

30-015-38459

MULTI-POINT SURFACE USE PLAN

NAME OF WELL: Poker Lake Unit #306

LEGAL DESCRIPTION - SURFACE: 1650' FSL, 2000' FWL, of Section 29, T-25-S, R-30-E, Eddy County, NM.

POINT 1: EXISTING ROADS

A) Proposed Well Site Location:

See Exhibit A and Survey Plats

B) Existing Roads:

See Survey Plats.

C) Existing Road Maintenance or Improvement Plan:

See Exhibit "B" - 3446' of new road will have to be built from existing road to new location.

POINT 2: NEW PLANNED ACCESS ROUTE

A) Route Location:

From the junction of Hwy 385 and White Thorn Road, go east 4.0 miles past river to Pipeline Road. On Pipeline Road go northeast 7.1 miles to EPNG mile marker 44.9, turn southeast on old lease road and go 1.6 miles to a "Y" located on the west side of Sun Windmill and stock tank, go southwest 0.5 miles along a ranch road to proposed lease road.

B) Width

15'

C) Maximum Grade

Grade to match existing topography or as per BLM requirements.

D) Turnout Ditches

Spaced per BLM requirements.

E) Culverts, Cattle Guards, and Surfacing Equipment

If required, culverts and cattle guards will be set per BLM Specs.

POINT 3: LOCATION OF EXISTING WELLS

Exhibit A indicates existing wells within the surrounding area.

POINT 4: LOCATION OF EXISTING OR PROPOSED FACILITIES

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- A) No existing facilities are located within one mile which are owned or controlled by lessee/operator:

Closest Oil/Gas production facilities are located at Poker Lake Unit #227 wellsite. Poker Lake Unit #227 is located approximately 5 miles northwest of proposed well.

- B) New Facilities in the Event of Production:

New production facilities will be built at Poker Lake Unit #306 wellpad. A separator/treater along with 2-7/8" flowlines will be located on the wellpad. Initially gas will be vented, until a gas sales line is found or installed near this location. Initially a gas engine will be used to power pumping unit.

- C) Rehabilitation of Disturbed Areas Unnecessary for Production:

Following flowline construction, those access areas required for continued production will be graded to provide drainage and minimize erosion. The areas unnecessary for use will be graded to blend in with the surrounding topography (see Point 10)

POINT 5: LOCATION AND TYPE OF WATER SUPPLY

- A) Location and Type of Water Supply

Fresh water will be hauled from Johnson Station 50 miles east of Carlsbad, New Mexico or other commercial facilities. Brine water will be hauled from commercial facilities.

- B) Water Transportation System

Water hauling to the location will be over the existing and proposed roads.

POINT 6: SOURCE OF CONSTRUCTION MATERIALS

- A) Materials

Onsite caliche pit will be used.

- B) Land Ownership

Federally Owned.

- C) Materials Foreign to the Site

If onsite caliche is not sufficient, we will haul caliche from a BLM approved site.

- D) Access Roads

See Exhibit B.

POINT 7: METHODS FOR HANDLING WASTE MATERIAL

Page 3

A) Cuttings

Cuttings will be contained in steel pits and hauled to CRI for disposal.

B) Drilling Fluids

Drilling fluids will be contained in steel pits, frac tanks, or will be disposed of at licensed disposal facilities.

C) Produced Fluids

Water production will be contained in the steel pits.

Hydrocarbon fluid or other fluids that may be produced during testing will be retained in test tanks.

D) Sewage

Current laws and regulations pertaining to the disposal of human waste will be complied with.

E) Garbage

Portable containers will be utilized for garbage disposal during the drilling of this well.

F) Cleanup of Well Site

Upon release of the drilling rig, the surface of the drilling pad will be graded to accommodate a completion rig if electric log analysis indicate potential productive zones. Reasonable cleanup will be performed prior to the final restoration of the site.

POINT 8: ANCILLARY FACILITIES

None required.

POINT 9: WELL SITE LAYOUT

A) Rig Orientation and Layout

Exhibit "C" shows the dimensions of the well pad, location of closed loop system and the location of major rig components. Only minor leveling of the well site will be required. No significant cuts or fills will be necessary.

B) Location of Access Road

See Exhibits "C" & Survey Plats.

C) Lining of the Pits

No reserve pit will be built.

POINT 10: PLANS FOR RESTORATION OF THE SURFACE

A) Reserve Pit Cleanup - Not applicable

The pits will be fenced immediately after construction and shall be maintained until they are backfilled. Previous to backfill operations, any hydrocarbon material on the pits' surfaces shall be removed. The fluids and solids contained in the pits shall be backfilled with soil excavated from the site and soil adjacent to the reserve pits. The restored surface of the pits shall be contoured to prevent impoundment of surface water flow. Water-bars will be constructed as needed to prevent excessive erosion. Topsoil, as available, shall be placed over the restored surface in a uniform layer. The area will be seeded according to the Bureau of Land Management stipulations during the appropriate season following restoration.

