Form 3160-3
(April 2004)

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FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
BHL NMLC 0061705B (box six) TCS 9/14/2012

6. If Indian, Allotee or Tribe Name
See pg 1 of 8pt DP for lease info.

1a. Type of work. ☑ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.
Poker Lake Unit NMNM 71016X

1b. Type of Well ☑ Oil Well ☐ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
Poker Lake Unit 370H <306402>

2. Name of Operator
BOPCO, L. P. <260737>

9. API Well No.
30-015-40699

3a. Address **P. O. Box 2760**
Midland, TX 79702

3b. Phone No. *(include area code)*
432-683-2277

10. Field and Pool, or Exploratory
Corral Canyon; Delaware NE <96209>

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface **NWSW,UL L, 1380' FSL&320' FWL, Lat:N32.156092,Long:W103.841472**
At proposed prod. zone **1000' FSL&700' FWL,Sec35-T24S-R30E,Lat:N32.169772,Lg:W103.857397**

11. Sec., T. R. M. or Blk and Survey or Area
Sec 1, T25S-R30E, Mer, NMP

14. Distance in miles and direction from nearest town or post office*
20 miles East of Malaga

12. County or Parish
Eddy

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drlg. unit line, if any)	16. No. of acres in lease	17. Spacing Unit dedicated to this well
320'	5914.17 ~~5779.27~~	~~320.20~~ 320.8
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. on file
713'	**14,563' MD \ 8,003' TVD**	**COB 000050**
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration
3,376' GL	**09/01/2012**	**30 Days**

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature	Name *(Printed/Typed)*	Date
Jeremy Braden	**Jeremy Braden**	8-1-12
Title **Engineering Assistant**		

Approved by *(Signature)*	Name *(Printed/Typed)*	Date
/s/ Don Peterson	/s/ Don Peterson	SEP 12 2012
Title **FIELD MANAGER**	Office **CARLSBAD FIELD OFFICE**	

Application approval 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.
Conditions of approval, if any, are attached. APPROVAL FOR TWO YEARS

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)

Carlsbad Controlled Water Basin

Approval Subject to General Requirements & Special Stipulations Attached

SEE ATTACHED FOR CONDITIONS OF APPROVAL

BOPCO, L.P.

P. O. Box 2760
Midland, Texas 79702

432-683-2277 **FAX-432-687-0329**

June 26, 2012

Bureau of Land Management
Carlsbad Field Office
620 East Green Street
Carlsbad, New Mexico 88220-6292

Attn: Mr. Don Peterson – Assistant Field Manager, Minerals

RE: APPLICATION FOR PERMIT TO DRILL
POKER LAKE UNIT #370H
1380' FSL, 320' FWL, SEC. 1, T25S, R30E, EDDY COUNTY, NM

Dear Mr. Peterson,

In reference to the above captioned well, 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 attached eight point drilling plan and multi-use surface 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.

If you have any questions regarding the accuracy of the plan provided herein, please do not hesitate to contact me at (432) 683-2277.

Sincerely,

Stephen M. Martinez
Division Drilling Superintendent

DISTRICT I
1625 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

OIL CONSERVATION DIVISION

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

Form C-102
Revised July 16, 2010

Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-015-40699	96209	Corral Canyon; Delaware NE

Property Code	Property Name	Well Number
306402	POKER LAKE UNIT	370H

OGRID No.	Operator Name	Elevation
260737	BOPCO, L.P.	3376'

Surface Location

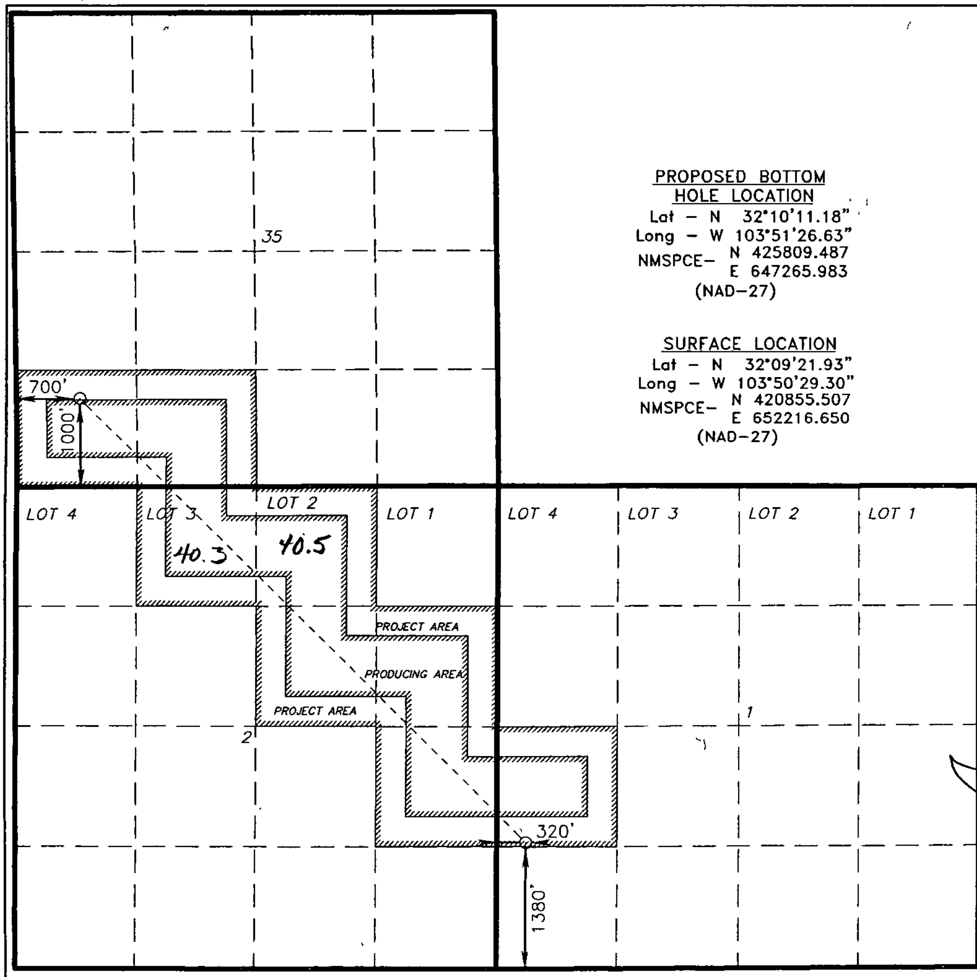
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	1	25 S	30 E		1380	SOUTH	320	WEST	EDDY

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
M	35	24 S	30 E		1000	SOUTH	700	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320.20			

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



OPERATOR CERTIFICATION

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 or has a right to drill this well at this 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.

[signature] 8-1-12
Signature Date

Jeremy Braden
Printed Name

jdbraden@basspet.com
Email Address

SURVEYOR CERTIFICATION

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 supervison, and that the same is true and correct to the best of my belief

MAY 3, 2012
Date Surveyed
Signature & Seal of Professional Surveyor

GARY L. JONES
NEW MEXICO
7977
REGISTERED PROFESSIONAL LAND SURVEYOR

W.O. No. 26760

Certificate No. Gary L. Jones 7977

BASIN SURVEYS 26760

Surface casing is to be set into the Rustler below all fresh water sands at an approximate depth of 1,528' and cement circulated to surface.

7" casing will be set at approximately 7,957' MD, 7,771' TVD (In curve) and cemented in two stages with DV Tool set at approximately 5,000'. Cement will be circulated 500' into the 9-5/8" intermediate casing.

Drilling procedure, BOP diagram, and anticipated tops are attached.

This well is located outside the R111 Potash area and Secretary's Potash area.

The surface location is nonstandard and located inside the Poker Lake Unit.

The bottom hole location is nonstandard and located inside the Poker Lake Unit.

Surface Lease Numbers- Federal Lease: NM 030456

Bottom Hole Lease Numbers – Federal Lease: LC 061705B

BOPCO, L.P., at P. O. Box 2760, Midland, TX, 79702 is a subsidiary of BOPCO, L.P., 201 Main Street, Ft. Worth, TX, 76102. Bond No. COB000050 (Nationwide).

EIGHT POINT DRILLING PROGRAM
BOPCO, L.P.

NAME OF WELL: Poker Lake Unit 370H
LEGAL DESCRIPTION - SURFACE: 1380' FSL, 320' FWL, Section 1, T25S, R30E, Eddy County, NM.
BHL: 1000' FSL, 700' FWL, Section 35, T24S, R30E, Eddy County, New Mexico.

POINT 1: ESTIMATED FORMATION TOPS (See No. 2 Below)

POINT 2: WATER, OIL, GAS AND/OR MINERAL BEARING FORMATIONS

Anticipated Formation Tops: KB 3398' (estimated)
GL 3376'

Formation Description	Est from KB (TVD)	Est (MD)	SUB-SEA TOP	BEARING
T/Fresh Water	400'	400'	+ 2,998'	Fresh Water
T/Rustler	1,398'	1,398'	+ 2,000'	Barren
T/Salado	1,548'	1,548'	+ 1,850'	Barren
Base/Salt	3,838'	3,838'	- 440'	Barren
T/Lamar	4,088'	4,088'	- 690'	Oil/Gas
T/Ramsey	4,045'	4,045'	- 735'	Oil/Gas
Cherry Canyon	6,166'	6,166'	- 1,577'	Oil/Gas
Lower Brushy Canyon	6,245'	6,245'	- 2,847'	Oil/Gas
KOP	7,257'	7,257'	- 3,859'	Oil/Gas
LBC "8A" Sand	7,628'	7,681'	- 4,230'	Oil/Gas
Target #1	7,833'	8,174'	- 4,435'	Oil/Gas
TD Horizontal Hole	8,003'	14,563'	- 4,605'	Oil/Gas

POINT 3: CASING PROGRAM

TYPE	INTERVAL MD	HOLE SIZE	PURPOSE	INSTALLATION TYPE
20"	0' – 120'	26"	Conductor	Contractor Discretion
13-3/8", 54.5#, J-55 8rd, ST&C*	0' – ~~1,628'~~ See COA	17-1/2"	Surface	New
9-5/8", 40#, N-80, 8rd, LT&C or 9-5/8" 40#, J-55, 8rd, LT&C*	0' – 4,108'	12-1/4"	Intermediate	New
7", 26#, N-80, Buttress or 8rd LTC*	0' – 7,957'	8-3/4"	Production	New
Completion System				
4-1/2", 11.6#, HCP-110 8rd LT&C or BTC	7,907' – 14,563'	6-1/8"	Completion System	New

*** Depending on availability.**

CASING DESIGN SAFETY FACTORS:

TYPE	TENSION	COLLAPSE	BURST
13-3/8", 54.5#, J-55, 8rd, STC*	11.90	1.52	2.57
9-5/8", 40#, N-80, 8rd, LT&C*	5.31	1.30	2.51
9-5/8", 40#, J-55, 8rd, LT&C*	4.54	1.17	1.72
7", 26#, N-80, Buttress*	3.47	1.28	1.67
7", 26#, N-80, 8rd, LTC*	2.98	1.23	1.67

Completion System			
4-1/2", 11.6#, HCP-110 8rd. LT&C	3.48	1.74	2.39
4-1/2", 11.6#, HCP-110 BTC	4.58	2.09	2.39

*** Depending on availability.**

DESIGN CRITERIA AND CASING LOADING ASSUMPTIONS:

SURFACE CASING - (13-3/8")

Tension — A 1.6 design factor utilizing the effects of buoyancy (9.1 ppg).

Collapse — A 1.0 design factor with full internal evacuation and a collapse force equal to the mud gradient in which the casing will be run (0.48 psi/ft). The effects of axial load on collapse will be considered.

Burst — A 1.3 design factor with a surface pressure equal to the fracture gradient at setting depth less a gas gradient to the surface. Internal burst force at the shoe will be fracture pressure a that depth. Backup pressure will be formation pore pressure. In all cases a conservative fracture pressure will be used such that it represents the upper limit of potential fracture resistance up to a 1.0 psi/ft gradient. The effects of tension on burst will not be utilized.

PROTECTIVE CASING - (9-5/8")

Tension — A 1.6 design factor utilizing the effects of buoyancy (10.2 ppg).

