District I 1625 N. French Dr., Ho Phone: (575) 393-6161 District II 811 S. First St., Artesia Phone: (575) 748-1283 District III 1000 Rio Brazos Road Phone: (505) 334-6178 District IV 1220 S. St. Francis Dr. Phone: (505) 476-3460	a, NM 88210 3 Fax: (575) 748 1, Aztec, NM 87 8 Fax: (505) 334 ., Santa Fe, NM	410 REC	EIVE	OIL CO	20 South St. Santa Fe, NM	al Resources De ION DIVISION Francis Dr. M 87505	•	Submit one c	Form C-102 ed August 1, 2011 opy to appropriate District Office ENDED REPORT	
1	API Number			² Pool Code		EAGE DEDIC	³ Pool Nam			
30-005-10096				12049 CHAVAROO; SAN ANDRES						
⁴ Property Code			⁵ Property Name STATE KD					⁶ Well Number 1		
⁷ OGRID No. 160825		- Berl	⁸ Operator Name BC OPERATING, INC.						⁹ Elevation 4,371'	
					¹⁰ Surface I	Location		Contraction (Contraction)		
UL or lot no. D	Section 28	Township 8S	Range 33E	Lot Idn	Feet from the 660	North/South line NORTH	Feet from the 660	East/West line WEST	County CHAVES	
			" Bo	ttom Hol	le Location If	Different From	n Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
¹² Dedicated Acres 40	s ¹³ Joint of	r Infill ¹⁴ Co	onsolidation	Code ¹⁵ Or	der No.	II				

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	1	1	1
·····ò			¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
			Order hereiogore entered by the division. Signature Signature State State Serverse State Serverse State Serverse Serverse State Serverse
			¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
			Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

					D.C.C.	
	WELL	EW MEXICO OIL	CONSERVATION	COMMISSION DIGATOON PLA	H'64 FORM C	
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h			SECTION A			
perator			Lease	and the second	Vell No.	
MCALESTER FUEL COMPANY				ICO STATE	KD-1	
D D	28	SOUTH	Range 33 EAST	Cousty	-	
ctual Footage Loca		• • • • • •				
660 f	eet from the NO	TH line and	660	feet from the WEST	line	
round Level Elev.	Producing For		Pool		Dedicated Acreage:	
b be run lab		mgh	Underignet		ho	Acres
wise? YES	uestion one is " NO If	to," have the interests	e of Consolidation	Lease Gerentil	nupitization agreement or o	ther-
	<u>,</u> ,	SECTION B			CERTIFICATION	
660 J				in SE plete belig Name Posit	TION A above of true and tompfeet of my knowled Dias Lilla tion	com-
		REG. PHON	STATE ON MEXICO	abown plotte surve super and c and b	by certify that the well loo n on the plat in SECTION I ad from field notes of actua ys made by me or under my vision, and that the same i correct to the best of my kn welief. Surveyed ARCH 2, 1964	B was
			ICHW W. W ST	Regie	te red Professional Engine	WEST
	0 1320 1460 190		-C W EXTER	Regia and/o	te red Professional Engine	



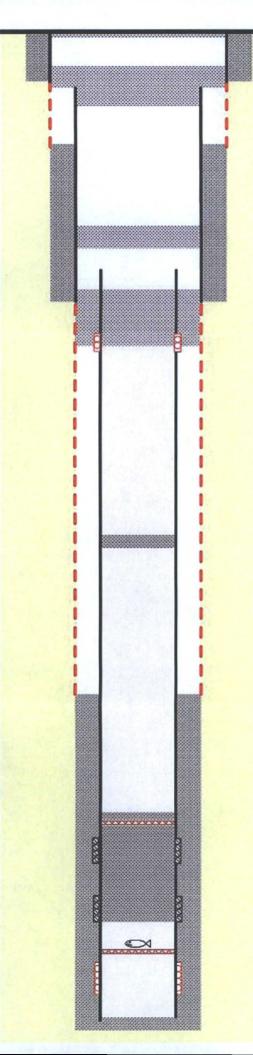
BC Operating State KD #1 Re-Entry Procedure San Andres API# 30-005-10096 660' FNL 660' FWL Section 28 T8S R33E Tobac Field Chaves County, New Mexico