B) Restoration Plans - Production Developed

Those areas not required for production will be graded to blend with the surrounding topography. Topsoil, as available, will be placed upon those areas and seeded. The portion of the site required for production will be graded to minimize erosion and provide access during inclement conditions. Following depletion and abandonment of the site, restoration procedures will be those that follow under Item C.

C) Restoration Plans - No Production Developed

With no production developed, the entire surface disturbed by construction of the well site will be restored. The site will be contoured to blend with the surrounding topography and provide drainage of surface water. The topsoil, as available, shall be replaced in a uniform layer and seeded according to the Bureau of Land Management's stipulations.

D) Rehabilitation's Timetable

Upon completion of drilling operations, the initial cleanup of the site will be performed as soon as weather and site conditions allow economic execution of the work.

POINT 11: OTHER INFORMATION

Page 5

A) Terrain

Relatively flat.

B) Soil

Caliche and sand.

C) Vegetation

Sparse, primarily grasses and mesquite with very little grass.

D) Surface Use

Primarily grazing.

E) Surface Water

There are no ponds, lakes, streams or rivers within several miles of the wellsite.

F) Water Wells

There is one water well in Sec 21, T25S, R30E approximately 1-1/2 miles north of Poker Lake Unit #306.

G) Residences and Buildings

None in the immediate vicinity.

H) Historical Sites

None observed.

I) Archeological Resources

A search of BLM records by Boone Archeological indicates no known archeological sites will be affected by these operations.

J) Surface Ownership

The well site is on federally owned land.

K) Well signs will be posted at the drilling site.

L) Open Pits

All pits containing liquid or mud will be fenced and bird-netted.

POINT 12: OPERATOR'S FIELD REPRESENTATIVE

Page 6

(Field personnel responsible for compliance with development plan for surface use).

DRILLING

William R. Dannels
Box 2760
Midland, Texas 79702
(432) 683-2277

PRODUCTION

Dean Clemmer
3104 East Green Street
Carlsbad, New Mexico 88220
(505) 887-7329

Kent Adams
Box 2760
Midland, Texas 79702
(432) 683-2277

11/13/08
Date

GEG/mac

Gary E. Gerhard
Gary E. Gerhard

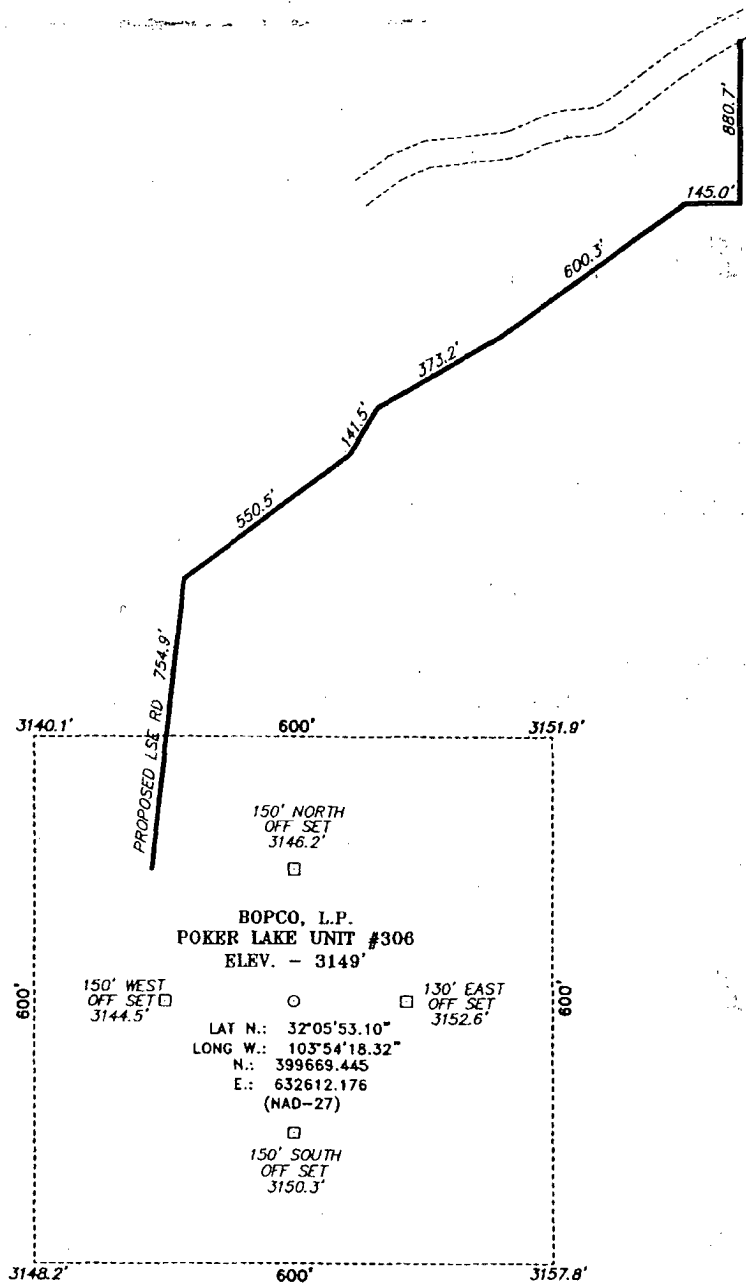
OPERATOR CERTIFICATION

I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by BOPCO, L.P. and it's contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

