JUN 1 0 2010

Term 3160-3 (April 2004)

NMOCD ARTESIA

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

		Expires	March	31,	2
•	- 0	. 11			

FORM APPROVED

6 If Indian, Allotee or Tribe Name

APPLICATION FOR PERMIT TO	6 II Indian, Allotee or Tribe Name			
fa Type of work ✓ DRILL REEN	· ER		7 II Unit or CA Agreemen	t, Name and No
Ib Type of Well Oil Well Gas Well Other	✓Single Zonc Multi	ple Zone	8 Lease Name and Well N - James Ranch Unit	
2 Name of Operator BOPCO, L P	(140737)		9 API Well No 37-015	38117
3a Address P O Box 2760 Midland, TX 79702	3b Phone No (include area code) 432-683-2277		10 Field and Pool or Explo Quahada Ridge SE	
4 Location of Well (Report location clearly and in accordance with a At surface NWSE, UL J, 1640' FSL, 1830' FI			11 Sec, T R M or Blk and Sec 8, T23S, R31E,	
At proposed prod zone 1980' FSL, 330'FWL, Sec 7, T23S		824569	, , , ,	
14 Distance in inites and direction from nearest town or post office* 2θ miles northeast of Malaga, NM	UNORIHODOA		12 County or Parish Eddy County	13 State NM
15 Distance from proposed* location to nearest broperty or lease line ft	16 No of acres in lease		Unit dedicated to this well	•
'l'so to nearest drig unit line, if any)	5513.2	240		
18 On three from proposed location* to nearst scale, drilling completed appened for on dus lease II 376	19 Proposed Depth 15,995' MD, 7649' TVD		0 BLM/BIA Bond No on file COB000050	
21 Ecevations (Show whether DF, KDB RT GL, etc.) 3325' G1	22 Approximate date work will sta 09/01/2010	ırt*	23 Estimated duration 30 days	
	24 Attachments	1		
ne following completed in accordance with the requirements of Onsh		attached to the	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 SUPO shall be filed with the appropriate Forest Service Office)	4 Bond to cover Item 20 above) n Lands, the 5 Operator certifi	the operations cation specific infor	nunless covered by an existing mattern and/or plans as may	
Genature Childers	Nane (Printed Typed) Annette Childers		Date 3	·22 ·2010
itle Regulatory Clerk				
Approved by (Signifiare) 15/ TONY J. HERRELL	Name (Printed Typed)	J. A	Date Date	5-25-11
FOR STATE DIRECTOR	l	TE OF		
Application approval does not warrant or certify that the applicant ho conduct operations thereon Conditions of approval, if any, are attached	lds legal or equitable title to those rigi	nts in the subje	PROVAL FOR	TWO YEARS
ttle 18 U.S.C. Section 1901 and Title 43 U.S.C. Section 1212, make it a states any false in criticius or fraudulent statements or representations a	crime for any person knowingly and s to any matter within its jurisdiction	willfully to ma	ke to any department or age	ncy of the United
*(Instructions on page 2)				

Carlsbad Controlled Water Basin

OCD CONDITION OF APPROVAL of Drilling Intent to drill ONLY --- CANNOT produce until the Non-Standard Location has been approved by OCD Santa Fe office

KZ 8/30/10

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Approval Subject to General Requirements & Special Supulations Attached

DISTRICT I
1625 N French Dr., Hobbs, NM 88240
DISTRICT II
1301 W Grand Avenue, Artesia, NM 88210

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised October 15, 2009

Submit one copy to appropriate District Office

OIL CONSERVATION DIVISION

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

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

1000 Rio Brazos Rd , Aztec, NM 87410

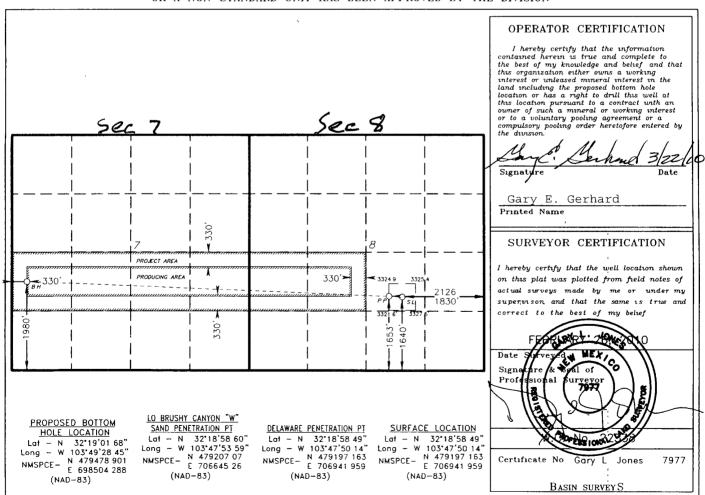
DISTRICT III

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

	Number	_	1	Pool Code	ľ	Pool Name			
30.	-015-	38117	_50	الكك 170	tu3 Qua	Quahada Ridge SE (Delaware)			
Property (Code				Property Nan	ne		Well No	ımber
30640	7			JA	MES RANCH	UNIT		11	9H
OGRID No)				Operator Nan	ne		Eleva	
26073	7				BOPCO, L.	Ρ.		332	5'
Surface Location									
UL or lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	8	23 S	31 E		1640	SOUTH	1830	EAST	EDDY
	-		Bottom	Hole Loc	cation If Diffe	erent From Sur	face		
UL or lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	7	23 S	31 E	1980 SOUTH 330		WEST	EDDY		
Dedicated Acres	Joint of	r Infill C	onsolidation	Code Or	der No				<u> </u>
240	N								

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



www mosaicco com



March 11, 2010

Mr. Brad Glasscock BOPCO, L.P. 201 Main Street Fort Worth, TX 76102-3131 (817) 339-7185



Re. JRU#121H, S17-23S-31E, 2450' FNL, 1500' FWL JRU#120H, S8-23S-31E, 290' FSL, 1990' FEL JRU#119H, S8-23S-31E, 1640' FSL, 1830' FEL JRU#115H, S5-23S-31E, 330' FNL, 120' FWL JRU#114H, S6-23S-31E, 270' FNL, 710' FEL JRU#111H, S8-23S-31E, 2000' FSL, 1750' FEL JRU#110H, S1-23S-30E, 2235' FSL, 530' FEL JRU#109H, S1-23S-30E, 2310' FSL, 530' FEL

Dear Mr. Glasscock.

Per our discussions this week concerning 8 wells referenced above, all of these locations are either "behind" previous drilling or adjacent to WIPP and will not affect expected mining plans. Contingent upon all of these wells being Delaware only wells (nothing deeper), Mosaic has no objection to these locations.

As more information becomes available, our estimates of the extent of potash resources in any given area may change. Therefore, please consider a "no objection" or "objection" to these locations to be valid for one year only. Do not consider a "no objection offered" or an "objection offered" decision to be permanent.

Mosaic Potash submits this letter in lieu of the forms requested.

Sincerely,

Dan Morehouse

Mine Engineering Superintendent

Miles

Surface casing to be set into the Rustler below all fresh water sands

7" casing will be set at approximately 8085' (thru curve) and cemented in two stages with DV tool set at approximately 5000'. Cement will be circulated to surface

Production casing will be 4-1/2" run with Baker hydraulic packers. Top of 4-1/2" liner will be approximately 200' above KOP (+/- 7079')

Drilling procedure, BOP diagram, and anticipated tops attached

This well is located within the R111 Potash area Potash waiver attached

The surface and the bottom hole locations are both orthodox.

BOPCO, LP, at PO Box 2760, Midland, TX, 79702 is a subsidiary of BOPCO, LP., 201 Mail Street, Ft Worth, TX, 76102 Bond No COB000050 (Nationwide)

EIGHT POINT DRILLING PROGRAM BOPCO, L.P.

NAME OF WELL: James Ranch Unit #119H

LEGAL DESCRIPTION - SURFACE 1640' FSL, 1830' FEL, Section 8, T23S, R31E, Eddy County, NM BHL 1980' FSL, 330' FWL, Section 7, T23S, R31E, 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 3350' (estimated)

GL 3331'

ESTIMATED						
	TOP FROM KB.		ESTIMATED			
FORMATION	TVD	MD	SUB-SEA TOP	BEARING		
T/Rustler	397'	397'	+ 3,042'	Barren		
T/Salt	716'	716'	+ 2,593'	Barren		
B/Salt	3,807'	3,807	- 385'	Barren		
T/Lamar Lime	4,043'	4,043'	- 623'	Barren		
T/Ramsey	4,082'	4,082'	- 665'	Oil/Gas		
T/Lwr Cherry Canyon	6,281'	6,281'	- 2,865'	Oil/Gas		
KOP	7,279'	7,279'	- 3,883'	Oil/Gas		
T/Brushy Canyon "U" Sand	7,453'	7,457'	- 4,035'	Oil/Gas		
T/Lwr Brushy Canyon "8A" Sand	7,659'	7,718'	- 4,315'	Oil/Gas		
T/Lwr Brushy Canyon "W" Sand	7,721'	7,844'	- 4,377'	Oil/Gas		
EOC	7,756'	8,035'	- 4,360'	Oil/Gas		
TD (end of lateral)	7,649	15,995'	- 4,380'	Oil/Gas		

POINT 3: CASING PROGRAM

TYPE	INTERVALS (MD)	Hole Size	<u>PURPOSE</u>	CONDITION
20"	0'- 60'	24"	Conductor	Contractor Discretion
13-3/8", 48#, H-40, 8rd, ST&C	0'- 706'650	17-1/2"	Surface	New
9-5/8", 36#, J-55, 8rd, LT&C	0' - 4,063'	12-1/4"	Intermediate	New
7", 26#, N-80, 8rd, LT&C	0' - 8,085'	8/3/4"	Production	New
4-1/2", 11 6#, N-80, Ultra FJT	7,079' - 8,085'	6-1/8"	Production	New
4-1/2", 11 6#, N-80, 8rd, LT&C	8,085' - 15,995'	6-1/8"	Production	New '

