

District I

1625 N. French

District II

13 01 W Grand Avenue, Artesia, NM 87211

District III

1 000 Rio Brazos Road, Aztec, NM 87410

District IV

1220 S St Francis Dr, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
June 16, 2008

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address BC Operating, Inc., Box 50820, Midland, TX 79710		OGRID Number 160825
Property Code 37357		API Number 30-025 - 39271
Property Name Jalmat		Well No 1
Proposed Pool 1 Wildcat San Andres		Proposed Pool 2 Langlie Mattie SR - RW - Grayburg

7 Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	16	23-S	36-E		660	South	2310	West	Lea

8 Proposed Bottom Hole Location If Different From Surface

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Additional Well Information

Work Type Code N	Well Type Code O	Cable/R tary R	Lease Type Code State	Ground Level Elevation 3454'
16 Multiple No	Proposed Depth 4000'	Formation Grayburg/San Andres	Contractor TBA	Spud Date 8-20-08

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	32#	400' 1430'	400 sx	surface
7 7/8"	5 1/2"	15.5#	4000'	500 sx	surface

Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Mud Program: 0 to 450' F/W Spud Mud 8.6 to 9.0 ppg
 1430' 450' to 4000' Gel/Starch 10 to 10.4 ppg

Bope Program: A 5000# bope will be installed on the 8-5/8" casing and tested daily.

Permit Expires 2 Years From Approval Date Unless Drilling Underway

I hereby certify that the information given above is true and complete to the best of my knowledge and belief		OIL CONSERVATION DIVISION	
Signature <i>Ann E. Ritchie</i>		Approved by- <i>[Signature]</i>	
Printed name: Ann E. Ritchie ✓		Title- PETROLEUM ENGINEER	
Title Regulatory Agent		Approval Date: NOV 24 2008	Expiration Date.
E-mail Address: ann.ritchie@wtor.net			
Date: 8-4-08	Phone 432-684-6381/214-762-0830		

Oil Conservation Division
 Conditions of approval: Approval for drilling/workover ONLY--- CANNOT produce Downhole Commingled until DHC is approved in Santa Fe.

MUST SET SURFACE CASING 25' BELOW TOP OF RUSTLER

DISTRICT I
1625 N. French Dr., Hobbs, NM 88241

State of New Mexico

Form C-102

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

Energy, Minerals, and Natural Resources Department

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 copies

Fee Lease - 3 copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, New Mexico 87505

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025 39271	² Pool Code	³ Pool Name <i>Undesignated; Grabbing San Andres</i>
⁴ Property Code	⁵ Property Name JALMAT	⁶ Well Number 1
⁷ OGRID No. 160825	⁸ Operator Name BC OPERATING, INC.	⁹ Elevation 3454'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	16	23 SOUTH	36 EAST, N.M.P.M.		660'	SOUTH	2310'	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

