State of New Mexico Form C-103 Submit 3 Copies Energy, Minerals and Natural Resources Department Revised 1-1-89 to Appropriate District Office **OIL CONSERVATION DIVISION** WELL API NO. P.O. Box 1980, Hobbs, NM 88240 P.O. Box 2088 30-031-20148 Santa Fe. New Mexico 87504-2088 DISTRICT II 5. Indicate Type of Lease P.O. Drawer DD, Artesia, NM 88210 FEE X STATE DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 6. State Oil & Gas Lease No. SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A 7. Lease Name or Unit Agreement Name DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: GAS WELL WELL Injector Santa Fe Railroad OTHER 2. Name of Operator 8. Well No. BC & D Operating, Inc. 9. Pool name or Wildcat 3. Address of Operator P.O. Box 837, Hobbs, NM 88241 Hospah Upper Sand South 4. Well Location 2600 1220 Feet From The _ North Feet From The West Unit Letter Line and Line 8W 17N Range McKinley **NMPM** County Section Township 10. Elevation (Show whether DF, RKB, RT, GR, etc.) 69531 Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data 11. NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: X PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK ALTERING CASING **TEMPORARILY ABANDON CHANGE PLANS** COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT CASING TEST AND CEMENT JOB **PULL OR ALTER CASING** OTHER:_ OTHER: 12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103. The subject well is shut-in due to American Exploration pulling the tbg out of the well. The well had failed a previous MIT prior to BC & D purchasing the property. American repaired the well w/ 220 SX CMT, but did not place the well back on injection. BC & D proposes to install a pkr and tbg, conduct an MIT and place on injection if successful. If the MIT is not successful, establish a method to repair. The well is needed for pressure maintenance to effectively drain the reservoir.

I hereby certify that the information above is true and complete to the feet of my knowledge and belief.

SIGNATURE TITLE President DATE 4/4/96

TYPE OR PRINT NAME Donnie Hill TELEPHONE NO. (505) 397-3972

(This space for State Use)

nny Rolinson

DEPUTY OIL & GAS INSPECTOR, DIST. #3

APR 1 2 1996

CONDITIONS OF APPROVAL, IF ANY