Re-Entry Procedure

- Remove dry hole marker.
- Install A section on 13 %" casing
- Drill out 25' surface plug.
- Drillout cement plug in 8 %" casing stub at ± 301'.
- Drillout 100' cement plug in 8 %" casing at ± 2,160'.
- Cleanout to top of 5 ½" casing stub.
 - Depth of 5 ½" casing stub is unknown. Best guess is ± 3,500'.
 - Rotate into 5 1/2" casing and cleanout to cement plug at ± 4,731'.
- Run GR and casing inspection log from PBTD to top of 5 ½" casing stub.
- Run 5 ½" 17# J55 casing in hole with casing bowl on bottom.
- Run casing to bottom.
- Cement tie-back string to surface.
- Set and seal casing bowl on 5 ½" casing stub.
- Perforate 4 squeeze holes at ± 4,700'.
- Perforate 4 squeeze holes at ± 3,900'.
- Establish injection rate into squeeze perforations.
- Squeeze the 5 ½" casing by 7 ½" open hole.
- Shut well in 18-24 hours.
- Drillout any cement remaining in 5 ½" casing and tag cement retainer.
- Note new PBTD.

Well Recompletion Procedure

- Rig up CH wireline truck and run the following logs
 - o GR
 - Radial Bond
 - Case Hole Neutron
- Evaluate logs and perforate San Andres interval.
- 4,300' to 4,340' (est) (2 shots/ft)
- GIH w/ packer on 2 ⁷/₈" production tubing to 4,350'.
- Acidize with 5,000 gallons 15% NEFE.
- Install Production Equipment Procedure
- Install production equipment
- Put well on production



Cement Plug - Surface to 25'

13%" 48#/61# H40/J55 STC @ 380' Cement Plug – 301' to 472' 8 %" Casing cut off @ 428"

State KD #1 API # 30-005-10096 Existing wellbore

Cement plug 2,160' to 2,260' 25 sx

5 ½ " Casing cut off @ \pm 3,500' (guess)

8 5%" 32# J55 STC @ 3,649'

Cement Plug - 30 sx cmt in casing & 45 sx pumped thru perforations at 3,730'

Cement plug 4,739' to 4,941' 75 sx

TOC @ 7,830' Estimated

EZSV @ 8,300'

3-Brothers Perfs 8,974' to 8,978'

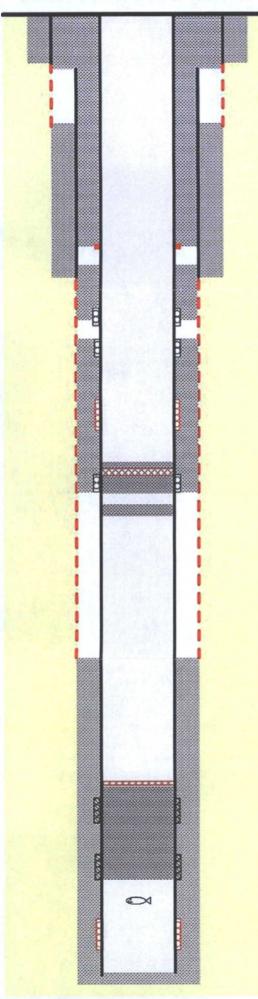
3-Brothers Perfs 8,994' to 8,998'

CIBP 9,026'

Bough "C" Perfs 9,037' to 9,049'

5 ½" - 17# J55 8rd @ 5,959' 5 ½" - 17# N80 8rd @ 9,089'

South Tobac State Unit #3



San Andres Completion

13%" 48#/61# H40/J55 STC @ 380'

8 1/8" Casing cut off @ 428"

5 ½ " Casing Bowl @ ± 3,500' (guess) 8 %" 32# J55 STC @ 3,649'

Squeeze Perf 3,900'

San Andres Perfs 4,300' to 4,340'

Cement Retainer 4,650' Squeeze Perf 4,700' Cement plug 4,739' to 4,941' 75 sx

TOC @ 7,830' Estimated

EZSV @ 8,300'

3-Brothers Perfs 8,974' to 8,978'

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