

PMESD-611156127

Susp: 4-17-06

LA VIDA ENERGY CORPORATION

P.O. Box 2158
Midland, Texas 79702

(432) 682-4002

(432) 684-4741 Fax

March 24, 2006

2006 MAR 27 PM 12 12

Mr. Michael Stogner
State of New Mexico
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

30-015-26097

RE: Robinia Draw Federal #1 Reentry – Federal Lease NM- NM 54839
2,310' FSL & 990' FWL
S/2 Section 4, T23S, R24E, N.M.P.M.
Eddy County, New Mexico

Gentlemen:

Attached hereto is a copy of the request for waiver of objection for the Application for Permit to Reenter the Robinia Draw Federal #1 well that was recently sent to Yates Petroleum Corporation, Yates Drilling Company, Abo Petroleum Corporation and MYCO Industries, Inc.

We request administrative approval for exception to Rule 104 for the non-standard location for the Robinia Draw Federal #1 well located 2,310' FSL & 990' FWL Section 4, T23S, R24E, N.M.P.M., Eddy County, New Mexico.

This exception is requested because minimal reserves in the Strawn sands and low permeability and porosity in the Canyon interval can only be commercially accessed with reentry of the existing wellbore. Additionally, the Bureau of Land Management Regulations will require the development of this well on a lease basis as opposed to a communitized unit. Therefore the producing unit for this well will be the S/2 of said Section 4. Since the well is located 330' off the north lease line, an exception is required.

The owners of the N/2 Section 4, T23S, R24E, N.M.P.M., Eddy County, New Mexico, which are listed above, are the only parties affected by this application. Such owners have been notified in writing as evidenced by copy of the attached letter sent via certified mail on March 24, 2006.

Thank you for your cooperation in this matter. Should you have any questions, please advise.

Yours very truly,

Kenneth C. Dickeson

tlmocc

mailed 3/24/06

7005 0390 0000 6079 7685

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 1.35
Certified Fee	2.40
Return Receipt Fee (Endorsement Required)	1.85
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.60

Postmark
Here

Sent To
 Ms. Susan Vierra
 Street, Apt. No.;
 or PO Box No. 105 South Fourth St.
 City, State, ZIP+4[®] Artesia, NM 88210

PS Form 3800, June 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
 Ms. Susan Vierra
 105 South Fourth St.
 Artesia, NM 88210-2118

2. Article Number
(Transfer from service label) 7005 0390 0000 6079 7685

COMPLETE THIS SECTION ON DELIVERY

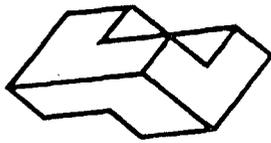
A. Signature
 X Agent
 Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes



LA VIDA ENERGY CORPORATION

P.O. Box 2158
Midland, Texas 79702

(432) 682-4002

(432) 684-4741 Fax

March 24, 2006

CERTIFIED MAIL

Ms. Susan Vierra
Yates Petroleum Corporation
Yates Drilling Company
Abo Petroleum Corporation
MYCO Industries, Inc.
105 South Fourth Street
Artesia, NM 88210-2118

RE: Robinia Draw Federal #1 Reentry – Federal Lease NM- NM 54839
2,310' FSL & 990" FWL
S/2 Section 4, T23S, R24E, N.M.P.M.
Eddy County, New Mexico

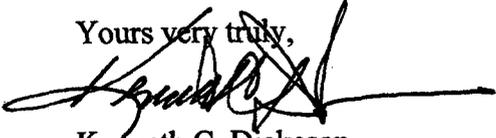
Dear Ms. Vierra:

Please be advised that La Vida Energy Corporation, along with B.C. Operating, Inc. has recently acquired the oil and gas leasehold interest in and to the captioned property. B.C. Operating, Inc. has been named operator of the Robinia Draw Federal #1 well and plans to reenter the well to attempt a completion in the Strawn and Canyon formations. Minimal reserves in the Strawn sands and low permeability and porosity in the Canyon interval can only be commercially accessed with reentry of the existing wellbore. Additionally, the Bureau of Land Management Regulations will require the development of this well on a lease basis as opposed to a communitized unit. Therefore the producing unit for this well will be the S/2 of said Section 4. Since the well is located 330' off the north lease line, a waiver is requested from Yates Petroleum Company, et al.

We respectfully request that Yates Petroleum Corporation, Yates Drilling Company, Abo Petroleum Corporation and Myco Industries, Inc. waive any objection to administrative approval to the Authority for Permit to Reenter, a copy of which is attached.

Please indicate your acceptance of the foregoing by signing in the spaces provided below and returning one copy to the undersigned.

Yours very truly,



Kenneth C. Dickeson

The undersigned hereby waive any objection to the administrative approval of the Application for Permit to Reenter the Robinia Draw Federal #1 Well.

Yates Petroleum Corporation

By: _____

Name & Title: _____

Date: _____

Yates Drilling Company

By: _____

Name & Title: _____

Date: _____

Abo Petroleum Corporation

By: _____

Name & Title: _____

Date: _____

MYCO Industries, Inc.