Collapse — A 1.125 design factor with full internal evacuation and a collapse force equal to the mud gradient in which the casing will be run (0.52 psi/ft). The effects of axial load on collapse will be considered.

In the case of development drilling, collapse design should be analyzed using internal evacuation equal to 1/3 the proposed total depth of the well. This criterion will be used when there is absolutely no potential of the protective string being used as a production casing string.

Burst — A 1.0 surface design factor and a 1.3 downhole design factor with a surface pressure equivalent to the fracture gradient at setting depth less a gas gradient to the surface. Internal burst force at the shoe will be fracture pressure at that depth. Back pressure will be formation pore pressure. In all cases a conservative fracture pressure will be used such that it represents the upper limit of potential fracture resistance up to a 1.0 psi/ft gradient.

Production CASING - (7")

Tension — A 1.6 design factor utilizing the effects of buoyancy (9.0 ppg).

Collapse — A 1.125 design factor with full internal evacuation and a collapse force equal to the mud gradient in which the casing will be run (0.48 psi/ft). The effects of axial load on collapse will be considered.

Burst — A 1.25 design factor with anticipated maximum tubing pressure (5000 psig) on top of the maximum anticipated packer fluid gradient. (0.433 psi/ft) Backup on production strings will be formation pore pressure. (0.433 psi/ft) The effects of tension on burst will not be utilized.

Completion System - (4-1/2")

Tension — A 1.6 design factor utilizing the effects of buoyancy (9.0 ppg).

Collapse — A 1.125 design factor with full internal evacuation and a collapse force equal to the mud gradient in which the casing will be run (0.48 psi/ft). The effects of axial load on collapse will be considered.

Burst — A 1.25 design factor with anticipated maximum tubing pressure (5000 psig) on top of the maximum anticipated packer fluid gradient. (0.433 psi/ft) Backup on production strings will be formation pore pressure. (0.433 psi/ft) The effects of tension on burst will not be utilized.

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAM 1 & 2)

The BOPE when rigged up on the 13-3/8" surface casing head (12-1/4" open hole) will consist of 13-5/8" X 5,000 psi dual ram BOP's with mud cross, choke manifold, chokes, and hydril per Diagram 1 (5,000 psi WP). The pipe and blind rams, choke, kill lines, kelly cocks, inside BOP, etc. when installed on the surface casing head will be hydro-tested to 250-300 psig and 2000 psig by independent tester. The hydril when installed on surface casing head will be tested to 1000 psi.

The BOPE when rigged up on the 9-5/8" intermediate casing spool (8-3/4" open hole) will consist of 13-5/8" x 5,000 psi annular, 13-5/8" x 5,000 psi pipe & blind rams with mud cross, choke manifold and chokes as in Diagram 1. The pipe and blind rams, choke, kill lines, kelly cocks inside BOP, etc. will be tested to 3000 psig by independent tester. In addition to the high pressure test, a low pressure (250-300 psig) test will be required. Hydril will be tested to 1500 psig.

The BOPE when rigged up on the 7" intermediate casing spool (6-1/8" open hole) will consist of 13-5/8" x 5,000 psi annular, 13-5/8" x 5,000 psi pipe & blind rams with mud cross choke manifold and chokes as in Diagram 1. The pipe and blind rams, choke, kelly lines, kelly cocks inside BOP, etc. will be tested to 3000 psig by independent tester. In addition to the high pressure test, a low pressure (250-300 psig) test will be required. Hydril will be tested to 1500 psig.

These tests will be performed:

a) Upon installation
b) After any component changes
c) Thirty days after a previous test
d) As required by well conditions

A function test to insure that the preventers are operating correctly will be performed on each trip.

See COA

BOPCO, L.P. would like to request a variance to use an armored, 3", 5000 psi WP flex hose for the choke line in the drilling of the well if the rig is equip with hose. (See specification for hose that might be used, attached with APD exhibits). This is rig equipment and will help quicken nipple up time thus saving money without a safety problem. The hose itself is rated to 5000 psi ,and has 5000 psi flanges on each end. This well is to be drilled to 14,563' MD (8,003' TVD) and max surface pressure should be +/-1984 psi as prescribed in onshore order #2 shown as max BHP minus 0.22 psi/ft. Thus, 2000 psi BOPE (for 12-1/4" hole) and 3000 psi BOPE (for 8-3/4" and 6-1/8" hole) is all that is needed for this well. **Please refer to diagram 2 for choke manifold and closed loop system layout. If an armored flex hose is utilized, the company man will have all of the proper certified paper work for that hose available on location.**

Please refer to diagram 2 for choke manifold and closed loop system layout. .

POINT 5: MUD PROGRAM — See COA

DEPTH		MUD TYPE	WEIGHT	FV	PV	YP	FL	Ph
0 -1,528'	FW Spud Mud	8.5 – 9.1	38-70	NC	NC	NC	10.0	
1,528' - 4,108'	Brine Water	9.8 – 10.2	28-30	NC	NC	NC	9.5 – 10.5	
4,108' – 7,957'	FW/Gel	8.7 – 9.0	28-36	NC	NC	NC	9.5 – 10.0	
7,957'-14,563'	FW/Gel/Starch	8.7 – 9.0	28-36	NC	NC	<100	9.5 – 10.0	

NOTE: May increase vis for logging purposes only.

POINT 6: TECHNICAL STAGES OF OPERATION

A) TESTING
None anticipated.

B) LOGGING * See COA

Run #1: GR with MWD during drilling of build and horizontal portions of 8-3/4" and 6-1/8" hole.

Run #2: Shuttle log w/GR, PE, Density, Neutron, Resistivity in lateral leg open hole.

Mud Logger: Rigged up at 100'

C) CONVENTIONAL CORING

None anticipated

D) CEMENT * See COA

INTERVAL	AMOUNT SXS	FT OF FILL	TYPE	GALS/SX	PPG	FT^3/SX
SURFACE:						
Lead: 0' – 1,328'	1065	1328	Class C +2% CACL + 4% Bentonite + 0.25 LB/SK Cello Flake + 3 lb/sk LCM-1	8.69	13.50	1.75
Tail: 1,328' – 1,528'	345	300	Class C + 2% CACL + 0.25 LB/SK CF 0.25LB/SK Cello Flake + 3 lb/sk LCM-1	6.35	14.80	1.35
INTERMEDIATE:						
Lead: 0' – 3,608'	1050	3608	EconoCEM HLC + 5% CaCl + 5#/sk Gilsonite	9.32	12.90	1.85
Tail: 3,608' – 4,108'	270	500	HalCem C	6.34	14.80	1.33
Production						
Stage 1:						
Lead: 5,000' – 7,257'	200	2257	Tuned Light + 0.75% + CFR-3 + 1.5#/sk CaCl	12.41	10.20	2.76
Tail: 7,257' – 7,957'	115	700	VersaCem-PBSH2 + 0.4% Halad-9	8.76	13.0	1.65
DV Tool @ 5,000'						
Stage 2:						
Lead: 3608' – 4,500'	90	892	EconCem HLC + 1% Econolite + 5% CaCl + 5#/sk Gilsonite	10.71	12.60	2.04
Tail: 4,500' – 5,000'	100	500	HalCem C	6.34	14.80	1.33

Cement excesses will be as follows:

Surface – 100% excess with cement circulated to surface.

1st Intermediate – 50% excess above fluid caliper with cement circulated to surface.

Production – 50% above gauge hole or 35% above electric log caliper with cement circulated 500' up into the 9-5/8" 1st intermediate casing in areas outside the SOPA. Cement will be circulated to surface on areas inside the SOPA.
Cement volumes will be adjusted proportionately for depth changes of the multi stage tool.

E) COMPLETIONS SYSTEM

A 4-1/2" completion system with open hole packers will be run in the producing lateral to a depth of 14,563'. The top of the Completion System will be set at approximately 7,907'. Cement will not be required for this system.

F) DIRECTIONAL DRILLING

BOPCO, L.P. plans to drill out the 9-5/8" intermediate casing with a 8-3/4" bit to a TVD of approximately 7,257' at which point a directional hole will be kicked off and drilled at an azimuth of 315.02 degrees, building angle at 12.01 deg/100' to 60 degrees at a TVD of 7,671' (MD 7,757'). This angle and azimuth will be maintained for 200' to a measured depth of 7,957 (7,771' TVD). At this depth 7", 26#, N80, Buttress, or 8rd LTC casing will be installed and cemented in two stages (DV Tool @ approximately 5000') with cement circulated 500' inside the 9-5/8" intermediate casing. A 6-1/8" open hole lateral will then be drilled out from 7" casing at an azimuth of 315.02 degrees, inclination of 88.49 degrees to a measured depth of 14,563', TVD 8,003'. At this depth a 4-1/2" Completion System with packers installed for zone isolation will be run into the producing lateral.

G) H_2S SAFTEY EQUIPMENT

As stated in the BLM Onshore Order 6, for wells located inside the H2S area, H_2S equipment will be rigged up after setting surface casing. For the wells located inside the H2S area the flare pit will be located 150' from the location. For wells located outside the H2S area flare pit will be located 100' away from the location. **(See page 6 of Survey plat package and diagram 2)** There is not any H_2S anticipated in the area, although in the event that H_2S is encountered, the H_2S contingency plan attached will be implemented. **(Please refer to diagram 2 for choke manifold and closed loop system layout.) Please refer to H2S location diagram for location of important H2S safety items.**

H) CLOSED LOOP AND CHOKE MANIFLOLD

Please see diagram 2.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout Delaware section. A BHP of 3745 psi (max) or MWE of 9.0 ppg is expected. Lost circulation may exist in the Delaware Section from 4,088'-8,003' TVD.

POINT 8: OTHER PERTINENT INFORMATION

A) Auxiliary Equipment

Upper and lower kelly cocks. Full opening stab in valve on the rig floor.

B) Anticipated Starting Date

Upon approval

30 days drilling operations

14 days completion operations

JDB

Weatherford®

Drilling Services

Proposal

BOPCO, L.P.

POKER LAKE UNIT 370H

EDDY CO, NM

WELL FILE: **PLAN 1**

JUNE 20, 2012

Weatherford International, Ltd.
P.O. Box 61028
Midland, TX 79711 USA
+1.432.561.8892 Main
+1.432.561.8895 Fax
www.weatherford.com

BOPCO, L.P.

Poker Lake Unit 370H
Eddy Co, NM

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	315.02	0.00	0.00	0.00	0.00	0.00	0.00	
2	7257.89	0.00	315.02	7257.89	0.00	0.00	0.00	0.00	0.00	
3	7757.89	60.00	315.02	7671.39	168.87	-168.75	12.00	315.02	238.73	
4	7957.89	60.00	315.02	7771.39	291.39	-291.17	0.00	0.00	411.94	
5	8195.31	88.49	315.02	7835.19	451.37	-451.03	12.00	0.00	638.09	
6	14563.39	88.49	315.02	8003.00	4954.42	-4950.67	0.00	0.00	7003.96	PBHL

FIELD DETAILS

Eddy County, NM (Nad 27)

Geodetic System: US State Plane Coordinate System 1927
Ellipsoid: NAD27 (Clarke 1866)
Zone: New Mexico, Eastern Zone
Magnetic Model: IGRF2010

