

DATE IN 8/1/07	SUSPENSE	ENGINEER BROOKS	LOGGED IN 8/2/07	TYPE NSL	APP NO. PTDSD72145/295
----------------	----------	-----------------	------------------	----------	------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Cimmaron
Jammer #1
5739

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce
 P.O. Box 1056
 Santa Fe, New Mexico 87504

Signature

Attorney for Applicant
 Title Date

jamesbruc@aol.com
 e-mail Address

RECEIVED
 2007 AUG 1 PM 3:25

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

August 1, 2007

Mark E. Fesmire, P.E.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

Pursuant to Division Rule 104.F(2), BC Operating, Inc. applies for approval of an unorthodox oil well location for the following well:

<u>Well:</u>	Jammer Well No. 1
<u>Location:</u>	660 feet FSL & 660 feet FEL
<u>Well Unit:</u>	E½SE¼ §21-16S-33E, Lea County, New Mexico

The well was drilled and completed in the Wolfcamp formation, and produces about 3 BOPD. The Division's Hobbs Office placed the well in the Sanmal-Wolfcamp Pool, which is spaced on statewide 40 acre rules. However, the Hobbs Office recently informed applicant that the well must be placed in the Kemnitz-Lower Wolfcamp Pool (formerly the Kemnitz-Wolfcamp Pool). Under Order No. R-1011, the pool is spaced on 80 acres, with wells to be within 150 feet of the center of the northeast or southwest quarter-quarter section of a governmental quarter section.

The SE¼ of Section 21 is subject to State Lease VB-684, which has common interest ownership. Therefore, there is no adversely affected offset, and notice of this application has not been given to anyone. In addition, in the event additional notice was originally required, applicant requests that it be waived due to the Division's initial approval of the APD for the well.

Very truly yours,


James Bruce

Attorney for BC Operating, Inc.

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

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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-37858	Pool Code 54530	Pool Name Sanmal Wolfcamp
Property Code 35675	Property Name JAMMER	Well Number 1
OGRID No. 160825	Operator Name BC OPERATING, INC.	Elevation 4207'

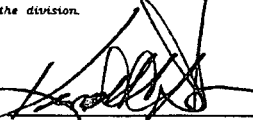

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	21	16 S	33 E		660	SOUTH	660	EAST	LEA

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
Dedicated Acres 40	Joint or Infill	Consolidation Code		Order No.					

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

				<p align="center">OPERATOR CERTIFICATION</p> <p>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.</p> <div style="text-align: right;">  Date <u>5-3-06</u> </div> <hr/> <div> Signature _____ Date _____ <u>Kenneth C. Dickeson</u> Printed Name <u>E - 22</u> </div>
		G	H	<p align="center">SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <div style="text-align: center;"> <u>L - 22</u> April 7, 2006 </div>
		V	I	<div> Date of Survey _____ LVA Signature & Seal of Professional Surveyor _____  W.O. Num. <u>2006-0242</u> </div>
EXHIBIT <u>A</u>		O	P	<div> <p>NOTE:</p> <p>1) Plane Coordinates shown hereon are Transverse Mercator Grid and Conform to the "New Mexico Coordinate System", New Mexico East Zone, North American Datum of 1927. Distances shown hereon are mean horizontal surface values.</p> </div> <div style="position: relative; width: 100px; height: 100px; margin-left: auto;"> 4207.9' 4208.6' 4199.9' 4205.0' <div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%);"> Plane Coordinate X = 706,259.8 Y = 992,394.3 </div> </div>

B-28

A. 28

P-25

Reckless
NOA

8 Records found.

Lease Number:

VB-0684-0000

Company name: CHARLES D. RAY
Company ID: 217214
Assigned from: N/A
Total acres: 320.00
Prod stat: N/A

Lease term:

Lease term: FIVE(5) YEAR TERM, 3/16th ROYALTY
Issue date: 7/1/2005
Termination date: Active
Termination reason: N/A
Current term: Primary Term