By: _____

Name & Title: _____

Date: _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. NM 54839		6. If Indian, Allottee or Tribe Name	
7. If Unit or CA Agreement, Name and No.		8. Lease Name and Well No. Robinia Draw Federal #1	
9. API Well No. 30-015-26097		10. Field and Pool, or Exploratory South Bandana Point (Strawn)	
11. Sec., T. R. M. or Blk. and Survey or Area Sec. 4-T23S-R24E		12. County or Parish Eddy	
13. State NM		14. Distance in miles and direction from nearest town or post office* 18 miles SW of Carlsbad, NM	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660' FNL lease 54839 810' FWL of pro. unit	16. No. of acres in lease 320	17. Spacing Unit dedicated to this well 320	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. none	19. Proposed Depth 9,660'	20. BLM/BIA Bond No. on file NMB000303	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4,122' GR	22. Approximate date work will start* 03/25/2006	23. Estimated duration 30 days	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature <i>M. Lee Roark</i>	Name (Printed/Typed) M. Lee Roark (432)634-9703	Date 02/21/2006
--------------------------------------	--	--------------------

Title
Operations Manager

Approved by (Signature)	Name (Printed/Typed)	Date
-------------------------	----------------------	------

Title
Office

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

MEXICO OIL CONSERVATION COMMISS.
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

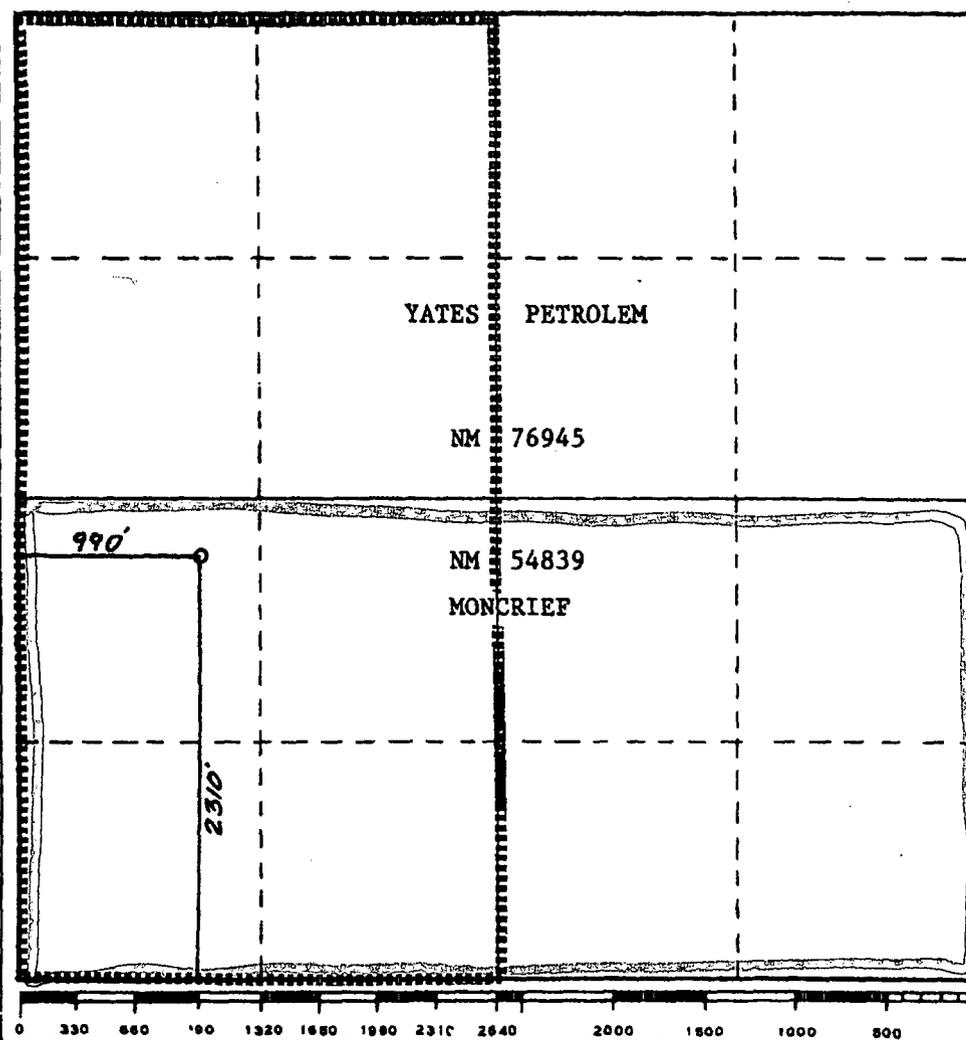
Operator Sunset Well Service, Inc.		Lease Robinia Draw Federal			Well No. 1
Unit Letter L	Section 4	Township 23 South	Range 24 East	County Eddy County, N.M.	
Actual Footage Location of Well: 2310 feet from the South line and 990 feet from the West line					
Ground Level Elev. 4122.	Producing Formation Strawn	Pool South Bandana Point		Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation to be communitized

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

M. Lee Roark

Name

M. Lee Roark

Position

Operations Manager

Company

Sunset Well Service, Inc.

Date

2/15/2006

I hereby certify that the well location shown on this plat is 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 knowledge as a **REGISTERED PROFESSIONAL ENGINEER SURVEYOR**.