System Datum: Mean Sea Level
Local North: Grid North

SITE DETAILS

Poker Lake Unit 370H

Site Centre Northing: 420855.07
Easting: 652216.65

Ground Level: 3376.00
Positional Uncertainty: 0.00
Convergence: 0.26

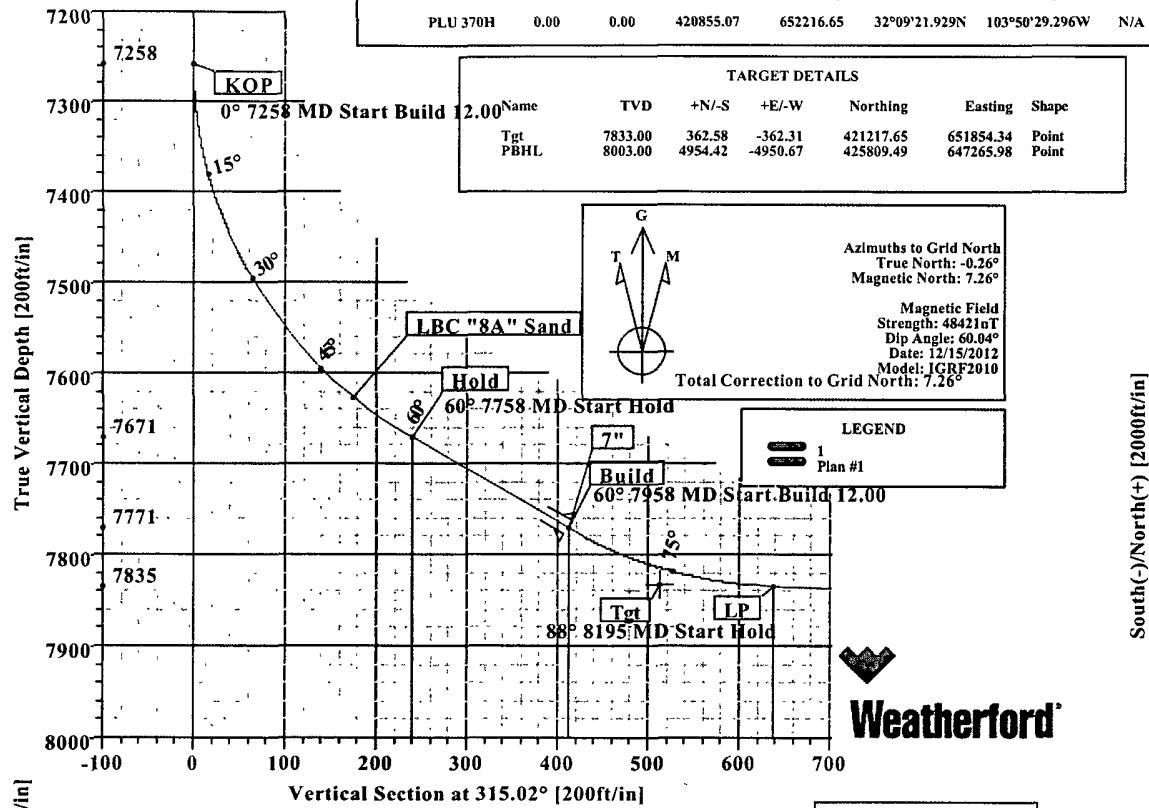
KB ELEV: 3398
GL ELEV: 3376

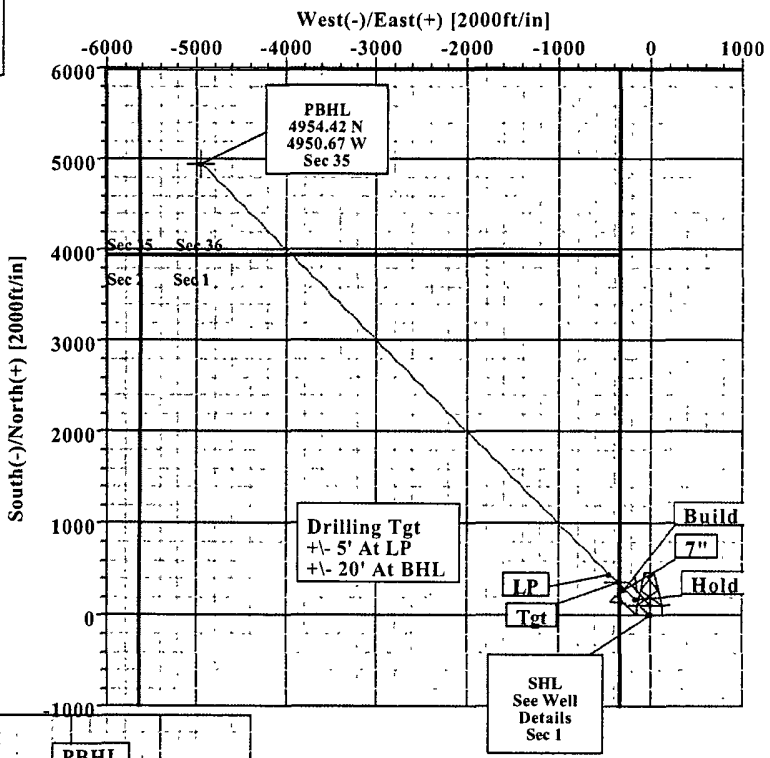
WELL DETAILS

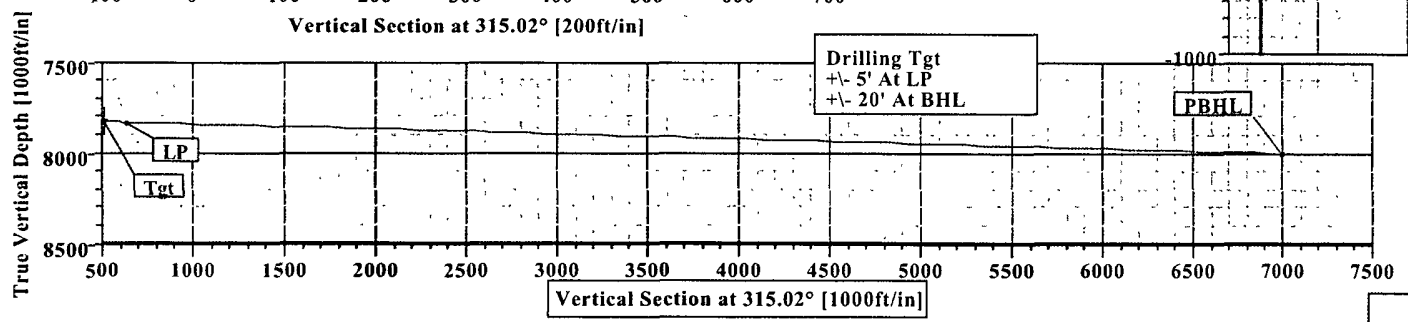
Name	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
PLU 370H	0.00	0.00	420855.07	652216.65	32°09'21.929N	103°50'29.296W	N/A

TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
Tgt	7833.00	362.58	-362.31	421217.65	651854.34	Point
PBHL	8003.00	4954.42	-4950.67	425809.49	647265.98	Point







Weatherford

Plan: Plan #1 (PLU 370H/1)

Created By: Russell W. Joyner Date: 6/20/2012

Weatherford

WFT Plan Report - X & Y's

Weatherford

Company:	BOPCO, L.P.	**Date:** 6/19/2012	**Time:** 14:59:26	**Page:**	1
Field:	Eddy County, NM (Nad 27)	**Co-ordinate(NE) Reference:**	Well: PLU #370H, Grid North		
Site:	Poker Lake Unit #370H	**Vertical (TVD) Reference:**	SITE 3398.0		
Well:	PLU #370H	**Section (VS) Reference:**	Well (0.00N,0.00E,315.02Azi)		
Wellpath:	1	**Survey Calculation Method:**	Minimum Curvature	**Db:**	Sybase

Plan:	Plan #1	**Date Composed:**	6/19/2012
		Version:	1
Principal:	Yes	**Tied-to:**	From Surface

Field:	Eddy County, NM (Nad 27)		
Map System:	US State Plane Coordinate System 1927	**Map Zone:**	New Mexico, Eastern Zone
Geo Datum:	NAD27 (Clarke 1866)	**Coordinate System:**	Well Centre
Sys Datum:	Mean Sea Level	**Geomagnetic Model:**	IGRF2010

Site:	Poker Lake Unit #370H							
Site Position:		**Northing:**	420855 07 ft	**Latitude:**	32	9	21.929	N
From:	Map	**Easting:**	652216.65 ft	**Longitude:**	103	50	29.296	W
Position Uncertainty:	0.00 ft			**North Reference:**			Grid	
Ground Level:	3376.00 ft			**Grid Convergence:**			0.26	deg

Well:	PLU #370H			**Slot Name:**				
Well Position:	+N/-S 0.00 ft	**Northing:**	420855.07 ft	**Latitude:**	32	9	21.929	N
	+E/-W 0.00 ft	**Easting:**	652216.65 ft	**Longitude:**	103	50	29.296	W
Position Uncertainty:	0.00 ft							

Wellpath:	1			**Drilled From:**	Surface
				Tie-on Depth:	0.00 ft
Current Datum:	SITE	**Height**	3398.00 ft	**Above System Datum:**	Mean Sea Level
Magnetic Data:	12/15/2012			**Declination:**	7.52 deg
Field Strength:	48421 nT			**Mag Dip Angle:**	60.04 deg

Vertical Section:	**Depth From (TVD)**	**+N/-S**	**+E/-W**	**Direction**
	ft	ft	ft	deg
	0.00	0.00	0.00	315.02

Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0.00	0.00	315.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
7257.89	0.00	315.02	7257.89	0.00	0.00	0.00	0.00	0.00	0.00	
7757.89	60.00	315.02	7671.39	168.87	-168.75	12.00	12.00	0.00	315.02	
7957.89	60.00	315.02	7771.39	291.39	-291.17	0.00	0.00	0.00	0.00	
8195.31	88.49	315.02	7835.19	451.37	-451.03	12.00	12.00	0.00	0.00	
14563.39	88.49	315.02	8003.00	4954.42	-4950.67	0.00	0.00	0.00	0.00	PBHL

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
7200.00	0.00	315.02	7200.00	0.00	0.00	0.00	0.00	420855.07	652216.65	
7257.89	0.00	315 02	7257.89	0.00	0.00	0.00	0.00	420855.07	652216.65	KOP
7275.00	2.05	315.02	7275.00	0.22	-0.22	0.31	12.00	420855.29	652216.43	
7300.00	5.05	315.02	7299.95	1.31	-1.31	1.86	12.00	420856.38	652215.34	
7325.00	8.05	315.02	7324.78	3.33	-3.33	4.71	12.00	420858.40	652213.32	
7350.00	11.05	315.02	7349.43	6.26	-6.26	8.86	12.00	420861.33	652210.39	
7375.00	14.05	315.02	7373.83	10.11	-10.10	14.29	12.00	420865.18	652206.55	
7400.00	17.05	315.02	7397.91	14.85	-14.84	20.99	12.00	420869.92	652201.81	
7425.00	20.05	315.02	7421.61	20.48	-20 46	28.95	12.00	420875.55	652196.19	
7450.00	23.05	315.02	7444.86	26.97	-26.95	38.13	12.00	420882.04	652189.70	
7475.00	26.05	315.02	7467.60	34.32	-34.29	48.52	12.00	420889.39	652182.36	
7500.00	29.05	315.02	7489.76	42.50	-42.47	60.08	12.00	420897.57	652174.18	
7525.00	32.05	315.02	7511.28	51.49	-51.45	72.79	12.00	420906.56	652165.20	
7550.00	35.05	315.02	7532.12	61.26	-61.21	86.60	12.00	420916.33	652155.44	
7575.00	38.05	315.02	7552.20	71.79	-71.74	101.49	12.00	420926.86	652144.91	

Weatherford

WFT Plan Report - X & Y's

Weatherford

Company:	BOPCO, L.P	**Date:** 6/19/2012	**Time:** 14:59:26	**Page:**	2
Field:	Eddy County, NM (Nad 27)	**Co-ordinate(NE) Reference:**	Well: PLU #370H, Grid North		
Site:	Poker Lake Unit #370H	**Vertical (TVD) Reference:**	SITE 3398.0		
Well:	PLU #370H	**Section (VS) Reference:**	Well (0.00N,0.00E,315.02Azi)		
Wellpath:	1	**Survey Calculation Method:**	Minimum Curvature	**Db:**	Sybase

