

BOPCO, L.P.
201 MAIN STREET, SUITE 2700
FORT WORTH, TEXAS 76102
817 / 390-8400

ANDY MORRISON
DIVISION LANDMAN

February 27, 2015

FEDERAL EXPRESS

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

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. David Brooks

Re: 2015 Plan of Development
Big Eddy Unit
Eddy County, New Mexico

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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 2015.

2014 Activity

- *Drilling*
 - The Bone Spring horizontal development program continued with thirteen (13) wells being completed.
 - One (1) horizontal Delaware test well was completed.
- *Plugged and Abandoned*
 - No Big Eddy Unit wells were plugged and abandoned in 2014.
- *Participating Areas*
 - No Big Eddy Unit Participating Areas were revised or established in 2014, however BOPCO anticipates establishing several Bone Spring Participating Areas in 2015 to accommodate new production.
- *Infrastructure*
 - *Production Batteries*
 - BEU DI-4 - Constructed tank battery to process oil and gas from new producing wells. Laid 2.2 miles of 4" polyethylene SWD line connecting this battery to the BOPCO Hackberry SWD system. Laid 2.2 miles of gas line to connect battery to gas sales point. Vapor recovery units were installed to insure that tank vapors are compressed, metered and sold via the gas sales connection at the tank battery.
 - BEU DI-5 - Constructed tank battery to process oil and gas from new producing wells. Connected DI-5 to the Hackberry SWD with 8 miles of 4" polyethylene pipeline. Constructed gas sales line and set compression to initiate gas sales from facility. Vapor recovery units were installed to insure that tank vapors are

compressed, metered and sold via the gas sales connection at the tank battery.

- BEU DI-9 - Constructed tank battery to process hydrocarbons from new producing wells. Connected the DI-9 battery to the newly completed James Ranch 21 SWD with 8 miles of 12" polyethylene pipeline. Constructed gas sales line and set compression to initiate gas sales from facility. Vapor recovery units were installed to insure that tank vapors are compressed, metered and sold via the gas sales connection at the tank battery.
- Hackberry 34 Production Battery – Facility was expanded to accommodate production from additional wells. Vapor recovery unit and an upgraded flash tower to capture tank vapors and enlarged capacity gas compression to minimize gas flaring were completed in 2014.

○ *Electrical*

- BEU DI-9 Electrical Substation – Commenced construction of a 56 MVA substation to support developing electrical load in the James Ranch Unit and Big Eddy Unit. Completion of this substation will minimize the use of fossil fuel generators to support developing electrical load in the JRU and Southeastern BEU areas.

Future Development

- *Bone Spring*
 - Two (2) Bone Spring wells are expected to be drilled in 2015.
- *Potash*
 - Upon BLM's issuance of guidelines for operations within the Secretary's Potash Area, additional wells may be added to the 2015 development plan.

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, 2015.

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

HAM:mec

ACCEPTED AND AGREED this 22 day of June, 2015.

