

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 OGD CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505
DEC 10 2012

WELL API NO. 30-025-39734 ✓
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name South Denton 6 State ✓
8. Well Number 2 ✓
9. OGRID Number 160825
10. Pool name or Wildcat San Andres & Glorieta <96127>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3751' GR

SUNDRIY NOTICES AND REPORTS ON WELLS
(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.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other SWD

2. Name of Operator

BC Operating, Inc.

3. Address of Operator

PO Box 50820, Midland, TX 79710

4. Well Location

Unit Letter D : 330 feet from the North line and 330 feet from the West line
Section 6 Township 16S Range 38E NMPM Lea County

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: Plug back Injection well ☒

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.

SWD-1297

Plugged back injection well and ran MIT:

08/13/12 - MIRU Choctaw & TIH w/bit. Drilled out cmt & CIBP @ 4160'. Cleaned out well.
08/14/12 - Finished clean out. TIH w/5 1/2" pkr set @ 4100'. Released packer & RIH w/open ended tbg to 4100'.
08/15/12 - RU Rising Star & pumped 50 sx Class C across perfs 4210' - 4452'. RDMO cements.
08/16/12 - Tagged up cmt @ 4120' & drilled out cmt down to 4145'. W/O cmt.
08/17/12 - Clean out well to 5000'. TIH w/open ended tbg to 4100'.
08/18/12 - RU cements & cmt 50 sx Class C across perfs 4210' - 4452' PU to 2704', pressured up to 2500# & left well close.
08/20/12 - Drilled cmt down to 4475' & circ hole clean. Pulled tbg above perfs & SDFN.
08/21/12 - Tagged up @ 5110' & DO cmt & CIBP @ 5150'. Circ clean. DO to 6440'. Circ clean.
08/22/12 - DO cmt & CIBP @ 6450' & CO to 6850' (PBTD). Circ hole clean.
08/23/12 - ND BOP & set pkr @ 5104' w/160 jts. Prep to frac.
08/24/12 - Fraced well from 4210' - 4452' & OH 6500' - 6850' w/ total 2687 bbls slurry & 111,000 lbs 16/30 sand.
08/27/12 - Flowing well back to reserve pit
08/30/12 - Circ & CO well to 6850' (125' frac sand) & TOH laying down 80 jts. Left well Shut In.
11/27/12 - MIRU Choctaw, ND WH & NU BOP
11/28/12 - Set pkr @ 5149' & ran pressure test - ok
11/29/12 - Ran MIT - See Attached Chart. RDMO

Spud Date:

1/6/11

Rig Release Date:

1/16/11

APR 17 2013

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

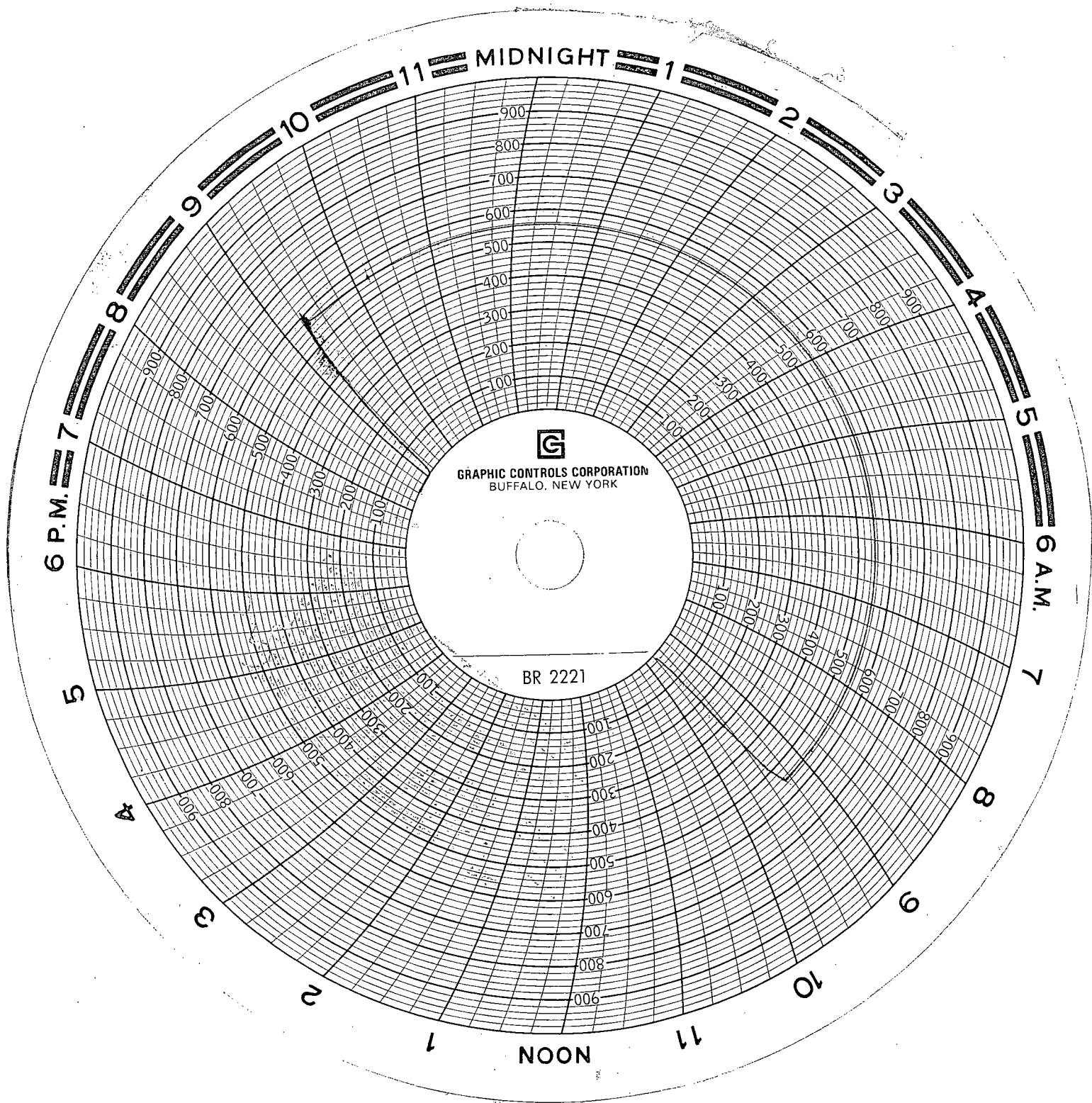
SIGNATURE Pam Stevens TITLE Regulatory Analyst DATE 12/04/2012