CASING DESIGN SAFETY FACTORS:

TYPE	TENSION	COLLAPSE	BURST
13-3/8", 48#, H-40, 8rd, ST&C	10 73	2 08	2 38
9-5/8", 36#, J-55, 8rd, LT&C	2 41	1 24	1 08
7", 26#, N-80, 8rd, LT&C	2 83	1 50	1 45
4-1/2", 11 6#, N-80, Ultra FJT	3 13	2 11	2 13
4-1/2", 11 6#, N-80, 8rd, LT&C	3 13	2 11	2 13

DESIGN CRITERIA AND CASING LOADING ASSUMPTIONS:

SURFACE CASING - (13-3/8")

Tension A 1 6 design factor utilizing the effects of buoyancy (9 2 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 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 (0.52 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 10 surface design factor and a 13 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

2ND INTERMEDIATE CASING - (7")

Tension A 1.6 design factor utilizing the effects of buoyancy (9.0 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 125 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

PRODUCTION CASING - (4-1/2")

Tension A 1 6 design factor utilizing the effects of buoyancy (9 0 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 1.25 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)

The blowout preventer equipment will be as shown in Diagram #2 and will consist of a double ram type preventer (5000 psi WP) and a bag type (Hydril) annular preventer (5000 psi WP). The same BOPE will be installed on the surface casinghead and on all subsequent casing strings. The BOP stack, chokes, kill lines, upper and lower kelly cocks, inside BOP, choke manifold when installed on the surface casinghead will be hydro-tested to 200 psig & 2000 psig by a independent tester. The BOP stack, chokes, kill lines, upper and lower kelly cocks, inside BOP, choke manifold, when rigged up on the intermediate casing spool will be tested to 3000 psig by independent tester. (hydril to 2500 psig) In addition to the high pressure test, a low pressure (250 psig) test will be required.

These tests will be performed

- a) Upon installation
- b) After any component changes
- c) Fifteen 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

POINT 5: MUD PROGRAM

DEPTH	MUD TYPE	WEIGHT	_FV	PV	YP	FL	Ph
0' - 706'	FW Spud Mud	85-92	38-70	NC	NC	NC	10 0
7-96' - 4,063'	Brine Water	98-102	28-30	NC	NC	NC	95-105
4,063' - 8,085'	FW/Gel	87-90	28-36	NC	NC	NC	95-100
8,085' - 15,995'	FW/Gel/Starch	87-90	28-36	NC	NC	<20	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 with GR, PE, Density, Neutron, Resistively in lateral leg open hole (lateral)

Run #3 GR/CNL from 9-5/8" casing shoe to surface will be run as part of initial completion procedure

C)CONVENTIONAL CORING

None anticipated

D) CEMENT

INTERVAL SURFACE:	AMOUNT SXS	FT OF FILL	TYPE	GALS/SX	<u>PPG</u>	FT ³ /SX
Lead 0 - 406' (100% excess Circ to surface)	330	406	Class "C" + 4% Extender + 2% CaCl ₂	9 15	13 50	1 74
Tail 406' - 706' (100% excess)	335	300	Class "C" + 2% CaCl ₂	6 35	14 80	1 34
INTERMEDIATE: Lead 0' - 3493' (100% excess Circ to surface)	1075	3563	35/65 Poz + 5% NaCl + 0 20% Antı Foam + 6% Extender + 0 125 pps Lost cırculatıon material	11 44	12 60	2 08
Tail 3563' - 4063' (100% excess)	275	500	Class "C"	6 36	14 80	1 33
2nd INTERMEDIATE Stage 1	: :					
Lead 5000' - 8085 (50% excess)	325	3085	LiteCrete + 3 pps Extender + 0 20% Anti Foam + 0 30% Retarder + 0 30% Dispersa	%	10 20	2 18
DV Tool @ 5,000'						
Stage 2 Lead 0' - 4900' (50% excess Circ to surface)	525	4900	35/65 Poz + 5% NaCI + 0 60% Extender + 0 20% Antı Foam	10 92	12 60	1 98
Tail 4900' - 5000' (50% excess)	50	100	Class "C" + 0 20% Retarde	er 635	14 80	1 33

E) DIRECTIONAL DRILLING

BOPCO, L.P plans to drill out the 9-5/8" intermediate casing with an 8-3/4" bit to a TVD of approximately 7279'. At this depth an 8-3/4" directional hole will be initiated at an azimuth of 272°, building angle at 12.00°/100' to a max of 90 773° at a TVD of 7756' (MD 8035') At this depth 7" casing will be installed with DV Tool at 5000' and cement circulated to the surface A 6-1/8" open hole will be drilled thru the lateral to a MD of 15,995' (TVD 7649') at a azimuth of 272° 4-1/2" casing will be installed in the lateral using Baker Hydraulic packers to isolated pay intervals in the "W" Sand.

POINT 7: ANTICIPATED RESERVOIR CONDITIONS

Normal pressures are anticipated throughout Delaware section A BHP of 3581 psi (max) or MWE of 8 4 ppg is expected Lost circulation may exist in the Delaware Section from 4063'-7756' TVD. No H₂S is anticipated

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

Est Spud Date 9/1/10

30 days drilling operations

14 days completion operations

Sen Schad
Gary Gerhard

GEG/mac March 18, 2010

BOPCO, L.P.

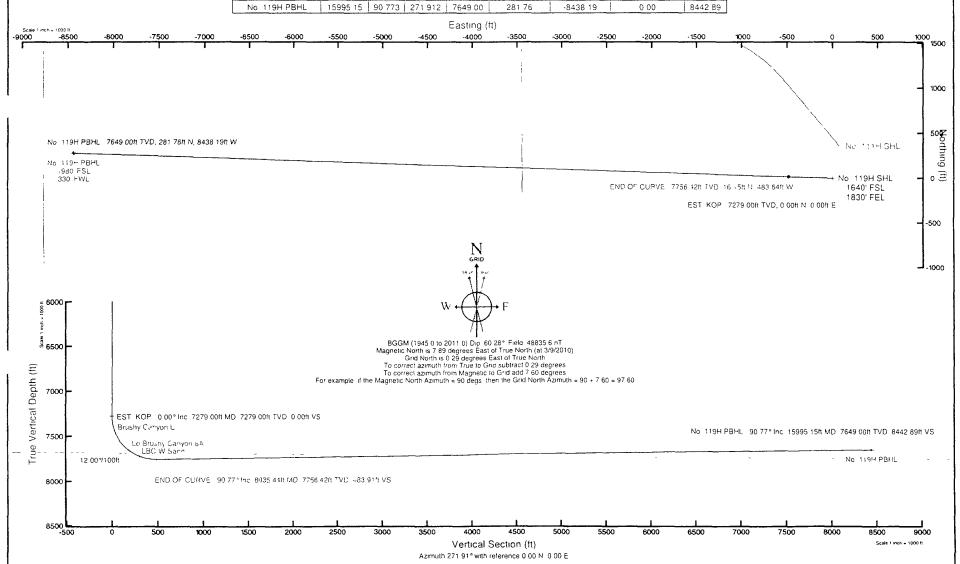
Location Eddy County, NM Field JRU Project Facility JRU No. 119H Slot No 119H SHL Well No 119H Wellbore No 119H PWB

Ptot reference welpagh is Prolim_2					
True vertical depths are referenced to Rig on No. 119H SHL (RT)	Grid System NAD83 TM New Montoo State Planes Fas en 70ng (3001) US (en				
Heasured death,, are referenced to Rig on No. 119H SHL (RT)	North Releasers Grid north				
Hig on No 119rd SHL (RT) to Mean Sea Level 3314 feet	Scale True distance				
Mean Sea Level to 11ud fine (Facility URU No. 119H). 3325 (red	Depths are in tent				
Coordinates are in feet referenced to Surface Location	Created by Victor Hemandez on 3/9/2010				



Well Profile Data								
Design Comment	MD (ft)	Inc (°)	Az (°)	TVD (ft)	Local N (ft)	Local E (ft)	DLS (%100ft)	VS (ft)
Tie On	0 00	0 000	271 912	0 00	0 00	0 00	0 00	0.00
EST KOP	7279 00	0 000	271 912	7279 00	0 00	0 00	0 00	0 00
END OF CURVE	8035 44	90 773	271 912	7756 42	16 15	-483 64	12 00	483 91
No 119H PBHL	15995 15	90 773	271 912	7649 00	281 76	-8438 19	0 00	8442 89







Planned Wellpath Report Prelim_2 Page 1 of 5

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Rodonia	NCE-WELLPATH IDENTIFICATION			1	
Operator	BOPCO, L.P.	Slot	No. 119H SHL		Z.
Area	Eddy County, NM	Well	No 119H		A TOTAL OF STREET AS SEAT AND ASSESSMENT OF THE STREET, THE STREET
Field	JRU Project	Wellhore	No. 119H PWB	1) }
Facility	JRU No. 119H	V VV			

REPORTSETUPINE	RMATION		The state of the s
Projection System	NAD83 / TM New Mexico State Planes, Eastern Zone (3001), US feet	Software System	WellArchitect® 2.0
orth Reference	Grid	User	Victor Hernandez
Scale	0.999941	Report Generated	3/9/2010 at 3:54:43 PM
Convergence at slot	0.29° East	Database/Source file	WA_Midland/No119H_PWB.xml

