

Submit 1 Copy To Appropriate District Office  
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

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised August 1, 2011

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

WELL API NO. 30-025-42065
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 40445
7. Lease Name or Unit Agreement Name Abe State
8. Well Number 1H
9. OGRID Number 160825
10. Pool name or Wildcat WC-025 G-07 S213330F; Bone Spring
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3701' GL

**SUNDRY 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 ☐

2. Name of Operator  
BC Operating, Inc.

3. Address of Operator  
P.O. Box 50820 Midland, Texas 79710

4. Well Location  
Unit Letter A : 240 feet from the North line and 360 feet from the East line  
Section 32 Township 21S Range 33E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3701' GL

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: ☐

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.

Notice of Intent to change plan - Surface/BHL

From: UL "A", Section 32, T-21S, R-33E - SHL 240' FNL & 360' FEL / UL "A", Section 29, T-21S, R-33E -BHL 240' FNL & 360' FEL.

To: UL "B", Section 32, T-21S, R-33E - SHL 240' FNL & 1980' FEL / UL "B", Section 29, T-21S, R-33E - BHL 240' FNL & 1980' FEL.

Elevation will change to 3727' GL

*IN ORDER TO AVOID CONFUSION  
API # 30-025-41713 WAS CANCELLED  
NEW API # 30-025-42065  
see attached letter from BC OPERATING*

Spud Date:

Rig Release Date:

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 08/25/2014

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

**For State Use Only**

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 08/25/14  
Conditions of Approval (if any):

AUG 26 2014

P.O. Box 50820  
Midland, Texas 79710  
Phone (432) 684-9696



4000 N Big Spring Street, Suite 310  
Midland, Texas 79705  
Fax (432) 686-0600

August 25, 2014

To: Mr. Brown and Mr. Kautz,

Re: BC Operating, Inc. Abe State Lease wells #1H and #2H

BC Operating Inc. is drilling the Abe State #2H at this time. We are currently rigging down loggers at 12,200' to plug back the pilot hole and drill horizontal.

As Mr. Jason Wacker and I discussed with you this morning, we surveyed other locations in the area on Friday and discovered through that process that the #2H location was built in the wrong place. To correct this mistake, BC Operating, Inc. is sending corrected C-102 plats for the #2H and the #1H (not spudded yet) and accompanying sundry notices with each.

We believe this will correct the problem and allow the #2H to continue drilling with new and correct coordinates.

Thank you for your prompt attention to this matter. We truly appreciate your help and hard work.

Sincerely,

A handwritten signature in cursive script, reading "Deane Durham".

Deane Durham  
Drilling Engineer