11/13/08
Date

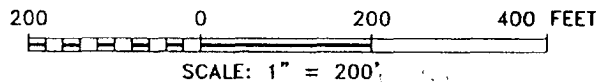
Gary E. Gerhard
Gary E. Gerhard

SECTION 29, TOWNSHIP 25 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF HWY 285 AND WHITE THORN ROAD, GO EAST 4.0 MILES, PAST RIVER TO PIPELINE ROAD, ON PIPELINE ROAD GO NORTHEAST 7.1 MILES TO EPNG MM 44.9, TURN SOUTHEAST ON OLD LEASE ROAD AND GO 1.6 MILES TO A "Y" LOCATED ON THE WEST SIDE OF SUN WINDMILL AND STOCK TANK, GO SOUTHWEST 0.5 MILES ALONG A RANCH ROAD TO PROPOSED LEASE ROAD.



BOPCO, L.P.

REF: POKER LAKE UNIT #306 / WELL PAD AND TOPO

THE POKER LAKE UNIT #306 LOCATED 1650'

FROM THE SOUTH LINE AND 2000' FROM THE WEST LINE OF

SECTION 29, TOWNSHIP 25 SOUTH, RANGE 30 EAST,

N.M.P.M., EDDY COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 20470

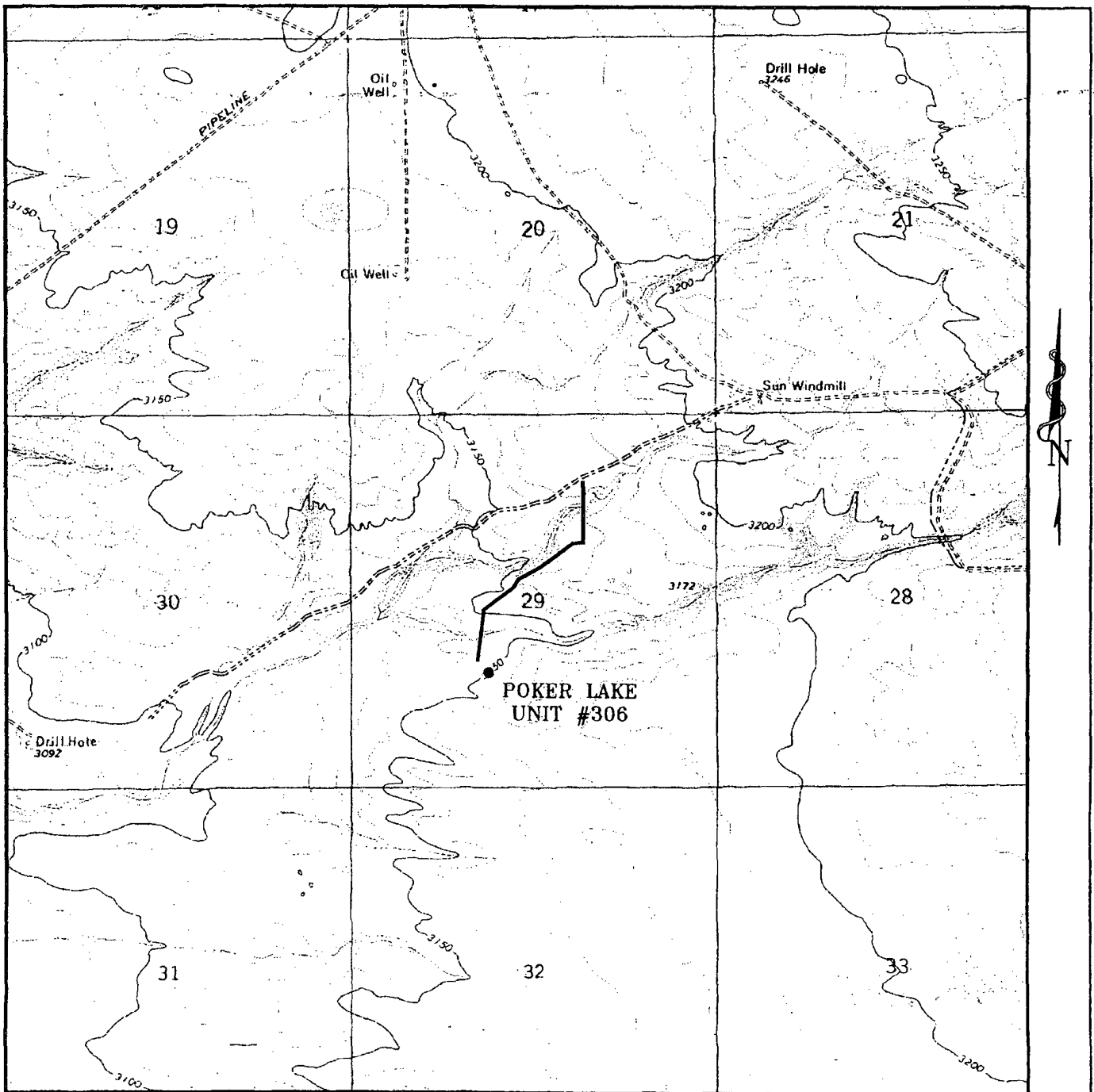
Drawn By: J. SMALL

Date: 10-15-2008

Disk: 20470 JMS

Survey Date: 10-14-2008

Sheet 1 of 1 Sheets



POKER LAKE UNIT #306

1650' FSL and 2000' FWL

Section 29, Township 25 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico.



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

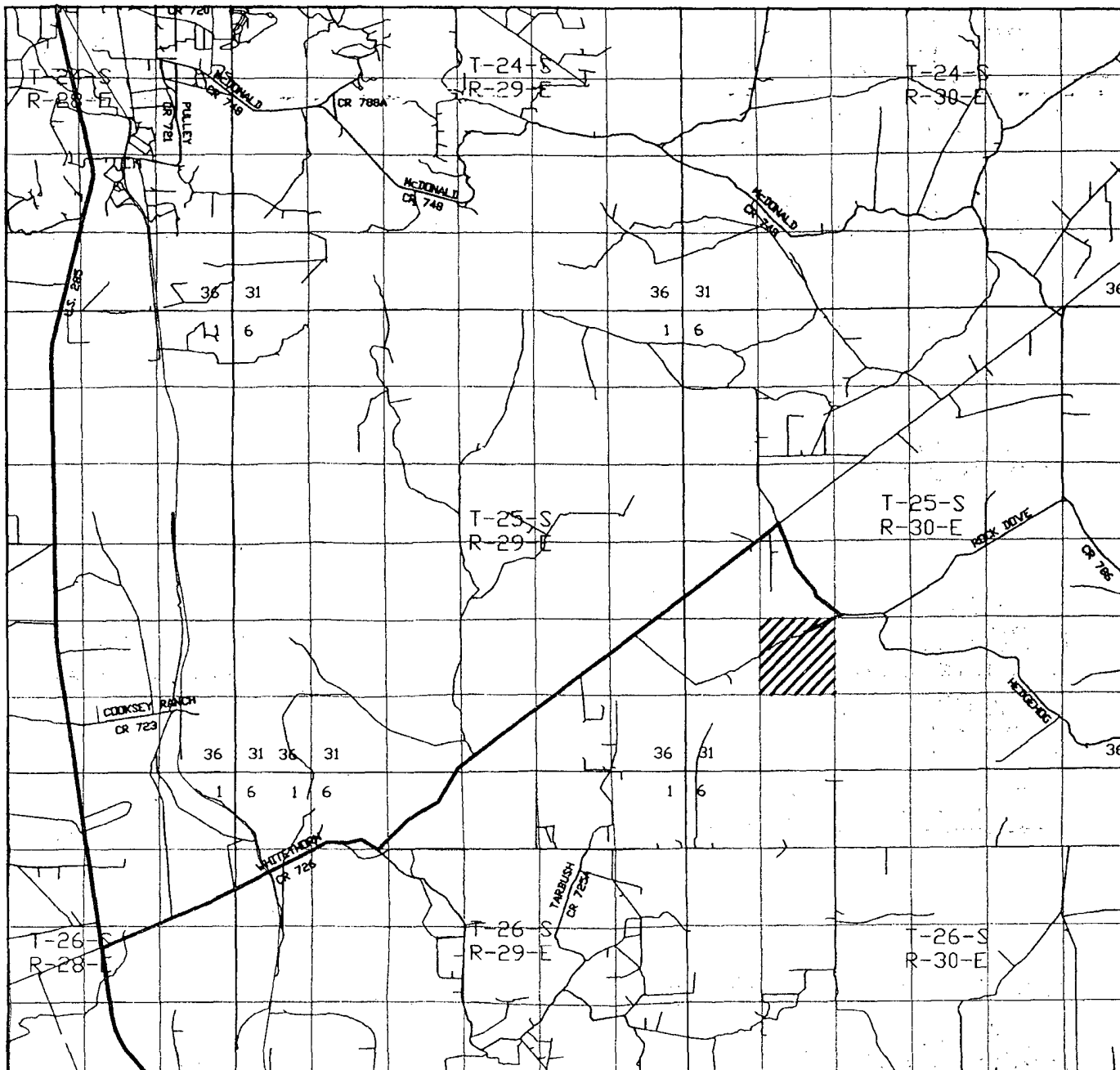
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Survey Date: 10-14-2008

Scale: 1" = 2000'

Date: 10-15-2008

BOPCO, L.P.