A PACODANACION STRUKA NA REMA		C. C. Carrier					
	Local coo	rdinates	Grid	coordinates	Geographic coordinates		
1	North[ft]	East[ft]	Easting[USft]	Northing[USft]	Latitude	Longitude	
Slot Location	0.00	0.00	706941 96	479197 16	32°18'58 489"N	103°47'50 136"W	
Facility Reference Pt	g.	1	706941.96	479197.16	32°18'58 489"N	103°47'50 136"W	
Field Reference Pt	1 1	;	697621.65	485218.03	32°19'58 517"N	103°49'38 415"W	

WADID BEVARE EDVATION IN THE	to the state of th		
Calculation method	Minimum curvature	Rig on No 119H SHL (RT) to GL	19.00ft
Horizontal Reference Pt	Surface Location	Rig on No 119H SHL (RT) to Mean Sea Level	3344.00ft
rtical Reference Pt	Rig on No. 119H SHL (RT)	GL to Mud Line (Facility)	0.00ft
MD Reference Pt	Rig on No. 119H SHL (RT)	Section Origin	N 0.00, E 0.00 ft
Field Vertical Reference	Mean Sea Level	Section Azimuth	271.91°



Planned Wellpath Report Prelim_2 Page 2 of 5

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(40)000(40	NOEWELEPATHIDENTIFICATION			
Operator	BOPCO, L.P.	Slot	No. 119H SHL	ŧ
Area	Eddy County, NM	Well	No. 119H	2
Field	JRU Project	Wellhore	No. 119H PWB	Ş
Facility	JRU No. 119H		1	. ,,,,,

WELLPAT	WELLPATH DATA (96 stations) † = interpolated/extrapolated station												
MD	Inclination	Azımuth	TVD	Vert Sect		East	Grid East	Grid North	Latitude	Longitude	DLS Comments		
' [ft]	[°] '	[°]	[ft]	[ft]	[ft]	[ft] '	[srv ft]	[srv ft]	22010/50 400//	102047/50 126/137	[°/100ft] , 0 00 Tie On		
0 00	0 000	271 912	0 00	0.00		0.00	706941 96	479197 16	32°18'58 489"N '	103°47'50 136"W			
7279 00	0 000	271 912	7279 00	0.00		0 00	706941 96	479197 16	32°18'58 489"N	103°47'50 136"W	0 00 EST KOP		
7379 00†	12 000	271 912	7378 27 :	10 43	· · · · · · · · · · · · · · · · · ·	-10 43	706931 53	479197 51	32°18'58 493"N]	103°47'50 258"W	12 00		
7457 107	21 372	271 912	7453 00	32 83	1 10	-32 82	706909 15	479198 26	32°18'58 502"N	103°47 50 518"W	12 00 Brushy Canyon U		
7479.00†		271,912	7473.20		1.38	-41 26 (·	706900 71		india di dia mandana ara di di	103°47'50 617"W ₁			
7579 00T	36 000	271 912	7559 65	91 19	3 04	-91 14	706850 83	479200 21 ,	32°18'58 524"N	103°47'51 198"W	12 00		
7679 00†	48 000	271 912	7633 83	157 98	5 27	-157.89	706784 08	479202 43	32°18'58 549"N	103°47'51 976''W	12 00		
7718 48†'	52 738	271 912	7659 00 1	188 38	6 29	-188 27	706753 70	479203 45	32°18'58 561"N	103°47′52 330"W	12 00 Lo Brushy Canyon 8A		
7779 00T	60 000	271 912	7692 50	238 73	7 97	-238 60	706703 37	479205 13	32°18'58 580"N '	103°47'52 916"W	12 00		
7843.81	67.778	27,1.912	7721.00	296.89	9.91	<u>296 72 </u>	706645:26	479207.07	32°18'58.602''N	103°47'53.593" W	12.00 LBC, W. Sand		
7879 00t	72 000	271,912	7733 10 '	329 92	11 01	-329 74	706612 24	479208 17,	32°18'58 615"N	103°47'53 978"W	12 00		
7979 00†.	84 000-	271 912	7753 85	427 56	14 27	-427 32	706514 67	479211 43 ;	32°18'58 652"N	103°47'55 115"W	12 00		
8035 44	90 773	271 912	7756 42	483 91	16 15	-483 64	706458 35	479213 31 -	32°18′58 673″N	103°47'55 771"W	12 00 END OF CURVE		
8079 00†	90 773	271 912	7755 83	527 46	17 60	-527 17	706414 82	479214 76	32°18'58 690"N	103°47′56 278″W	0 00		
81,79.00†	90.773	271.912	7754.48	627.45	20.94	·}627/10*	706314-90	479218.10	32°18'58'728"N	103°47'57.442"W;			
8279 00†	90 773	271 912	7753 13	727 44	24 28	-727 04	706214 97	479221 44	32°18'58 766"N	103°47'58 606"W	0 00		
8379 00T	90 773.	271 912	7751 78	827 43	27 61	-826 97	706115 04	479224 77 .	32°18'58 804"N	103°47'59 771"W	0 00		
8479 00†	90 773	271 912	7750 44 (927 42	30 95	-926 91	706015 11	479228 11	32°18'58 841"N	103°48'00 935"W	0 00		
8579 00†	90 773	271 912	7749 09 .	1027 42	34 29	-1026 84	705915-18	479231 45	32°18'58 879"N	103°48'02 099"W	0 00		
8679.00†	§ \$90.773.	271.912	7747 74	(† 1127 4 1)	37 62	* ``-1126 78`, ,,	, ° 705815 25	479234 78	ˈ 32°18'58 917"N" , ,	103°48'03;264",Wi			
, 8776 42†	90 773	271 912	7746 42	1224 82	40 87	-1224 14	705717 90	479238 04	32°18'58 954"N	103°48'04 398''W	0.00		
8779 00T	90 773	271 912	7746 39	1227 40	40 9Ĝ	-1226 71	705715 32	479238 12	32°18'58 955"N	103°48'04 428"W	0 00		
8879 00t.	90 773	271 912	7745 04	1327 39	44 30	-1326 65	705615 39	479241 46	32°18'58 993"N	103°48'05 592"W	0.00		
8979 00 г	90 773	271 912	7743 69	1427 38	47.63	-1426 58	705515 46	479244 79	32°18'59 031 'N ·	- 103°48'06 756"W	0 00		
- 9079-00†	x	271 912	grape	1527.37	50°97	-1526 52	705415 53	479248 13	32°18′59°069"N	103°48'07.921",W	(0.00)		
9179 00†	90 773	271 912	7740 99	1627 36	54 31	-1626 45	705315 60	479251 47	32°18'59 107"N	103°48'09 085"W	0 00		
9279 001	90 773	271 912	7739 64	1727 35		-1726 39	705215 68	479254 80	32°18'59 145"N	103°48′10 249"W	0 00		
9379 00†	90 773	271 912		1827 34		-1826 32	705115 75	479258 14	32°18'59 183"N	103°48'11 414"W	0 00		
9479 00†	90 773	271 912	7736 94	1927 33	64 32	-1926 26	705015 82	479261 48	We think now to home on the com-	103°48'12 578"W	0.00		
9579.00†	ana, a go care ca		2 L N 15-1			**:-2026-19 K		, n	20 4C Y U T N				
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Planned Wellpath Report Prelim_2 Page 3 of 5



CP PROPERTY	NGE WELLPATHIDENTIFICATION	The second se	in the state of th		The second second second second
Operator	BOPCO, L.P.	Slot	No. 119H SHL	W W W W W W W W W W W W W W W W W W W	
Area	Eddy County, NM	Well	No. 119H	AND NOTICE AND	
Field	JRU Project	Wellbore	No. 119H PWB		
Facility	JRU No. 119H	J			- 0 0 0 - 0 000 0 000 0 0 0 0 0 0 0 0 0