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 4-17-2013

Conditions of Approval (if any):



Cuatro Transportation, inc.
LEASE Southerton 6 WELL 2
DATE RRC NOTIFIED 9/20/12
DRIVER Julio Galles UNIT # 53
DATE TESTED 11/29/12
TBG PSI 600 CSG PSI 500
RRC WITNESS _____
LS OPERATOR BC operating tag

LEASE & WELL NO. South Denton 6 State #2 SWD
 FIELD NAME South Denton
 LOCATION 330 FNL & 330 FWL, Sec 6, T16S, R38E

FORMER NAME _____
 COUNTY & STATE Lea Co., NM
 API NO. 30-025-39734

K.B. ELEV. _____
 D.F. ELEV. _____
 GROUND LEVEL 3781'

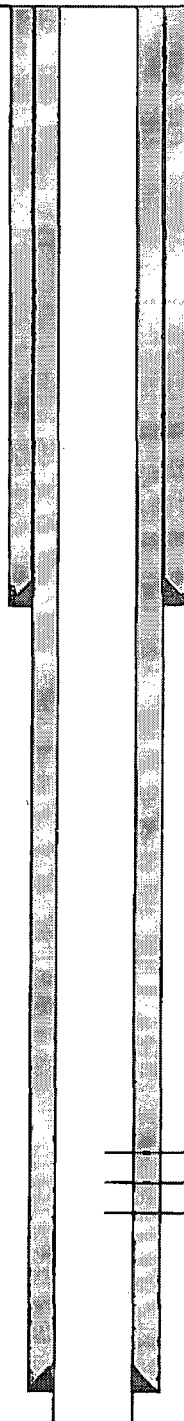
GLORIETA-SAN ANDRES

Tubing Description
 FG 3-1/2", 9.3#, J-55

SURFACE CASING
 SIZE 8-5/8" WEIGHT 24.0# DEPTH 2019'
 GRADE _____ SX. CMT. 1035 sx TOC @ surface

WELL HISTORY

4/15/2010 APD Approved
 8/5/2010 NMOCD Hearing for Injection Permit, permit approved
 1/16/2011 Drilled well; no San Andres porosity encountered
 Propose to deepen well by 350' to Glorieta
 12/21/2011 Deepended to Glorieta & perforated San Andres
 No injectivity - tight rock



Perf 6322'-6332', 6230'-6240'
 5962'-5970', 5230'-5238'
 5200'-5222'

PRODUCTION CASING
 SIZE 5-1/2" WEIGHT 15.5# DEPTH 6500'
 GRADE _____ SX. CMT. 980 sx TOC @ _____
 PBTD@ 6850'
 TD@ 6850'

Injection Interval
 5200' - 6850'
 San Andres & Glorieta

LEASE & WELL NO. South Denton 6 State #2 SWD
 FIELD NAME South Denton
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 12/21/2011 Deepended to Glorieta & perforated San Andres
 No injectivity - tight rock
 12/22/2011 Perforate Queen

QUEEN (PROPOSED)

Tubing Description
 FG 3-1/2", 9.3#, J-55

SIZE 5-1/2" WEIGHT 15.5# DEPTH 6500'
 GRADE _____ SX. CMT. 980 sx TOC @ _____
 PBTD @ 6850'
 TD @ 6850'

Inj Pkr @ 4160'
 Perf 4436'-4452', 4342'-4353'
 4270'-4278', 4210'-4240'
 CIBP @ 5150' w/ 35' cmt
 Perf 6322'-6332', 6230'-6240'
 5962'-5970', 5230'-5238'
 5200'-5222'
 CIBP @ 6450' w/ 35' cmt
 Injection Interval
 5200' - 6850'
 San Andres & Glorieta