

Submit To Appropriate District Office
Two Copies
District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88208
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Form C-105
Revised August 1, 2011
1. WELL API NO.
30-015-42731
2. Type of Lease
 STATE FEE FED/INDIAN
3. State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

4. Reason for filing:
 COMPLETION REPORT (Fill in boxes #1 through #31 for State and Fee wells only)
 C-144 CLOSURE ATTACHMENT (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33; attach this and the plat to the C-144 closure report in accordance with 19.15.17.13.K NMAC)

5. Lease Name or Unit Agreement Name
STERLING 20 STATE
6. Well Number:
1H

7. Type of Completion:
 NEW WELL WORKOVER DEEPENING PLUGBACK DIFFERENT RESERVOIR OTHER

8. Name of Operator
BC OPERATING, INC.
9. OGRID
160825

10. Address of Operator
P.O. BOX 50820
MIDLAND, TX 79710
11. Pool name or Wildcat
FOREHAND RANCH; WOLFCAMP SOUTHWEST

| 12. Location | Unit Ltr | Section | Township | Range | Lot | Feet from the | N/S Line | Feet from the | E/W Line | County |
|--------------|----------|---------|----------|-------|-----|---------------|----------|---------------|----------|--------|
| Surface: | O | 17 | 23S | 27E | | 240' | S | 1950' | E | EDDY |
| BH: | O | 20 | 23S | 27E | | 180' | S | 1780' | E | EDDY |

13. Date Spudded 11/3/2016
14. Date T.D. Reached 11/17/2016
15. Date Rig Released 11/19/2016
16. Date Completed (Ready to Produce) 1/3/2017
17. Elevations (DF and RKB, RT, GR, etc.) 3,179'
18. Total Measured Depth of Well 14,111'
19. Plug Back Measured Depth 14,017'
20. Was Directional Survey Made? YES
21. Type Electric and Other Logs Run CBL ONLY

22. Producing Interval(s), of this completion - Top, Bottom, Name
9,350'-13,936', WOLFCAMP

23. CASING RECORD (Report all strings set in well)

| CASING SIZE | WEIGHT LB./FT. | DEPTH SET | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED |
|-------------|----------------|-----------|-----------|------------------|---------------|
| 13.375" | 48 | 432' | 17.5" | 420 SX | |
| 9.625" | 40 | 2,123' | 12.25" | 660 SX | |
| 7" | 26 | 9,357' | 8.75" | 920 SX | |
| 4.5" | 13.5 | 14,111' | 6.125" | 420 SX | |

24. LINER RECORD

| SIZE | TOP | BOTTOM | SACKS CEMENT | SCREEN | 25. TUBING RECORD |
|------|-----|--------|--------------|--------|---------------------------|
| | | | | | SIZE DEPTH SET PACKER SET |
| | | | | | 2-7/8" 8,527' 8,527' |

26. Perforation record (interval, size, and number)
SEE JOB SUMMARY

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.
DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED
9,350 - 13,936 *SEE JOB SUMMARY*

28. PRODUCTION

Date First Production 1/23/2017
Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing
Well Status (Prod. or Shut-in) PROD

| Date of Test | Hours Tested | Choke Size | Prod'n For Test Period | Oil - Bbl | Gas - MCF | Water - Bbl. | Gas - Oil Ratio |
|--------------|--------------|------------|------------------------|-----------|-----------|--------------|-----------------|
| 2/10/2017 | 24 | 48/64" | | 842 | 1914 | 3444 | |

| Flow Tubing Press. | Casing Pressure | Calculated 24-Hour Rate | Oil - Bbl. | Gas - MCF | Water - Bbl. | Oil Gravity - API - (Corr.) |
|--------------------|-----------------|-------------------------|------------|-----------|--------------|-----------------------------|
| 993 | 0 | | | | | |

29. Disposition of Gas (Sold, used for fuel, vented, etc.)
30. Test Witnessed By

31. List Attachments
CBL LOG

32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit.

