

District I - (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II - (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III - (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV - (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM 87505

**HOBBS OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

DEC 03 2012

WELL API NO. 30-025-34034
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 37047
7. Lease Name or Unit Agreement Name Warren State
8. Well Number 1
9. OGRID Number 160825
10. Pool name or Wildcat Denton; South Devonian

<p align="center"><b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)</p>	
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator BC Operating, Inc.	
3. Address of Operator P.O. Box 50820 Midland, Texas 79710	
4. Well Location Unit Letter <u>P</u> : <u>1295</u> feet from the <u>South</u> line and <u>880</u> feet from the <u>East</u> line Section <u>35</u> Township <u>15S</u> Range <u>37E</u> NMPM County <u>Lea</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3759' GL	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p align="center"><b>NOTICE OF INTENTION TO:</b></p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/>          TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>          PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/>          DOWNHOLE COMMINGLE <input type="checkbox"/></p>	<p align="center"><b>SUBSEQUENT REPORT OF:</b></p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/>          COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/>          CASING/CEMENT JOB <input type="checkbox"/></p>
OTHER: <input type="checkbox"/>	OTHER: Recompletion <input checked="" type="checkbox"/>

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

10/16/12 - MIRU Choctaw & NU WH & BOP.  
 10/17/12 - TOOH w/mill tooth bit, 6- 3 1/2" DC's & 174 jts 2 7/8" tbg. Tagged up @ 5770'  
 10/18/12 - Drilled out cmt & retainer @ 5800' & cmt down to 6056'. Circ clean.  
 10/19/12 - Drilled out cmt from 6056' - 6290' & fell out. Pressure tested and held.  
 10/22/12 - Drilled out CIBP @ 8580' & circ clean. TIH picking up tbg to 12,844'.  
 10/23/12 - TIH w/5 1/2" CIBP set @ 9800' w/2 sx cmt on top. Lost bailer in hole - spent next few days fishing.  
 10/28/12 - Dumped 2 sx back on top of CIBP @ 9800'. TIH w/5 1/2" treating pkr & set @ 9655'. Spotted 3 bbls acid across perfs @ 9730' - 9755'. Acidized w/1500 gals 15% acid. TOH w/pkr.  
 10/29/12 - Set retainer @ 9652' & pressure tested casing to 500# - held.  
 10/30/12 - Pumped 50 sx cmt & 40 bbls displacement. Squeezed 4 bbls of cmt into perfs 9738' - 3755'  
 10/31/12 - Drilled out cmt & retainer @ 9652' & drilled out cmt to 9710'. Circ clean.  
 11/02/12 - Drilled out cmt from 9710' - 9760'. Circ clean. Pressure tested to 550# - held. Tagged up cmt @ 9785'. Drilled out part of CIBP & CIBP @ 9800'.  
 11/03/12 - RIH w/tbg to 9799'. Drilled out rest of CIBP @ 9800' down to 12,844' TD. Circ clean. TOOH w/245 jts 2 7/8" tbg.  
 11/04/12 - TIH w/4 5/8" skirted button bit, 16- 3 1/2" DC's & 140 jts of 2 7/8" DP down to 4450'.  
 11/07/12 - Drilled formation from 12,844' - 12,881'.  
 11/08/12 - Drilled from 12,881' - 12,913' - circ clean.  
 11/13/12 - RIH w/104 jts of 2 7/8" tbg total jts. Set Crest pkr @ 10,039'. Swabbed FL down to 3600' after 5<sup>th</sup> run. Made total of 15 swab runs - 120 bbls fluid.  
 11/14/12 - Swabbed - IFL @ 2500' / FFL @ 3000'. Recovered 35 bbls fluid.  
 11/16/12 - Ran in hole w/ESP pump  
 11/17/12 - Power on - started pumping unit.  
 11/19/12 - RDMO.

Acquired well test: 350 BO / 520 BW / 500 MCF in 24 hours.

DEC 05 2012

Spud Date:

08/13/2011

Rig Release Date:

08/21/2011

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

SIGNATURE Pam Stevens TITLE Regulatory Analyst DATE 11/27/2012

Type or print name Pam Stevens E-mail address: pstevens@bcoperating.com PHONE: 432-684-9696

**For State Use Only**

APPROVED BY: [Signature] TITLE Dist. MGR DATE 12-5-2012  
Conditions of Approval (if any):