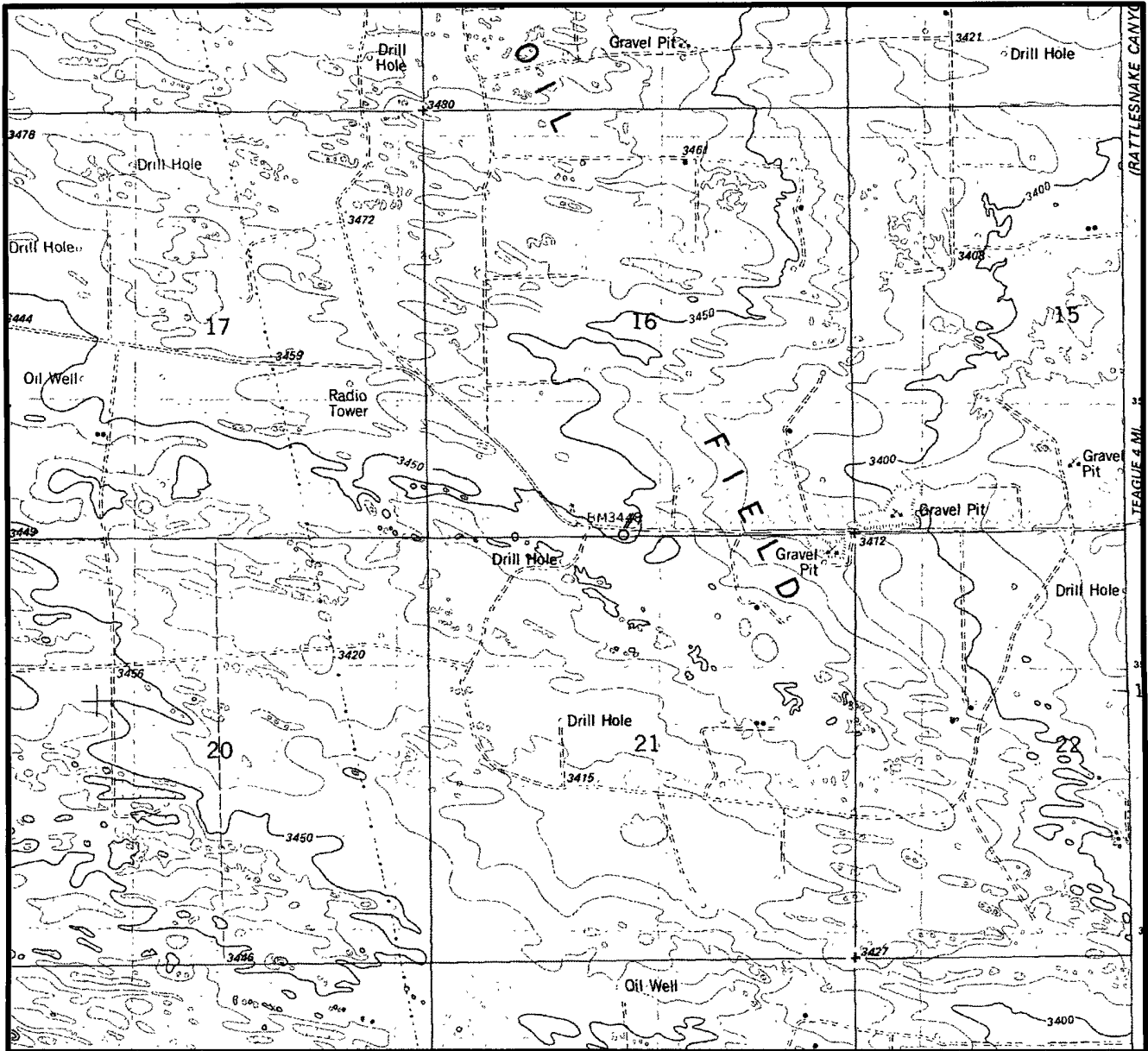
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² ¹³ ¹⁴ Consolidation Code ¹⁵ Order No.

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p>	<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>Ann E. Ritchie</i> 7-8-08 Signature Date</p> <p>Ann E. Ritchie Printed Name</p>
	<p>SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual survey made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Michael B. Brown Date of Survey MAY 14, 2008 Signature and Seal of Professional Surveyor</p> <p>Michael Blake Brown R.P.S. #18329 JOB # 135667 / 24 NE / J.A.F.</p>

LOCATION & ELEVATION VERIFICATION MAP



SCALE : 1" = 2000'

CONTOUR INTERVAL 5'

SECTION 16 TWP 23-S RGE 36-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY LEA STATE NM

DESCRIPTION 660' FSL & 2310' FWL

ELEVATION 3454'

OPERATOR BC OPERATING, INC.