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
7600.00	41 05	315.02	7571.47	83.05	-82.99	117 41	12.00	420938.12	652133.66	
7625.00	44.05	315.02	7589 88	95.01	-94.94	134.31	12.00	420950.08	652121.71	
7650.00	47 05	315.02	7607.39	107.63	-107.55	152.16	12.00	420962.70	652109.10	
7675.00	50 05	315.02	7623.94	120.89	-120.79	170.89	12.00	420975.96	652095 86	
7681 38	50.82	315.02	7628.00	124.37	-124.27	175.81	12.00	420979.44	652092.38	LBC "8A" Sand
7700.00	53.05	315.02	7639.48	134.73	-134.63	190.47	12.00	420989.80	652082.02	
7725 00	56.05	315.02	7653.98	149.14	-149.03	210.84	12.00	421004.21	652067.62	
7750.00	59.05	315.02	7667.39	164.06	-163.94	231.93	12.00	421019.13	652052.71	
7757.89	60.00	315.02	7671.39	168.87	-168.75	238.73	12.00	421023.94	652047.90	Hold
7800.00	60.00	315.02	7692.44	194.67	-194.52	275.20	0.00	421049.74	652022.13	
7900 00	60.00	315.02	7742.44	255.93	-255.73	361.80	0.00	421111.00	651960.92	
7957.89	60.00	315.02	7771.39	291.39	-291.17	411.94	0.00	421146.46	651925.48	7"
7975.00	62.05	315.02	7779.68	301.98	-301.75	426.90	12.00	421157.05	651914.90	
8000 00	65.05	315 02	7790 81	317.81	-317.57	449.28	12.00	421172.88	651899.08	
8025.00	68.05	315.02	7800.76	334.03	-333.78	472.22	12.00	421189.10	651882.87	
8050.00	71.05	315.02	7809 49	350.60	-350.34	495.64	12.00	421205.67	651866.31	
8075.00	74.05	315.02	7816.98	367.47	-367.19	519 49	12.00	421222.54	651849.46	
8100.00	77.05	315.02	7823.22	384.59	-384.30	543.69	12.00	421239.66	651832.35	
8125.00	80.05	315.02	7828.18	401.93	-401.62	568.19	12.00	421257.00	651815.03	
8150.00	83.05	315.02	7831.85	419.42	-419.10	592.92	12.00	421274.49	651797.55	
8175.00	86.05	315.02	7834.23	437.02	-436.69	617.80	12.00	421292.09	651779.96	
8195.31	88 49	315.02	7835.19	451.37	-451.03	638.09	12.00	421306.44	651765.62	LP
8200.00	88.49	315.02	7835.32	454.68	-454.34	642.78	0.00	421309.75	651762.31	
8300.00	88.49	315.02	7837.95	525.40	-525.00	742.74	0.00	421380.47	651691.65	
8400.00	88.49	315.02	7840.59	596.11	-595.66	842.71	0.00	421451.18	651620.99	
8500.00	88.49	315.02	7843.22	666.82	-666.32	942.67	0.00	421521.89	651550.33	
8600.00	88.49	315 02	7845.86	737.54	-736.98	1042.64	0.00	421592.61	651479.67	
8700.00	88 49	315 02	7848 49	808.25	-807.64	1142.60	0.00	421663.32	651409.01	
8800.00	88.49	315.02	7851.13	878.96	-878.30	1242.57	0.00	421734.03	651338.35	
8900.00	88.49	315.02	7853.76	949.67	-948.96	1342.53	0.00	421804.74	651267.69	
9000.00	88.49	315.02	7856.40	1020.39	-1019.61	1442.50	0.00	421875.46	651197.04	
9100.00	88 49	315.02	7859.03	1091.10	-1090.27	1542.46	0.00	421946.17	651126.38	
9200.00	88.49	315.02	7861.67	1161.81	-1160.93	1642.43	0.00	422016.88	651055.72	
9300.00	88.49	315.02	7864.30	1232.53	-1231.59	1742.39	0.00	422087.60	650985.06	
9400 00	88.49	315.02	7866.94	1303.24	-1302.25	1842.36	0.00	422158.31	650914.40	
9500.00	88.49	315.02	7869.57	1373.95	-1372.91	1942.33	0.00	422229.02	650843.74	
9600.00	88.49	315 02	7872.21	1444.66	-1443.57	2042.29	0.00	422299.73	650773.08	
9700.00	88.49	315.02	7874.84	1515.38	-1514.23	2142.26	0.00	422370.45	650702.42	
9800.00	88.49	315.02	7877.48	1586.09	-1584.89	2242.22	0.00	422441.16	650631.76	
9900.00	88.49	315.02	7880.11	1656.80	-1655.55	2342.19	0.00	422511.87	650561.10	
10000.00	88.49	315.02	7882.75	1727.52	-1726.21	2442.15	0.00	422582.59	650490.44	
10100.00	88.49	315.02	7885.38	1798.23	-1796.87	2542.12	0.00	422653.30	650419.78	
10200.00	88.49	315.02	7888.02	1868.94	-1867.53	2642.08	0.00	422724.01	650349.12	
10300.00	88.49	315.02	7890.65	1939.65	-1938.19	2742.05	0.00	422794.72	650278.46	
10400.00	88.49	315.02	7893.29	2010.37	-2008.85	2842.01	0.00	422865.44	650207.80	
10500.00	88.49	315.02	7895.92	2081.08	-2079.50	2941.98	0.00	422936.15	650137.15	
10600.00	88.49	315.02	7898.56	2151.79	-2150.16	3041.94	0.00	423006.86	650066.49	
10700.00	88.49	315.02	7901.19	2222 51	-2220.82	3141.91	0.00	423077.58	649995.83	
10800.00	88 49	315 02	7903.83	2293.22	-2291 48	3241.87	0 00	423148.29	649925.17	
10900.00	88.49	315 02	7906 46	2363 93	-2362 14	3341.84	0.00	423219.00	649854.51	
11000.00	88.49	315 02	7909.10	2434.64	-2432.80	3441.80	0.00	423289.71	649783.85	
11100.00	88.49	315 02	7911.73	2505.36	-2503.46	3541.77	0.00	423360.43	649713.19	
11200.00	88.49	315.02	7914.37	2576.07	-2574.12	3641.74	0.00	423431.14	649642.53	

Weatherford
WFT Plan Report - X & Y's

Weatherford

Company:	BOPCO, L.P.	**Date:** 6/19/2012 **Time:** 14:59:26	**Page:** 3
Field:	Eddy County, NM (Nad 27)	**Co-ordinate(NE) Reference:**	Well: PLU #370H, Grid North
Site:	Poker Lake Unit #370H	**Vertical (TVD) Reference:**	SITE 3398.0
Well:	PLU #370H	**Section (VS) Reference:**	Well (0.00N,0.00E,315.02Azi)
Wellpath:	1	**Survey Calculation Method:**	Minimum Curvature **Db:** Sybase

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
11300.00	88.49	315.02	7917.00	2646.78	-2644.78	3741.70	0.00	423501.85	649571.87	
11400.00	88.49	315 02	7919.64	2717.50	-2715.44	3841.67	0.00	423572.57	649501.21	
11500.00	88.49	315.02	7922.28	2788.21	-2786.10	3941.63	0.00	423643.28	649430.55	
11600.00	88 49	315.02	7924.91	2858.92	-2856 76	4041.60	0.00	423713.99	649359.89	
11700.00	88 49	315.02	7927 55	2929.63	-2927.42	4141.56	0.00	423784.70	649289.23	
11800.00	88.49	315 02	7930.18	3000.35	-2998.08	4241.53	0.00	423855.42	649218 57	
11900.00	88 49	315.02	7932.82	3071.06	-3068.74	4341.49	0.00	423926.13	649147.91	
12000.00	88.49	315.02	7935.45	3141.77	-3139.40	4441.46	0.00	423996.84	649077.25	
12100.00	88.49	315.02	7938.09	3212.49	-3210.05	4541.42	0.00	424067.56	649006.60	
12200.00	88.49	315.02	7940.72	3283.20	-3280.71	4641.39	0.00	424138.27	648935.94	
12300.00	88.49	315 02	7943.36	3353.91	-3351.37	4741.35	0.00	424208.98	648865.28	
12400.00	88.49	315 02	7945.99	3424.62	-3422.03	4841.32	0.00	424279.69	648794.62	
12500 00	88 49	315.02	7948.63	3495.34	-3492.69	4941.28	0.00	424350.41	648723.96	
12600.00	88.49	315.02	7951 26	3566.05	-3563 35	5041.25	0.00	424421.12	648653.30	
12700.00	88.49	315 02	7953.90	3636.76	-3634.01	5141.21	0.00	424491.83	648582.64	
12800.00	88 49	315.02	7956 53	3707.48	-3704.67	5241.18	0.00	424562.55	648511.98	
12900.00	88 49	315 02	7959 17	3778.19	-3775.33	5341.14	0.00	424633.26	648441.32	
13000.00	88 49	315.02	7961.80	3848.90	-3845.99	5441.11	0.00	424703.97	648370.66	
13100.00	88.49	315.02	7964.44	3919.61	-3916.65	5541.08	0.00	424774.68	648300.00	
13200.00	88.49	315 02	7967.07	3990.33	-3987 31	5641.04	0.00	424845.40	648229.34	
13300.00	88.49	315.02	7969.71	4061.04	-4057.97	5741.01	0.00	424916.11	648158.68	
13400.00	88.49	315.02	7972.34	4131.75	-4128.63	5840.97	0.00	424986.82	648088.02	
13500.00	88.49	315.02	7974.98	4202.47	-4199.29	5940.94	0.00	425057.54	648017.36	
13600.00	88.49	315.02	7977.61	4273.18	-4269.95	6040.90	0.00	425128.25	647946.70	
13700.00	88.49	315 02	7980.25	4343.89	-4340.60	6140.87	0.00	425198.96	647876.05	
13800.00	88.49	315.02	7982.88	4414.61	-4411.26	6240.83	0.00	425269.68	647805.39	
13900.00	88 49	315.02	7985.52	4485.32	-4481.92	6340.80	0.00	425340.39	647734.73	
14000.00	88.49	315.02	7988.15	4556.03	-4552.58	6440.76	0.00	425411.10	647664.07	
14100.00	88.49	315.02	7990.79	4626.74	-4623.24	6540.73	0.00	425481.81	647593.41	
14200.00	88.49	315.02	7993.42	4697.46	-4693.90	6640.69	0.00	425552.53	647522.75	
14300.00	88 49	315.02	7996.06	4768.17	-4764.56	6740.66	0.00	425623.24	647452.09	
14400.00	88 49	315.02	7998 69	4838.88	-4835.22	6840.62	0.00	425693.95	647381.43	
14500.00	88.49	315.02	8001.33	4909.60	-4905.88	6940.59	0.00	425764.67	647310.77	
14563.39	88.49	315.02	8003.00	4954.42	-4950.67	7003.96	0.00	425809.49	647265.98	PBHL

Targets

Name	Description Dip.	Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<--- Latitude ---> Deg Min Sec	<--- Longitude ---> Deg Min Sec
Tgt			7833.00	362.58	-362.31	421217.65	651854.34	32 9 25.534 N	103 50 33.491 W
-Plan out by 90.70 at			7833.00	426.74	-426.42	421281.81	651790.23	32 9 26.172 N	103 50 34.233 W
PBHL			8003.00	4954.42	-4950.67	425809.49	647265.98	32 10 11.179 N	103 51 26.629 W

Casing Points

MD ft	TVD ft	Diameter in	Hole Size in	Name
7957.89	7771.39	7.000	8.500	7"

Weatherford
WFT Plan Report - X & Y's

Weatherford

Company:	BOPCO, L.P.	**Date:** 6/19/2012	**Time:** 14:59:26	**Page:**	4
Field:	Eddy County, NM (Nad 27)	**Co-ordinate(NE) Reference:**	Well: PLU #370H, Grid North		
Site:	Poker Lake Unit #370H	**Vertical (TVD) Reference:**	SITE 3398.0		
Well:	PLU #370H	**Section (VS) Reference:**	Well (0.00N,0.00E,315.02Azi)		
Wellpath:	1	**Survey Calculation Method:**	Minimum Curvature	**Db:**	Sybase

Annotation

MD ft	TVD ft	
7257.89	7257.89	KOP
7757.89	7671.39	Hold
7957.89	7771.39	Build
8195.31	7835.19	LP
14563.38	8003.00	PBHL

Formations

MD ft	TVD ft	Formations	Lithology	Dip Angle deg	Dip Direction deg
7681.38	7628.00	LBC "8A" Sand		0.00	0.00

