State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary David Catanach
Division Director
Oil Conservation Division



JUNE 1, 2015

BC Operating Inc ATT: Pam Stevens P O Box 50820 Midland, TX 79710

RE: CANCELLATION OF INTENT TO DRILL

South Lynch #1H, E-28-20s-34e, API # 30-025-40991

South Lynch #2H, D-28-20s-34e, API # 30-025-41169

Gentlemen:

Two years or more have elapsed since Division form C-101; Intent to Drill for the subject well was approved. To date no progress reports have been received. Therefore, approval of your permit to drill this well has expired and no operations are to be initiated without further notice to and approval by the Oil Conservation Division

If the work to drill this well has been done, please file subsequent reports (Form C-103) of this work immediately to bring this file into current status.

Truly yours,

OIL CONSERVATION DIVISION

Maxey Brown Supervisor, Hobbs OCD

CC:

OCD Santa Fe

BLM

State Land Office

JUN 0 1 2015'

E-PERMITTING Cancel APD down