

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

July 6, 2010

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: Commercial Determination
James Ranch Unit Well No. 104 H
Delaware Formation
Eddy County, New Mexico

Gentlemen:

Please find attached hereto one (1) copy of Bass' commercial determination worksheets and exhibits which indicate that the subject well is a commercial well in the Delaware Formation. Please indicate your concurrence to the above Commercial Determination. Upon your execution hereof, Bass will submit a participating area for the well.

Thank you very much and should you have any questions or comments in regard to the attached commercial determination, please do not hesitate to contact the undersigned.

Very truly yours,



Brad Glasscock

Bureau of Land Management

New Mexico State Land Office

New Mexico Oil Conservation Division

By: _____

By: _____

By: _____

Its: _____

Its: _____

Its: _____

Date: _____

Date: _____

Date: _____

INTER-OFFICE MEMORANDUM
MIDLAND OFFICE

April 8, 2010


TO: FORT WORTH, FILES
FOR: FRANK McCREIGHT
FROM: STEVE F. JOHNSON
RE: COMMERCIAL DETERMINATION
JAMES RANCH UNIT #104H
QUAHADA RIDGE SE (DELAWARE) FIELD
EDDY COUNTY, NEW MEXICO
FILE: 100-WF: JRU104HCD.DOC

Attached are the worksheets and necessary exhibits for the subject well to be submitted for commercial determination. The James Ranch Unit #104H was drilled in 2009 to a measured depth of 14,132' and was completed in the Delaware. The well is producing from Delaware perforations 7,715-14,065'. On test 1/28/2010 the well pumped at the rate of 1003 BOPD, 565 MCFPD, and 955 BWPD. This well is expected to recover approximately 469.189 MBOE from the current completion.

The most recent price file from Fort Worth was utilized and the oil price as adjusted by - \$3.44/BO plus a \$.57/mcf transportation fee. An operating cost of \$13,000/mo for 18 months and \$6,500 thereafter was also incorporated in this evaluation. The James Ranch Unit #104 will be a commercial well and should be incorporated into a participating area.



Steve Johnson

 RSD/cdp

cc: Ross Sutton
George Hillis
Brad Glasscock

WORKSHEET FOR COMMERCIAL DETERMINATION AND PARTICIPATING AREA IN FEDERAL UNITS

WELL DATA

WELL James Ranch Unit #104H FORMATION DELAWARE
 LOCATION F UNIT, 2000 FEET FROM NORTH LINE & 1730 FEET FROM WEST LINE
 SECTION 36 TOWNSHIP 22S RANGE 30E COUNTY Eddy NEW MEXICO
 SPUD DATE 10/31/2009 COMPLETION DATE 1/14/2010 INITIAL PRODUCTION 1/14/2010
 PERFORATIONS 7715-14065

* BHL UL D 575' FNL 367' FWL SEC 35, T22S R30E
 STIMULATION:

ACID _____

FRACTURE 7715-14065' - See Attached sheets

POTENTIAL (1/28/2010): 1003 BOPD, 565 MCFPD, 955 BWPD

(Attach Copy of C-105. Attach Copy of Wellbore Sketch of Completed Well.)

VOLUMETRIC CALCULATION

	SANDS PERFORATED	SANDS NOT PERFORATED BUT POTENTIALLY PRODUCTIVE
Area (A) proration unit size, acres	<u>320</u>	_____
Porosity (Φ), %	<u>12%</u>	_____
Water saturation (S_w), %	<u>55%</u>	_____
Net Thickness (H), ft.	<u>86</u>	_____
Temperature (T), Fahrenheit	<u>120</u>	_____
Bottom Hole pressure (P), psia	<u>3,317</u>	_____
Recovery factor (RF), %	<u>17%</u>	_____
Recoverable Oil, Bbls *(See eq. below)	<u>883,891</u>	_____

*Sometimes unable to match performance due to volumetric uncertainty.

Formula = $(7758) (A) (H) (\Phi) (1-S_w) (1/B_o) (RF)$

$B_o = 1.50$

Continued

PERFORMANCE DATA

(If sufficient history exists, attach plot of oil production rate v time.)

CUMULATIVE PRODUCTION TO 2/28/2010 31,742 BBL OIL 24,991 MCFINITIAL RATE (qi) 916ECONOMIC LIMIT (ql) 5HYPERBOLIC DECLINE RATE, dy n = .95, d = 98%/yrREMAINING OIL (Q) = 360,046ULTIMATE RECOVERABLE OIL (BO) 391,788

(Attach plot showing proration unit and participating area.)