33. If an on-site burial was used at the well, report the exact location of the on-site burial:

Latitude Longitude NAD 1927 1983
I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief
Signature Sarah Presley
E-mail Address spresley@bcoperating.com
Printed Name SARAH PRESLEY Title REGULATORY ANALYST Date 2/23/2017

INSTRUCTIONS

| Stage | Plug Depth | Cluster Depth | | | |
|-------|------------|---------------|---------|---------|---------|
| | | 1 | 2 | 3 | 4 |
| 1 | 13,960' | 13,936' | 13,906' | 13,869' | 13,835' |
| 2 | 13,810' | 13,790' | 13,760' | 13,710' | 13,670' |
| 3 | 13,650' | 13,630' | 13,591' | 13,545' | 13,507' |
| 4 | 13,490' | 13,470' | 13,425' | 13,385' | 13,350' |
| 5 | 13,330' | 13,310' | 13,265' | 13,230' | 13,198' |
| 6 | 13,170' | 13,155' | 13,100' | 13,065' | 13,030' |
| 7 | 13,010' | 12,990' | 12,950' | 12,910' | 12,870' |
| 8 | 12,850' | 12,823' | 12,785' | 12,750' | 12,710' |
| 9 | 12,690' | 12,670' | 12,625' | 12,594' | 12,552' |
| 10 | 12,530' | 12,510' | 12,470' | 12,426' | 12,386' |
| 11 | 12,370' | 12,350' | 12,310' | 12,268' | 12,230' |
| 12 | 12,210' | 12,184' | 12,145' | 12,106' | 12,080' |
| 13 | 12,050' | 12,029' | 11,987' | 11,952' | 11,911' |
| 14 | 11,890' | 11,865' | 11,832' | 11,794' | 11,750' |
| 15 | 11,730' | 11,708' | 11,665' | 11,632' | 11,593' |
| 16 | 11,570' | 11,545' | 11,515' | 11,465' | 11,435' |
| 17 | 11,410' | 11,390' | 11,352' | 11,314' | 11,270' |
| 18 | 11,250' | 11,227' | 11,197' | 11,166' | 11,110' |
| 19 | 11,090' | 11,065' | 11,030' | 10,990' | 10,950' |
| 20 | 10,930' | 10,897' | 10,865' | 10,823' | 10,792' |
| 21 | 10,770' | 10,750' | 10,705' | 10,671' | 10,630' |
| 22 | 10,610' | 10,590' | 10,541' | 10,510' | 10,477' |
| 23 | 10,450' | 10,430' | 10,390' | 10,350' | 10,310' |
| 24 | 10,290' | 10,270' | 10,232' | 10,195' | 10,150' |
| 25 | 10,130' | 10,110' | 10,075' | 10,030' | 9,994' |
| 26 | 9,970' | 9,945' | 9,900' | 9,868' | 9,836' |
| 27 | 9,810' | 9,790' | 9,757' | 9,710' | 9,670' |
| 28 | 9,650' | 9,630' | 9,595' | 9,550' | 9,510' |
| 29 | 9490 | 9470 | 9430 | 9393 | 9350 |

Proppant 11,756,514 lbs
 Acid 987 bbls
 Fluid 268,962 bbls

Tubing 2 7/8" 8,527'

Packer 8,527'

- Sterling 20 State #1H
30-015-42732

Geologic Tops:

| | |
|-------------------------|-------|
| Rustler | 110' |
| Salado | 250' |
| Castile | 450' |
| Base Salt | 1800' |
| Lamar | 1975' |
| Bell Canyon | 2100' |
| Cherry Canyon | 2815' |
| Brushy Canyon | 3975' |
| Bone Spring Lime | 5450' |
| First Bone Spring Sand | 6575' |
| Second Bone Spring Sand | 7050' |
| Third Bone Spring Sand | 8550' |
| Wolfcamp | 8950' |