WELLPATE	H DATA (96	stations)	† = interp	olated/ext	rapolated	l station					3
MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect ; [ft]	North [ft]	East [ft]	Grid East [srv ft]	Grid North [srv ft]	Latitude	Longitude	DLS Comments [°/100ft]
9679 00†	90 773;	271 912	7734 24	2127 31	70 99	-2126 13	704815 96	479268 15	32°18'59 297"N	103°48'14 906"W	0 00
9779 00†	90 773	271 912	7732 89	2227 31	74 33 1	-2226 07	704716 03	479271 49	32°18'59 334"N	103°48'16 071"W	0 00
9879 001	90 773	271 912	7731 54	2327 30	77 67	-2326 00 ;	704616 10	479274 82	32°18'59 372"N	103°48'17 235"W	0.00
9979 00T	90 773:	271 912	7730 19	2427 29	81 00	-2425 94	704516 17	479278 16	32°18'59 410"N	103°48'18 399"W	0 00
10079.00†	90.773	271 912	7728 84	_r 2527.28 _* ;	ા _{લ (લ} 84′3ઁ4ઁ)	2525.87	704416.24	479281.50	32°18'59.448"N	103°48'19.564".W	
10179 00†	90 773	271 912	7727 49	2627 27 .	87 68 1	-2625 81	704316 31 :	479284 83 }	32°18'59 486"N	103°48'20 728 'W !	0.00
10279 00†	90 773	271 912	7726 14	2727 26 !	91 01 '	-2725.74	704216 39 ;	479288 17	32°18'59 524"N	103°48'21 892"W	0 00
10379 00†	90 773	271 912;	7724 79 ,	2827 25	94 35	-2825 68 :	704116 46	479291 51 :	32°18'59 562"N	103°48'23 056"W	0 00
10479 00†	90 773	271 912 ¹	7723 44	2927 24	97 69	-2925 61	704016 53	479294 84	32°18'59 600"N	103°48'24 221"W	0.00
10579 001	90.773	271.912	7,722.09	3027.23	101.02		703916.60	479298:18	32°18'59.638"N	103°48'25:385"W	
10679 00T	90 773	271 912	7720 74	3127 22	104 36	-3125 48 '	703816 67	479301 52	32°18'59 675"N	103°48'26 549"W	0 00
10779 00†	90 773	271 912 [;]	7719 40	3227 21	107 70 '	-3225 42	703716 74 .	479304 85	32°18'59 713"N ,	103°48'27 714"W	0 00
10879 00†	90 773	271 912	7718 05	3327 21	111 04 ;	-3325 35	703616 81	479308 19	32°18'59 751"N	103°48'28 878 'W	0.00
10979 00†	90 773	271 912	7716 70 ·	3427 20 [114 37	-3425 29 '	703516 88 ,	479311 53	32°18'59 789"N	103°48'30 042"W	0 00
11079 00†	90.7.73	271 912	7715.35	3527.19	11771	-3525.22	- 3, 703416 95	479314 86	32°18'59,827''N,	103°48'31 206!'W	
11179 00†,	90 773	271 912	7714 00 ;	3627 18 .	121 05 :	-3625 16 '	703317 02	479318 20	32°18'59 865"N	103°48'32 371"W	0 00
11279 00†:	90 773	271 912	7712 65	3727 17	124 38 '	-3725 09	703217 09	479321 54	32°18'59 903"N	103°48'33 535"W	0 00
′ 11379 00т	90 773	271 912	7711 30 [3827 16	127 72 ;	-3825 03	703117 17	479324 87	32°18'59 940"N	103°48'34 699"W	0 00
11479 00т[90 773	271 912	7709 95 :	3927 15	131 06 [*]	-3924 96	703017 24	479328 21	32°18'59 978"N	103°48'35 864"W)	0 00
11579.00T	رَّ (90:773°) آھين	271 912	<i>[</i>	4027 14	. 134.39	- 4024 90	, 7029 [7, 3:1]	479331 55	~ 32°19'00.016'\N	′, °, 103°48'37 028"Ŵ ,	······································
11679 00†	90 773.	271 912,	7707 25 :	4127 13.	137 73 :	-4124 83	702817 38	479334 88	32°19′00 054″N	103°48′38 192″W	0 00
11779 00†	90 773	271 912	7705 90 :	4227 12 :	141 07	-4224 77	702717 45	479338 22	32°19'00 092"N	103°48'39 356"W	0 00
11879 00±	90 773	271 912	7704 55 ;	4327 11	144 40	-4324 70	702617 52	479341 56 '	32°19'00 130"N	103°48'40 521"W	0 00
11979 00T	90 773	271 912	7703 20	4427 11	147 74 :	-4424 64 [,]	702517 59	479344 89	32°19'00 167"N	103°48'41 685"W	0 00
12079.00†		\$1,271.912.	7701.85	4527.10	151.08	-4524 57 J	702417.66	479348.23	32°19'00 205"N	103°48'42.849"W	
12179 00†	90 773	271 912	7700 50	4627 09	154 41	-4624 51	702317 73	479351 57	32°19'00 243"N	103°48'44 014"W	0 00
12279 00†	90 773	271 912	7699 15	4727 08	157 75	-4724 45	702217 80	479354 90	32°19'00 281"N	103°48'45 178"W	0 00
12379 00†	90 773	271 912	7697 80	4827 07	161 09	-4824 38	702117 88	479358 24	32°19'00 319"N '	103°48'46 342"W	0 00
12479 00†	90 773	271 912	7696 45	4927 06	164 43	-4924 32	702017 95	479361 58	32°19'00 357"N	103°48'47 507''W	0 00
12579.00†	\$1,500, 9 0.7 <i>73</i> (271.912	7695:10	5027.05	167.76	-5024.25	701918.02	479364.91		103°48'48 671"W	0.00



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CONDICE	NCE WELLPATH IDENTIFICATION		
Operator	BOPCO, L.P.	Slot	No. 119H SHL
Area	Eddy County, NM	Well	No. 119H
Field	JRU Project	Wellbore	No. 119H PWB
Facility	JRU No. 119H		

WELLPATE	I DATA (96	stations)	† = interp	oolated/ex	rapolated	station			•	* *		
MD	Inclination	Azimuth	TVD	Vert Sect	North	East	Grid East	Grid North	Latitude	Longitude		Comments
[ft]	[°]		[ft]	[ft]	[ft]	[ft]	[srv ft]	[srv tt]	22010100 420111		[°/100ft]	
12679 00†,	90 773	271 912	7693 75	5127 04 1	171 10	-5124 19	701818 09	479368_25	32°19'00 432"N	103°48'49 835"W	0 00	
12779 00T	90 773	271 912	7692 40	5227 03 :	174 44	-5224 12	701718 16	479371 59	32°19'00 470"N	103°48′50 999"W	0 00	
12879 00†	90 773	271 912	7691 05	5327 02	177 77 '	-5324 06	701618 23	479374 92	32°19'00 508"N	103°48'52 164"W	0.00	
12979 007	90,773	271 912	7689 70	5427 01	181 11 '	-5423 99	701518,30	479378 26	32°19'00 546"N ;	103°48'53 328"W	0.00	, , ,
13079.00	40211	271.912		5527.01	184.45	-5523.93	701418 37 🥞	"d		103°48'54.492" W	0.00	adarra (in territoria
13179 00†	90 773	271 912	7687 01	5627 00 i	187 78	-5623 86	701318 44	479384 93 ,	32°19'00 621"N ;	103°48'55 657"W	0 00	
13279 001	90 773	271 912;	7685 66 '	5726 99	191 12:	-5723 80	701218 51	479388 27	32°19'00 659"N	103°48'56 821"W	0.00	AND PROGRESS AND NO. 100
13370 50†	90 773	271 912 ⁵	7684 42 (5818 48	194 17 .	-5815 24	701127 08 .	479391 32	32°19'00 694"N	103°48'57 886"W	0.00	,
13379 00 _T	90 773	271 912	7684 31 -	5826 98	194 46	-5823 73 -	70111년 58	479391 61	32°19'00 697"N	103°48′57 985 'W	0.00	
13479:00	90.773	27,1,912 6	<i>⊋</i> ∈7682.96	5926.97	197.79	-5923.67		479394.95	#. 32°19'00 735".N	103°48'59,150''W	000	
13579 00†	90 773	271 912	7681 61	6026 96	201 13 .	-6023 60	700918 73	479398 28	32°19'00 772"N '	103°49'00 314' W	0 00	
13679 00†	90 773	271 912	7680 26	6126 95	204 47	-6123 54	700818 80 ,	479401 62	32°19'00 810"N 1	103°49'01 478''W	0.00	
13779 00†	90 773	271 912	7678 91 :	6226 94	207 80 :	-6223 47	700718 87 -	479404 96 ,	32°19'00 848"N	103°49'02 642"W	0 00	1
13879 00†	90 773	271 912	7677 56	6326 93 -	211 14	-6323 41	700618 94	479408 29	32°19'00 886"N	103°49'03 807''W	0.00	
13979/00†	# 90.773	271.912	7676.21	6426 92	ે. 214.48 ^ક ે	-6423′.34	7005,19-01	479411.63	32°19'00 923"N '	103°49¦04.971; W	0.00%	
14079 00†	90 773	271 912	7674 86 ,	6526 91 ;	217 82	-6523 28	700419 08 1	479414 97	32°19'00 961"N	103°49'06 135"W	0.00	
14179 00†	90 773	271 912	7673 51	6626 91	221 15 :	-6623 21	700319 15	479418 30	32°19'00 999"N	103°49'07 300"W	0.00	
, 14279 00t,	90 773	271 912	7672 16	6726 90 .	224 49 -	-6723 15	700219 22	479421 64	32°19'01 037''N	103°49'08 464"W	0 00	
14379 00†	90 773	271 912;	7670 81	6826 89	227 83 ;	-6823 08	700119 29	479424 98	32°19'01 075"N	103°49'09 628"W	0 00	
14479.00†	90.773	271,912	7669.46	6926.88	231.16	6923.02	700019.37	😘 479428.31-},	- `32°19'01.112"N⊭	103°49"10.793"W	900	
14579 00†	90 773	271 912	7668 11	7026 87 .	234 50	-7022 95	699919 44	479431 65	32°19'01 150"N ;	103°49 ⁷ 11 957"W	0 00	
14679 00†	90 773	271 912	7666 76	7126 86,	237 84	-7122 89	699819 51 [`]	479434 99	32°19'01 188"N	103°49'13 121"W	0 00	
14779 00T.	90 773	271 912	7665 41	7226 85	241 17	-7222 83	699719 58 1	479438 32	32°19'01 226"N	103°49'14 285"W	0.00	- :
14879 00†	90 773	271 912	7664 06	7326 84	244 51	-7322 76	699619 65	479441 66	32°19'01 263"N	103°49'15 450"W	0 00	
14979:00 te	46 90773	271.912	7662.71	7426.83	247.85	7422.70	699519972	479445:00	32°19'01'301"N .	103°49'16.614"W	0.00	
15079 00†	90 773	271 912	7661 36	7526 82	251 18	-7522 63	699419 79	479448 33	32°19'01 339"N	103°49'17 778' W	0.00	
15179 00†	90 773	271 912	7660 01	7626 81 :	254 52	-7622 57	699319 86	479451 67	32°19'01 377"N	103°49'18 943"W	0 00	A # 100 AN 100 A. *
15279 00†	90 773	271 912	7658 66	7726 80	257 86	-7722 50	699219 93	479455 01	32°19'01 414"N	103°49'20 107' W	0 00	
15379 00†	90 773	271 912	7657 32	7826 80	261 20	-7822 44 .	699120 00	479458 34	32°19'01 452"N	103°49'21 271"W	0 00	
15479:00t	n am an am	271.912	7655.97	7926.79	264.53	-7922.37	- \$\.\.699020.07_	479461 68	32°19'01.490"N	103°49'22 436"W		