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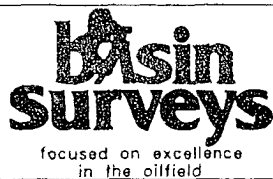
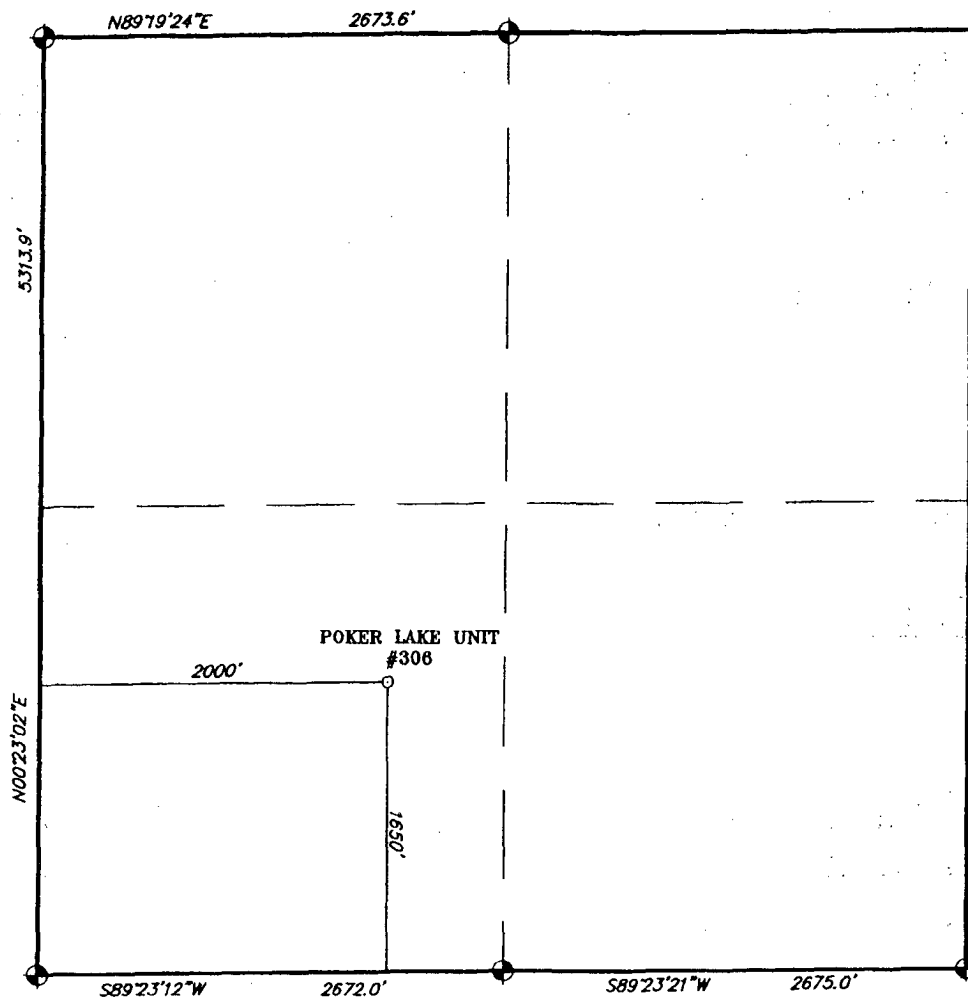
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Scale: 1" = 2000'

Date: 10-15-2008

BOPCO, L.P.