Billing information:

Bill to: CHARLES D. RAY
Rent per acre: 1.00
Billing frequency: Annual
Minimum annual rent: 320.00
Last bill date: 6/7/2007
Next bill date: 7/1/2008
Escalation: 0

Land information:

Section	Township	Range	Unit Letter	Lot	Tract	Acreage
21	16S	33E	I			40.00
			J			40.00
			K			40.00
			L			40.00
			M			40.00
			N			40.00
			O			40.00
			P			40.00

EXHIBIT **B**

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruce@aol.com

RECEIVED

2007 OCT 9 PM 2:19

October 4, 2007

David K. Brooks
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: BC Operating, Inc.'s application for an unorthodox oil well location:

<u>Well:</u>	Jammer Well No. 1
<u>Location:</u>	660 feet FSL & 660 feet FEL
<u>Well Unit:</u>	E $\frac{1}{2}$ SE $\frac{1}{4}$ §21-16S-33E, Lea County, New Mexico

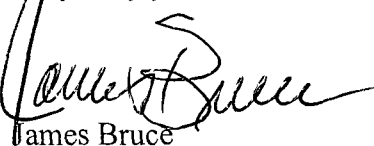
Dear Mr. Brooks:

By the attached e-mail, you requested notice to offsets. Enclosed is the following:

1. ONGARD information on offsetting well units (Exhibit A). There is only one offsetting Kemnitz-Lower Wolfcamp well, in the E $\frac{1}{2}$ SW $\frac{1}{4}$ Section 22.
2. As a result, records were examined regarding offset working interest owners. All offset acreage is state minerals, so attached as Exhibit B is information from Land Office records on offset leases and working interest owners.

The offset operator and all offset leasehold owners have been notified off the application. A copy of the notice letter is enclosed. Please call me if you need further information. Thank you.

Very truly yours,



James Bruce

Attorney for BC Operating, Inc.

Subj: **NSL Application - Cimarex Jammer #1**
Date: 8/15/2007 4:52:48 P.M. Mountain Daylight Time
From: david.brooks@state.nm.us
To: JamesBruc@aol.com

Jim

There is a problem here. Since this well is in the SE/SE, and special pool rules require that it be in the NE or SW quarter of a quarter, Rule 1210.A(2)(d) would appear to require notice to affected persons in all adjacent spacing units.

I am not aware of any rule that would allow us to waive the notice requirements; so I guess I will have to ask you to figure out who the affected persons are, notify them, and provide us with proof of notice.

Thanks

David Brooks
Legal Examiner

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.

Well File Search - Select Documents to View

Please click on any thumbnail below in order to view the document. Access to the OCD Internet images does not grant permission to reproduce, disseminate, disclose, or otherwise utilize materials subject to protection of United States copyright or trademark laws. Contact the copyright owner for specific permission to utilize any such materials. Image size and approximate download times are shown below each thumbnail. Download times are based upon a 28.8Kb modem speed.

Clicking the "View All" button below will download a single file containing all documents. "View All" will select only those thumbnails shown in the currently selected API Number. If you wish to select a different API Number, please use the "Go Back" button. "View All" may take several minutes.

Sort Order: ☒ Ascending ☐ Descending

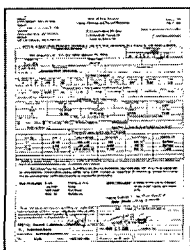
API Number 3002537858 ULSTR P-21-16S-33E Footages 660 FSL & 660 FEL

Well Name & Number: JAMMER No. 001

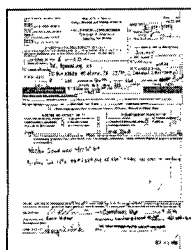
Operator: BC OPERATING, INC.

Note: If you are using Microsoft Internet Explorer and your system does not allow you to open TIFF images from the Internet without saving them first, please contact your administrator. You may be experiencing a problem with the Internet Explorer Cumulative Patch. Please refer to the Microsoft Knowledge Base Article, Q319829, "Cannot Open a Tagged Information File Format (TIFF) File in Internet Explorer", located here.

