

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

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

30-015-26097

2006 MAR 27 PM 12 12

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

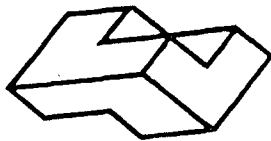
☒ Return Receipt for Merchandise

☐ 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

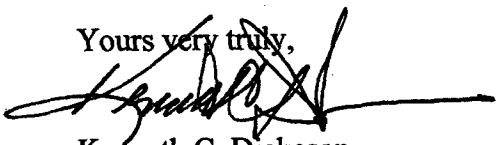
Dear Ms. Vierra:

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: _____

Form 3160-3
(April 2004)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

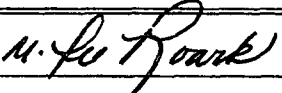
FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

1a. Type of work: <input type="checkbox"/> DRILL <input checked="" type="checkbox"/> REENTER		5. Lease Serial No. NM 54839
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Sunset Well Service, Inc.		7. If Unit or CA Agreement, Name and No.
3a. Address P.O. Box 7139 Midland, Texas 79708		8. Lease Name and Well No. Robinia Draw Federal #1
3b. Phone No. (include area code) (432)561-8600		9. API Well No. 30-015-26097
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 2,310' FSL & 990' FWL At proposed prod. zone		10. Field and Pool, or Exploratory South Bandana Point (Strawn)
14. Distance in miles and direction from nearest town or post office* 18 miles SW of Carlsbad, NM		11. Sec., T. R. M. or Blk. and Survey or Area Sec. 4-T23S-R24E
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 	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 COMMISSION
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.

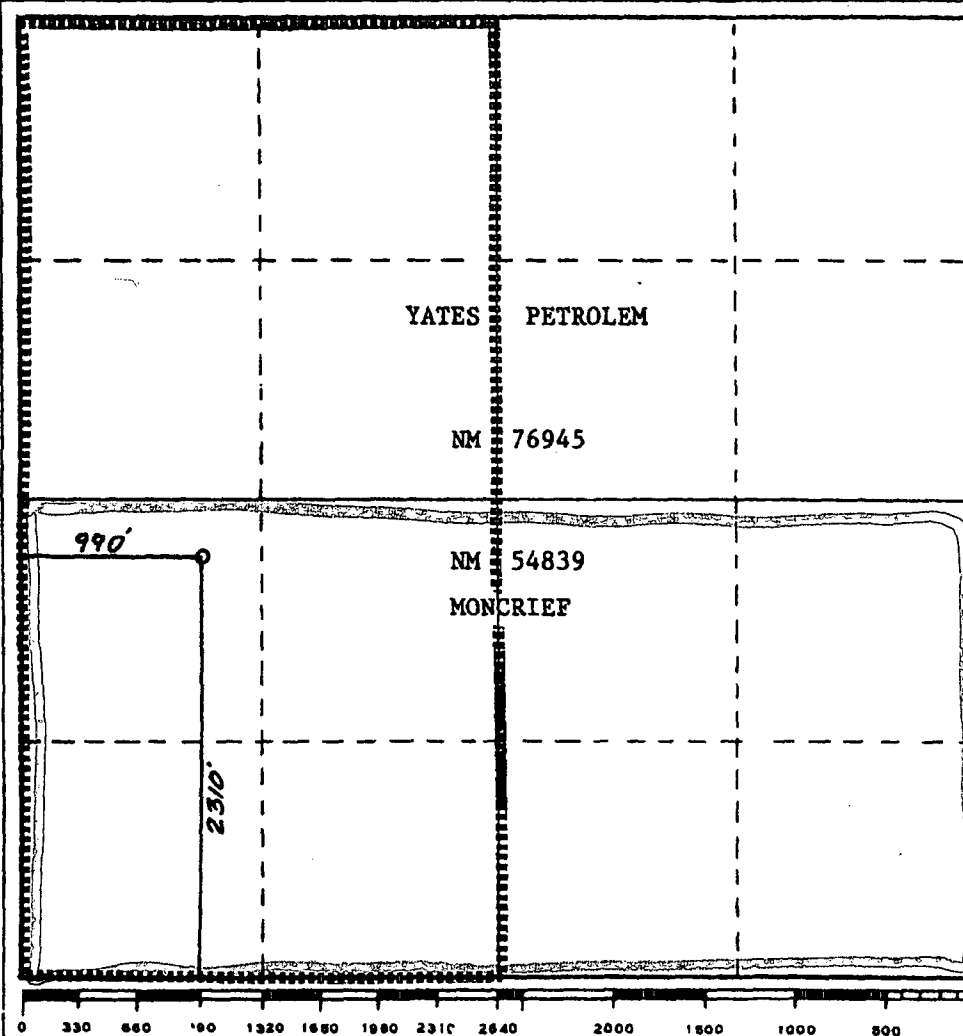
Operator Sunset Well Service, Inc.			Lease Robinia Draw Federal		Well No. 1
Unit Letter L	Section 4	Township 23 South	Range 24 East	County Eddy County, N.M.	
Actual Footage Location of Well: 2310 feet from the South line and 990 feet from the West line					
Ground Level Elev. 4122.	Producing Formation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

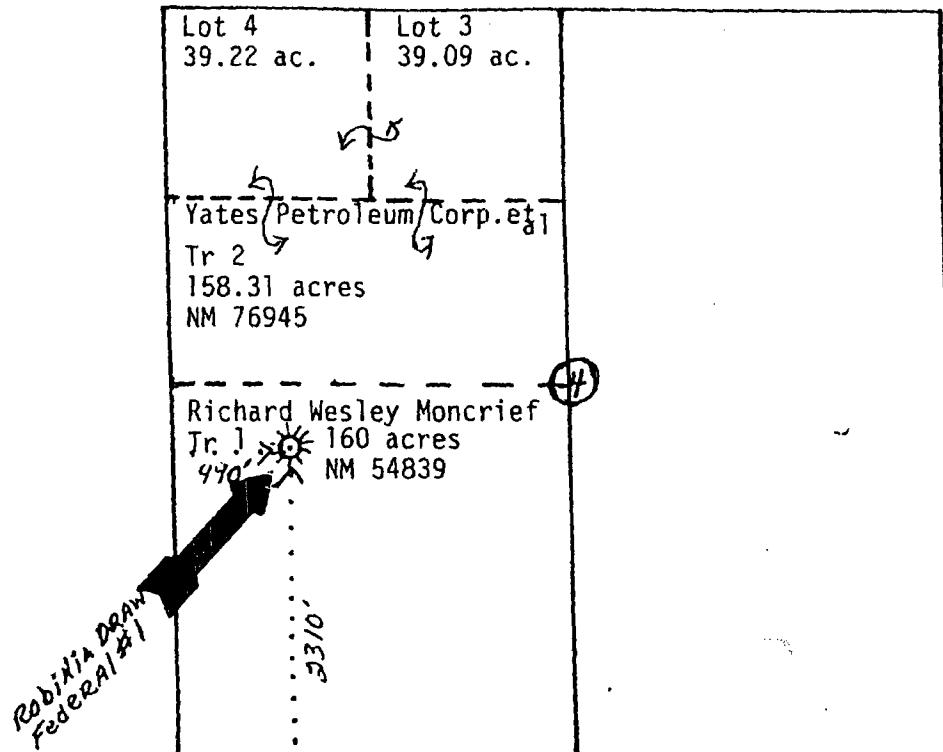
Date Surveyed
March 27, 1989

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.



[illegible]

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'
	1 st B.S. sand	4364'
	2 nd B.S. sand	4558'
	3 rd 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

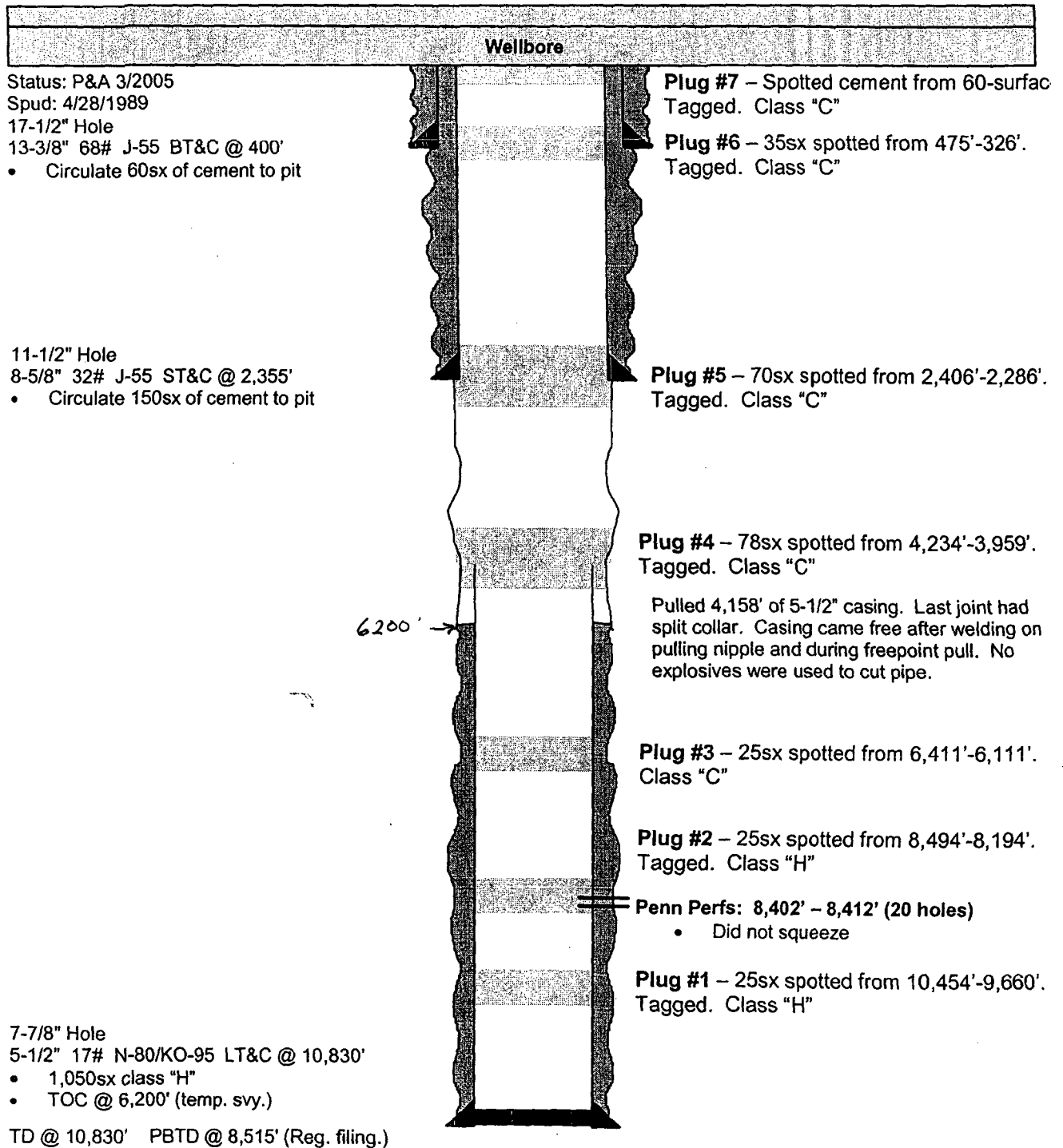
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exists; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated 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

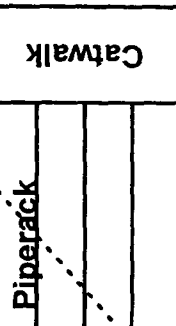
WELLBORE SCHEMATIC



300'



Rig



"PAD"



ENTRANCE

Title: Setup to Drill Robina Draw Federal
SOP #002 #1

Author: JC Martinez

Date 9/9/2005

Sheet: 1

Revision: 1

300'

200'



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



IN REPLY REFER TO:

Statewide Bond
3104 (NM921-tf)

July 11, 2005

DECISION

Operator # 235 634

Obligor:

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

Financial Institution:

American State Bank
620 N. Grant
Odessa, TX 79761

BLM Bond No.: NMB000303
Bank Letter of Credit No.: 2011004030
Bond Type: Oil and Gas
Amount of Bond: \$25,000.00
Execution Date: June 10, 2005

Statewide Oil and Gas Bond and Letter of Credit Accepted

The Statewide Bond and Letter of Credit (LOC) described above are found satisfactory. We accepted these documents effective July 1, 2005, the date we received the required documents.

The bond is coverage of all operations conducted by or for the obligor on Federal leases in the State of New Mexico. The bond provides coverage of the obligor where that obligor has interest in, and/or responsibility for operations on, leases issued under the authority of any of the Acts cited on the bond form. Federal leases do not include Indian leases.

The above referenced Letter of Credit is in our safe.

Liability ends under the bond only after this office becomes aware that there is no outstanding liability on the bond or satisfactory replacement bonding coverage is in our office.

Tony Ferrero
Land Law Examiner
Fluids Adjudication Team



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".

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,

A handwritten signature in black ink, appearing to read 'Kevin Widner', written over a horizontal line.

Kevin Widner
Operations Manager

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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 ☐ Other2. Name of Operator
B.C. OPERATING, INC.3a. Address
P.O. Box 50820, Midland, TX 797103b. 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 <u>Amend</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Acreage</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>Dedication</u>

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 recompleat 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 recompleat 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

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.

Title

Date

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)

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION FORM

Form C-102
 Supersedes C-128
 Effective 1-4-85

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

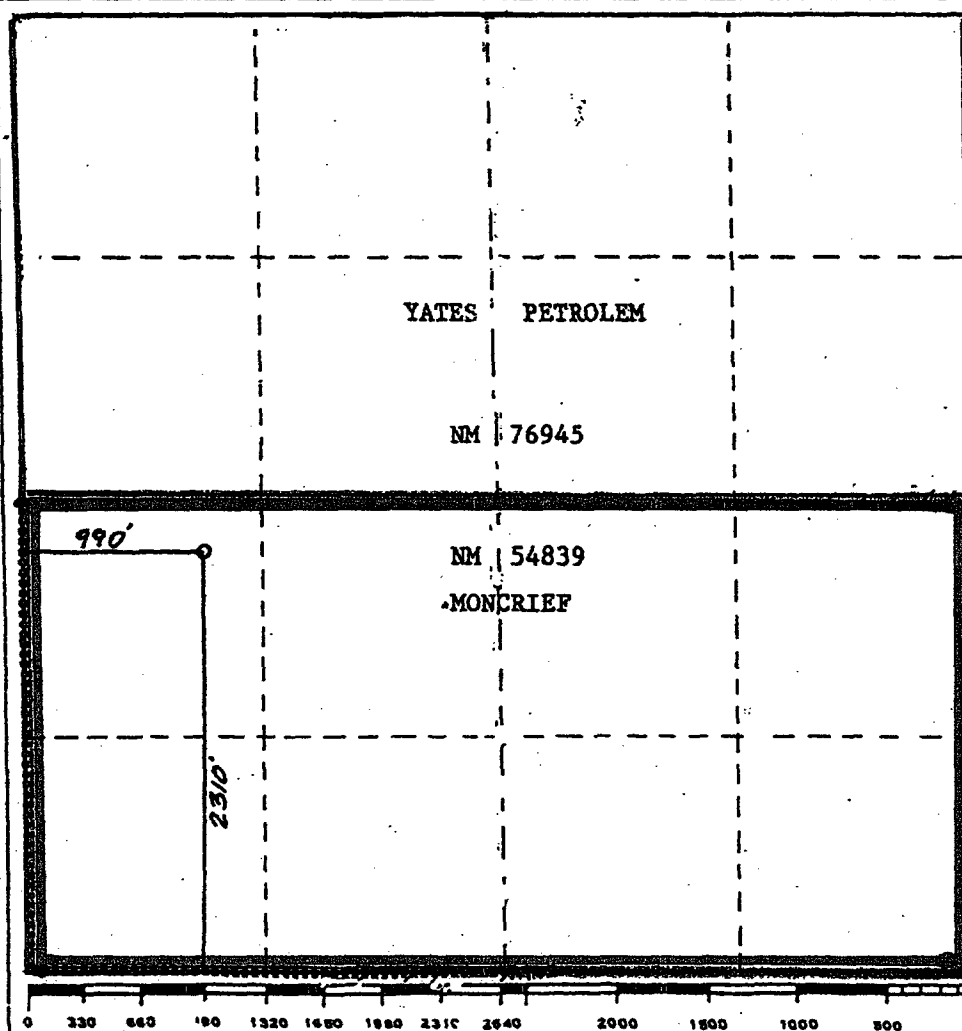
Operator B.C. Operating, Inc.			Lease Robinia Draw Federal		Well No. 1
Unit Letter L	Section 4	Township 23 South	Range 24 East	County Eddy County, N.M.	
Actual Footage Location of Well: 2310 feet from the South line and 990 feet from the West line					
Ground Level Elev. 4122.	Producing Formation Strawn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

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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.



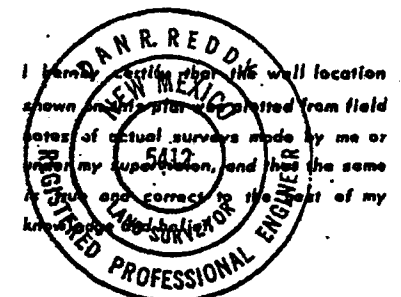
CERTIFICATION

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

Name Kenneth E. Dickson
 Position Authorized Agent

Company B.C. Operating, Inc.

Date March 23, 2006



Date Surveyed
March 27, 1989

Registered Professional Engineer
 and/or Land Surveyor

Dan R. Reddy
 Certificate No.
NM PELS 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
☐ 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 <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 recompleat 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 recompleat 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

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.

Title

Date

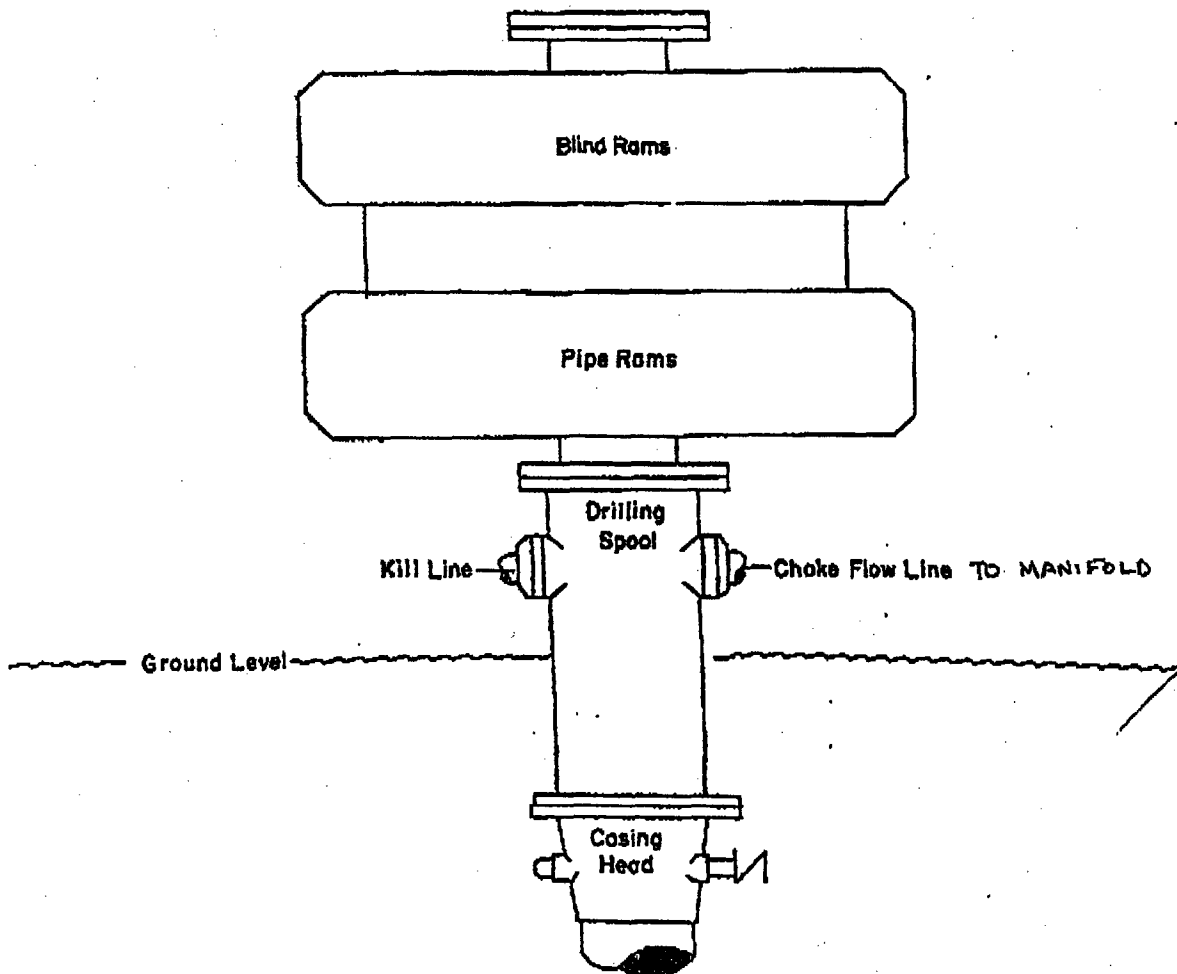
Office

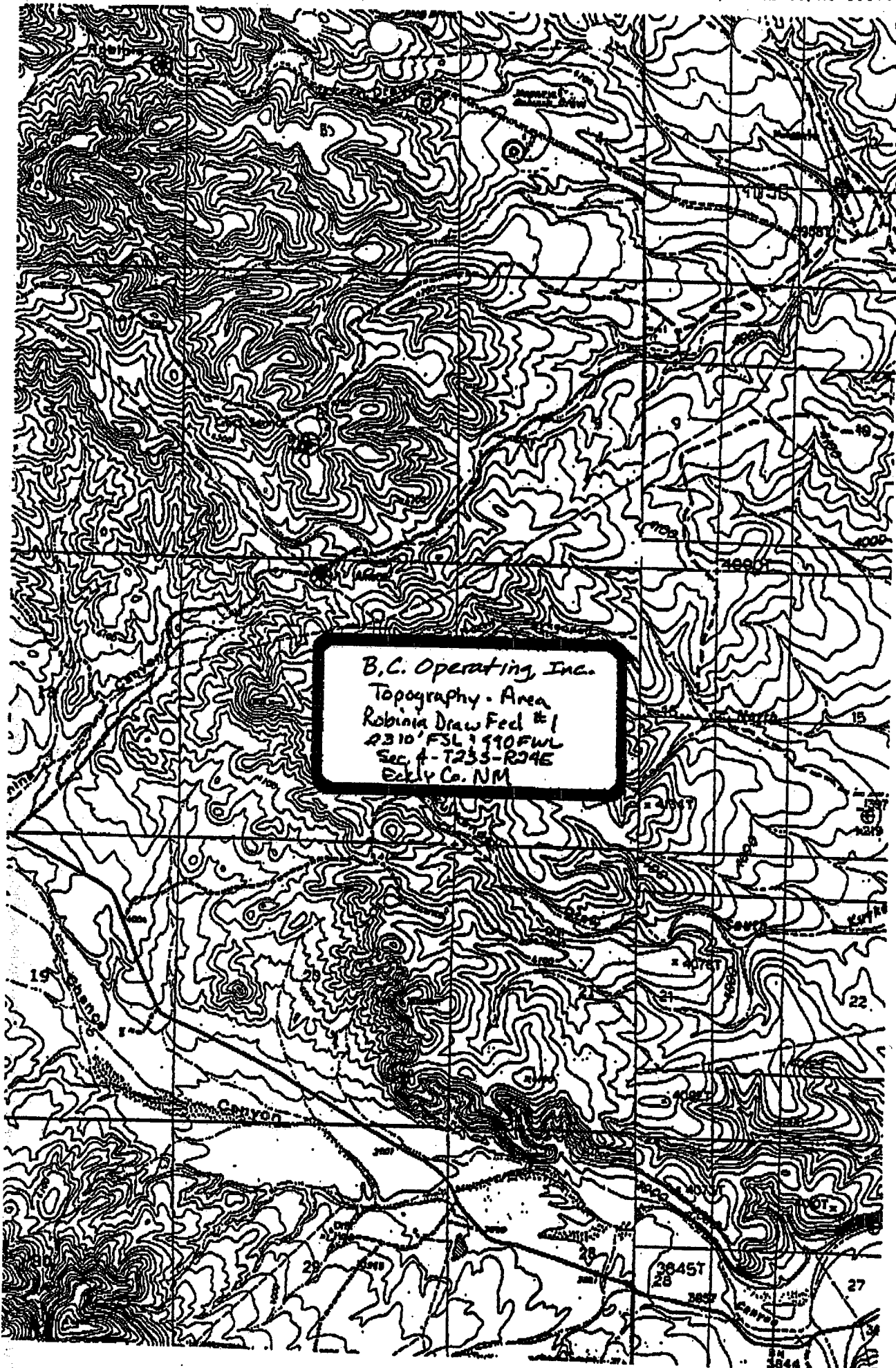
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

THE BLOWOUT PREVENTER

3,000 psi Working Pressure





B.C. Operating, Inc.
Topography - Area
Robins Draw Fecl #1
2310' FSL : 990 FWL
Sec. 4-T233-R24E
Eckly 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



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

February 16, 2006

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.
P.O. Box 50820,
Midland, TX 79710

Bond Type: Oil and Gas

Amount of Bond: \$25,000.00

Financial Institution:

Execution Date: March 31, 1997

Wells Fargo Bank Texas, N.A.
500 West Texas Avenue
Midland, TX 79702-2097

Statewide Coverage: New Mexico

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.

Joey Ferrero

Tony Ferrero
Land Law Examiner,
Fluids Adjudication Team