LEASE JALMAT #1

U.S.G.S. TOPOGRAPHIC MAP

EAST LAKE QUADRANGLE, NEW MEXICO

SCALED LAT. LAT.: N 32.2989640

LONG. LONG.: W 103.2707659

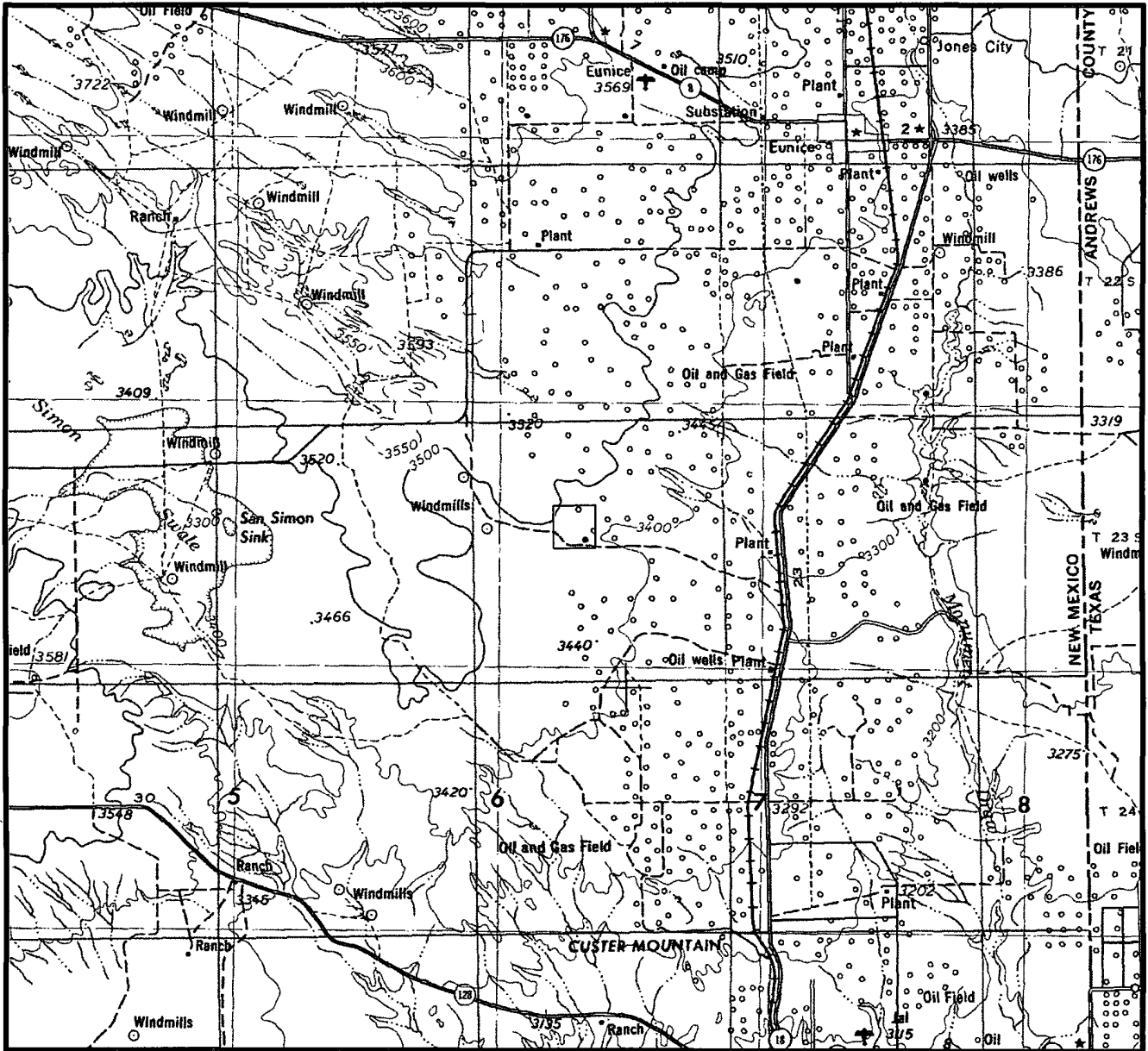


TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

2903 N. BIG SPRING
MIDLAND, TX. 79705
(800) 767-1653

VICINITY MAP



SECTION 16 TWP 23-S RGE 36-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY LEA STATE NM