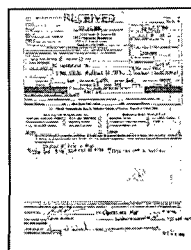
521



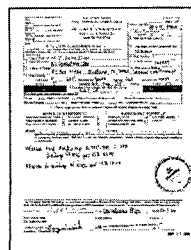
(428 Kb ~2 min.)



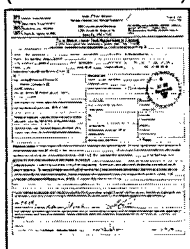
(83 Kb ~1 min.)



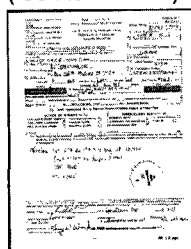
(86 Kb ~1 min.)



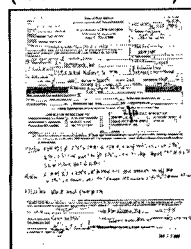
(68 Kb ~1 min.)



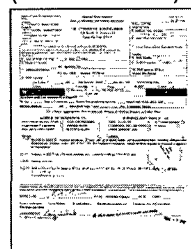
(93 Kb ~1 min.)



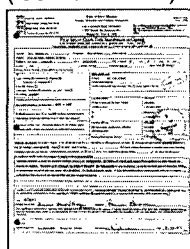
(87 Kb ~1 min.)



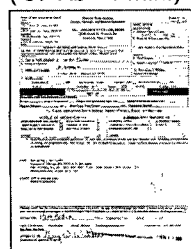
(89 Kb ~1 min.)



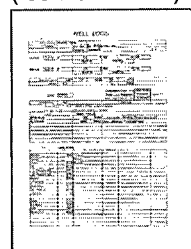
(74 Kb ~1 min.)



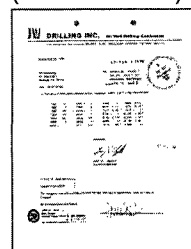
(98 Kb ~1 min.)



(74 Kb ~1 min.)

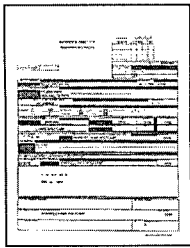


(36 Kb ~1 min.)

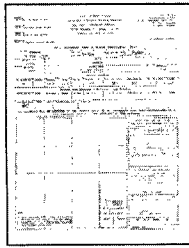


(37 Kb ~1 min.)

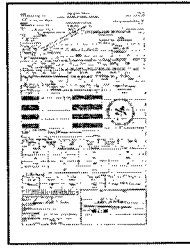
EXHIBIT **A**



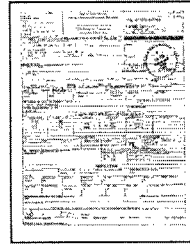
(87 Kb ~1 min.)



(76 Kb ~1 min.)



(77 Kb ~1 min.)



(73 Kb ~1 min.)

[View All](#)

[Go Back](#)

Well File Search - Select API Number to View

Please select the API Number you wish to view from the list below by clicking the radio button next to the API Number. Then click the "Continue" button to see the thumbnails for the API you selected. The search results are broken out by groups of 25 on each page. Switching pages can be done by clicking the "Next 25" or "Previous 25" links.