Date Surveyed

March 27, 1989

Registered Professional Engineer and/or Land Surveyor

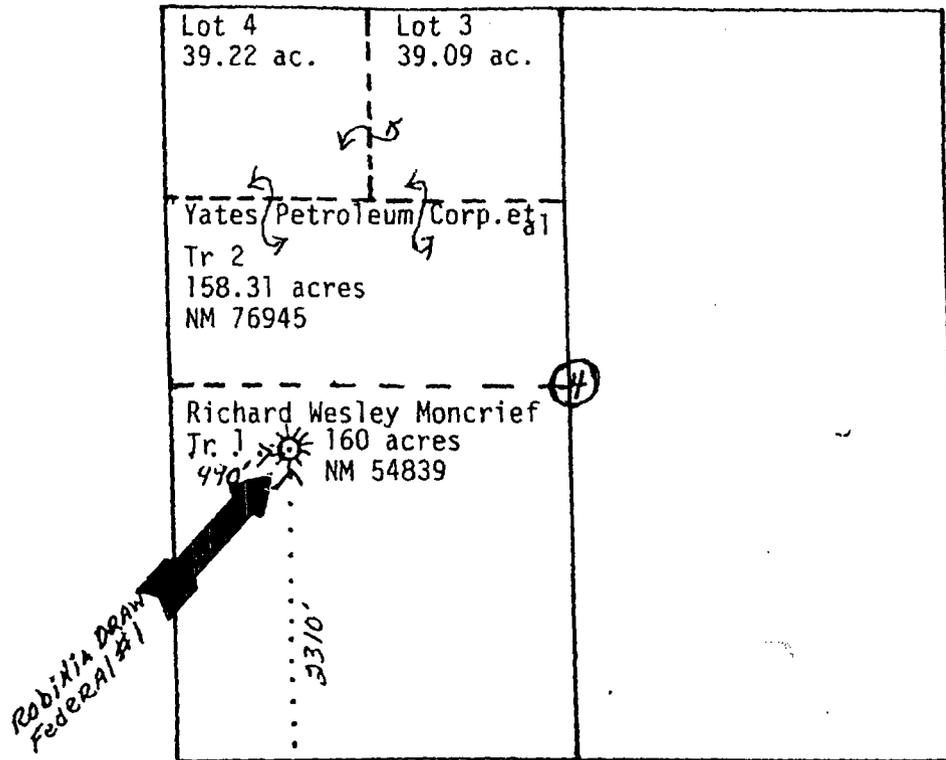
Dan R. Reddy

Certificate No.

NM PE&LS NO. 5412

EXHIBIT A

Plat of communitized area covering W/2 sec. 4, T. 23S,
R. 24 E., N.M.P.M., Unnamed field, Eddy County,
New Mexico.



25	26	27	28	29	30	31	32	33	34	35	36
Yates 11-1-93 78276	Yates 11-1-93 78276	Yates 11-1-93 78276	Yates 11-1-93 78276	Yates 11-1-93 78276	Yates 11-1-93 78276	Yates 11-1-93 78276	Yates 11-1-93 78276	Yates 11-1-93 78276	Yates 11-1-93 78276	Yates 11-1-93 78276	Yates 11-1-93 78276
31	32	33	34	35	36	37	38	39	40	41	42
Amoco 26610	D. McDaniel NBP 36610	D. McDaniel 4-1-93 54838	M.W. Manciel 4-1-93 54839	H.E. Yates, et al 2-1-96 64479	Monsanto Robinia Draw 7010830 Date: 11-75	Yates, et al 11-1-93					
43	44	45	46	47	48	49	50	51	52	53	54
Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946
55	56	57	58	59	60	61	62	63	64	65	66
Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946
67	68	69	70	71	72	73	74	75	76	77	78
Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946
79	80	81	82	83	84	85	86	87	88	89	90
Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946
91	92	93	94	95	96	97	98	99	100	101	102
Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946	Yates 10-1-93 76946

**ROBINIA DRAW FEDERAL #1
BANDANA POINT**



BANDANA POINT

23

24

13

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

40

41

42

43

44

45

46

47

48

49

50

51

52

53

54

55

56

57

58

59

60

61

62

63

64

65

66

67

68

69

70

71

72

73

74

75

76

77

78

79

80

81

82

83

84

85

86

87

88

89

90

91

92

93

94

95

96

97

98

99

100

101

102

103

104

105

106

107

108

109

110

111

112

113

114

115

116

117

118

119

120

121

122

123

124

125

126

127

128

129

130

131

132

133

134

135

136

137

138

139

140

141

142

143

144

145

146

147

148

149

150

151

152

153

154

155

156

157

158

159

160

161

162

163

164

165

166

167

168

169

170

171

172

173

174

175

176

177

178

179

180

181

182

183

184

185

186

187

188

189

190

191

192

193

194

195

196

197

198

199

200

201

202

203

204

205

206

207

208

209

210

RE-ENTRY PROGRAM

1. MIRU Completion Unit
2. Weld onto 8-5/8" casing with casing head
3. NU 3000 lbs. manuel BOP. RU reverse unit.
4. Drill out cement plug at surface from surface to 60'.
5. SI BOP. Test BOP/8-5/8" casing head/8-5/8" casing to 2,500 lbs.
6. Drill out cement plugs from 326'-475', 2286'-2406', and cement from 3959'-4158'.
7. Tie back 5-1/2 casing from 4158'-surface and pressure test to 500#.
8. Drill out cement from 4158'-4234', 6111'-6411' and 8194'-8494'.
 Formation Tops: San Andres 1236'
 Bone Springs lm. 3940'
 1st B.S. sand 4364'
 2nd B.S. sand 4558'
 3rd B.S. sand 7386'
 Wolfcamp 7735'
 Strawn 9726'
 Tag cement plug and TD well at 9,660'
9. Pressure test 5-1/2" casing to 500#.
10. Complete well in Strawn from 9342'-9405' (OA).