SECTION 31, TOWNSHIP 25 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



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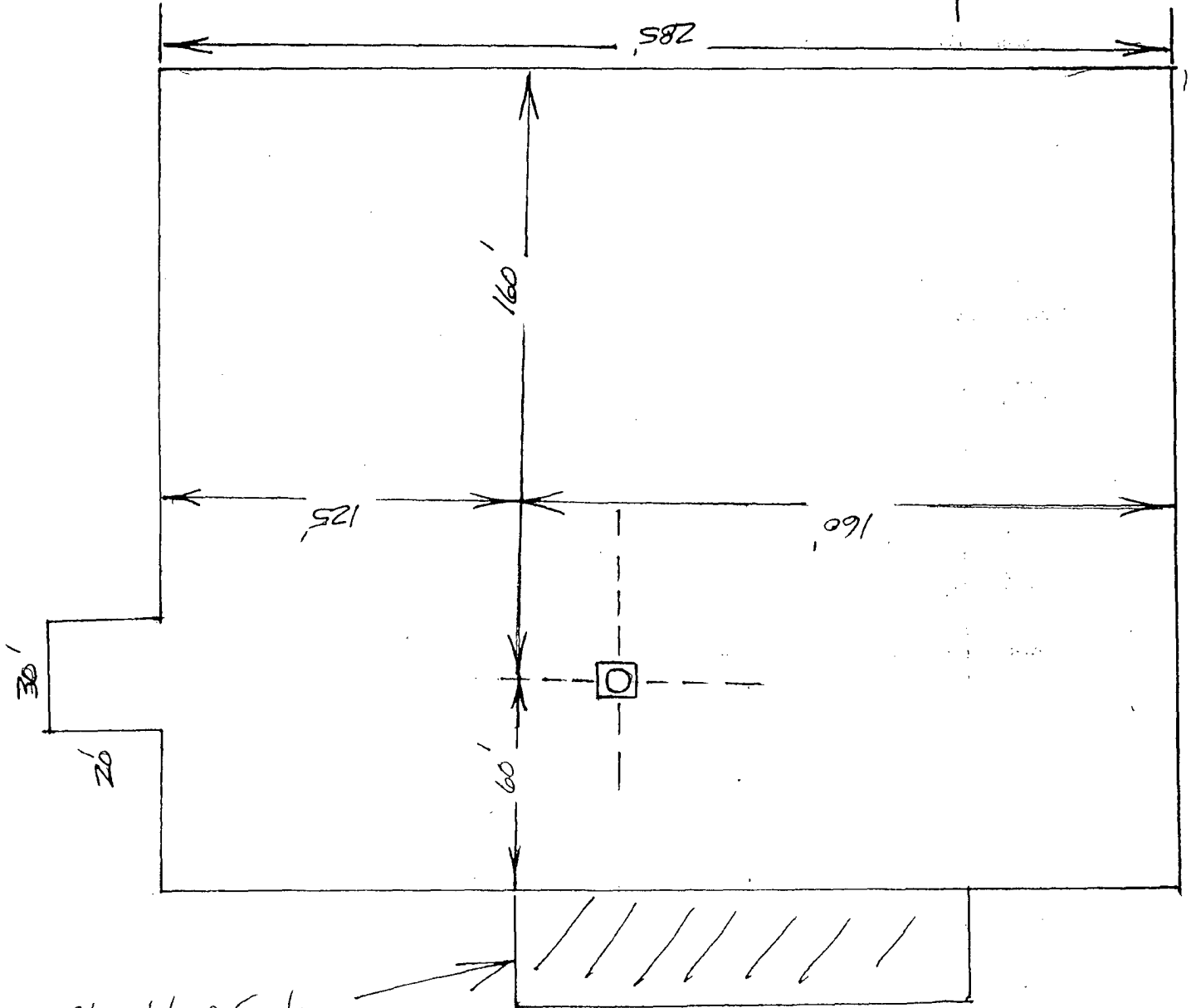
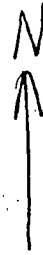
Survey Date: 10-14-2008

Scale: 1" = 1000'

Date: 10-15-2008

BOPCO, L.P.

JW Rig # 3



Closed Loop System
w/ Haul off bins will be
located in this general
area.

Closed Loop System
No Reserve Pits

Exhibit "D"