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Operator	BOPCO, L.P.						Slot	No.	119H SHL			
Area	Eddy County,	NM		an over the state of the same		* * .	Well	No.	119H			
říeld	JRU Project		-	•			Wellbo	re No.	119H PWB			
acility	JRU No. 119H		NA NACAO AMBANYANA 2014 1800	en entrestation (the transfer, less tributes are	NAW W ALL SECTION	e = = = = = = = = = = = = = = = = = = =	3 33 W. 2 W	in I find it In while hill upon define where	Some Some of the same of the s	in the safe is the special interpretational and appropriate to the special distribution of the special distributio	co o substitución de la manera delle elementation elementation elementation della constitución della constit	
WELLPA	TH DATA (96	stations)	† = inte	rpolated/ex	trapolated	l station						
MD [ft]	Inclination	Azımuth	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [srv ft]	Grid North [srv ft]	Latitude	Longitude	DLS Comments [°/100ft]	
15579 00	0†1 90 773	271 912	7654 62	8026 78	267 87	-8022 31	698920 15	479465 02	32°19'01 527 'N	103°49'23 600"W	0.00	*
15679 00		271 912	7653 27	8126 77	271 21	-8122 24	698820 22	479468 35 '	32°19'01 565"N	103°49'24 764"W	0 00	
15779 00	90 773	271 9 1 2	7651 92	8226 76	274 54	-8222 18 '	698720 29	479471 69,	32°19'01 603"N	103°49'25 928"W	0 00	
15879 00	OT 90 773	271 912	7650 57	8326 75	277 88	-8322 11	698620 36	479475 03	32°19'01 641"N	103°49'27 093"W	0.00	-
· 45979 00	0† 90.773	271.912	7649.22	8426-74	281 22	-8422 05 ₈ ^C	698520 43; 1	479478°3°6°.	``->፟&32°19′01 678″N ′	103°49'28:257",W	. 1. 0.00 \$ 7,	س ا
15995 15	90 773	271 912	7649 00 ¹		281 76	-8438 19	698504 29	479478 90	32°19'01 684"N	103°49'28 445''W	0.00 No 119HP	BHL
ARGET	S		**	v v 44		-				-		
lame	J	~ **	1	MD [ft]	TVD [ft]	North , [ft]	East [ft]	Grid East [srv ft]	Grid North [srv ft]	Latitude	Longitude	Sha
) No. 119H	H PBHL	and appropriate the self-trappy of	1	15995 15	7649 00	281 76	-8438 19	698504.29	479478.90	32°19'01 684"N;	103°49'28 445"W	pon
HIRVEY	PROGRAM I	Ref Wellho	re No 1	19H PWR	Ref We	ellpath: Pr	elim 2					
Start 1	MD	End MD	10.130.1		A MANAGEMENT ALERS AND A PORTY	certainty Mo		LA VALO LA	Log Name/Comm	ment	Wellbore	W Name of
Start I		[ft]	_ = _ •	ak (Standard		ertainty ivio	ouei	~	Log Name/Comm		9H PWB	

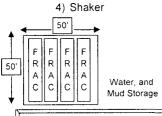


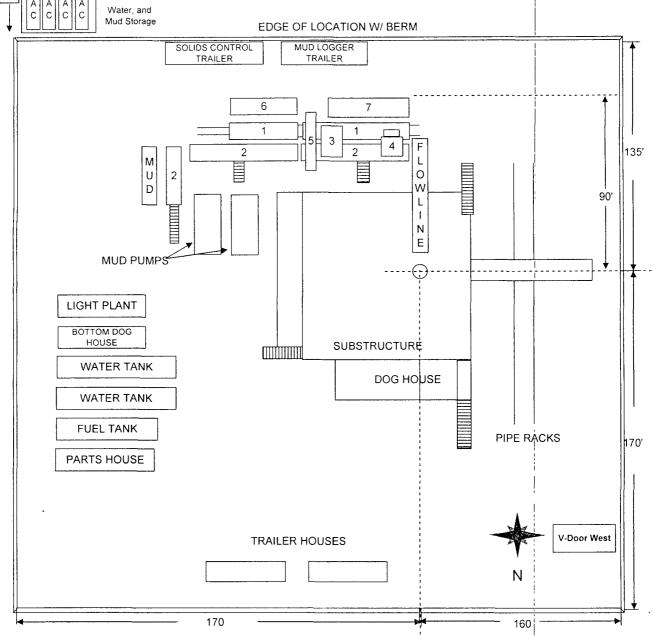
BOPCO, L P James Ranch Unit #119H Sec 8, T23S-R31E Eddy County, NM

RIG LAYOUT SCHEMATIC INCLUSIVE OF CLOSED-LOOP DESIGN PLAN

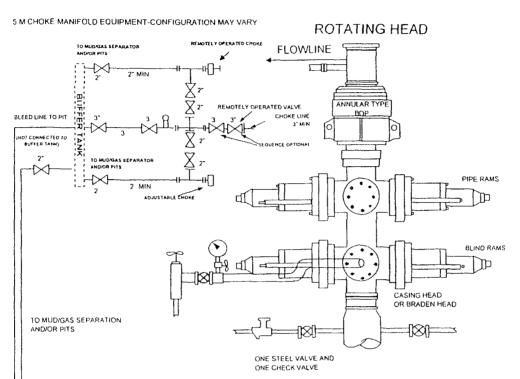
Solids Control Equipment Legend

- 1) Roll Off Bin
- 5) Centrifuge
- 2) Steel Tank
- 6) Dewatering Unit
- 3) Mud Cleaner
- 7) Catch Tank





BOPCO, L. P. 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 2

____TO STEEL MUD TANKS

BLEED LINE TO FLARE PIT (NOT CONNECTED TO BUFFER TANK

MULTI-POINT SURFACE USE PLAN

NAME OF WELL: James Ranch Unit #119H

LEGAL DESCRIPTION - SURFACE 1640' FSL, 1830' FEL, Section 8, T23S, R31E, Eddy County, NM BHL 1980' FSL, 330' FWL, Section 7, T23S, R31E, Eddy County, New Mexico

POINT 1: EXISTING ROADS

A) Proposed Well Site Location

See Exhibit "A"

B) Existing Roads

From the junction of State Hwy 128 and Twin Wells, go east 0.1 miles to lease road. On lease road go northeast 1.5 miles to lease road, on lease road go west 0.1 miles to proposed location.

C) Existing Road Maintenance or Improvement Plan

See Exhibit "E"

POINT 2: NEW PLANNED ACCESS ROUTE

A) Route Location

Existing roads will be upgraded and used

B) Width

12' wide

C) Maximum Grade

Grade to match existing topography or as per BLM requirements.

D) Turnout Ditches

As required by BLM stipulations

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

Exhibits "A" indicates existing wells within the surrounding area

A) Existing facilities within one mile owned or controlled by lessee/operator

The BOPCO operated JRU #55 Battery is located in the SE quarter of NE quarter of Sec 17, T23S, R31E

B) New Facilities in the Event of Production

New production facilities will not be installed at the new location. Additional separators and heater/treaters will be added as needed at the James Ranch Unit #55 Battery Proposed flow lines and power lines are displayed in Exhibit "E" 2-7/8" steel flow line will be laid on top of ground and will follow existing roads to JRU #55 Battery Power lines will be extended from James Ranch Unit #119H to existing power lines servicing Devon wells.

C) Rehabilitation of Disturbed Areas Unnecessary for Production

Following the 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

On-site caliche will be used. If this is not sufficient, caliche will be hauled from a BLM approved pit

B) Land Ownership

Federally Owned

C) Materials Foreign to the Site

No construction materials foreign to this area are anticipated for this drill site

D) Access Roads

See Exhibits "A" & "E"

POINT 7: METHODS FOR HANDLING WASTE MATERIAL

Page 3

A) Cuttings – Closed Loop System

Cuttings will be contained in the steel pits and will be hauled to an approved disposal facility

B) Drilling Fluids - Closed Loop System

Drilling fluids will be contained in the steel pits, frac tanks, and 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 "D" shows the dimensions of the well pad and 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) Locations of closed loop system and access road

See Exhibits "D"

C) Lining of the Pits

No reserve pit Closed loop system

A) Reserve Pit Cleanup - Not applicable (see Point 9C above)

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

In addition, 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

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

POINT 11: OTHER INFORMATION - con't

Page 5

E) Surface Water

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

F) Water Wells

The closest known fresh water wells are located in Sec 5 and Sec 6, T23S, R31E

G) Residences and Buildings

Mills Ranch house is located within two miles of the proposed location (See Exhibit "E")

H) Historical Sites

None observed

Archeological Resources

This location, road, flowline, and power lines are covered under the MOA. Checks for location, flowline, power line, and road fees are attached. (\$1339 for location & road, \$2628 for power line and flowlines). Any location or construction conflicts will be resolved before construction begins.

J) Surface Ownership

The well site is on federally owned land. There will be no new access roads required for this location.