Surface Use Plan

Wellsite surface has not been reclaimed. Steel pits will be used and no roads or change in wellsite will be performed with re-entry operations. Operator will restore wellsite surface to BLM regulations if and when well is plugged and abandoned.

Operator's Representative

M. Lee Roark
Operations Manager
4318 South County Road 1290
Odessa, Texas 79765

Business Phone: (432)561-8600
Home: (432)685-3500

Certification

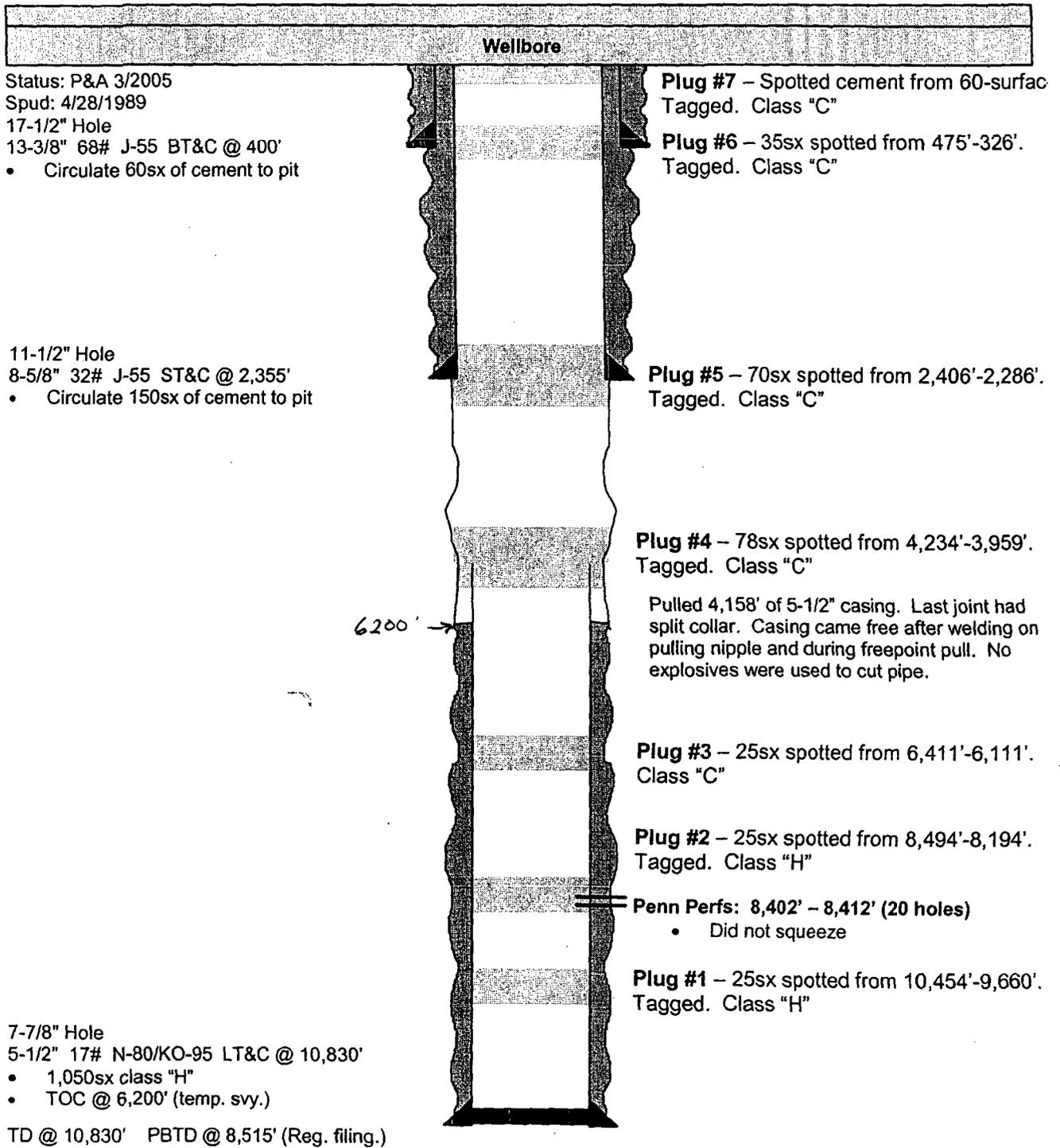
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exists; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Sunset Well Service, Inc. and his contractors and sub-contractors in conformity with this plan and the terms and conditioned under which it is approved, unless otherwise notified in writing.


M. Lee Roark
Operations Manager
Sunset Well Service, inc.

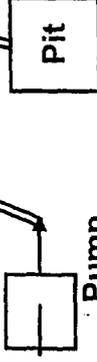
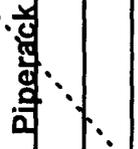
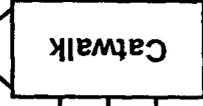
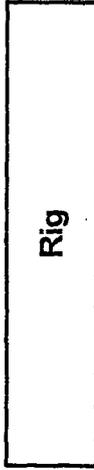
SUNSET WELL SERVICE, INC.
2,310' FSL & 990' FWL
Sec.4-T23S-R24E