ECONOMIC

GROSS WELL COST \$3,184,592 (to the depth of formation completed)COMPLETION COST \$2,447,508GROSS TOTAL COST \$5,632,100

YEAR	GROSS OIL MBBLS	BFIT NET INCOME (\$M)	OPERATING COST (\$M) INCL SEV & AD VAL TAX	5% NET BFIT DISCOUNTED CASH FLOW
ZERO				
1	140.244	10885.0	1425.0	5765.4
2	46.534	3826.9	510.7	3078.3
3	28.432	2366.0	336.7	1790.3
4	20.329	1704.2	264.0	1208.0
5	15.812	1335.7	223.5	887.2
6	12.915	1102.8	191.8	691.1
7	10.928	943.0	158.8	565.9
8	9.417	822.5	148.4	462.7
9	8.286	733.5	140.7	387.0
10	7.392	660.8	134.4	326.9
REMAINDER	88.698	8007.5	2750.2	2125.2
TOTAL	388.987	32387.9	6284.1	17288.0

WELL IS COMMERCIAL

ECONOMIC PROJECTION

Date : 4/8/2010

Lior:

3:49:34PM

Project Name : Exp of Risked 2009 New wells databa

As Of Date : 01/01/2010

Lease Name : JRU 104-H

Partner : ALL CASES

Discount Rate (%) : 5.00

Reserv Cat. : Proved Producing

Case Type : LEASE CASE

Field : LOS MEDANOS

Archive Set : BUDGET2009

JRU 104-H

Operator : BOPCO

Cum Oil (Mbbbl) : 0.00

Reservoir : DELAWARE

Cum Gas (MMcf) : 0.00

Co., State : EDDY, NM

Risk: 0.000 Inherited/ 0.000 Compounded

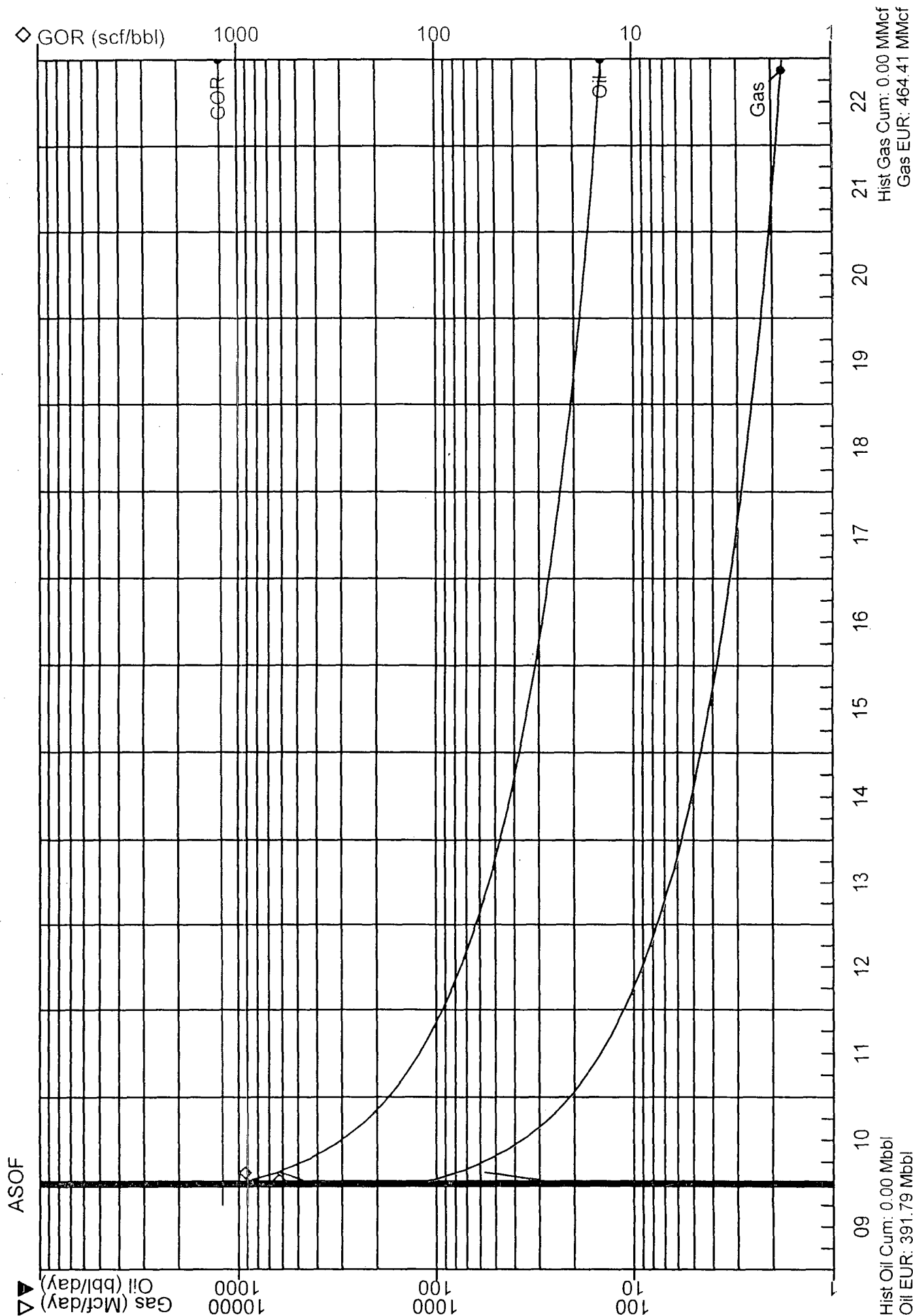
Year	Gross Wet Production		Gross Dry Gas & NGL		Sales		
	Oil (Mbbbl)	Wet Gas (MMcf)	Dry Gas (MMcf)	NGL (Mgal)	Oil (Mbbbl)	Gas (MMcf)	NGL (Mgal)
2010	123.594	135.347	87.895	577.933	107.156	76.205	501.068
2011	45.508	54.760	35.561	233.824	39.456	30.831	202.726
2012	27.671	33.351	21.658	142.410	23.991	18.778	123.470
2013	19.743	23.835	15.478	101.775	17.117	13.420	88.239
2014	15.338	18.547	12.044	79.195	13.298	10.442	68.662
2015	12.518	15.161	9.846	64.739	10.853	8.536	56.129
2016	10.587	12.843	8.341	54.841	9.179	7.231	47.547
2017	9.120	11.081	7.196	47.316	7.907	6.239	41.023
2018	8.021	9.762	6.340	41.685	6.954	5.496	36.141
2019	7.154	8.721	5.664	37.241	6.203	4.910	32.288