- K) Well signs will be posted at the drilling site.
- L) Open Pits None used Closed loop system

POINT 12: OPERATOR'S FIELD REPRESENTATIVE

(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

Carlos Cruz Box 2760

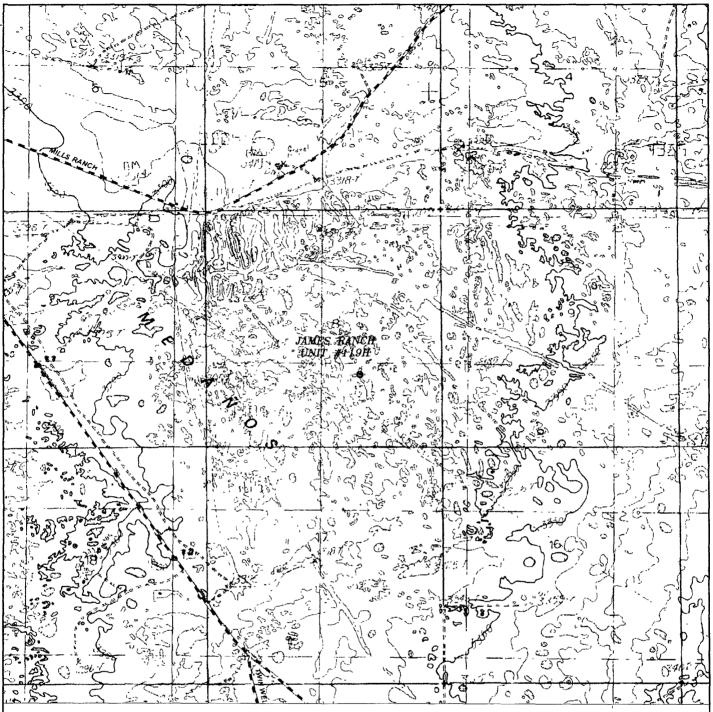
Midland, Texas 79702 (432) 683-2277

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, LP 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 USC 1001 for the filing of a false statement

3/22/10 Date

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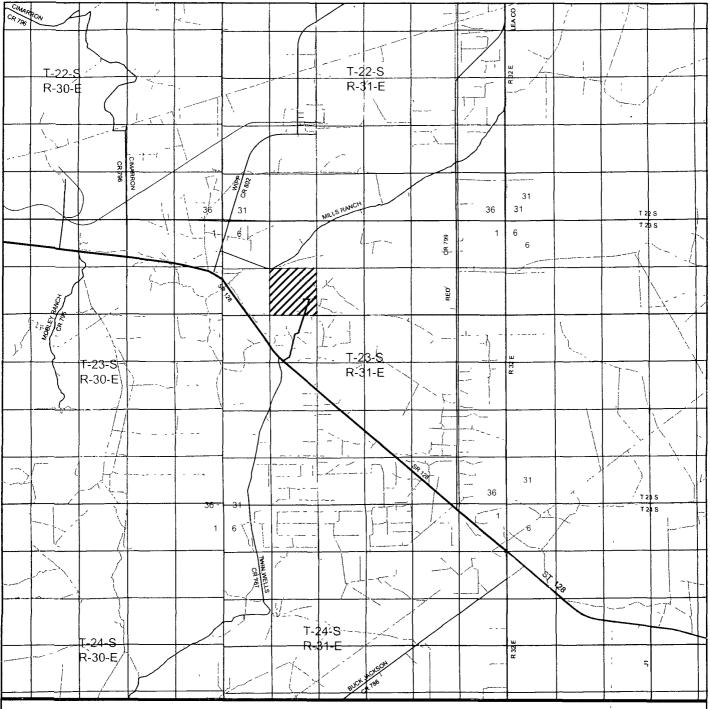
JAMES RANCH UNIT #119H Located 1640' FSL and 1830' FEL Section 8, Township 23 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.



P 0 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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Date	03-02-	-2010	

BOPCO, L.P.



JAMES RANCH UNIT #119H Located 1640' FSL and 1830' FEL Section 8, Township 23 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.



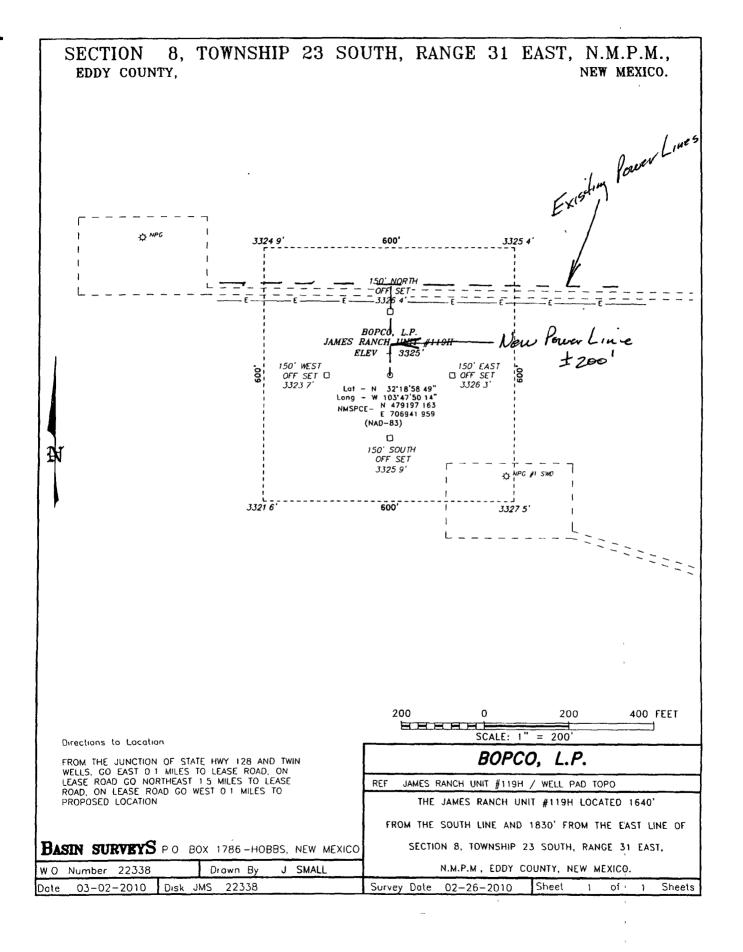
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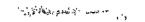
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	Date 03-02-2010	

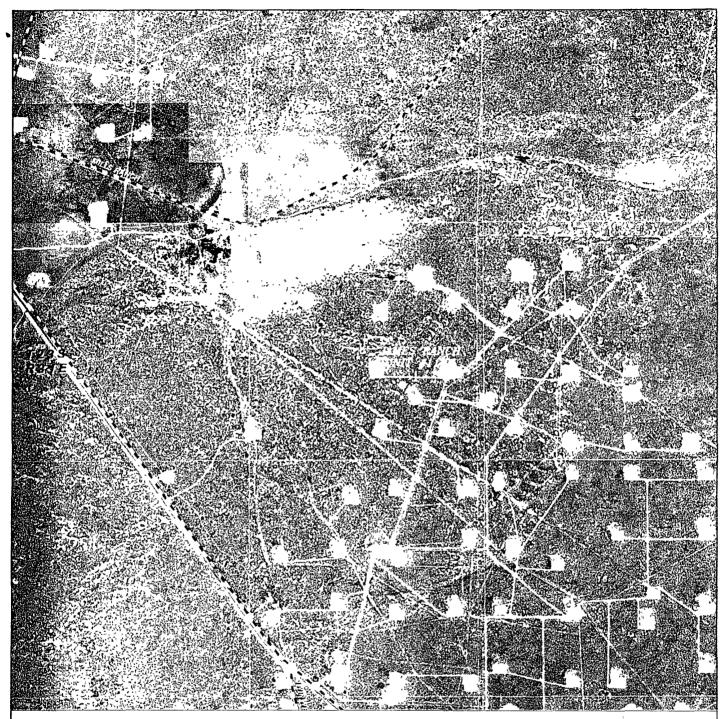
BOPCO, L.P.

8, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M., SECTION EDDY COUNTY, ☆ NPG 150' NORTH BOPCO, LP JAMES RANCH UNIT #119H ELEV - 3325' 150' WEST OFF SET □ 150' EAST □ OFF SET 0 3323 7 Lat - N 32*18'58 49" Long - W 103*47'50 14" NMSPCE- N 479197 163 E 706941 959 3326 3' (NAD-83) 150' SOUTH OFF SET 3325 9' ₩PG #1 SWD 3321 6 600' 3327 5' 200 200 400 FEET SCALE: 1" = 200' Directions to Location BOPCO, FROM THE JUNCTION OF STATE HWY 128 AND TWIN WELLS, GO EAST 0'1 MILES TO LEASE ROAD, ON LEASE ROAD GO NORTHEAST 1.5 MILES TO LEASE ROAD, ON LEASE ROAD GO WEST 0.1 MILES TO REF JAMES RANCH UNIT #119H / WELL PAD TOPO PROPOSED LOCATION THE JAMES RANCH UNIT #119H LOCATED 1640' FROM THE SOUTH LINE AND 1830' FROM THE EAST LINE OF BASIN SURVEYS PO BOX 1786-HOBBS, NEW MEXICO SECTION 8, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M P.M., EDDY COUNTY, NEW MEXICO. 22338 J. SMALL W O Number Drawn By Sheet Sheets Survey Date 03-02-2010 Disk 02-26-2010

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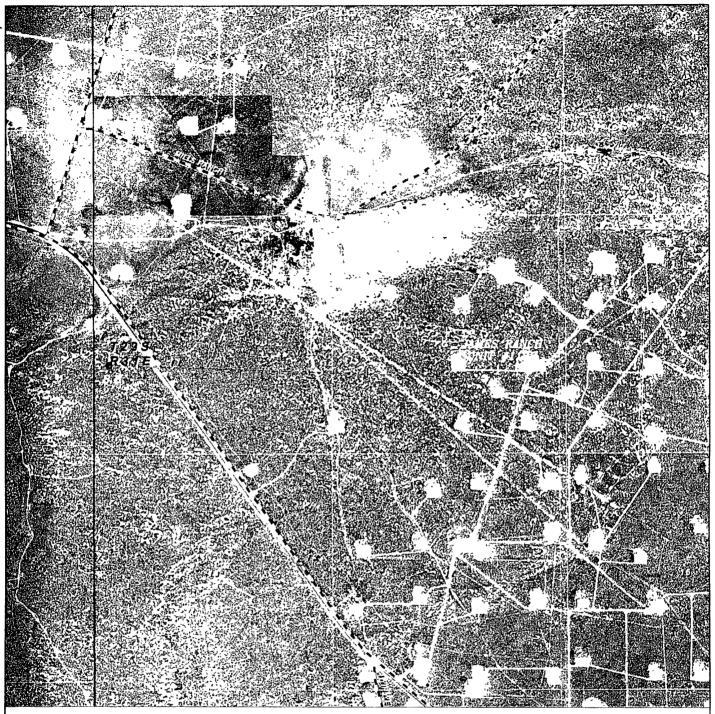
JAMES RANCH UNIT #119H Located 1640' FSL and 1830' FEL Section 8, Township 23 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.