ROBINA DRAW FEDERAL NO.1
EDDY CO., NEW MEXICO
JANUARY 10, 2006

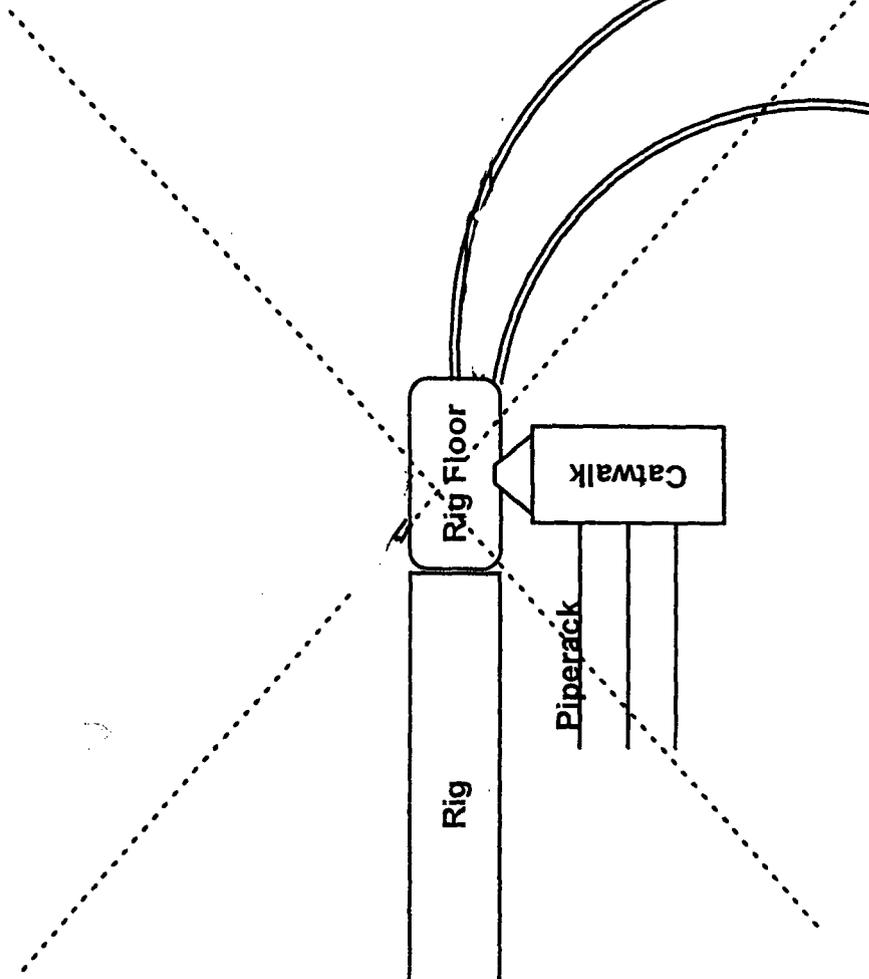
WELLBORE SCHEMATIC



300'



"PAD"



200'

200'

300'

ENTRANCE

Title: Setup to Drill Robina Draw Federal	
SOP #002 #1	
Author: JC Martinez	
Date: 9/9/2005	Sheet: 1
Revision: 1	



P.O. Box 10152
Midland, Texas 79702
432-682-4002
432-684-4741 Fax

March 23, 2006

Ms. Linda Denniston
Bureau of Land Management
620 E. Greene
Carlsbad, NM 88220

RE: Application for Permit to Re-enter
B.C. Operating Inc. - Robinia Draw Federal #1 Well
S/2 Section 4, T-23-S, R-24-E, N.M.P.M.
Eddy County, New Mexico

Dear Ms. Denniston:

In connection with the captioned well, attached hereto are the following:

- Sundry Notice for Change of Operator
- Sundry Notice for Amended Acreage Dedication
- BOP and choke manifold diagram
- Topo map of area
- Statement Accepting Responsibility for Operations
- Copy of Bonding Information
- Letter authorizing the undersigned to execute documentation on behalf of B.C. Operating, Inc.

Should you have any questions, please advise.

Yours very truly,

A handwritten signature in black ink, appearing to read "Kenneth C. Dickeson", is written over a horizontal line.

Kenneth C. Dickeson
Consulting Landman

tlblmrdf

BC OPERATING, INC.

P.O. Box 50820
Midland, Texas 79710

731 W. Wadley, Bldg. L, Ste. 200
Midland, Texas 79705
(432) 684-9696
Fax (432) 686-0600

March 23, 2006

To Whom It May Concern

B.C. Operating, Inc. hereby constitutes and appoints Kenneth C. Dickeson as its authorized agent to execute on its behalf regulatory documents required by either the New Mexico Oil Conservation Division and/or the Bureau of Land Management. Such authority to execute documentation may include, but is not limited to, State of New Mexico well permits (Forms C-101, C-102, C-103, C-144, etc.) and Bureau of Land Management Authority for Permit to Drill and Sundry Notices, Right of Way Applications and Agreements.

Thank you for your cooperation in this matter.

Yours very truly,



Kevin Widner
Operations Manager

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
B.C. OPERATING, INC.