Rem	112.533	141.000	91.565	602.070	97.566	79.387	521.995
Total	391.788	464.410	301.588	1,983.031	339.680	261.477	1,719.288
Ult.	391.788	464.410					

Year	Average Price			Net Revenue			
	Oil (\$/bbl)	Gas (\$/Mcf)	NGL (\$/gal)	Oil (M\$)	Gas (M\$)	NGL (M\$)	Total (M\$)
2010	81.33	4.50	0.83	8,714.61	343.01	415.89	9,473.51
2011	86.03	5.34	0.83	3,394.42	164.71	168.26	3,727.40
2012	86.72	5.78	0.83	2,080.39	108.58	102.48	2,291.45
2013	87.14	6.05	0.83	1,491.59	81.25	73.24	1,646.07
2014	87.58	6.34	0.83	1,164.69	66.21	56.99	1,287.89
2015	88.30	6.67	0.83	958.31	56.94	46.59	1,061.83
2016	88.97	7.01	0.83	816.69	50.67	39.46	906.82
2017	89.84	7.34	0.83	710.30	45.81	34.05	790.17
2018	90.82	7.70	0.83	631.59	42.31	30.00	703.90
2019	91.53	7.97	0.83	567.75	39.13	26.80	633.68
Rem	91.53	8.62	0.83	8,930.24	683.98	433.26	10,047.47
Total	86.73	6.43	0.83	29,460.59	1,682.59	1,427.01	32,570.20

Year	Expenditures				Future Net Revenue			
	Total Sev Taxes (M\$)	Total Adv Taxes (M\$)	Net Investments (M\$)	Total Net Opcosts (M\$)	Annual (M\$)	Cumulative (M\$)	Disc. Ann. CF 5.00 % (M\$)	Cum. Disc. CF 5.00 % (M\$)
2010	659.79	18.34	5,632.10	479.96	2,683.32	2,683.32	2,502.68	2,502.68
2011	268.67	7.45	0.00	220.07	3,231.21	5,914.52	2,999.48	5,502.16
2012	165.29	4.58	0.00	156.50	1,965.08	7,879.61	1,733.65	7,235.80
2013	118.79	3.29	0.00	134.02	1,389.97	9,269.58	1,165.92	8,401.72
2014	92.98	2.58	0.00	121.53	1,070.80	10,340.38	854.19	9,255.91
2015	76.70	2.12	0.00	107.76	875.24	11,215.62	663.96	9,919.88
2016	65.53	1.81	0.00	87.31	752.16	11,967.79	542.76	10,462.63
2017	57.13	1.58	0.00	86.02	645.43	12,613.22	442.97	10,905.60
2018	50.92	1.41	0.00	85.06	566.52	13,179.74	369.83	11,275.43
2019	45.85	1.27	0.00	84.30	502.26	13,682.00	311.90	11,587.34
Rem	728.23	20.09	0.00	3,754.30	5,544.85	5,544.85	2,076.61	2,076.61
Total	2,329.88	64.54	5,632.10	5,316.84	19,226.85	19,226.85	13,663.94	13,663.94

Major Phase :	Oil	Working Int :	1.00000000	Present Worth Profile (M\$)	
Perfs :	0 0	Revenue Int :	0.86700000		
Initial Rate :	14,718.00 bbl/month	Disc. Initial Invest. (m\$) :	5,632.095	1.00% :	17,700.90
Abandonment :	79.02 bbl/month	Internal ROR (%) :	128.78	5.00% :	13,663.94
Initial Decline :	98.46 % year b = 0.950	ROIInvestment (disc/undisc) :	3.43 / 4.41	10.00% :	10,840.31
Beg Ratio :	0.63 Mcf/bbl	Years to Payout :	0.53	15.00% :	9,038.58
End Ratio :	1.32 Mcf/bbl	Abandonment Date :	11/08/2066	20.00% :	7,738.74
Forecast Start :	01/01/2010			25.00% :	6,731.80
		Initial	1st Rev.	30.00% :	5,915.43
		Working Interest : 1.00000000	0.00000000	40.00% :	4,647.69
		Revenue Interest : 0.86700000	0.00000000	50.00% :	3,688.23
		Rev. Date :		60.00% :	2,923.89



RECEIVED

OPERATOR'S COPY

Canebo

Form 3160-4
(April 2004)

MAR 26 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

BOPCO WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other
 b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,
 Other _____

2. Name of Operator
BOPCO, L.P.

3. Address
P.O. Box 2760 Midland TX 79702

3.a Phone No. (Include area code)
(432)683-2277

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At Surface UL F, 2000' FNL, 1730' FWL, Lat N 32.35034, Long W 103.83733

At top prod. interval reported below

At total depth UL D, 575' FNL, 367' FWL, Sec 35

14. Date Spudded

10/31/2009

15. Date T.D. Reached

12/03/2009

16. Date Completed

☐ D & A ☒ Ready to Prod.
01/14/2010

5. Lease Serial No.
NM 02952A

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and no.

NMNM70965F

8. Lease Name and Well No.

James Ranch Unit 104H

9. API Well No.

30-015-37271

10. Field and Pool, or Exploratory

Quahada Ridge SE (Delaware)

11. Sec., T., R., M., on Block and
Survey or Area

Sec 36, T22S, R30E

12. County or Parish

Eddy

13. State

NM

17. Elevations (DF, RKB, RT, GL)*

3334.92' GL

18. Total Depth: MD 14,132'
TVD 7274'

19. Plug Back T.D.: MD
TVD

20. Depth Bridge Plug Set: MD
TVD

21. Type of Electric & Other Mechanical Logs Run (Submit copy of each)
GR Down Log Flipped; PPC Borehole Graphics; Power Positioning Caliper
GR

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☐ No ☒ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17-1/2"	13-3/8" 44#	48#	0	620' TVD		535 sxs		0' Circ	
12-1/4"	9-5/8" 53#	40#	0	3829' TVD		1350 sxs		0' Circ	
8-3/4"	7" P-110	23#	0	7700'	5018'	380 sxs Stg I		5018' DV	
						625 sxs Stg II		0' Circ	
6-1/8"	4-1/2" P-110	11.6#	6786'	14,082'					

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-7/8"	6760'							

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Delaware	3808'	7274' TVD	See attachment for details			
B)						
C)						
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	
	See attachment for details

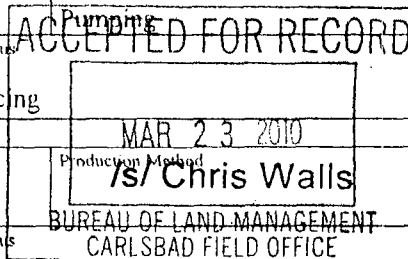
Submit commercial well determination
within 6 months of completion date.

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
01/14/10	01/28/10	24	→	1003	565	955	40	.80	Pumping
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
31/64"	SI 450	360	→				563.31	Producing	

Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
	SI		→						



28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

Sold

30. Summary of Porous Zones (Include Aquifers):

Show all important zones or porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
Bell Canyon	3,834'	4,742'	Sandstone	T/Rustler	309'
Cherry Canyon	4,742'	6,044'	Sandstone	T/Salt	606'
Brushy Canyon	6,044'	not reach	Sandstone	T/Delaware Sands	3808'

32. Additional remarks (include plugging procedure):

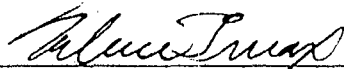
33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☒ Electrical/Mechanical Logs (1 full set req'd.)
 ☐ Geological Report
 ☐ DST Report
 ☒ Directional Survey
☐ Sundry Notice for plugging and cement verification
 ☐ Core Analysis
 ☐ Other

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Valerie TruaxTitle Regulatory Admin Assistant

Signature

Date 02/01/2010

Title 18 U.S.C. Section 101 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States and false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

JRU #104 3160-4

26. Perforation Record (Pre perf sleeve)

Perforation Interval	Perf Status
7,715'-16'; 7,973'-74'	Producing
8,317'-18'; 8,760'-61'	Producing
9,155'-56'; 9,539'-40'	Producing
9,938'-40'; 10,293'-94'	Producing
10,692'-94'; 11,050'-51'	Producing
11,457'-58'; 11,756'-57'	Producing
12,053'-54'; 12,500'-01'	Producing
12,949'-50'; 13,353'-54'	Producing
13,711'-13'; 14,064'-65'	Producing

27. Acid, Shot, Fracture, Cement, Squeeze, Etc.

Depth Interval	Amount & Kind Material Used
7,715'-7,716'	Frac w/ 672 gals 25# linear, 49,501 gals YF125ST w/ 148,710# 16/30 Ottawa sand
7,973'-7,974'	Frac w/ 5,586 gals 25# linear, 51,382 gals YF125ST w/ 156,330# 16/30 Ottawa sand
8,317'-8,318'	Acidize w/ 630 gals 15% HCl
8,317'-8,318'	Frac w/ 8,568 gals 25# linear, 52,690 gals YF125ST w/ 155,270# 16/30 Ottawa sand
8,760'-8,761'	Acidize w/ 714 gals 15% HCl
8,760'-8,761'	Frac w/ 7,308 gals 25# linear, 50,454 gals YF125ST w/ 149,940# 16/30 Ottawa sand
9,155'-9,156'	Acidize w/ 588 gals 15% HCl
9,155'-9,156'	Frac w/ 18,270 gals 25# linear, 52,093 gals YF125ST w/ 161,040# 16/30 Ottawa sand
9,539'-9,540'	Acidize w/ 756 gals 15% HCl
9,539'-9,540'	Frac w/ 5,754 gals 25# linear, 51,754 gals YF125ST w/ 157,400# 16/30 Ottawa sand
9,938'-9,940'	Acidize w/ 1050 gals 15% HCl
9,938'-9,940'	Frac w/ 8,358 gals 25# linear, 51,715 gals YF125ST w/ 157,320# 16/30 Ottawa sand
10,293'-10,294'	Acidize w/ 924 gals 15% HCl
10,293'-10,294'	Frac w/ 7,686 gals 25# linear, 51,322 gals YF125ST w/ 155,800# 16/30 Ottawa sand
10,692'-10,694'	Frac w/ 52,145 gals YF125ST w/ 161,730# 16/30 Ottawa sand
11,050'-11,051'	Acidize w/ 756 gals 15% HCl
11,050'-11,051'	Frac w/ 8,358 gals 25# linear, 51,627 gals YF125ST w/ 155,560# 16/30 Ottawa sand