P O Box 1786 1120 N West County Rd Hobbs, New Mexico 88241 (575) 393-7316 - Office (575) 392-2206 - Far basinsurveys com W 0 Number JMS 22338

Scale 1 = 2000

YELLOW TINT — USA LAND BLUE TINT — STATE LAND NATURAL COLOR — FEE LAND BOPCO, L.P.



JAMES RANCH UNIT #119H Located 1640' FSL and 1830' FEL Section 8, Township 23 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.



P 0 Box 1786 1120 N West County Rd Hobbs, New Mexico 88241 (575) 393-7316 - Office (575) 392-2206 - Fax basinsurveys com

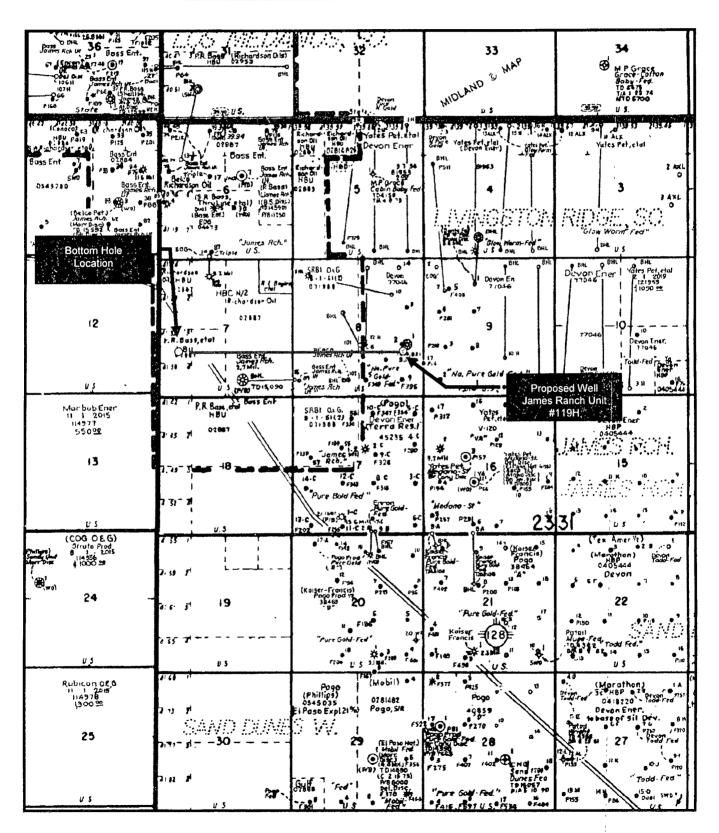
Scale 1' = 2000

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BLUE TIN1 - STATE LAND
NATURAL COLOR - FEE LAND

BOPCO, L.P.

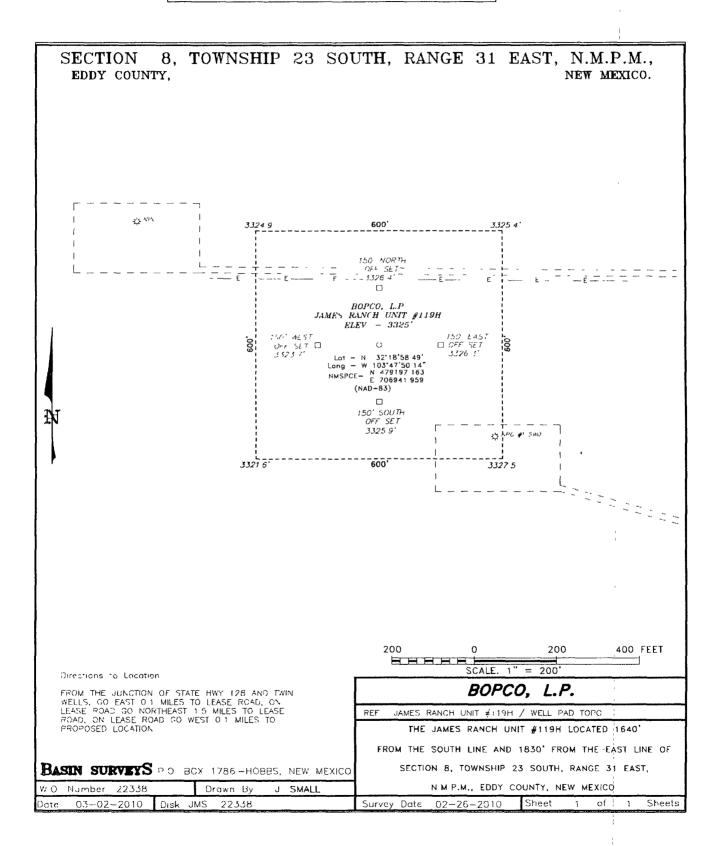
James Ranch Unit #119H Exhibit "A"





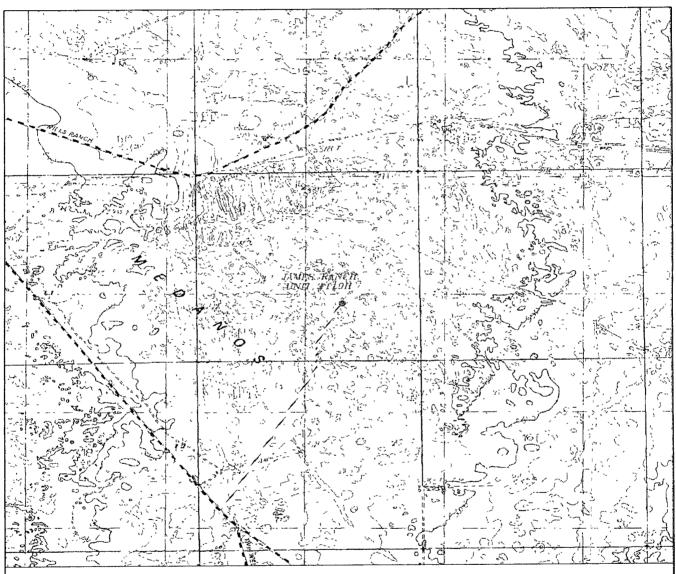
James Ranch Unit #119H Exhibit "B"





James Ranch Unit #119H Exhibit "C"





JAMES RANCH UNIT #119H Located 1640' FSL and 1830' FEL Section 8, Township 23 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.



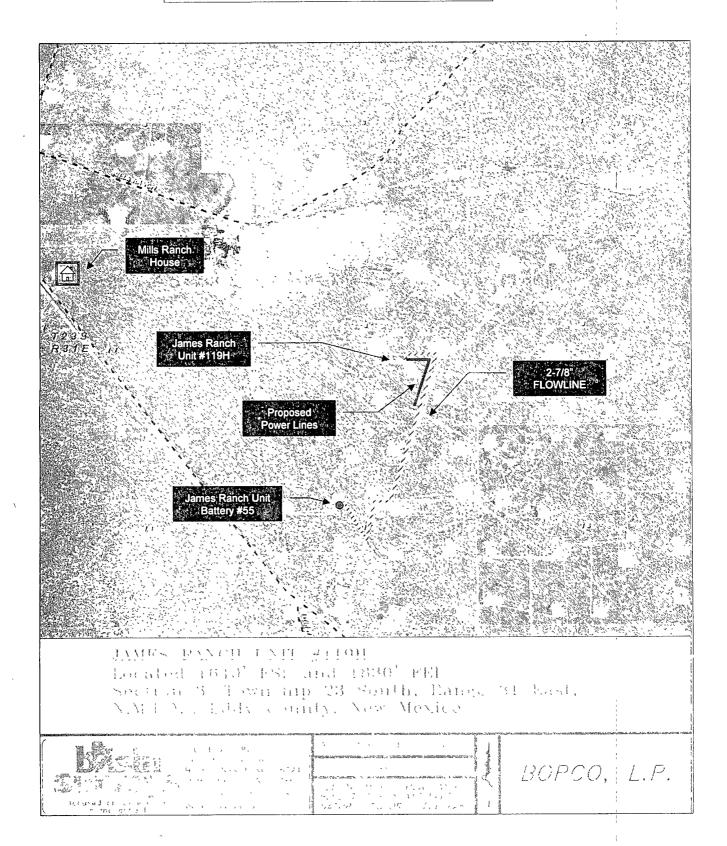
P.O. Box 1786 1120 N. West County Pd. Hobbs, New Mexico 88241 (575) 394 /316 Office (575) 392-2206 - 1.2

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BOPCO, L.P.

James Ranch Unit #119H Exhibit "E"





PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME: BOPCO LP LEASE NO.: NM-02887A WELL NAME & NO.: JAMES RANCH UNIT #119H SURFACE HOLE FOOTAGE: 1640' FSL & 1830' FEL LOCATION: Section 08, T. 23 S., R 31 E., NMPM BOTTOM HOLE FOOTAGE: 1980' FSL & 330'FWL LOCATION: Section 07, T. 23 S., R 31 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.