Weatherford Drilling Services

GeoDec v5.03

Report Date:	June 19, 2012
Job Number:	
Customer:	BOPCO
Well Name:	Poker Lake Unit #370H
API Number:	
Rig Name:	
Location:	Eddy Co, NM
Block:	
Engineer:	RWJ

US State Plane 1927	Geodetic Latitude / Longitude
System: New Mexico East 3001 (NON-EXACT)	System: Latitude / Longitude
Projection: SPC27 Transverse Mercator	Projection: Geodetic Latitude and Longitude
Datum: NAD 1927 (NADCON CONUS)	Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866	Ellipsoid: Clarke 1866
North/South 420855.070 USFT	Latitude 32.1560915 DEG
East/West 652216.650 USFT	Longitude -103.8414710 DEG
Grid Convergence: .26°	
Total Correction: +7.26°	

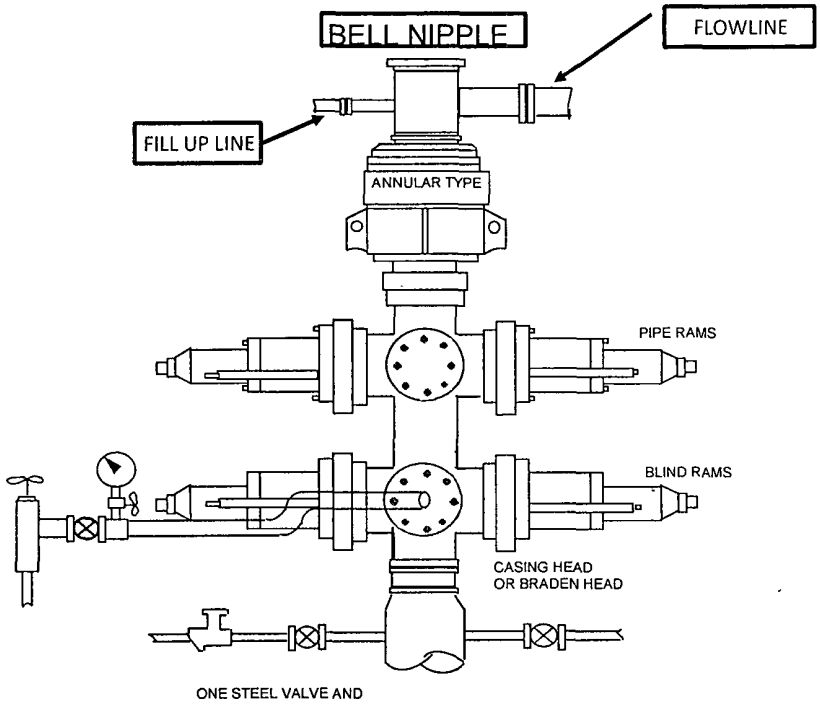
Geodetic Location WGS84	Elevation = 0.0 Meters	
Latitude =	32.15609° N	32° 9 min 21.929 sec
Longitude =	103.84147° W	103° 50 min 29.296 sec

Magnetic Declination =	7.52°	[True North Offset]	
Local Gravity =	.9988 g	CheckSum =	6546
Local Field Strength =	48417 nT	Magnetic Vector X =	23971 nT
Magnetic Dip =	60.04°	Magnetic Vector Y =	3165 nT
Magnetic Model =	IGRF-2010g11	Magnetic Vector Z =	41947 nT
Spud Date =	Dec 15, 2012	Magnetic Vector H =	24179 nT

Signed:_____ Date:_____

BOPCO, L. P.

13 5/8" X 5-M WP BOPE WITH 5-M WP ANNULAR

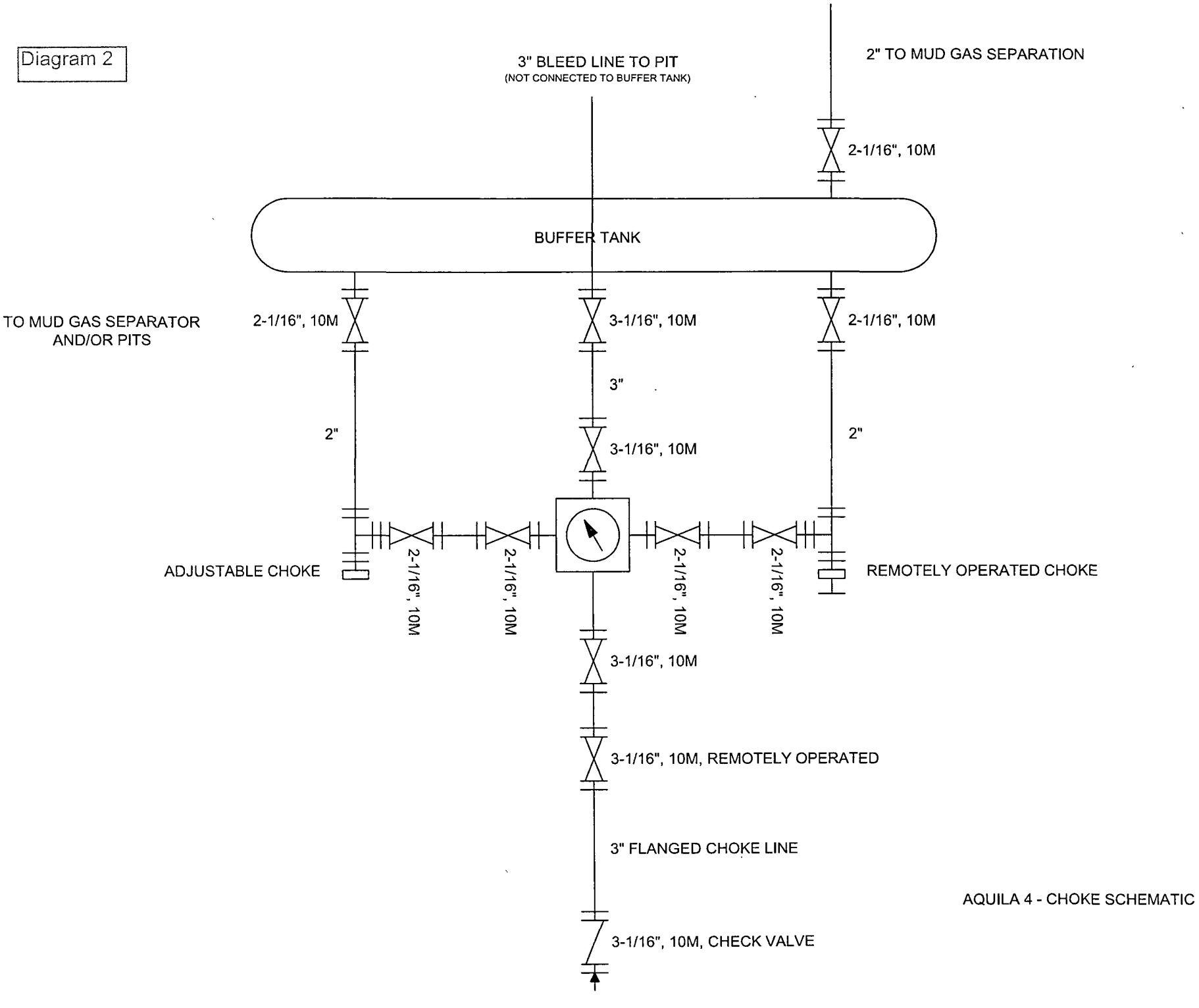


THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

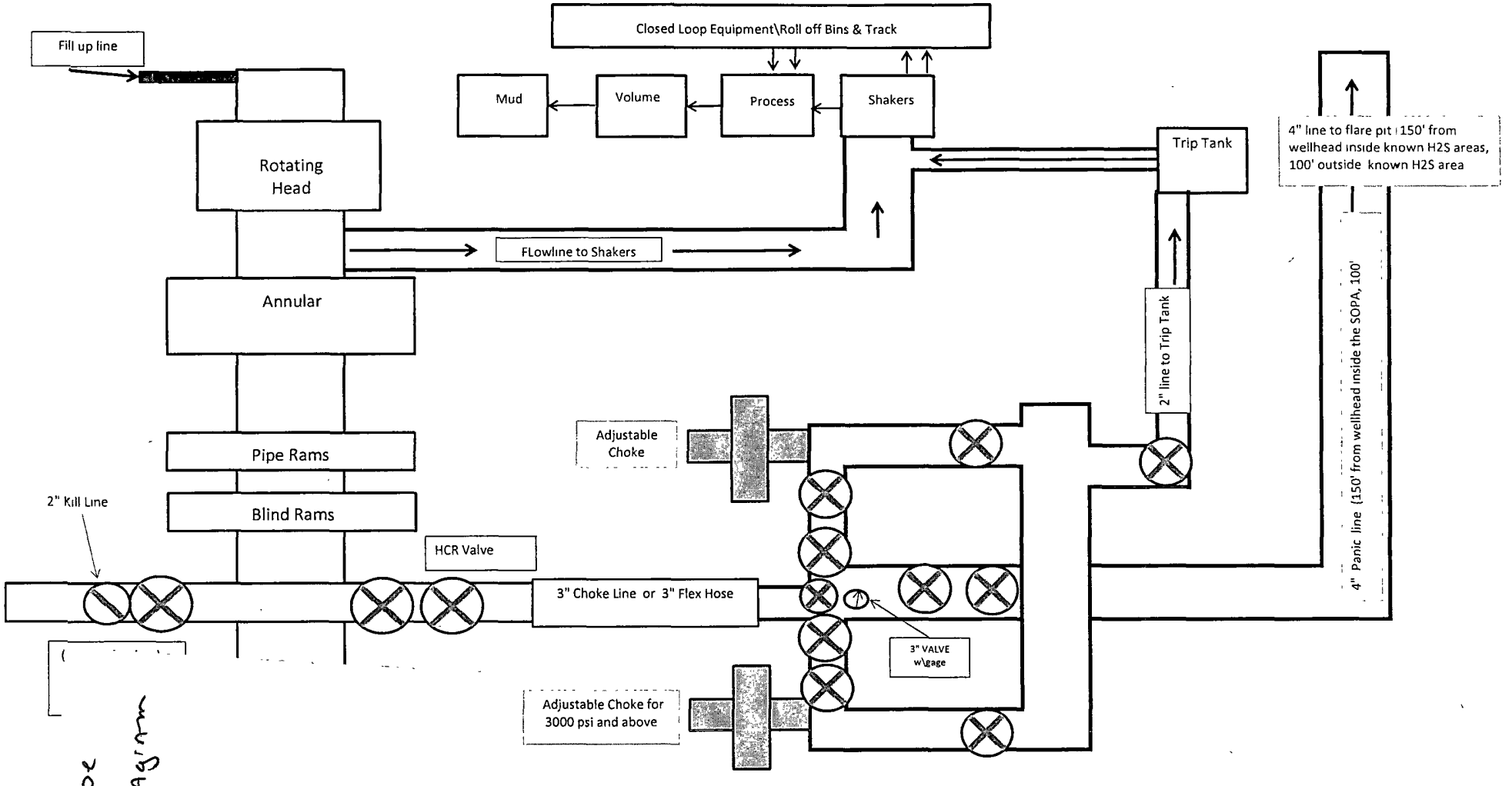
A. One double gate Blowout preventer with lower pipe rams and upper blind rams, all hydraulically controlled.
B. Opening on preventers between rams to be flanged, studded or clamped and at least two inches in diameter.
C. All connections from operating manifold to preventers to be all steel hose or tube a mininum of one inch in diameter.
D. The available closing pressure shall be at least 15% in excess of that required with suffficient volume to operate (close, open, and re-close) the preventers.
E. All connections to and from preventers to have a pressure rating equivalent to that of the BOPs.
F. Manual controls to be installed before drilling cement plug.
G. Valve to control flow through drill pipe to be located on rig floor.
H Chokes must be adjustable. Choke spool may be used between rams.