11,457'-11,458'	Acidize w/ 1008 gals 15% HCl
11,457'-11,458'	Frac w/ 8,988 gals 25# linear, 51,464 gals YF125ST w/ 155,450# 16/30 Ottawa sand
11,756'-11,757'	Acidize w/ 756 gals 15% HCl
11,756'-11,757'	Frac w/ 8,022 gals 25# linear, 51,232 gals YF125ST w/ 155,942# 16/30 Ottawa sand
12,053'-12,054'	Acidize w/ 756 gals 15% HCl
12,053'-12,054'	Frac w/ 8,022 gals 25# linear, 51,554 gals YF125ST w/ 156,242# 16/30 Ottawa sand
12,500'-12,501'	Acidize w/ 756 gals 15% HCl
12,500'-12,501'	Frac w/ 10,164 gals 25# linear, 50,032 gals YF125ST w/ 155,540# 16/30 Ottawa sand
12,949'-12,950'	Acidize w/ 756 gals 15% HCl
12,949'-12,950'	Frac w/ 9,744 gals 25# linear, 51,614 gals YF125ST w/ 156,778# 16/30 Ottawa sand
13,353'-13,354'	Acidize w/ 756 gals 15% HCl
13,353'-13,354'	Frac w/ 10,248 gals 25# linear, 51,584 gals YF125ST w/ 156,513# 16/30 Ottawa sand
13,711'-13,713'	Acidize w/ 1596 gals 15% HCl
13,711'-13,713'	Frac w/ 8,778 gals 25# linear, 51,685 gals YF125ST w/ 157,055# 16/30 Ottawa sand
14,064'-14,065'	Acidize w/ 630 gals 15% HCl
14,064'-14,065'	Frac w/ 2940 gals 25# linear, 51,140 gals YF125ST w/ 133,850# 16/30 Ottawa sand

DISTRICT I

1626 N. French Dr., Hobbs, NM 88240

DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-37271	Pool Code 50443	Pool Name Quahada Ridge, SE (Delaware)
Property Code 306407	Property Name JAMES RANCH UNIT	Well Number 104H
Operator No. 260737	Operator Name BOPCO, L.P.	Elevation 3316'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	36	22 S	30 E		2000	NORTH	1730	WEST	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
D	35	22 S	30 E		575	NORTH	367	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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

				<p>OPERATOR CERTIFICATION</p> <p>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 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.</p> <p><i>Valerie Truax</i> 01/13/10 Signature Date</p> <p>Valerie Truax Printed Name</p>	
<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JUNE 17, 2009 Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p>W.O. No. 21200</p> <p>Certificate No. Cory L. Jones 7977</p> <p>BASIN SURVEYS</p>					

BOTTOM HOLE LOCATION PER BOPCO
 Lat - N 32°21'15.46"
 Long - W 103°51'32.88"
 NMSPCE - N 492948.32
 E 687766.71
 (NAD-83)

BRUSHY CANYON ENTRY POINT
 Lat - N 32°21'02.35"
 Long - W 103°50'16.68"
 NMSPCE - N 491652.98
 E 694308.49
 (NAD-83)

DELAWARE ENTRY POINT
 Lat - N 32°21'01.22"
 Long - W 103°50'14.39"
 NMSPCE - N 491539.8
 E 694505.4
 (NAD-83)

SURFACE LOCATION
 Lat - N 32°21'01.22"
 Long - W 103°50'14.39"
 NMSPCE - N 491539.8
 E 694505.4
 (NAD-83)

gyro/data

Gyrodata Incorporated

3811 S. Co. Rd. 1285

Odessa, TX. 79765

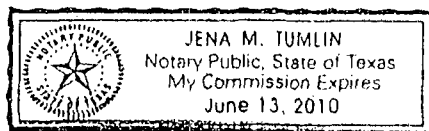
432/561-8458

Fax: 432/563-7982

State of Texas

County of Midland

I, Jena Tumlin, certify that; I am employed by Gyrodata Inc.; that I am authorized and qualified to review the Rate Gyroscopic Multishot survey from a depth of 0 feet to a depth of 6702 feet conducted on the day(s) of 11/10/09 through 11/10/09; that this survey was conducted at the request of Bass Enterprises (Bobco) for the James Ranch Well No. 104-H in Eddy County, New Mexico; that the data is true, correct, complete, and within the limitations of the tool as set forth by Gyrodata Inc; that I am authorized and qualified to make this report; and that I have reviewed this report and find that it conforms to the principles and procedures as set forth by Gyrodata Inc.



A handwritten signature in cursive script, appearing to read "Jena Tumlin", written over a horizontal line.

