

Submit 1 Copy To Appropriate District Office  
District I - (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II - (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III - (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV - (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised July 18, 2013

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

|                                                                                                                                                                                                                       |  |                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------------------------------------------|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br>(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)         |  | WELL API NO.<br>30-025-42659 (015)                                                                  |
| 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>                                                                                        |  | 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator<br>BC OPERATING, INC.                                                                                                                                                                             |  | 6. State Oil & Gas Lease No.                                                                        |
| 3. Address of Operator<br>P.O. BOX 50820, MIDLAND, TX 79710                                                                                                                                                           |  | 7. Lease Name or Unit Agreement Name<br>Macho Grande State                                          |
| 4. Well Location<br>Unit Letter <u>A</u> : <u>200</u> feet from the <u>NORTH</u> line and <u>700</u> feet from the <u>EAST</u> line<br>Section <u>32</u> Township <u>23S</u> Range <u>29E</u> NMPM <u>EDDY</u> County |  | 8. Well Number 2H                                                                                   |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)<br>3014' GL                                                                                                                                                        |  | 9. OGRID Number<br>160825                                                                           |
|                                                                                                                                                                                                                       |  | 10. Pool name or Wildcat<br>WC-015 G07 S232932A; UPPER WOLFCAMP                                     |

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| NOTICE OF INTENTION TO:                        |                                           | SUBSEQUENT REPORT OF:                                 |                                          |
|------------------------------------------------|-------------------------------------------|-------------------------------------------------------|------------------------------------------|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/>                | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/>   | CHANGE PLANS <input type="checkbox"/>     | COMMENCE DRILLING OPNS. <input type="checkbox"/>      | P AND A <input type="checkbox"/>         |
| PULL OR ALTER CASING <input type="checkbox"/>  | MULTIPLE COMPL <input type="checkbox"/>   | CASING/CEMENT JOB <input type="checkbox"/>            |                                          |
| DOWNHOLE COMMINGLE <input type="checkbox"/>    |                                           |                                                       |                                          |
| CLOSED-LOOP SYSTEM <input type="checkbox"/>    |                                           |                                                       |                                          |
| OTHER: <input type="checkbox"/>                |                                           | OTHER: COMPLETION <input checked="" type="checkbox"/> |                                          |

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

1/8/2015 - TEST CASING TO 4500 PSI FOR 30 MINS.

6/7/2016 TO 8/1/2016 - FRAC WELL \*SEE ATTACHED FRAC SUMMARY\*

8/6/2016 - CLEAN OUT W/ COIL TUBING TO 15,197'

8/9/2016 - COMMENCED FLOWBACK. WELL ON PRODUCTION.

NM OIL CONSERVATION  
ARTESIA DISTRICT

APR 26 2017

Spud Date: 1/7/2015

Rig Release Date: 2/27/2015

RECEIVED

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

SIGNATURE Sarah Presley TITLE REGULATORY ANALYST DATE 9/15/2016  
Type or print name SARAH PRESLEY E-mail address: spres@sarah.ey@naguss.com PHONE: (432) 682-4429

For State Use Only

APPROVED BY: Raymond M. Sudary TITLE Geologist DATE 4-26-2017  
Conditions of Approval (if any):

Macho Grande State #2H

30-015-42659

SEC. 32-T235-R29E

EDDY CO., NM

| STAGE | PERFS             | 100 MESH (LBS) | 30/50 MESH (LBS) | 20/40 MESH (LBS) | TOTAL PROPPANT (LBS) | 15 % HCL ACID (BBLs) | TREATED WATER (BBLs) | 10 # LINEAR GEL (BBLs) | 20 # LINEAR GEL (BBLs) | 20 # HYBRID GEL (BBLs) |
|-------|-------------------|----------------|------------------|------------------|----------------------|----------------------|----------------------|------------------------|------------------------|------------------------|
| 1     | 15,150' - 15,013' | 78,957         | 89,338           | 0                | 168,295              | 95                   | 176                  | 2,038                  | 711                    | 372                    |
| 2     | 14,943' - 14,806' | 79,363         | 119,735          | 226,761          | 425,859              | 79                   | 0                    | 2,303                  | 3,021                  | 3,562                  |
| 3     | 14,736' - 14,599' | 85,192         | 124,507          | 222,223          | 431,922              | 108                  | 218                  | 2,391                  | 2,986                  | 3,332                  |
| 4     | 14,529' - 14,392' | 80,998         | 122,507          | 217,903          | 421,408              | 78                   | 244                  | 2,578                  | 2,945                  | 3,148                  |
| 5     | 14,322' - 14,185' | 79,813         | 115,357          | 103,094          | 298,264              | 72                   | 253                  | 2,358                  | 2,972                  | 2,315                  |
| 6     | 14,115' - 13,978' | 81,099         | 115,079          | 199,038          | 395,216              | 90                   | 266                  | 2,351                  | 2,973                  | 3,045                  |
| 7     | 13,908' - 13,771' | 82,063         | 113,548          | 167,157          | 362,768              | 167                  | 508                  | 2,250                  | 2,981                  | 2,774                  |
| 8     | 13,701' - 13,564' | 101,038        | 113,721          | 137,704          | 352,463              | 84                   | 253                  | 353                    | 1,991                  | 5,303                  |
| 9     | 13,494' - 13,357' | 100,044        | 119,855          | 186,273          | 406,172              | 97                   | 247                  | 343                    | 1,995                  | 7,497                  |
| 10    | 13,287' - 13,150' | 131,190        | 114,119          | 219,577          | 464,886              | 60                   | 246                  | 289                    | 2,508                  | 7,397                  |
| 11    | 13,080' - 12,943' | 128,693        | 122,362          | 188,780          | 439,835              | 63                   | 247                  | 265                    | 2,495                  | 7,291                  |
| 12    | 12,873' - 12,736' | 138,064        | 117,867          | 205,995          | 461,926              | 75                   | 253                  | 334                    | 2,417                  | 7,287                  |
| 13    | 12,666' - 12,529' | 130,079        | 112,777          | 216,368          | 458,724              | 97                   | 243                  | 333                    | 2,437                  | 7,512                  |
| 14    | 12,459' - 12,322' | 141,042        | 119,444          | 245,396          | 506,282              | 92                   | 194                  | 284                    | 2,495                  | 7,564                  |
| 15    | 12,252' - 12,115' | 125,460        | 115,571          | 213,198          | 454,229              | 94                   | 183                  | 323                    | 2,456                  | 7,452                  |
| 16    | 12,045' - 11,908' | 215,774        | 126,602          | 214,565          | 576,941              | 82                   | 282                  | 320                    | 5,116                  | 7,606                  |
| 17    | 11,838' - 11,701' | 122,994        | 119,738          | 209,174          | 451,306              | 98                   | 197                  | 339                    | 2,523                  | 7,563                  |
| 18    | 11,629' - 11,494' | 132,366        | 119,955          | 223,058          | 475,379              | 166                  | 111                  | 274                    | 3,239                  | 7,885                  |
| 19    | 11,424' - 11,287' | 172,652        | 107,195          | 163,606          | 393,453              | 174                  | 361                  | 0                      | 3,249                  | 6,892                  |

TOTAL

2,176,281

2,209,177

3,559,870

7,945,328

1,866

4,482

19,726

51,510

106,897