DIAGRAM 1

Diagram 2



AQUILA 4 - CHOKE SCHEMATIC



' X 5-M BOPE (2 Rams and Rotating Head) &
ɔsed Loop System Equipment Schematic
Diagram 2

Additional page to be inserted with diagram 2
Jeremy Barker

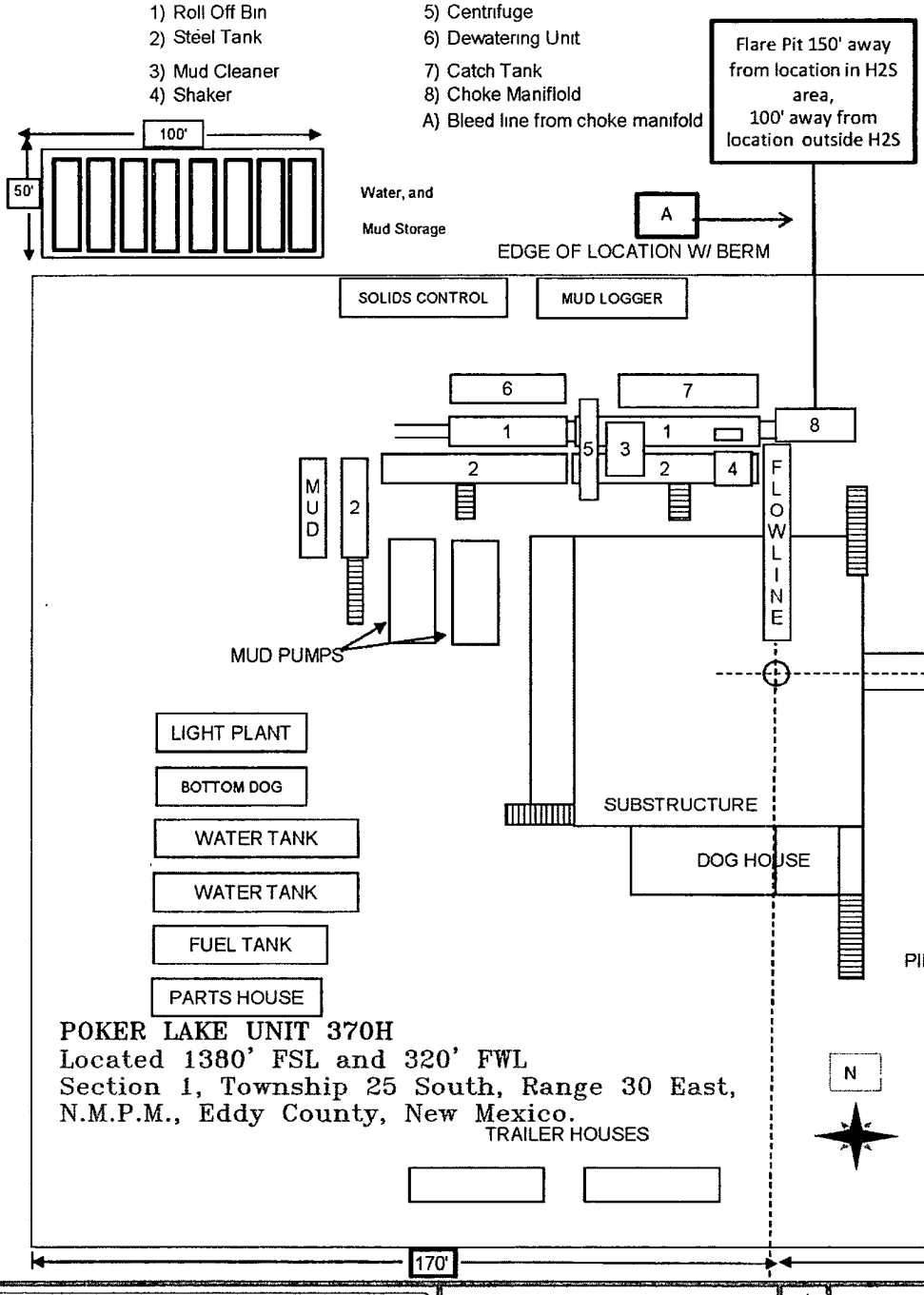
RIG LAYOUT

Exhibit "D"

RIG LAYOUT SCHEMATIC
INCLUSIVE OF CLOSED-LOOP DESIGN PLAN

Solids Control Equipment Legend

1) Roll Off Bin
2) Steel Tank
3) Mud Cleaner
4) Shaker
5) Centrifuge
6) Dewatering Unit
7) Catch Tank
8) Choke Manifold
A) Bleed line from choke manifold



POKER LAKE UNIT 370H
Located 1380' FSL and 320' FWL
Section 1, Township 25 South, Range 30 East,
N.M.P.M., Eddy County, New Mexico.

basin surveys
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

W.O. Number: JMS 26760
Survey Date: 05-31-2012
Scale: 1" = 2000'
Date: 06-07-2012

N

BOPCO, L.P.

Sheet 6 of 6 Sheets

TABLE OF CONTENTS

H_2S CONTINGENCY PLAN SECTION

Scope:

This contingency plan provides an organized plan of action for alerting and protecting the public within an area of exposure prior to an intentional release, or following the accidental release of a potentially hazardous volume of hydrogen sulfide. The plan establishes guidelines for all personnel whose work activity may involve exposure to Hydrogen Sulfide Gas (H_2S).

Objective:

Prevent any and all accidents, and prevent the uncontrolled release of H_2S into the atmosphere.

Provide proper evacuation procedures to cope with emergencies.

Provide immediate and adequate medical attention should an injury occur.

Discussion of Plan:

Suspected Problem Zones:

Implementation: This plan, with all details, is to be fully implemented 500' above or three days prior to drilling into the first known sour zone

Emergency Response and Public Protection Procedure: This section outlines the conditions and denotes steps to be taken in the event of an emergency.

Emergency Equipment and Procedure: This section outlines the safety and emergency equipment that will be required for the drilling of this well.

Training Provisions: This section outlines the training provisions that must be adhered to 500 feet above or three days prior to drilling into the first known sour zone.

Emergency call lists: Included are the telephone numbers of all persons that would need to be contacted should an H_2S emergency occur.

Briefing: This section deals with the briefing of all persons involved with the drilling of this well.

Public Safety: Public Safety Personnel will be made aware of the drilling of this well.

EMERGENCY PROCEDURES AND PUBLIC PROTECTION SECTION

I. In the event of any evidence of H_2S levels above 10 ppm, take the following steps immediately:

A. Secure breathing apparatus.

B. Order non-essential personnel out of the danger zone.

C. Take steps to determine if the H_2S level can be corrected or suppressed, and if so, proceed with normal operations.

II. If uncontrollable conditions occur, proceed with the following:

A. Take steps to protect and/or remove any public downwind of the rig, including partial evacuation or isolation. Notify necessary public safety personnel and the New Mexico Oil & Gas of the situation.

B. Isolate area and prevent entry by unauthorized persons into the 100 ppm ROE.

C. Remove all personnel to the Safe Briefing Area.

D. Notify public safety personnel for help with maintaining roadblocks and implementing evacuation. Phone number list attached.

E. Determine and proceed with the best possible plan to regain control of the well. Maintain tight security and safety measures.

III. Responsibility:

A. The Company Approved Supervisor shall be responsible for the total implementation of the plan.

B. The Company Approved Supervisor shall be in complete command during any emergency.

C. The Company Approved Supervisor shall designate a back up Supervisor in the event that he/she is not available.

EMERGENCY PROCEDURE IMPLEMENTATION

I. Drilling or Tripping

A. All Personnel

1. When alarm sounds, don escape unit and report to upwind Safe Briefing Area.
2. Check status of other personnel (buddy system).
3. Secure breathing apparatus.
4. Wait for orders from supervisor.

B. Drilling Foreman

1. Report to the upwind Safe Briefing Area.
2. Don Breathing Apparatus and return to the point of release with the Tool Pusher or Driller (buddy system).
3. Determine the concentration of H_2S.
4. Assess the situation and take appropriate control measures.

C. Tool Pusher

1. Report to the upwind Safe Briefing Area.
2. Don breathing apparatus and return to the point of release with the Drilling Foreman or the Driller (buddy system).
3. Determine the concentration.
4. Assess the situation and take appropriate control measures.

D. Driller

1. Check the status of other personnel (in a rescue attempt, always use the buddy system).
2. Assign the least essential person to notify the Drilling Foreman and Tool Pusher, in the event of their absence.

3. Assume the responsibility of the Drilling Foreman and the Tool Pusher until they arrive, in the event of their absence.

E. Derrick Man and Floor Hands

1. Remain in the upwind Safe Briefing Area until otherwise instructed by a supervisor.

F. Mud Engineer

1. Report to the upwind Safe Briefing Area.

2. When instructed, begin check of mud for pH level and H_2S level.

G. On-site Safety Personnel

1. Don Breathing Apparatus.

2. Check status of all personnel.

3. Wait for instructions from Drilling Foreman or Tool Pusher.

II. Taking a Kick

A. All personnel report to the upwind Safe Briefing Area.

B. Follow standard BOP procedures.

III. Open Hole Logging

A. All unnecessary personnel should leave the rig floor.

B. Drilling Foreman and Safety Personnel should monitor the conditions and make necessary safety equipment recommendations.

IV. Running Casing or Plugging

A. Follow "Drilling or Tripping" procedures.

B. Assure that all personnel have access to protective equipment.

SIMULATED BLOWOUT CONTROL DRILLS

All drills will be initiated by activating alarm devices (air horn). Use one long blast on the air horn for ACTUAL and SIMULATED Blowout Control Drills. This operation will be performed by the Drilling Foreman or Tool Pusher at least one time per week for each of the following conditions, with each crew:

Drill # 1 Bottom Drilling

Drill # 2 Tripping Drill Pipe

In each of these drills, the initial reaction time to shutting in the well shall be timed as well as the total time for the crew to complete its entire pit drill assignment. The times must be recorded on the IADC Driller's Log as "Blowout Control Drill".

Drill No.:		
Reaction Time to Shut-In:	minutes,	seconds.
Total Time to Complete Assignment:	minutes,	seconds.

I. Drill Overviews

A. Drill No. 1- Bottom Drilling

1. Sound the alarm immediately.
2. Stop the rotary and hoist kelly joint above the rotary table.
3. Stop the circulatory pump.
4. Close the drill pipe rams.
5. Record casing and drill pipe shut-in pressures and pit volume increases.

B. Drill No. 2 – Tripping Drill Pipe

1. Sound the alarm immediately.
2. Position the upper tool joint just above the rotary table and set the slips.

3. Install a full opening valve or inside blowout preventor tool in order to close the drill pipe.

4. Close the drill pipe rams.

5. Record the shut-in annular pressure.

II. Crew Assignments

A. Drill No. 1 – Bottom Drilling

1. Driller

   a) Stop the rotary and hoist kelly joint above the rotary table.

   b) Stop the circulatory pump.

   c) Check flow.

   d) If flowing, sound the alarm immediately.

   e) Record the shut-in drill pipe pressure.

   f) Determine the mud weight increase needed or other courses of action.

2. Derrickman

   a) Open choke line valve at BOP.

   b) Signal Floor Man # 1 at accumulator that choke line is open.

   c) Close choke and upstream valve after pipe tams have been closed.

   d) Read the shut-in annular pressure and report readings to Driller.

3. Floor Man # 1

   a) Close the pipe rams after receiving the signal from the Derrickman.

   b) Report to Driller for further instructions.

4. Floor Man # 2

   a) Notify the Tool Pusher and Operator Representative of the H_2S alarms.

   b) Check for open fires and, if safe to do so, extinguish them.

   c) Stop all welding operations.

   d) Turn-off all non-explosion proof lights and instruments.

   e) Report to Driller for further instructions.

5. Tool Pusher

   a) Report to the rig floor.

   b) Have a meeting with all crews.

   c) Compile and summarize all information.

   d) Calculate the proper kill weight.

   e) Ensure that proper well procedures are put into action.

6. Operator Representative

   a) Notify the Drilling Superintendent.

   b) Determine if an emergency exists and if so, activate the contingency plan.

B. Drill No. 2 – Tripping Pipe

1. Driller

   a) Sound the alarm immediately when mud volume increase has been detected.

   b) Position the upper tool joint just above the rotary table and set slips.

   c) Install a full opening valve or inside blowout preventor tool to close the drill pipe.

   d) Check flow.

e) Record all data reported by the crew.

f) Determine the course of action.