3a. Address
P.O. Box 50820, Midland, TX 79710

3b. Phone No. (include area code)
(432) 682-4002

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2310' FSL & 990' FWL Section 4, T-23-S, R-24-E

5. Lease Serial No.
NM-54839

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
Robinia Draw Federal #1

9. API Well No.
30-015-25097

10. Field and Pool, or Exploratory Area
S. Bandana Point (Strawn)

11. County or Parish, State
EDDY COUNTY, NEW MEXICO

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Amend
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Acreege
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Dedication

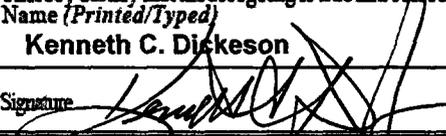
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomplate in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Effective March 23, 2006, B.C. OPERATING, INC. has amended the acreage dedication for this well. The new acreage dedication is as follows:

S/2 Section 4,
T-23-S, R-24-E, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

A plat showing the acreage is attached.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) Kenneth C. Dickeson	Title Authorized Agent
Signature 	Date 3/23/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

MEXICO OIL CONSERVATION COMMISSION
 WELL LOCATION AND ACREAGE DEDICATION FORM

Form C-102
 Supersedes C-128
 Effective 1-1-85

All distances must be from the outer boundaries of the Section.

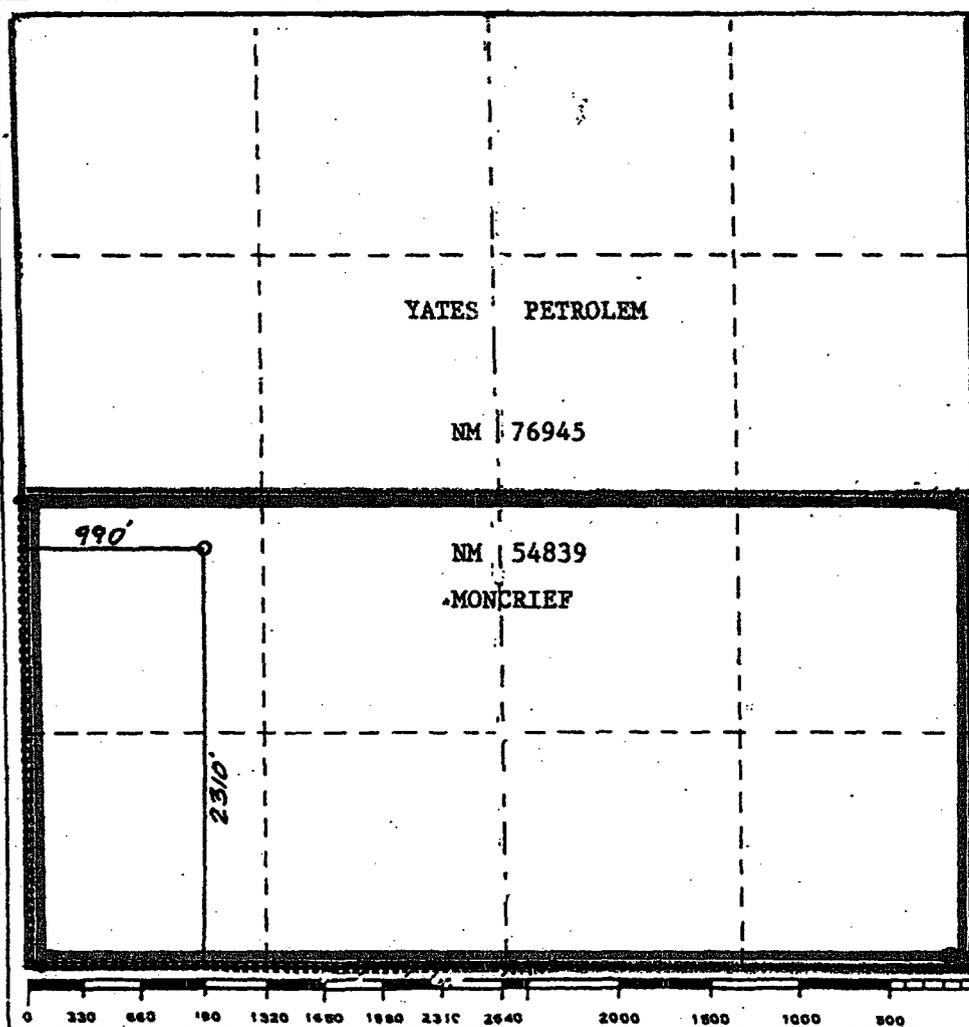
Operator B.C. Operating, Inc.		Lease Robinia Draw Federal		Well No. 1
Unit Letter L	Section 4	Township 23 South	Range 24 East	County Eddy County, N.M.
Actual Footage Location of Well: 2310 feet from the South line and 990 feet from the West line				
Ground Level Elev. 4122.	Producing Formation Strawn	Pool South Bandana Point	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



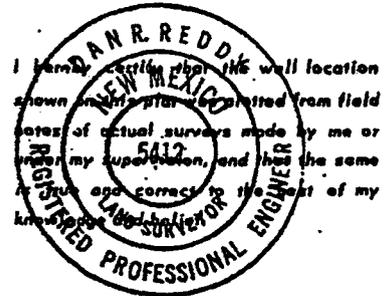
CERTIFICATION

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

Kenneth E. Dickason
 Name **Kenneth E. Dickason**

Authorized Agent
 Position
B.C. Operating, Inc.
 Company

March 23, 2006
 Date



Date Surveyed
March 27, 1989

Registered Professional Engineer
 and/or Land Surveyor

Dan R. Reddy
 Certificate No.

NM PE&LS NO. 5412

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-54839
2. Name of Operator B.C. OPERATING, INC.		6. If Indian, Allottee or Tribe Name
3a. Address P.O. Box 50820, Midland, TX 79710	3b. Phone No. (include area code) (432) 682-4002	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2310' FSL & 990' FWL Section 4, T-23-S, R-24-E		8. Well Name and No. Robinia Draw Federal #1
		9. API Well No. 30-015-25097
		10. Field and Pool, or Exploratory Area S. Bandana Point (Strawn)
		11. County or Parish, State EDDY COUNTY, NEW MEXICO

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

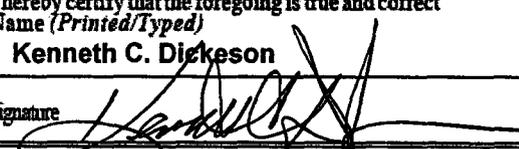
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Change of Operator</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Effective March 23, 2006, B.C. OPERATING, INC. has taken over operations of this well from:

**Sunset Well Service, Inc.
P.O. Box 7139
Midland, TX 79708**

B.C. OPERATING, INC. – Bond #NM-2572

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Kenneth C. Dickeson		Title Authorized Agent
Signature 		Date 3/23/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

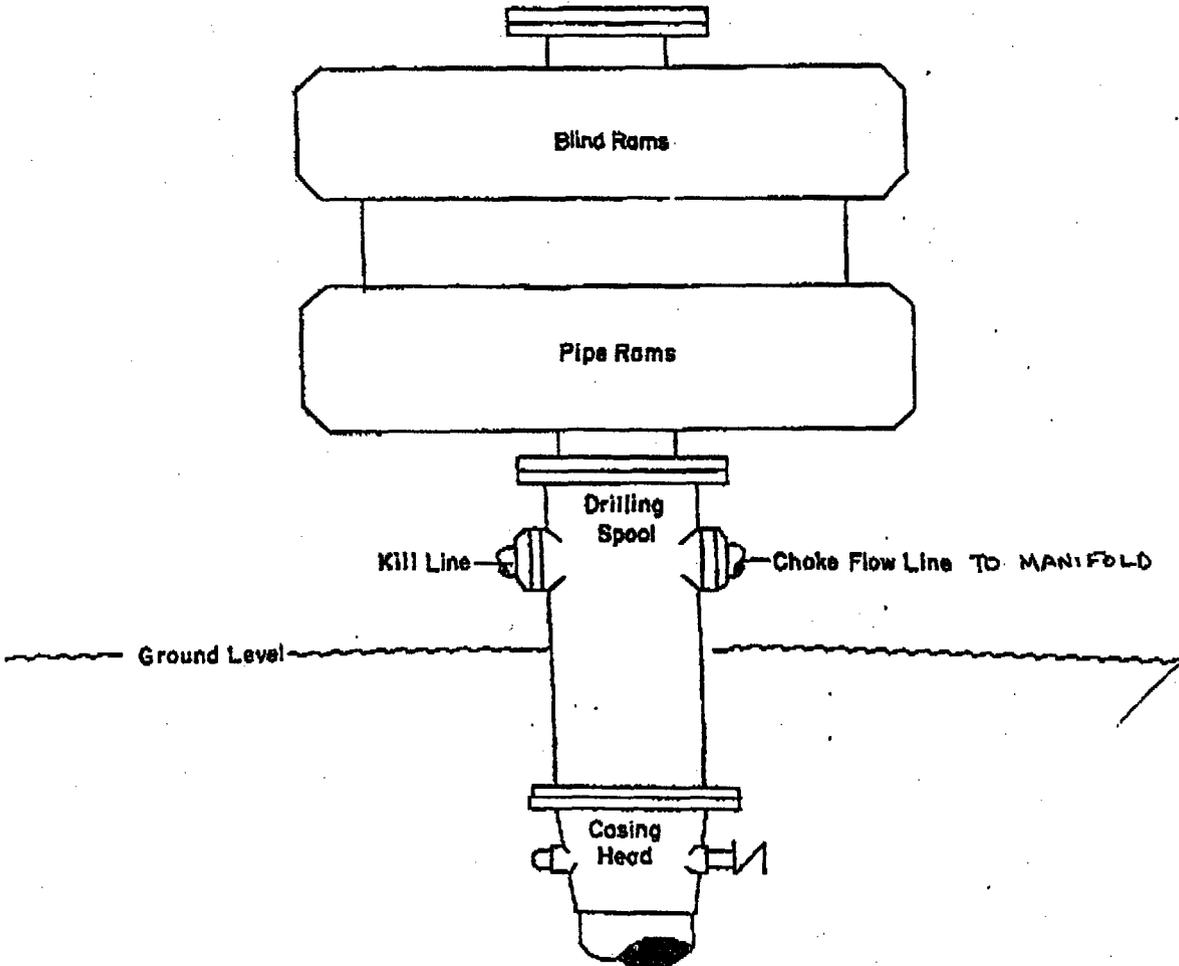
Approved by _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		
Office _____		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

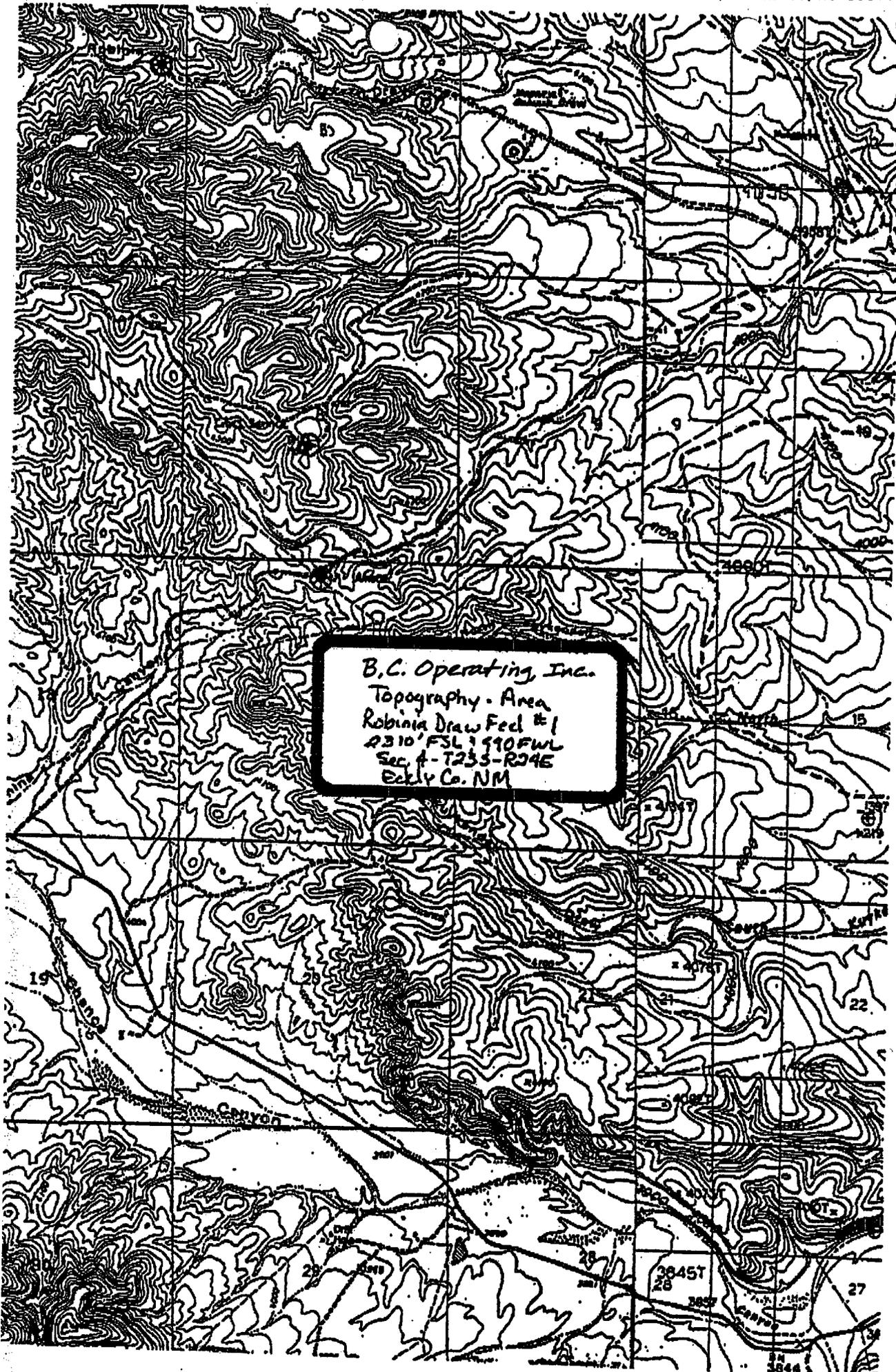
(Instructions on page 2)

THE BLOWOUT PREVENTER

3,000 psi Working Pressure



B.C. Operating, Inc.
 Topography - Area
 Robinia Draw Feed #1
 2310' FSL & 910' FUL
 Sec. 4 - T23S - R24E
 Eddy Co. NM



UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, NM 88201-1287

Statement Accepting Responsibility for Operations

Operator Name:	BC Operating, Inc.
Street or Box:	P.O. Box 50820
City, State:	Midland, Texas
Zip Code:	79710

The undersigned accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portion thereof, as described below.

Lease No: NM-54839

Legal Description of Land: S/2 of Section 4, T-23-S, R-24-E, N.M.P.M.,
Eddy County, New Mexico

Formation(s): Canyon, Strawn

Bond Coverage: \$25,000.00 (Letter of Credit # 368210)

BLM Bond File No: NM-2572

Authorized Signature: 

Title: Authorized Agent

Date: March 23, 2006



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

New Mexico State Office
1474 Rodeo Road
P.O. Box 27115
Santa Fe, New Mexico 87502-0115
www.nm.blm.gov

In Reply Refer To:
Statewide Bond
3104 (NM921-tf)

February 16, 2006

DECISION

Old Obligor:	:	
	:	
BC Development, LP	:	
P.O. Box 50820	:	
Midland, TX 79710	:	BLM Bond No.: NM 2572
	:	
New Obligor:	:	Letter of Credit No: 368210
	:	
BC Operating, Inc.	:	Bond Type: Oil and Gas
P.O. Box 50820	:	
Midland, TX 79710	:	Amount of Bond: \$25,000.00
	:	
Financial Institution:	:	Execution Date: March 31, 1997
	:	
Wells Fargo Bank Texas, N.A.	:	Statewide Coverage: New Mexico
500 West Texas Avenue	:	
Midland, TX 79702-2097	:	

Obligor Name Change Accepted

On January 30, 2006, we received documentation changing the obligor to the above described bond. The documentation changes obligor from BC Development, LP to BC Operating, Inc.

The name change is satisfactory and accepted effective January 30, 2006, the date the Financial Institution documented this change in their records. All other terms and conditions for the above bond remain as originally written.

Tony Ferrero
Land Law Examiner,
Fluids Adjudication Team