

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

District II
1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-103
Permit 132248

WELL API NUMBER 30-025-39959	
5. Indicate Type of Lease S	
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name TRES PAPALOTES	
8. Well Number 001	
9. OGRID Number 160825	
10. Pool name or Wildcat	
SUNDY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: G	
2. Name of Operator BC OPERATING, INC.	
3. Address of Operator P O Box 50820, Midland, TX 79710	
4. Well Location Unit Letter <u>F</u> : <u>1980</u> feet from the <u>N</u> line and <u>1980</u> feet from the <u>W</u> line Section <u>32</u> Township <u>14S</u> Range <u>34E</u> NMPM Lea County	
11. Elevation (Show whether DR, KB, BT, GR, etc.) 4140 GR.	
Pit or Below-grade Tank Application ☐ or Closure ☐ Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____	

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 OF PLANS ☐
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
 Other: _____

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTER CASING ☐
 COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐
 CASING/CEMENT JOB ☐
 Other: **Drilling/Cement** ☒

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

1/3/11 - Drilled 17 1/2" hole; set 13 3/8", 48# J-55 csg @ 455' w/650 sx Class C.
 1/9/11 - Drilled 11" hole; set 8 5/8", 32# J-55 csg @ 4502' 1060 sx Class H.
 1/17/11 - Drilled 7 7/8" hole; set 5 1/2", 17# J-55/N-80 tbg @ 10,637' w/830 sx Class H.
 2/7/11 - Rig released. 1/2/2011 Spudded well.

Casing and Cement Program

Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole
01/03/11	Surf	FreshWater	17.5	13.365	48	J-55	0	455	650	1.63	C		500		N
01/09/11	Int1	CutBrine	11	8.625	32	J-55		4502	160	1.33	H		2000		N
02/07/11	Prod	CutBrine	7.875	5.5	17	J-55		10637	830				2500		

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Electronically Signed _____ TITLE REGULATORY ANALYST DATE 5/26/2011
 Type or print name STAR L HARRELL E-mail address sharrell@bcoperating.com Telephone No. 432-684-9696

For State Use Only:

APPROVED BY: Paul Kautz TITLE Geologist DATE 5/27/2011 7:45:17 AM