Jena Tumlin

Operations



INTEQ

2105 MARKET STREET
MIDLAND, TX 79703
24 HR (432) 694-9517

STATE OF NEW MEXICO

COUNTY OF

I, **BEAU JONES**, DD Field Coordinator certify that I am employed by INTEQ ; did conduct or supervise on the day(s) of **Nov 10, 2009** through **Nov 26, 2009** the taking of MWD surveys from a depth of **6,702** to a depth of **14,132** that

the data is true, correct, complete and within the limitations of the tool as set forth by Baker Hughes INTEQ ; that I am authorized and qualified to make this report; that this survey was conducted at the request of **BOPCO, L.P.**

for the **JAMES RANCH UNIT 104H** Well, API No. **30-015-37271**

in **EDDY** County, NM; and that I have reviewed this report and find that it conforms to the principles and procedures as set forth by INTEQ.

A handwritten signature in black ink, appearing to read "Beau Jones", written over a horizontal line.



Downhole Profile - Vertical Wells

Well ID: 30-015-37271

Field: Quahada Ridge SE - Delaware

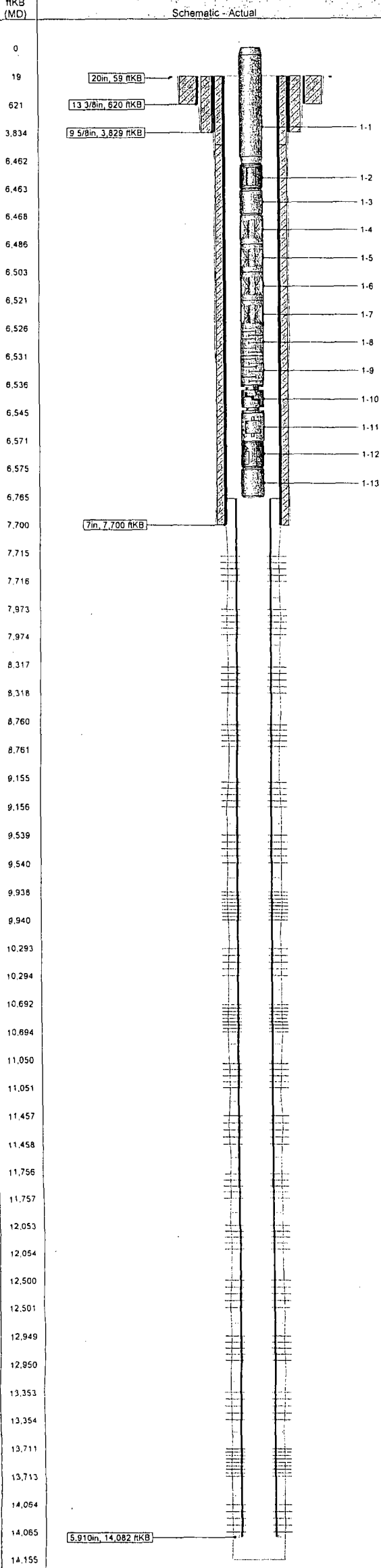
BOPCO L.P. - West Texas

Well Name: JAMES RANCH UNIT #104H

Sect: 36 Town: 22S Rng: 30E County: Eddy State: New Mexico

Surface Location: 2000' FNL & 1730' FWL

Well Config: Horizontal - Original Hole: 4/8/2010 2:19:37 PM



Well Information

Original KB Elevation (ft)	Ground Elevation (ft)	KB-Ground Distance (ft)	Spud Date	On Production Date
3,334.92	3,316.07	18.85	10/31/2009	

Wellbores

Wellbore Name: Original Hole		Kick Off Depth (ftKB):	
Size (in)	Act Top (ftKB)	Act Btm (ftKB)	
17 1/2	19.0	621.0	
12 1/4	621.0	3,834.0	
8 3/4	3,834.0	7,700.0	
6 1/8	7,700.0	14,155.0	

Casing Strings

Casing Description	Wellbore	OD (in)	Wt (lbs/ft)	Grade	Top Thread	Set @ (ftKB)
Conductor	Original Hole	20	52.70	Grade "B"		59.0
Surface	Original Hole	13 3/8	48.00	H-40	ST&C	620.0
Intermediate	Original Hole	9 5/8	40.00	J-55	LT&C	3,829.0
Intermediate 2	Original Hole	7	23.00	P-110	LT&C	7,700.0
Production	Original Hole	4 1/2	11.60	HCP-110	Ultra FJ	14,082.0