S22

5 Records Found

Displaying Screen 1 of 1

- | API Number | ULSTR | Footages |
|---|---------------|---------------------|
| <input type="radio"/> 3002525521 | M -22-16S-33E | 660 FSL & 660 FWL |
| Well Name & Number: PRE-ONGARD WELL No. 001 | | |
| Operator: PRE-ONGARD WELL OPERATOR | | |
| <input type="radio"/> 3002525609 | K -22-16S-33E | 1980 FSL & 1980 FWL |
| Well Name & Number: NEW MEXICO 22 STATE No. 001 | | |
| Operator: LINDENMUTH & ASSOCIATES INC | | |
| <input type="radio"/> 3002525770 | M -22-16S-33E | 660 FSL & 660 FWL |
| Well Name & Number: PRE-ONGARD WELL No. 002 | | |
| Operator: PRE-ONGARD WELL OPERATOR | | |
| <input type="radio"/> 3002526456 | M -22-16S-33E | 660 FSL & 660 FWL |
| Well Name & Number: PRE-ONGARD WELL No. 002 | | |
| Operator: PRE-ONGARD WELL OPERATOR | | |
| <input type="radio"/> 3002526591 | J -22-16S-33E | 1650 FSL & 1650 FEL |
| Well Name & Number: SOMBRERO MS STATE No. 001 | | |
| Operator: YATES PETROLEUM CORPORATION | | |

Handwritten notes: "Lindenmuth & Associates W/C" and a circled "S22" with "S22 1/4" and "well unit" written around it.

5 Records Found

Displaying Screen 1 of 1

[Continue](#)[Go Back](#)

EXHIBIT _____

Well File Search - Select API Number to View

Please select the API Number you wish to view from the list below by clicking the radio button next to the API Number. Then click the "Continue" button to see the thumbnails for the API you selected. The search results are broken out by groups of 25 on each page. Switching pages can be done by clicking the "Next 25" or "Previous 25" links.

4 Records Found

Displaying Screen 1 of 1

- | API Number | ULSTR | Footages |
|---|---------------|--------------------|
| <input type="radio"/> 3002501278 | I -27-16S-33E | 1980 FSL & 660 FEL |
| Well Name & Number: PRE-ONGARD WELL No. 001 | | |
| Operator: PRE-ONGARD WELL OPERATOR | | |
| <input type="radio"/> 3002520592 | L -27-16S-33E | 1980 FSL & 660 FWL |
| Well Name & Number: STATE 27 No. 001 | | |
| Operator: W A MONCRIEF JR | | |
| <input type="radio"/> 3002526629 | D -27-16S-33E | 660 FNL & 330 FWL |
| Well Name & Number: PRE-ONGARD WELL No. 001 | | |
| Operator: PRE-ONGARD WELL OPERATOR | | |
| <input type="radio"/> 3002526636 | C -27-16S-33E | 550 FNL & 1980 FWL |
| Well Name & Number: SOMBRERO MS STATE No. 002 | | |
| Operator: I & W INC | | |

4 Records Found

Displaying Screen 1 of 1

[Continue](#)[Go Back](#)

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-025-26636
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 35530 SWD
7. Lease Name or Unit Agreement Name Sombrero MS State
8. Well No. #2
9. Pool name or Wildcat

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 <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input checked="" type="checkbox"/> SWD	
2. Name of Operator I & W INC.	
3. Address of Operator P.O. Box 98 Loco Hills, New Mexico 88255	
4. Well Location Unit Letter C : 550 Feet From The N Line and 1980 Feet From The W Line Section 27 Township 16S Range 33E NMPM LEA County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	

11. 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"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input checked="" type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input checked="" type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <input type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

October 1st 1998 Proposed: Rig up pulling unit, Pull 5225' of 23/8" tubing out of well.

October 2nd, 1998: Rig up wireline unit to set a CIBP at 10,600. could not get past 5,194' with gauge rig, RDWL.

October 5th, 1998: Rig up unit. Pickup workstring run 23/8" tubing & string mill could not get mill down. Pickup tapered mill run into 5,237' stopped, workmill & turn thru tight spot, tagged up at 5,628' mill would not go down, Locked up casing parted & collapsed po H.

October 6th, 1998: Run tubing open ended could not get past 5,237' casing parted checked with OCD, for further information & Instruction.