DESCRIPTION 660' FSL & 2310' FWL

OPERATOR BC OPERATING, INC

LEASE JALMAT #1

DISTANCE & DIRECTION FROM JCT. OF C.R. E11 &

HWY.18 GO EAST ± 5.0 ml. ON C.R. E11 TO A POINT

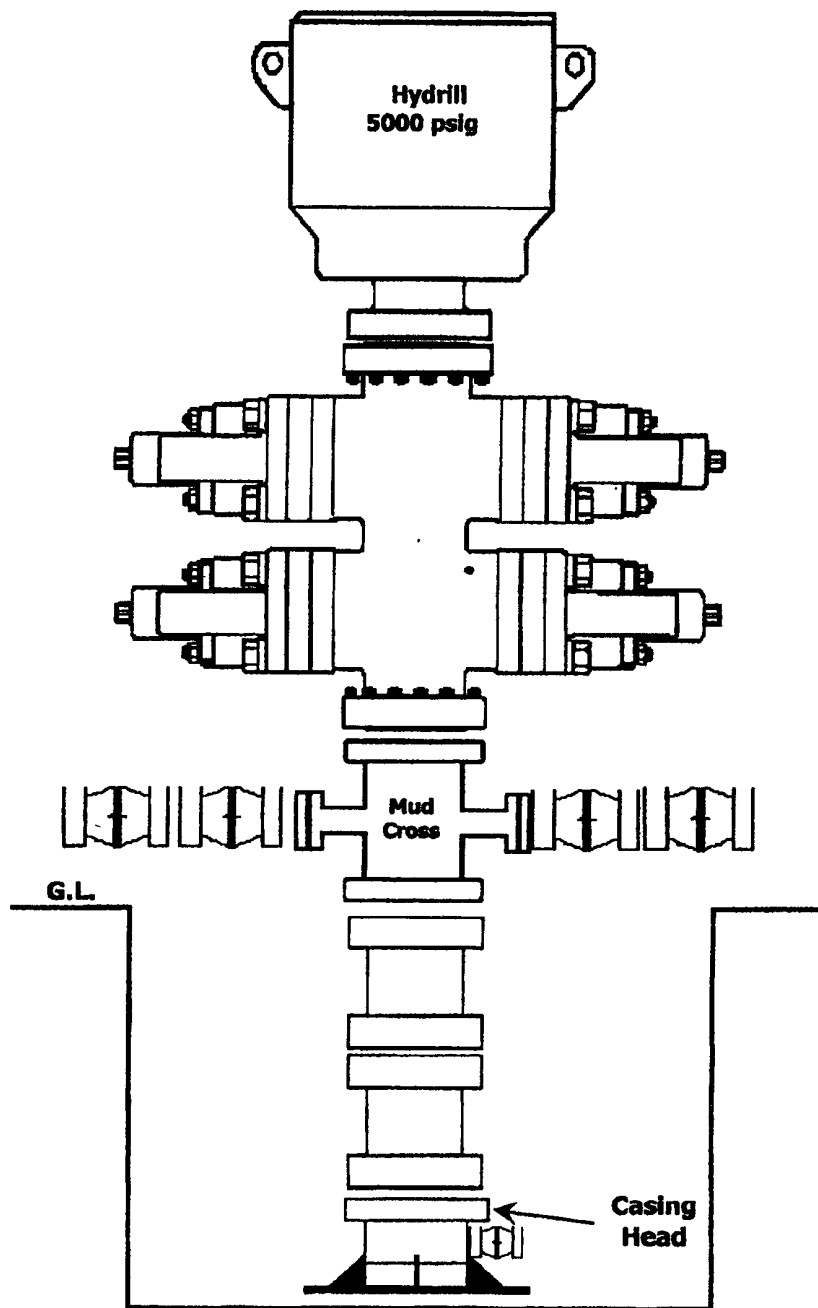
± 600' SOUTH OF LOCATION



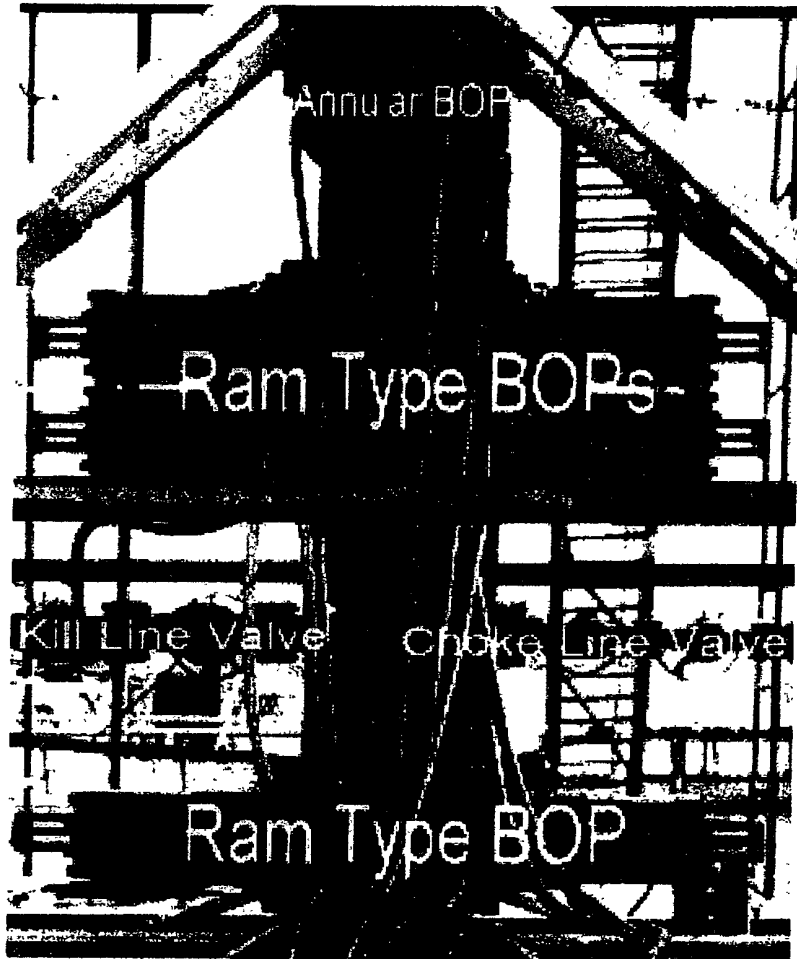
TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

