

RECEIVED
JAN 11 2011
HOBBS

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

WELL API NO. 30-015-36552 ✓
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Rustler Bluff ✓
8. Well Number 002 ✓
9. OGRID Number 160825 ✓
10. Pool name or Wildcat Willow Lake; Delaware, 64453

SUNDRY NOTICES AND REPORTS ON WELLS
(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.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
B C Operating, Inc.

3. Address of Operator
P.O. Box 50820 Midland, TX 79710

4. Well Location

Unit Letter K : 1890 feet from the South line and 1887 feet from the East line
Section 6 Township 25S Range 29E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc
2903' GL

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 PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☒ P AND A ☐
CASING/CEMENT JOB ☒

OTHER: ☐

OTHER: ☐

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.

- Spudded well on 8/1/10
- Drilled 12 1/4" hole; set 8 5/8", 32# J55, casing at 1011' w/650 sx Class C
- Drilled 7 7/8" hole; set 5 1/2", 15.5# J55, casing at 6511' w/920 sx Class H
- Released rig on 8/13/10.
- Perforated 6330-6450', 2 spf; Acidize w/2,000 gals 15% HCL
- Frac w/11,250 gals & 70,000# of 20/40 sand
- Ran 2 7/8" tubing and set at 6472'

Spud Date:

8/1/10

Rig Release Date:

8/13/10

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

SIGNATURE

Star L. Harrell

TITLE Regulatory Analyst

DATE 01/09/11

Type or print name Star L. Harrell E-mail address: sharrell@blackoakres.com PHONE: 432-684-9696

For State Use Only

APPROVED BY:

David May

TITLE Field Supervisor

DATE 5-12-11

Conditions of Approval (if any):

(Signature)