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

SIGNATURE George Parchman TITLE mgr. DATE 10/12/98
TYPE OR PRINT NAME GEORGE PARCHMAN TELEPHONE NO. 885-6663

(This space for State Use)

APPROVED BY ORIGINAL SIGNATURE WILLIAMS TITLE DISTRICT SUPERVISOR DATE 10/12/98

CONDITIONS OF APPROVAL, IF ANY:

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-025-26636
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 35530 SWD (18158)
7. Lease Name or Unit Agreement Name Sombrero M.S.
8. Well No. #2
9. Pool name or Wildcat

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 <input type="checkbox"/> GAS WELL <input type="checkbox"/> <u>OTHER</u> SWD	
2. Name of Operator I&W, INC.	
3. Address of Operator P.O. Box 98 Loco Hills, New Mexico 88255	
4. Well Location Unit Letter <u>C</u> : _____ Feet From The _____ Line and _____ Feet From The _____ Line Section <u>27</u> Township <u>16S</u> Range <u>33E</u> NMPM LEA County _____	
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	

11. 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"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: _____ <input type="checkbox"/>	PLUG AND ABANDONMENT <input checked="" type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: _____ <input type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

October 6th, 1998: Run 23/8" tubing pickup 4 1/2" TST Packer run in hole set packer @ 4,800' Rig up BJ cementers pump 300 sks class H 15.6# cement with calcium chloride (cement report attached) shut well down. WOC (wait overnite).

October 7th, 1998: Tag top of cement @ 4,921', pull up spot 10# salt gel up to 4,530' POH with tubing & packer GIH spot cement across 4,543' to 4,390' 25 sks cl"H" pott, Lay down 3,000' tubing standback 1,543' tubing wait 4 Hrs. RU wireline unit GIH with 3 1/2.42 casing gun. Perf 4 holes @ 1,480' GIH with tubing & packer check for circulation 300 PSI for 10 min. No Circulation. GIH with tubing spot plug @ 1,530'. 11:30pm 25 sacks of cement RU wireline unit GIH, tagg top of cement @ 1,235'. Pull up to 335 Perf 4 holes. Rig down wireline GIH with tubing & packer. check for circulation 10 min. 300 PSI no circualtion GIH with

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

SIGNATURE <u>George Parchman</u>	TITLE <u>MGR.</u>	DATE <u>10/22/98</u>
TYPE OR PRINT NAME <u>George Parchman</u>		TELEPHONE NO. <u>885-6663</u>

tubing. Pump cement 50sacks of class H 345' to surface. Rig down pull surface equipment put P&A marker 10-09-1998

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE OCT 21 1998

CONDITIONS OF APPROVAL, IF ANY:

Sam Wink 12-8-98

Well File Search - Select API Number to View

Please select the API Number you wish to view from the list below by clicking the radio button next to the API Number. Then click the "Continue" button to see the thumbnails for the API you selected. The search results are broken out by groups of 25 on each page. Switching pages can be done by clicking the "Next 25" or "Previous 25" links.

3 Records Found

Displaying Screen 1 of 1

API Number	ULSTR	Footages
<input type="radio"/> 3002523613	D -28-16S-33E	660 FNL & 660 FWL
Well Name & Number: PRE-ONGARD WELL No. 001		
Operator: PRE-ONGARD WELL OPERATOR		
<input type="radio"/> 3002525379	M -28-16S-33E	660 FSL & 660 FWL
Well Name & Number: AMOCO STATE No. 001		
Operator: REX ENERGY OPERATING CORP.		
<input type="radio"/> 3002527324	I -28-16S-33E	1980 FSL & 660 FEL
Well Name & Number: HEXAGON NM 28 STATE No. 001		
Operator: HEXAGON OIL & GAS INC		

3 Records Found

Displaying Screen 1 of 1

8 Records found.

Lease Number:

VB-0684-0000

Company name: CHARLES D. RAY
Company ID: 217214
Assigned from: N/A
Total acres: 320.00
Prod stat: N/A

⇒ B C Operating
is his operator

Lease term:

Lease term: FIVE(5) YEAR TERM, 3/16th ROYALTY
Issue date: 7/1/2005
Termination date: Active
Termination reason: N/A
Current term: Primary Term

Billing information:

Bill to: CHARLES D. RAY
Rent per acre: 1.00
Billing frequency: Annual
Minimum annual rent: 320.00
Last bill date: 6/7/2007
Next bill date: 7/1/2008
Escalation: 0

Land information:

Section	Township	Range	Unit Letter	Lot	Tract	Acreage
21	16S	33E	I			40.00
			J			40.00
			K			40.00
			L			40.00
			M			40.00
			N			40.00
			O			40.00
			P			40.00

Section 21

EXHIBIT

B

8 Records found.

Lease Number:

VB-0699-0000

Company name: CAZA ENERGY LLC
Company ID: 211016
Assigned from: N/A
Total acres: 320.00
Prod stat: N/A

Lease term:

Lease term: FIVE(5) YEAR TERM, 3/16th ROYALTY
Issue date: 7/1/2005
Termination date: Active
Termination reason: N/A
Current term: Primary Term

Billing information:

Bill to: CAZA ENERGY LLC
Rent per acre: 1.00
Billing frequency: Annual
Minimum annual rent: 320.00
Last bill date: 6/7/2007
Next bill date: 7/1/2008
Escalation: 0

Land information:

Section	Township	Range	Unit Letter	Lot	Tract	Acreage
21	16S	33E	A			40.00
			B			40.00
			C			40.00
			D			40.00
			E			40.00
			F			40.00
			G			40.00
			H			40.00

NE 1/4 S21

8 Records found.

Lease Number:

LG-4076-0000

Company name: WESTLAND OIL DEVELOPMENT CORP
Company ID: 25023
Assigned from: N/A
Total acres: 320.00
Prod stat: N/A

Lease term:

Lease term: 10 year lease term 1/8th roy
Issue date: 3/1/1977
Termination date: Active
Termination reason: N/A
Current term: Extended Primary Term

Billing information:

Bill to: LINDENMUTH & ASSOCIATES INC
Rent per acre: 0.25
Billing frequency: Annual
Minimum annual rent: 80.00
Last bill date: 2/1/2007
Next bill date: 3/1/2008
Escalation: 0

Land information:

Section	Township	Range	Unit Letter	Lot	Tract	Acreage
22	16S	33E	C			40.00
			D			40.00
			E			40.00
			F			40.00
			K			40.00
			L			40.00
			M			40.00
			N			40.00

} w 1/2 § 22

9 Records found.

Lease Number:

LG-3819-0000

Company name: YATES PETROLEUM CORPORATION
Company ID: 25575
Assigned from: N/A
Total acres: 360.00
Prod stat: N/A

Lease term:

Lease term: 10 year lease term 1/8th roy
Issue date: 10/1/1976
Termination date: Active
Termination reason: N/A
Current term: Extended Primary Term

Billing information:

Bill to: YATES PETROLEUM CORPORATION
Rent per acre: 0.25
Billing frequency: Annual
Minimum annual rent: 90.00
Last bill date: 9/6/2007
Next bill date: 10/1/2008
Escalation: 0

Land information:

Section	Township	Range	Unit Letter	Lot	Tract	Acreage
22	16S	33E	A			40.00
			B			40.00
			G			40.00
			H			40.00
			I			40.00
			J			40.00
			O			40.00
			P			40.00
27	16S	33E	C			40.00

> Part of NW 1/4 S 27

15 Records found.

Lease Number:

VB-0809-0000

Company name: READ & STEVENS INC
Company ID: 101924
Assigned from: N/A
Total acres: 600.00
Prod stat: N/A

Lease term:

Lease term: FIVE(5) YEAR TERM, 3/16th ROYALTY
Issue date: 12/1/2005
Termination date: Active
Termination reason: N/A
Current term: Primary Term

Billing information:

Bill to: READ & STEVENS INC
Rent per acre: 1.00
Billing frequency: Annual
Minimum annual rent: 600.00
Last bill date: 11/2/2006
Next bill date: 12/1/2007
Escalation: 0

Land information:

Section	Township	Range	Unit Letter	Lot	Tract	Acreage
27	16S	33E	A			40.00
			B			40.00
			D			40.00
			E			40.00
			F			40.00
			G			40.00
			H			40.00
			I			40.00
			J			40.00
			K			40.00
			L			40.00
			M			40.00
			N			40.00
			O			40.00
			P			40.00

> remainder of NW 1/4 27

16 Records found.

Lease Number:

K0-6666-0001

Company name: OCCIDENTAL PERMIAN LTD
Company ID: 157984
Assigned from: K0-6666-0000
Total acres: 640.00
Prod stat: N/A

Lease term:

Lease term: 10 year lease term 1/8th roy
Issue date: 1/17/1967
Termination date: Active
Termination reason: N/A
Current term: Extended Primary Term

Billing information:

Bill to: OCCIDENTAL PERMIAN LTD
Rent per acre: 0.50
Billing frequency: Annual
Minimum annual rent: 320.00
Last bill date: 12/21/2006
Next bill date: 1/17/2008
Escalation: 0

Land information:

Section	Township	Range	Unit Letter	Lot	Tract	Acreage
28	16S	33E	A			40.00
			B			40.00
			C			40.00
			D			40.00
			E			40.00
			F			40.00
			G			40.00
			H			40.00
			I			40.00
			J			40.00
			K			40.00

} NE 1/4 § 28

			L			40.00
			M			40.00
			N			40.00
			O			40.00
			P			40.00

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, August 15, 2007 3:53 PM
To: 'JamesBruc@aol.com'
Subject: NSL Application - Cimarex Jammer #1

Jim

There is a problem here. Since this well is in the SE/SE, and special pool rules require that it be in the NE or SW quarter of a quarter, Rule 1210.A(2)(d) would appear to require notice to affected persons in all adjacent spacing units.

I am not aware of any rule that would allow us to waive the notice requirements; so I guess I will have to ask you to figure out who the affected persons are, notify them, and provide us with proof of notice.

Thanks

David Brooks
Legal Examiner

8/15/2007

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Friday, August 31, 2007 1:29 PM
To: 'JamesBruc@aol.com'
Subject: Cimarex - Jammer #1 - NSL Application

Jim

Please refer to my e-mail of August 15, 2007 concerning this application.

Since we have not received proof of notice as requested in that communication, we are cancelling this application at this time, and coding it "Returned to Operator."

We will, however, retain physical possession of the materials submitted, so that the application can be revived in the event we are furnished with the required proof of notice.

Thanks

David K. Brooks
Legal Examiner

8/31/2007

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

October 5, 2007

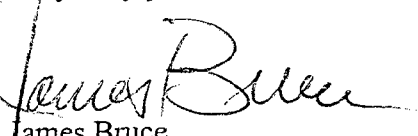
Certified Mail – Return Receipt Requested

To: Persons listed on Exhibit A

Ladies and gentlemen:

BC Operating, Inc. filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location in the Section 21, Township 16 South, Range 33 East, N.M.P.M., Lea County, New Mexico. A copy of the application is enclosed. The Division has required that the applicant notify offset owners due to the well being in the improper quarter-quarter section. If you object to the location, you must notify the Division within 20 days of the date of this letter. The Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,



James Bruce

Attorney for BC Operating, Inc.

EXHIBIT A

Caza Energy, LLC
P.O. Box 1767
Artesia, New Mexico 82211

Westland Oil Development Corp.
P.O. Box 3651
Conroe, Texas 77305

Lindenmuth & Associates, Inc.
Suite 200
510 Hearn Street
Austin, Texas 78703

Occidental Permian Ltd.
P.O. Box 50250
Midland, Texas 79710

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Read & Stevens, Inc.
Suite 1000
400 North Pennsylvania
Roswell, New Mexico 88201