2. Derrickman

a) Come down out of derrick.

b) Notify Tool Pusher and Operator Representative.

c) Check for open fires and, if safe to do so, extinguish them.

d) Stop all welding operations.

e) Report to Driller for further instructions.

3. Floor Man # 1

a) Pick up full opening valve or inside blowout preventor tool and stab into tool joint above rotary table (with Floor Man # 2).

b) Tighten valve with back-up tongs.

c) Close pipe rams after signal from Floor Man # 2.

d) Read accumulator pressure and check for possible high pressure fluid leaks in valves or piping.

e) Report to Driller for further instructions.

4. Floor Man # 2

a) Pick-up full opening valve or inside blowout preventor tool and stab into tool joint above rotary table (with Floor Man # 1).

b) Position back-up tongs on drill pipe.

c) Open choke line valve at BOP.

d) Signal Floor Man # 1 at accumulator that choke line is open.

e) Close choke and upstream valve after pipe rams have been closed.

f) Check for leaks on BOP stack and choke manifold.

g) Read annular pressure.

h) Report readings to the Driller.

5. Tool Pusher

a) Report to the rig floor.

b) Have a meeting with all of the crews.

c) Compile and summarize all information.

d) See that proper well kill procedures are put into action.

6. Operator Representative

a) Notify Drilling Superintendent

b) Determine if an emergency exists, and if so, activate the contingency plan.

IGNITION PROCEDURES

Responsibility:

The decision to ignite the well is the responsibility of the DRILLING FOREMAN in concurrence with the STATE POLICE. The State Police shall be the Incident Command on the scene of any major release. Intentional ignition must be coordinated with the NMOCD and local officials. In the event the Drilling Foreman is incapacitated, it becomes the responsibility of the RIG TOOL PUSHER. This decision should be made only as a last resort and in a situation where it is clear that:

1. Human life and property are endangered.

2. There is no hope of controlling the blowout under the prevailing conditions.

If time permits, notify the main office, but do not delay if human life is in danger. Initiate the first phase of the evacuation plan.

Instructions for Igniting the Well:

1. Two people are required for the actual igniting operation. Both men must wear self-contained breathing apparatus and must use a full body harness and attach a retrievable safety line to the D-Ring in the back. One man must monitor the atmosphere for explosive gases with the LEL monitor, while the Drilling Foreman is responsible for igniting the well.

2. The primary method to ignite is a 25mm flare gun with a range of approximately 500 feet.

3. Ignite from upwind and do not approach any closer than is warranted.

4. Select the ignition site best suited for protection and which offers an easy escape route.

5. Before igniting, check for the presence of combustible gases.

6. After igniting, continue emergency actions and procedures as before.

7. All unassigned personnel will limit their actions to those directed by the Drilling Foreman.

NOTE: After the well is ignited, burning Hydrogen Sulfide will convert to Sulfur Dioxide (SO_2), which is also highly toxic. Do not assume the area is safe after the well is ignited.

TRAINING REQUIREMENTS

When working in an area where Hydrogen Sulfide (H_2S) might be encountered, definite training requirements must be carried out. The Company Supervisor will ensure that all personnel at the well site, whether regularly assigned, contracted, or employed on an unscheduled basis, have had adequate training by a qualified instructor in the following:

1. Hazards and Characteristics of Hydrogen Sulfide and Sulfur Dioxide.
2. Physicals effects of Hydrogen Sulfide on the human body.
3. Toxicity of Hydrogen Sulfide and Sulfur Dioxide.
4. H_2S detection, emergency alarm and sensor location.
5. Emergency rescue.
6. First aid and artificial resuscitation.
7. The effects of Hydrogen Sulfide on metals.
8. Location safety.

In addition, Supervisory Personnel will be trained in the following areas:

1. If high tensile tubular are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well as well as blowout prevention and well control procedures.
3. The contents and requirements of the H_2S Drilling Operations Contingency Plan and the Public Protection Plan.

Service company personnel and visiting personnel must be notified if the zone contains H_2S, and each service company must provide adequate training and equipment for their employees before they arrive at the well site.

EMERGENCY EQUIPMENT

As stated in the BLM Onshore Order 6, for wells located in a known H_2S areas, H_2S equipment will be rigged up after setting surface casing. For wells located inside known H_2S areas, the flare pit will be located 150' from the location and for wells located outside known H_2S areas, the flare pit will be located 100' away from the location. (See page 6 of Survey plat package and diagram 2.)

It is not anticipated that any H_2S is in the area, however in the event that H_2S is encountered, the attached H_2S Contingency Plan will be implemented. (Please refer to diagram 2 for choke manifold and closed loop system layout.) See H_2S location layout diagram for location of all H_2S equipment on location.

All H_2S safety equipment and systems will be installed, tested and be operational when drilling reaches a depth of 500' above, or three days prior to penetrating a known formation containing H_2S.

Lease Entrance Sign:

Caution signs should be located at all roads providing direct access to the location. Signs shall have a yellow background with black lettering and contain the words "CAUTION" and "POISON GAS" that is legible from a distance of at least 50 feet.

LEASE NAME
CAUTION – POTENTIAL POISON GAS
HYDROGEN SULFIDE
NO ADMITTANCE WITHOUT AUTHORIZATION

Windsocks or Wind Streamers:

- A minimum of two 10" windsocks located at strategic locations so that they may be seen from any point on location.
- Wind streamers (if preferred) should be placed at various locations on the well site to ensure wind consciousness at all times. (Corners of location)

Hydrogen Sulfide Detector and Alarms:

- H_2S monitors with alarms will be located on the rig floor, at the cellar, and at the mud pits. These monitors will be set to alarm at 10 PPM with a red light and to alarm at 15 PPM with a red light and audible alarm.

Well Condition Flags:

The Well Condition flags should be located at all roads providing direct access to the location. It should have three (3) color coded flags (green, yellow and red) that will be used to denote the following location conditions:

GREEN – Normal Operating Conditions
YELLOW – Potential Danger
RED – Danger, H_2S Gas Present

Respiratory Equipment:

- Fresh air breathing equipment should be placed at the company supervision trailer and the safe briefing areas and should include the following:
  - A minimum of two SCBA's at each briefing area and the supervisor company supervision trailer.
  - Enough air line units to operate safely, anytime the H_2S concentration reaches the IDLH level (100 PPM).
  - Cascade system with enough breathing air hose and manifolds to reach the rig floor, the derrickman and the other operation areas.

Fire Extinguishers:

Adequate fire extinguishers shall be located at strategic locations.

Mud Program:

The mud program has been designed to minimize the volume of H_2S circulated to the surface. Proper mud weight, safe drilling practices and the use of H_2S scavengers will minimize hazards when penetrating H_2S bearing zones.

Metallurgy:

All drill strings, casing, tubing, wellhead; blowout preventer, drilling spools, kill lines, choke manifold and lines, and valves shall be suitable for H_2S service.

Well Control Equipment:

- Flare Line (See diagram 2).
- Choke manifold (See diagram 2).
- Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing units.
- Auxiliary equipment may include, if applicable, annular preventer & rotating head.

Communication Equipment:

- Proper communication equipment such as cell phones or 2 – way radios should be available for communication between the company man's trailer, rig floor and tool pusher's trailer.

Well Testing:

- There will be no drill stem testing.

Evacuation Plan:

- Evacuation routes should be established prior to spudding the well.
- Should be discussed with all rig personnel.

Designated Areas:

Parking and Visitor area:

- All vehicles are to be parked at a pre-determined safe distance from the wellhead.
- A smoking area will be designated at a pre-determined safe distance from the wellhead and any other possible flammable areas.

Safe Briefing Areas:

- Two Safe Briefing Areas shall be designated on either side of the location at the maximum allowable distance from the well bore so they offset prevailing winds or they are at a 180 degree angle if wind directions tend to shift in the area.

- Personal protective equipment should be stored at both briefing areas or if a moveable cascade trailer is used, it should be kept upwind of existing winds. When wind is from the prevailing direction, both briefing areas should be accessible.

NOTE:

- Additional equipment will be available at Indian Fire and Safety in Hobbs, NM or at Total Safety in Hobbs, NM.

EVACUATION PLAN

General Plan

The direct lines of action to protect the public from hazardous gas situations are as follows:

1. When the company approved supervisor (Drilling Foremen, Tool Pusher or Driller) determine that Hydrogen Sulfide gas cannot be limited to the well location, and the public will be involved, he will activate the evacuation plan. Escape routes are noted on the Area Map.

2. Company safety personnel or designee will notify the appropriate local government agency that a hazardous condition exists and evacuation needs to be implemented.

3. Company approved safety personnel that have been trained in the use of the proper emergency equipment will be utilized.

4. Law enforcement personnel (State Police, Local Police Department, Fire Department, and the Sheriff's Department) will be called to aid in setting up and maintaining road blocks. Also, they will aid in evacuation of the public if necessary.

NOTE: Law enforcement personnel will not be asked to come into a contaminated area. Their assistance will be limited to uncontaminated areas. Constant radio contact will be maintained with them.

5. After the discharge of gas has been controlled, Company approved safety personnel will determine when the area is safe for re-entry.

See Emergency Action Plan

Contacting Authorities

BOPCO L.P. personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available including directions to site. The following call list of essential and potential responders has been prepared for use during a release. (Operator Name)'s response must be in coordination with the State of New Mexico's "Hazardous Materials Emergency Response Plan" (HMER).

H_2S CONTINGENCY PLAN EMERGENCY CONTACTS

BOPCO L.P. Midland Office 432-683-2277

Key Personnel

Name	Title	Cell Phone Number
Stephen Martinez	Drilling Supt.	432-556-0262
Buddy Jenkins	Assistant Supt	432-238-3295
Bill Dannels	Engineer	432-638-9463
Pete Lensing	Engineer	432-557-7157
Charles Warne	Engineer	432-894-1392

Artesia

Ambulance	911
State Police	575-746-2703
City Police	575-746-2703
Sheriff's Office	575-746-9888
Fire Department	575-746-2701
Local Emergency Planning Committee	575-746-2122
New Mexico Oil Conservation Division	575-748-1283

Carlsbad

Ambulance	911
State Police	575-885-3137
City Police	575-885-2111
Sheriff's Office	575-887-7551
Fire Department	575-887-3798
Local Emergency Planning Committee	575-887-6544
US Bureau of Land Management	575-887-6544

New Mexico Emergency Response Commission (Santa Fe)	505-476-9600
24 Hour	505-827-9126
New Mexico State Emergency Operations Center	505-476-9635
National Emergency Response Center (Washington, DC)	800-424-8802

Other

Wild Well Control	432-550-6202 (Permian Basin)
Cudd PressureControl	432-580-3544 or 432-570-5300 (Permian Basin)
Flight For Life – 4000 24th St. Lubbock, Texas	806-743-9911
Aerocare – R3, Box 49F, Lubbock, Texas	806-747-8923
Med Flight Air Amb – 2301 Yale Blvd SE #D3, Albuq., NM	505-842-4433
S B Air Med Service – 2505 Clark Carr Loop SE, Albuq., NM	505-842-4949
Indian Fire and Safety – 3317 NW Cnty Rd, Hobbs, NM	575-393-3093
Total Safety – 3229 Industrial Dr., Hobbs, NM	575-392-2973

TOXIC EFFECTS OF HYDROGEN SULFIDE

Hydrogen Sulfide is extremely toxic. The acceptable ceiling concentration for eight-hour exposure is 10 PPM, which is .001% by volume. Hydrogen Sulfide is heavier than air (specific gravity = 1.192) and colorless. It forms an explosive mixture with air between 4.3 and 46.0 percent by volume. Hydrogen sulfide is almost as toxic as hydrogen cyanide and is between five and six times more toxic than carbon monoxide. Toxicity data for hydrogen sulfide and various other gases are compared in Table I. Physical effects at various Hydrogen Sulfide exposure levels are shown in Table II.

Table I - TOXICITY OF VARIOUS GASES

Common Name	Chemical Formula	Specific Gravity (SC=1)	Threshold Limit (1)	Hazardous Limit (2)	Lethal Concentration (3)
Hydrogen Cyanide	HCN	0.94	10 PPM	150 PPM/HR	300 PPM
Hydrogen Sulfide	H2S	1.18	10 PPM	250 PPM/HR	600 PPM
Sulfur Dioxide	SO2	2.21	5 PPM	--	1000 PPM
Chlorine	CL2	2.45	1 PPM	4 PPM/HR	1000 PPM
Carbon Monoxide	CO	0.97	50 PPM	400 PPM/HR	1000 PPM
Carbon Dioxide	CO2	1.52	5000 PPM	5%	10%
Methane	CH4	0.55	90,000 PPM	Combustible in air	Above 5%

1) **Threshold Limit – Concentration at which it is believed that all worker may be repeatedly exposed day after day without adverse effects.**

2) **Hazardous Limit – Concentration that will cause death with short-term exposure.**

3) **Lethal Concentration – Concentration that will cause death with short-term exposure.**

Table II – PHYSICAL EFFECTS OF HYDROGEN SULFIDE

Percent (%)	PPM	Concentration Grains 100 STD. FT3*	Physical Effects
0.001	< 10	00.65	Obvious & unpleasant odor.
0.002	10	01.30	Safe for 8 hours of exposure.
0.010	100	06.48	Kills smell in 3-15 minutes. May sting eyes & throat.
0.020	200	12.96	Kills smell shortly; stings eyes & throat.
0.050	500	32.96	Dizziness; Breathing ceases in a few minutes. Needs prompt artificial respiration.
0.070	700	45.36	Unconscious quickly; Death will result if not rescued promptly.
0.100	1000	64.30	Unconscious at once; Followed by death within minutes.

- At 15.00 PSIA and 60° F.

USE OF SELF-CONTAINED BREATHING APPARATUS

1. Anyone who uses an SCBA shall: Be approved by a physician or licensed health care practitioner; Pass a fit test; Be trained in donning and doffing, proper use, including how to ensure a proper face seal, conducting an inspection of the SCBA, and conduct proper maintenance.

2. Such items as facial hair (beard or sideburns) and eyeglasses will not allow a proper face mask seal.

3. Anyone reasonably expected to wear SCBA's shall have these items removed before entering a toxic atmosphere.

4. A special mask with a mount for prescription glasses must be obtained for anyone who must wear eyeglasses in order to see while using an SCBA.

5. SCBA's should be worn in H_2S concentrations above 10 PPM.

RESCUE & FIRST AID FOR H_2S POISONING

DO NOT PANIC – REMAIN CALM – THINK

1. Hold your breath – do not inhale first.

2. Put on SCBA.

3. Remove victim(s) to fresh air as quickly as possible. Go upwind from source or at right angle to the wind. Do not go downwind.

4. Briefly apply chest pressure – using arm lift method of artificial respiration to clean victim's lungs and to avoid inhaling any toxic gas directly from victim's lungs.

5. Provide artificial respiration if needed.

6. Provide for prompt transportation to the hospital and continue giving artificial respiration if needed.

7. Inform hospital/medical facilities of the possibility of H2S gas poisoning before they treat.

Besides basic first aid, everyone on location should have a good working knowledge of artificial respiration and CPR, as well as first aid for eyes and skin contact with liquid H_2S.

Proposed H2S Safety Schematic

1) Location of windsocks.

2) Location of H2S alarms

3) Location of briefing areas.

4) Terrain of surrounding area (Please refer to page 2 of survey plat package also see point 11 of multi-surface use plan)

5) Location of flare line(s) and pit(s) (Please refer to diagram 2 choke manifold diagram and or page six of survey plat packet)

6) Location of caution and/or danger signs.

(7) Location of Breathing Equipment

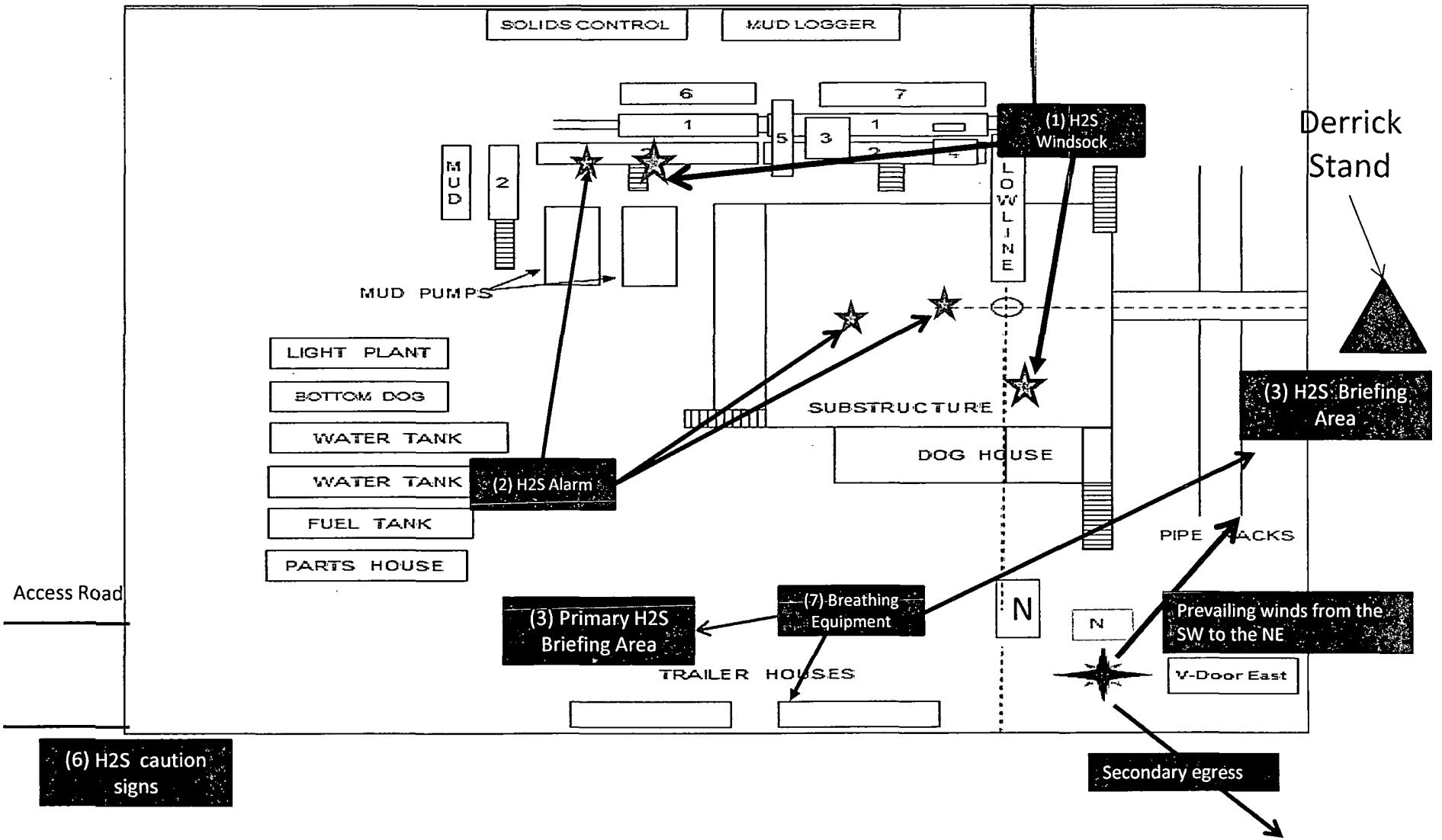
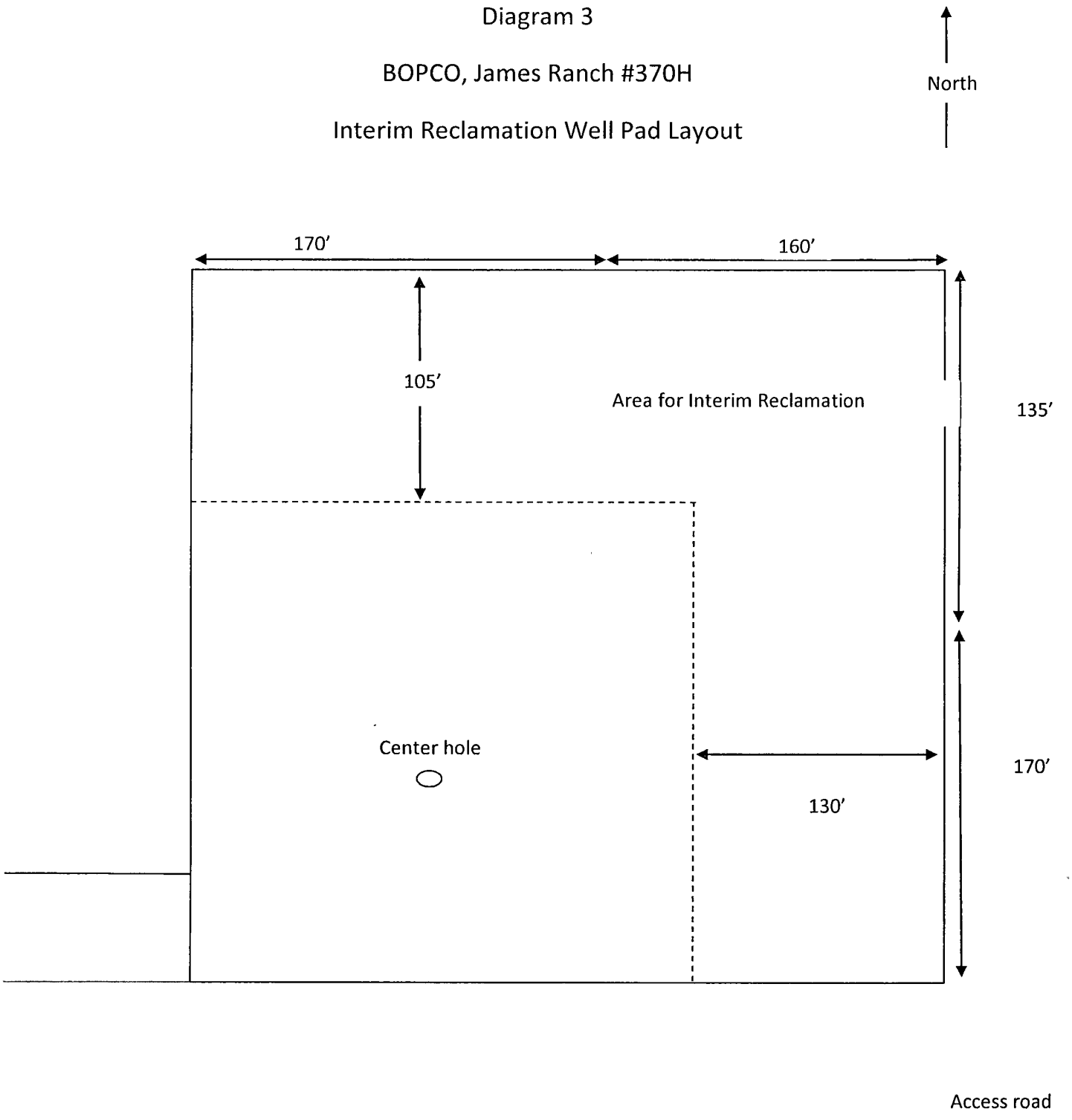


Diagram 3

BOPCO, James Ranch #370H

Interim Reclamation Well Pad Layout



Location On-Site Notes

Location on-site conducted by Cecil Watkins-BOPCO L.P., Justin Frye-BLM, and Robert Gomez-Basin Survey on 05/29/2012. The Poker Lake Unit 370H was approved in Section 1 with a surface footage call located at 1380' FSL & 320' FWL of Sec 1-T25S-R30E. Excess dirt will be on east side of location. Access road off Buck Jackson Rd to southwest corner of proposed pad. Frac bad on north/northwest corner of pad. V-door will face the east.

PECOS DISTRICT
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	BOPCO LP
LEASE NO.:	LC-061705/B
WELL NAME & NO.:	Poker Lake Unit #370H
SURFACE HOLE FOOTAGE:	1380' FSL & 0320' FWL
BOTTOM HOLE FOOTAGE	1000' FSL & 0700' FWL Sec. 35, T. 24 S., R. 30 E.
LOCATION:	Section 1, T. 25 S., R 30 E., NMPM
COUNTY:	Eddy County, New Mexico

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.