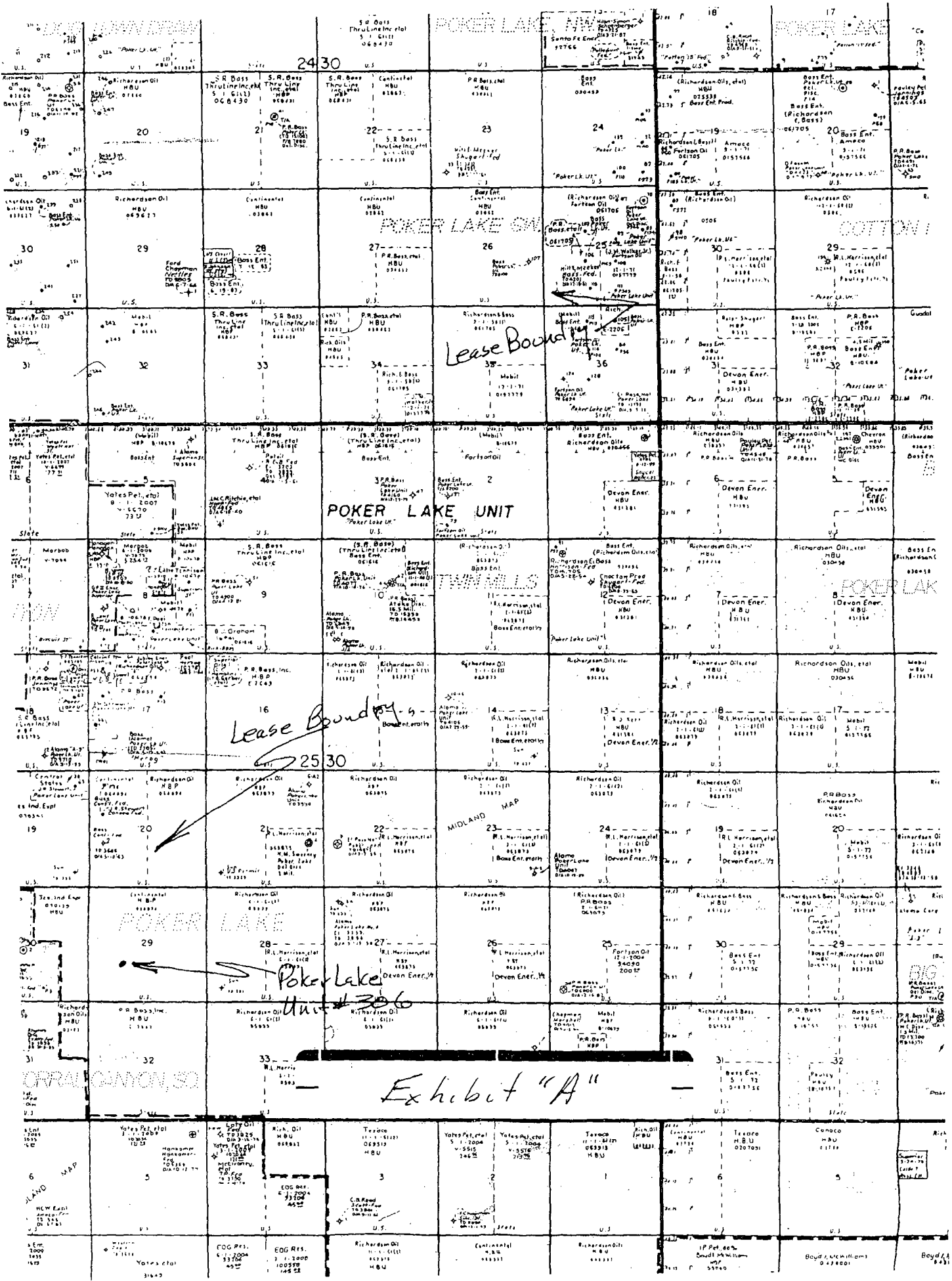
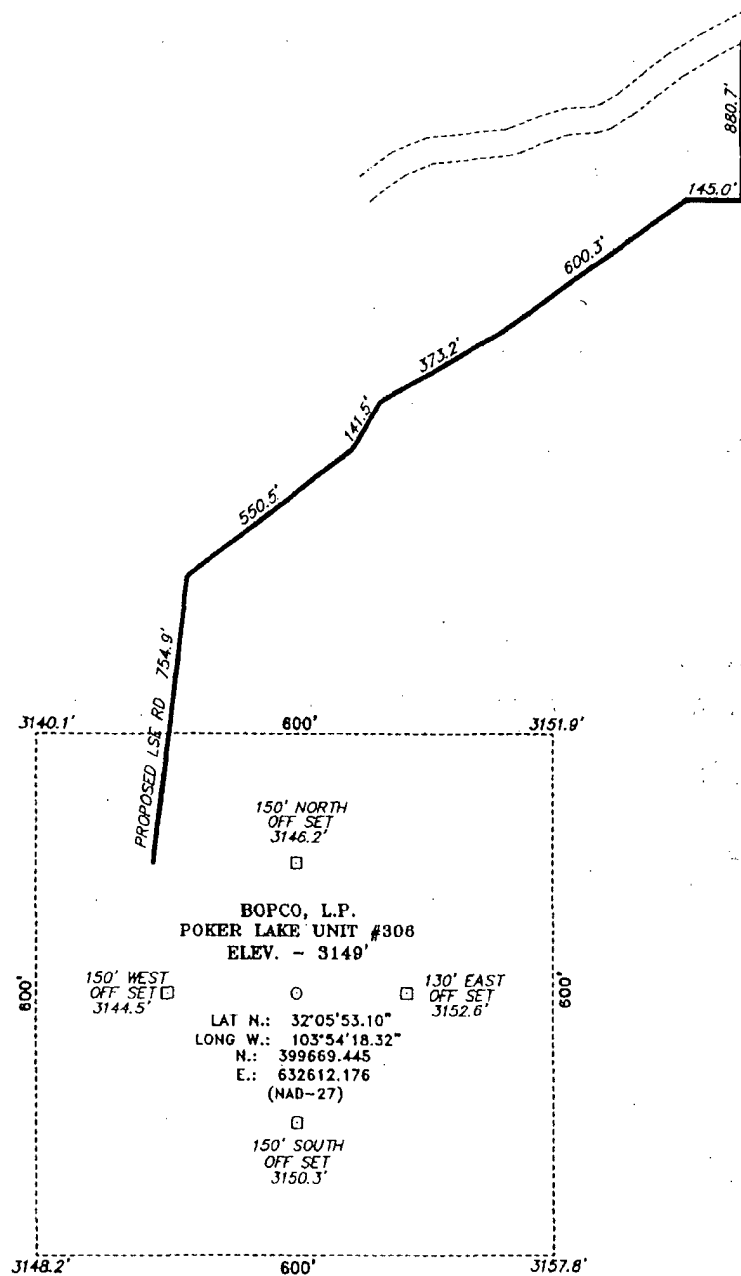


