

Bureau of Land Management
Carlsbad District Office
620 E. Green St.
Carlsbad, New Mexico 88220
Attn: Mr. Wesley Ingram

New Mexico State Land Office
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attention: Mr. Pete Martinez

New Mexico Oil Conservation Division
1220 St. Francis
Santa Fe, New Mexico 87505
Attention: Mr. William Jones

Re: 2012 Plan of Development
Big Eddy Unit
Eddy County, New Mexico

Gentlemen:

In accordance with Section 10 of the Big Eddy Unit Agreement dated April 10, 1952, BOPCO, L.P., Operator of the referenced unit, hereby submits a Plan of Development for the Big Eddy Unit for the year 2012.

2011 Activity

- *Drilling*
 - The Big Eddy Unit 38 was re-entered and a horizontal leg was drilled and completed in the Delaware formation.
- *Plugged and Abandoned*
 - No Big Eddy Unit wells were plugged and abandoned in 2011.
- *Participating Areas*
 - No Big Eddy Unit Participating Areas were revised or established in 2011.

Future Development

- *Delaware*
 - Two (2) Delaware wells are expected to be drilled and/or permitted in 2012.

Offset Obligations

- Appropriate and adequate measures will be taken to prevent drainage of unitized substances from lands covered by the Big Eddy Unit Agreement or pursuant to applicable regulations.

Modifications

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

Effective Date

- This Plan of Development became effective on January 1, 2012.

If this Plan of Development meets with your approval, please so indicate by signing in the appropriate space provided below and return one (1) signed original to the undersigned for our records.

Sincerely,


Andy Morrison

WRS:ca

ACCEPTED AND AGREED this 2ND day of MARCH, 2012.

BUREAU OF LAND MANAGEMENT

By: _____

COMMISSIONER OF PUBLIC LANDS

By: _____

NEW MEXICO OIL CONSERVATION DIVISION

By: Ed Martin

Big Eddy Unit - Future Delaware Development

	Surface Location		Bottom Hole Location		Depth
	S-T-R	Footage Call	S-T-R	Footage Call	
251H	35-19-31	660' FSL & 10' FEL	34-19-31	660' FSL & 1,155' FEL	15,517
252H	35-19-31	620' FSL & 10' FEL	2-20-31	330' FSL & 660' FEL	14,785

Big Eddy Unit - 2011 Drilling Activity

	Surface Location		Bottom Hole Location		Depth
	S-T-R	Footage Call	S-T-R	Footage Call	
<i>Delaware</i>					
BEU 38H	34-21-29	660' FNL & 1980' FWL	35-21-29	1200' FSL & 1990' FWL	13,016