Perforations

Perf. Date	Top (ftKB)	Btm (ftKB)	Zone	Current Status
12/17/2009	7,715.0	7,716.0		Open - Active
12/17/2009	7,973.0	7,974.0		Open - Active
12/17/2009	8,317.0	8,318.0		Open - Active
12/17/2009	8,760.0	8,761.0		Open - Active
12/17/2009	9,155.0	9,156.0		Open - Active
12/17/2009	9,539.0	9,540.0		Open - Active
12/17/2009	9,938.0	9,940.0		Open - Active
12/17/2009	10,293.0	10,294.0		Open - Active
12/17/2009	10,692.0	10,694.0		Open - Active
12/17/2009	11,050.0	11,051.0		Open - Active
12/17/2009	11,457.0	11,458.0		Open - Active
12/17/2009	11,756.0	11,757.0		Open - Active
12/17/2009	12,053.0	12,054.0		Open - Active
12/17/2009	12,500.0	12,501.0		Open - Active
12/17/2009	12,949.0	12,950.0		Open - Active
12/17/2009	13,353.0	13,354.0		Open - Active
12/17/2009	13,711.0	13,713.0		Open - Active
12/15/2009	14,064.0	14,065.0		Open - Active

Tubing Strings

Tubing Description		Run Date	String Length (ft)		Set Depth (ftKB)		
Tubing - Production		1/12/2010	6,764.80		6,764.8		
No.	Item Description	Jts	OD (in)	Wt. (lbs/ft)	Grade	Top (ftKB)	
1-1	2-7/8" 6.5 ppf L-80 8RD Tubing	206	2 7/8	6.50	L-80	0.00	
1-2	Seating Nipple		2 7/8			6,462.38	
1-3	2-7/8" 6.5 ppf L-80 8RD Tubing Sub		2 7/8	6.50	N-80	6,463.38	
1-4	SD 1750 98 Stage Weatherford ESP - Pump		2 7/8			6,467.38	
1-5	SD 1750 98 Stage Weatherford ESP - Pump		2 7/8			6,485.58	
1-6	SD 1750 98 Stage Weatherford ESP - Pump		2 7/8			6,503.28	
1-7	SD 6000 98 Stage Weatherford ESP - Pump		2 7/8			6,520.98	
1-8	Gas separator		2 7/8			6,525.93	
1-9	Gas separator		2 7/8			6,531.03	
1-10	Seal		2 7/8			6,536.13	
1-11	ESP - Motor		2 7/8			6,544.63	
1-12	Desander		2 7/8			6,570.43	
1-13	2-7/8" 6.5 ppf L-80 8RD Tubing w/ BP&C	6	2 7/8	6.50	L-80	6,575.01	

Cement

Surface Casing Cement, 11/1/2009

String: Surface, 620.0ftKB		Cement Evaluation Results:			
Stage Number	Stage Top (ftKB)	Stage Bottom (ftKB)	Cmnt Rtn (bbl)	Top Measurement Method	
1	19.0	620.0	37.6	Circulated	
Fluid		Amount (sacks)	Class	Density (lb/gal)	Yield (ft ³ /sack)
Lead		225	C	13.50	1.75
Tail		310	C	14.80	1.35

Intermediate Casing Cement, 11/7/2009

String: Intermediate, 3,829.0ftKB		Cement Evaluation Results:			
Stage Number	Stage Top (ftKB)	Stage Bottom (ftKB)	Cmnt Rtn (bbl)	Top Measurement Method	
1	19.0	3,829.0	135.0	Circulated	
Fluid		Amount (sacks)	Class	Density (lb/gal)	Yield (ft ³ /sack)
Lead		1,100	C	12.90	1.88
Tail		250	C	14.80	1.33

2nd Intermediate Casing Cement, 11/13/2009

String: Intermediate 2, 7,700.0ftKB		Cement Evaluation Results:			
Stage Number	Stage Top (ftKB)	Stage Bottom (ftKB)	Cmnt Rtn (bbl)	Top Measurement Method	
1	5,018.0	7,700.0	60.0	Circulated	
Fluid		Amount (sacks)	Class	Density (lb/gal)	Yield (ft ³ /sack)
Lead		170	C	9.70	3.13
Tail		210	H	15.20	1.28
Stage Number	Stage Top (ftKB)	Stage Bottom (ftKB)	Cmnt Rtn (bbl)	Top Measurement Method	
2	19.0	5,018.0	11.0	Circulated	
Fluid		Amount (sacks)	Class	Density (lb/gal)	Yield (ft ³ /sack)
Lead		525	C	12.60	1.95
Tail		100	C	14.80	1.33