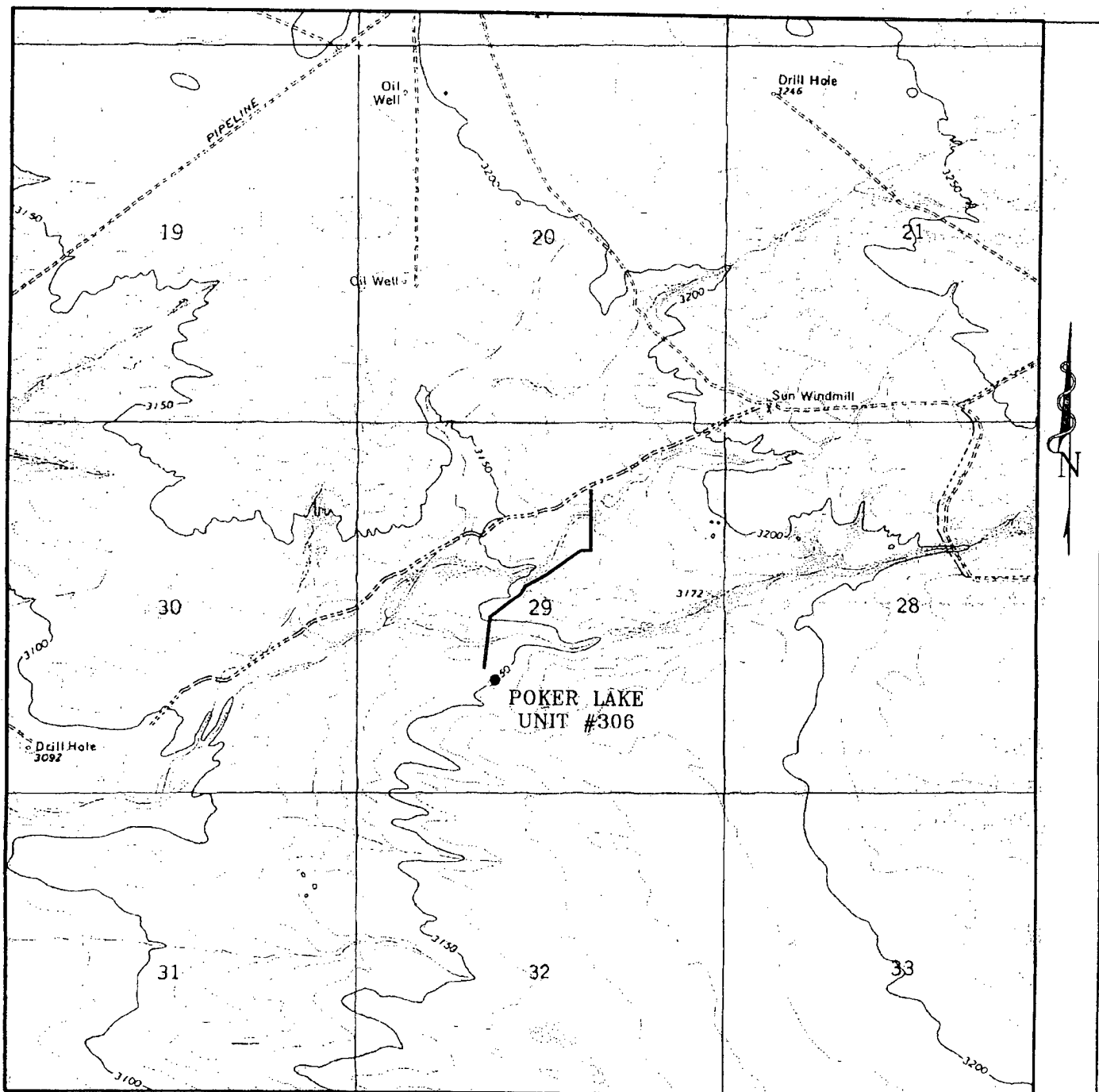
Exhibit "A"

Poker Lake Unit #306
Exhibit "B"

SECTION 29, TOWNSHIP 25 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



Poker Lake Unit #306
Exhibit "C"



POKER LAKE UNIT #306

1650' FSL and 2000' FWL

Section 29, Township 25 South, Range 30 East,
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