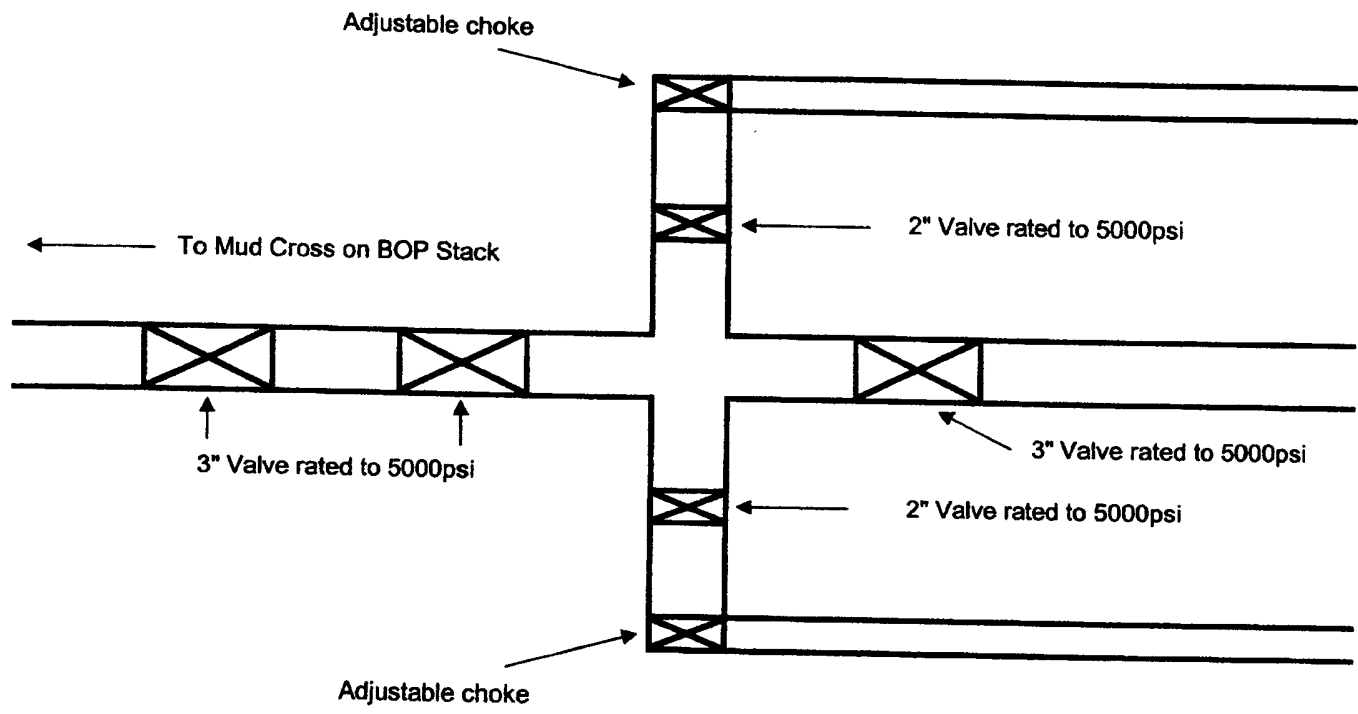
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MIDLAND, TX. 79705
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**Example of Blowout Preventer
Tested to 5,000#**



3 M Choke Manifold



and base