BUREAU OF LAND MANAGEMENT

By: _____

COMMISSIONER OF PUBLIC LANDS

By: _____

NEW MEXICO OIL CONSERVATION DIVISION

By: Will Jones, Engineer

Big Eddy Unit - Well Status List

WELL NAME	RESERVOIR	MAJOR	STATUS	API	Agreement #
BIG EDDY #007	MORROW	GAS	ACT	30-015-10765	029001189A
BIG EDDY #033	BS/STR	OIL	ACT	30-015-20369	0290045570
BIG EDDY #040	STRAWN	OIL	P&A	30-015-21117	590 87C445 0
BIG EDDY #041	ATOKA	GAS	P&A	30-015-21325	0710671440
BIG EDDY #054	MORROW	GAS	P&A	30-015-22133	0710593650
BIG EDDY #056W	DELAWARE	SWD	ACT	30-015-22222	NA
BIG EDDY #066	ATOKA	GAS	ACT	30-015-22682	590 87C440 0
BIG EDDY #074	DELAWARE	OIL	ACT	30-015-22839	0710671440
BIG EDDY #085	MORROW	GAS	ACT	30-015-23629	590 87C444 0
BIG EDDY #133	RAMSEY	OIL	ACT	30-015-28043	071069144A
BIG EDDY #152	DELAWARE	OIL	ACT	30-015-35481	0710692190
BIG EDDY #156	ATOKA	GAS	ACT	30-015-35269	71069140A
BIG EDDY #163	MORROW	GAS	ACT	30-015-35348	071063418A
BIG EDDY #165	ATOKA	GAS	ACT	30-015-35251	NM 119157
BIG EDDY #167	MORROW	GAS	ACT	30-015-35571	NM 127506
BIG EDDY UNIT #008	BONE SPRING	OIL	ACT	30-015-10775	0290068180
BIG EDDY UNIT #038H	DELAWARE	OIL	ACT	30-015-20940	71067964
BIG EDDY UNIT #039	MORROW	GAS	ACT	30-015-20945	891 000326 D
BIG EDDY UNIT #044	ATOKA	GAS	ACT	30-015-21529	E-00831, E-05230 (State)
BIG EDDY UNIT #053	MORROW	GAS	ACT	30-015-22075	891 000326 H
BIG EDDY UNIT #054	ATOKA	GAS	ACT	30-015-22133	71059365
BIG EDDY UNIT #064	MORROW	GAS	ACT	30-015-23131	891 000326 R
BIG EDDY UNIT #070	STRAWN	GAS	ACT	30-015-23473	71069219
BIG EDDY UNIT #072	MORROW	GAS	ACT	30-015-22859	891 000326 I
BIG EDDY UNIT #072	ATOKA	GAS	ACT	30-015-22859	891 000326 L
BIG EDDY UNIT #073	ATOKA	GAS	ACT	30-015-22989	29000505, 29002918
BIG EDDY UNIT #076	MORROW	GAS	ACT	30-015-22966	891 000326 A
BIG EDDY UNIT #076	ATOKA	GAS	BP	30-015-22966	891 000326 L
BIG EDDY UNIT #077	MORROW	GAS	ACT	30-015-22945	891 000326 B
BIG EDDY UNIT #082	MORROW	GAS	ACT	30-015-23577	891 000326 J
BIG EDDY UNIT #087	ATOKA	GAS	ACT	30-015-23969	290004860
BIG EDDY UNIT #094	ATOKA	GAS	ACT	30-015-24084	NM 84629
BIG EDDY UNIT #095	ATOKA	GAS	ACT	30-015-24210	0290011480
BIG EDDY UNIT #097	MORROW	GAS	ACT	30-015-24138	0710679640
BIG EDDY UNIT #122W	DELAWARE	SWD	ACT	30-015-27454	NA
BIG EDDY UNIT #133	DELAWARE	OIL	ACT	30-015-28043	71069144A
BIG EDDY UNIT #143	MORROW	GAS	ACT	30-015-32955	NM 111784
BIG EDDY UNIT #144	STRAWN	GAS	ACT	30-015-33103	NM 111785
BIG EDDY UNIT #148	MORROW	GAS	ACT	30-015-35146	NM 119166
BIG EDDY UNIT #149	MORROW	GAS	ACT	30-015-33972	0290011480
BIG EDDY UNIT #150	STRAWN	GAS	SI	30-015-33231	0710660670
BIG EDDY UNIT #151	MRW/STR	GAS	ACT	30-015-33157	0710593650
BIG EDDY UNIT #153	ATOKA	GAS	ACT	30-015-34012	0290042280
BIG EDDY UNIT #154	ATOKA	GAS	ACT	30-015-34399	071069142A
BIG EDDY UNIT #155	MORROW	GAS	ACT	30-015-34921	071069159A
BIG EDDY UNIT #156	MORROW	GAS	ACT	30-015-35269	071069140A
BIG EDDY UNIT #158	MORROW	GAS	ACT	30-015-35345	071060853A
BIG EDDY UNIT #159	ATOKA	GAS	ACT	30-015-35145	071069140A
BIG EDDY UNIT #159	MORROW	GAS	TA	30-015-35145	891 000326 B
BIG EDDY UNIT #160	ATOKA	GAS	ACT	30-015-36289	71069140A, 71069142A

Big Eddy Unit - Well Status List

BIG EDDY UNIT #162	MORROW	GAS	ACT	30-015-36020	71062573, 71068284
BIG EDDY UNIT #164	MORROW	GAS	ACT	30-015-35592	71069144, 71069144A
BIG EDDY UNIT #165	MORROW	GAS	ACT	30-015-35251	NM 119157
BIG EDDY UNIT #166	MORROW	GAS	SI	30-015-36019	NA
BIG EDDY UNIT #169	STRAWN	GAS	ACT	30-015-35169	71069707
BIG EDDY UNIT #171	MORROW	GAS	ACT	30-015-35591	071069159A
BIG EDDY UNIT #186	ATK/MRW	GAS	ACT	30-015-35753	071069142A
BIG EDDY UNIT #190	MORROW	GAS	ACT	30-015-36290	71060613, 71060853A, 71067186
BIG EDDY UNIT #191	MORROW	GAS	ACT	30-015-36291	290005090, 29002918
BIG EDDY UNIT #202	MORROW	GAS	ACT	30-015-36292	71067144, 71068284
BIG EDDY UNIT #213	MORROW	GAS	ACT	30-015-36293	71060853A, 71060613
BIG EDDY UNIT #218	MORROW	GAS	ACT	30-015-36297	71067186, 29415688A
BIG EDDY UNIT #220	MORROW	GAS	ACT	30-015-36455	71063418A, 71067186
BIG EDDY UNIT #248H	BONE SPRING	OIL	ACT	30-015-40714	071069159A
BIG EDDY UNIT #249H	BONE SPRING	OIL	ACT	30-015-40715	071069159A
BIG EDDY UNIT #250H	BONE SPRING	OIL	ACT	30-015-40498	0290024470
BIG EDDY UNIT #251H	BONE SPRING	OIL	ACT	30-015-40499	0290024470
BIG EDDY UNIT #252H	BONE SPRING	OIL	ACT	30-015-40500	0290024470
BIG EDDY UNIT #256H	BONE SPRING	OIL	ACT	30-015-41457	071069159A
BIG EDDY UNIT #257H	BONE SPRING	OIL	ACT	30-015-42006	0290024470
BIG EDDY UNIT #258H	BONE SPRING	OIL	ACT	30-015-42218	0290024470
BIG EDDY UNIT #259H	BONE SPRING	OIL	ACT	30-015-41601	0290024470
BIG EDDY UNIT #265H	Wolfcamp	OIL	ACT	30-015-41076	0290024470
BIG EDDY UNIT DI2 #1H	BONE SPRING	OIL	ACT	30-015-41820	0710697050
BIG EDDY UNIT DI2 #2H	BONE SPRING	OIL	ACT	30-015-41861	0710697050
BIG EDDY UNIT DI4 #264H	BONE SPRING	OIL	ACT	30-015-42478	0710684080
BIG EDDY UNIT DI4 #270H	BONE SPRING	OIL	ACT	30-015-42479	0710684080
BIG EDDY UNIT DI5 #004H	DELAWARE	OIL	ACT	30-015-40397	0710659140
BIG EDDY UNIT DI9 #34H	BONE SPRING	OIL	ACT	30-015-42008	029004105A
BIG EDDY UNIT DI9 #35H	BONE SPRING	OIL	ACT	30-015-42007	0710631670
BIG EDDY UNIT DI28 #254H	BONE SPRING	OIL	ACT	30-015-41798	0290067480
BIG EDDY UNIT DI28 #277H	BONE SPRING	OIL	ACT	30-015-42568	0290067480

Big Eddy Unit - 2015 Bone Spring Development

Well	SL Footage Call	BHL Footage Call	MD
BEU DI4 267H	1,840' FSL & 2,095' FEL, 5-20S-31E	1,940' FSL & 330' FWL, 6-20S-31E	16,850'
BEU DI4 273H	720' FSL & 2,105' FEL, 5-20S-31E	660' FSL & 330' FWL, 6-20S-31E	16,850'

Big Eddy Unit - 2014 Bone Spring Development

Well	SL Footage Calls	BHL Footage Calls	MD
BEU 257H	1670' FSL & 2530' FEL, Sec 33-19S-31E	660' FSL & 1470' FEL Sec 34-19S-31E	15,433'
BEU 258H	700' FSL & 10' FEL, Sec 27-19S-31E	1,959' FSL & 350' FWL, Sec 27-19S-R31E	14,310'
BEU 259H	660' FSL & 10' FEL, Sec 27-19S-R31E	636' FSL & 321' FWL, Sec 27-19S-R31E	13,854'
BEU DI 2-1H	660' FNL & 1255' FEL, Sec 34-19S-31E	378' FNL & 2,290' FEL, Sec 33-19S-31E	15,164'
BEU DI 2-2H	660' FNL & 1,215' FEL, Sec 34-19S-31E	1,952' FNL & 2,289' FEL, Sec 33-19S-31E	15,800'
BEU DI 9-35H	130' FSL & 879' FEL, Sec 21-21S-30E	660' FSL & 2310' FEL Sec 19-21S-30E	20,325'
BEU DI 4-264H	660' FNL & 2220' FEL, Sec 5-20S-31E	660' FNL & 330' FWL, Sec 6-20S-31E	16,680'
BEU DI 4-270H	700' FNL & 2220' FEL, Sec 5-20S-31E	2000' FNL & 330' FWL, Sec 6-20S-31E	17,306'
BEU DI 28-277H	939' FNL & 889' FWL, Sec 15-21S-29E	1980' FSL & 330' FEL, Sec 13-21S-29E	25,408'
BEU DI 4-269H	660' FNL & 2100' FEL, Sec 5-20S-31E	660' FNL & 330' FEL, Sec 4-20S-31E	15,755'
BEU DI 4-271H	700' FNL & 2100' FEL, Sec 5-20S-31E	2000' FNL & 330' FEL, Sec 4-20S-31E	16,284'
BEU DI 9-34H	90' FSL & 879' FEL, Sec 21-21S-30E	660' FNL & 2310' FEL, Sec 30-21S-30E	20,430'
BEU DI 28-254H	700' FNL & 969' FWL, Sec 15-21S-29E	1,972' FNL & 300' FEL, Sec 13-21S-29E	9,155'

Big Eddy Unit - 2014 Delaware Development

Well	SL Footage Calls	BHL Footage Calls	MD
BEU DI 5-4H	1980' FNL & 1848' FEL, Sec 27-20S-31E	2050' FNL & 330' FEL, Sec 25-20S-31E	18,927'