General Provisions

Permit Expiration
Archaeology, Paleontology, and Historical Sites
Noxious Weeds
Special Requirements
Lesser Prairie-Chicken Timing Stipulations
Ground-level Abandoned Well Marker
Commercial Well Determination
Unit Plan of Development
☐ Construction
Notification
V-Door Direction – not stipulated
Topsoil
Closed Loop System
Federal Mineral Material Pits
Well Pads
Roads
Road Section Diagram
□ Drilling
Secretary's Potash
Casing Depth Change
H2S Requirements
Logging Requirements
Production (Post Drilling)
Well Structures & Facilities
Pipelines – See Standard Stipulations for Surface Installed PL
Electric Lines – See Standard Stipulations for Overhead Electric Dist. Lines
Interim Reclamation
Final Abandonment & Reclamation – Low Profile Well Marker
K-A

I. GENERAL PROVISIONS

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The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

V. SPECIAL REQUIREMENT(S)

Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken: Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

Operator shall separate top-soil from any other materials placed on location as a result of "flipping" surface materials to expose and/or extract caliche from underneath the well-pad location.

Commercial Well Determination

Well is outside of NMNM – 070965G participating area. A commercial well determination will need to be submitted.

Plan of Development

Operator is to submit a Unit Plan of Development (UPOD) annually to the BLM. Guidelines for UPOD are available upon request at the BLM Carlsbad Field Office.

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5972 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. V-DOOR DIRECTION: not stipulated

C. TOPSOIL

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The operator shall stockpile the topsoil in a low profile manner in order to prevent wind/water erosion of the topsoil. The topsoil to be stripped is approximately 8 inches in depth. The topsoil will be used for interim and final reclamation.

Operator shall separate top-soil from any other materials placed on location as a result of "flipping" surface materials to expose and/or extract caliche from underneath the well-pad location.

D. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

E. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

F. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation.

The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

G. ON LEASE ACCESS ROADS

Road Width

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed thirty (30) feet.

Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

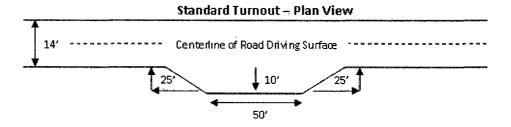
The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning

Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Turnouts

Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall be constructed on all blind curves. Turnouts shall conform to the following diagram:

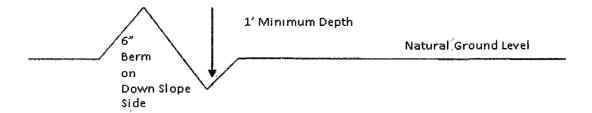


Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

400 foot road with 4% road slope:
$$\frac{400'}{4\%} + 100' = 200'$$
 lead-off ditch interval

Culvert Installations

Appropriately sized culvert(s) shall be installed at the deep waterway channel flow crossing.

Cattleguards

An appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s).

Any existing cattleguard(s) on the access road shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguard(s) that are in place and are utilized during lease operations.

A gate shall be constructed and fastened securely to H-braces.

Fence Requirement

Where entry is required across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting.

The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

- center line of roadway shoulderfernaut 10° 100 rosition anismon the transition of the constructed on all single lane roads an all blind curves with additional tunouts as needed to keep spacing below 1000 feet full turnout width **Typical Turnout Plan** height of full at shoulder embankment slope 0' - 4'3-1 **Embankment Section** cruwa 03 - 05 ft/ft earth surface aggregate surface 02 - .04 tl/h paved surface .02 - 03 ft/ft Death measured from **Side Hill Section** travel surface (slope 2 - 4%) **Typical Outsloped Section Typical Inslope Section**

Figure 1 - Cross Sections and Plans For Typical Road Sections

VII. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

Eddy County

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

- 1. Due to recent H2S encounters in the salt formation, it is recommended that monitoring equipment be onsite for potential Hydrogen Sulfide prior to drilling out the surface shoe. If Hydrogen Sulfide is encountered, please report measurements and formations to the BLM.
- 2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
- 3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
- 4. The record of the drilling rate along with the CAL/GR/N well log run from TD to surface will be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

B. CASING

Changes to the approved APD casing and cement program require submitting a sundry and receiving approval prior to work. Failure to obtain approval prior to work will result in an Incident of Non-Compliance being issued.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours

for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Secretary's Potash

Possible water and brine flows in the Salado and Castile groups.

Possible lost circulation and water flows in the Delaware and Bone Spring.

- 1. The 13-3/8 inch surface casing shall be set at approximately 650 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.

9-5/8" casing is to be kept fluid filled while running into hole.

- 2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:
 - Cement to surface. If cement does not circulate see B.1.a, c-d above. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to potash.
- 3. The minimum required fill of cement behind the 7 inch production casing is:
 - a. First stage to DV tool, cement shall:

- Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool, cement shall:
- □ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to potash.

A LEASE LINE ISOLATION PACKER MUST BE SET A MINIMUM OF 350' INSIDE UNIT BOUNDARY TO PREVENT DRAINAGE FROM ADJACENT FEDERAL LEASE. OPERATOR MUST CONFIRM LOCATION OF PACKER AND SUBMIT DOCUMENTATION TO THE BLM CARLSBAD OFFICE.

- 4. The minimum required fill of cement behind the 4-1/2 inch production liner is:
 - □ Packer system to be used No Cement required.
- 5. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

- 1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
- 2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 2000 (2M) psi. 5M system tested as a 2M.
 - a. For surface casing only: If the BOP/BOPE is to be tested against casing, the wait on cement (WOC) time for that casing is to be met (see WOC statement at start of casing section). Independent service company required.
- 3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 9-5/8 intermediate casing shoe shall be 3000 (3M) psi. 5M system tested as a 3M
- 4. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. Casing cut-off and BOP installation will not be initiated until the cement has had a minimum of 8 hours setup time for a water basin. The casing shall

remain stationary and under pressure for at least eight hours after the operator places the cement. In the potash area, the minimum time is 12 hours and the casing shall remain stationary and under pressure during this time period. Casing shall be under pressure if the operator uses some acceptable means of holding pressure or if the operator employs one or more float valves to hold the cement in place. Testing the BOP/BOPE against a plug can commence after meeting the above conditions plus the BOP installation time.

- b. The tests shall be done by an independent service company utilizing a test plug.
- c. The results of the test shall be reported to the appropriate BLM office.
- d. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- e. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

CRW 042210

VIII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interimrecontouring and revegetation of the well location.

Containment Structures

The containment structure shall be constructed to hold the capacity of the entire contents of the largest tank, plus 24 hour production, unless more stringent protective requirements are deemed necessary by the Authorized Officer.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color Shale Green, Munsell Soil Color Chart # 5Y 4/2

B. PIPELINES – 2 7/8" Surface Steel Flowline

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the grant and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

- 1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
- 2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
- 3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
- 4. The holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. The holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:
 - a. Activities of the holder including, but not limited to construction, operation, maintenance, and termination of the facility.

- b. Activities of other parties including, but not limited to: (1) Land clearing. (2) Earth-disturbing and earth-moving work. (3) Blasting. (4) Vandalism and sabotage. c. Acts of God. The maximum limitation for such strict liability damages shall not exceed one million dollars (\$1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred. This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States. 5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any responsibility as provided herein. 6. All construction and maintenance activity will be confined to the authorized right-of-25 feet. 7. No blading or clearing of any vegetation will be allowed unless approved in writing
- way width of
- by the Authorized Officer.
- 8. The holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky of duney areas, the pipeline will be "snaked" around hummocks and dunes rather then suspended across these features.
- 9. The pipeline shall be buried with a minimum of <u>24</u> inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.
- 10. The holder shall minimize disturbance to existing fences and other improvements on

public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

- 11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.
- 12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.
- 13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.
- 14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.
- 15. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the holder.

C. ELECTRIC LINES –

STANDARD STIPULATIONS - OVERHEAD ELECTRIC DISTRIBUTION LINES

A copy of the grant and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

- 1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
- 2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
- 3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
- 4. There will be no clearing or blading of the right-of-way unless otherwise agreed to in writing by the Authorized Officer.
- 5. Powerlines shall be constructed in accordance to standards outlined in "Suggested Practices for Raptor Protection on Powerlines," Raptor Research Foundation, Inc., 1981. The holder shall assume the burden and expense of proving that pole designs not shown in the above publication are "raptor safe." Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all powerline structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the holder without liability or expense to the United States.
- 6. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

- 7. The BLM serial number assigned to this authorization shall be posted in a permanent, conspicuous manner where the power line crosses roads and at all serviced facilities. Numbers will be at least two inches high and will be affixed to the pole nearest the road crossing and at the facilities served.
- 8. Upon cancellation, relinquishment, or expiration of this grant, the holder shall comply with those abandonment procedures as prescribed by the Authorized Officer.
- 9. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this grant, whichever comes first. This will not apply where the power line extends service to an active, adjoining facility or facilities.
- 10. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

11. Special Stipulations:

- Limit all disturbance to authorized width of approved access road.
- For reclamation remove poles, lines, transformer, etc. and dispose of properly.
- Fill in any holes from the poles removed.

IX. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and

loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

X. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared; these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well.

Seed Mixture for LPC Sand/Shinnery Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be <u>no</u> primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

	Species	<u>lb/acre</u>	
	Plains Bristle	egrass	5lbs/A
	Sand Bluestem Little Bluestem Big Bluestem Plains Coreopsis		5lbs/A
			3lbs/A
			6lbs/A
			2lbs/A
	Sand Dropseed	eed	1lbs/A
**Four-winged Saltbush			5lbs/A

^{*} This can be used around well pads and other areas where caliche cannot be removed.

Pounds of seed x percent purity x percent germination = pounds pure live seed

^{*}Pounds of pure live seed: