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FEB 28 2012

NM OGD ARTESIAUNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**SUNDAY NOTICES AND REPORTS ON WELLS***Do not use this form for proposals to drill or to re-enter an
existing well. Use Form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

BOPCO, L. P.

3a. Address

P. O. Box 2760 Midland, TX 79702

3b. Phone No. (include area code)

432-683-2277

4. Location of Well (Footage, Sec, T, R, M, or Survey Description)

NESW, UL K, 2365' FSL, 2010' FWL, Sec 25, T22S-R30E, Lat:N32.362247, Long:W103.835919
NWSW, UL L, 1980' FSL, 330' FWL, Sec 27, T22S-R30E, Lat:N32.361264, Long:W103.876036

5. Lease Serial No

BH- NM02952B, SH - NM89052 ✓

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No

James Ranch NMNM 70965X

8. Well Name and No.

James Ranch Unit #138H ✓

9. API Well No.

- 39766

10. Field and Pool, or Exploratory Area

Quahada Ridge, SE (Delaware) ✓

11. County or Parish, State

Eddy, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

BOPCO, L.P. plans to drill this well in conjunction with the JRU #139H utilizing rig skidding operations. BOPCO, L.P. requests a variance to the approved APD for Item #2 under VII. Drilling, Section A. Drilling Operations Requirements, which states the rig shall not be moved off of the hole until production casing is set. The request is to allow the rig to skid in between wellbores and drill both wells sequentially.

The Latshaw Rig #18 will be used to drill the same hole interval on all of the wells in sequence by skidding between the wells. Once a hole section has been drilled, it will be cased and cemented according to all applicable rules and regulations. The wellhead will be nipped up and tested as soon as casing is cut off after the applicable WOC time has been reached. A blind flange of the same pressure rating as the wellhead will be utilized to seal the wellbore on all casing strings except the second intermediate and lateral well sections in which the tubing head will be utilized. Pressure will be monitored via wing valves on each wellhead section and a means for intervention will be maintained while rig is not over the well. The BOP stack will be nipped up and tested on the wellhead before drilling operations resume on each casing string. The rig will skid between the wells until each well has been drilled to TD and had the completions system installed.

Accepted for record
NM/OCDNotify the BLM if procedure must
deviate from planned sequence.14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Charles Warne

Title Drilling Engineer

Signature

Charles Warne

Date

2-6-12

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Office

Date

FEB 22 2012

/s/ Chris Walls

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001 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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)