

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED  
OMB No. 1004-0137  
Expires: October 31, 2014

**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an  
abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No.  
NMNM 0303836

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE – Other instructions on page 2.**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator  
BC Operating, Inc.

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.  
Smith Federal Com #2

3a. Address  
P.O. Box 50820  
Midland, Texas 79710

3b. Phone No. (include area code)

432-684-9696

9. API Well No.  
30-015-20807

10. Field and Pool or Exploratory Area  
Rock Tank; Upper Morrow (Gas)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' FSL & 3300' FEL Unit Letter 'P', Section 11, T-23S, R-24E

11. County or Parish, State  
Eddy County, New Mexico

**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Change of Operator

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

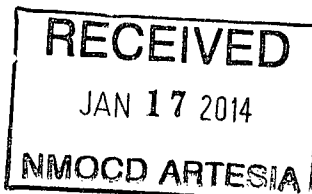
This is notification that BC Operating, Inc. (#160825) is has taken over operations of this well Smith Federal Com #2.

Per NTL89, BC Operating, Inc., as new operator, accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on this well, on this lease or portion of the lease described.

Bond Coverage: BLM Bond File No: NM 2572

Change of Operator Effective: 11/01/2013

Former Operator: Sundown Energy, LP (#232611)



SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

SUBJECT TO LIKE  
APPROVAL BY STATE

Accepted for record  
NMOC D 1/17/2014

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Pam Stevens

Title Regulatory Analyst

Signature

*Pam Stevens*

Date 11/01/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Jerry Blakley

Title

Office

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

APPROVED

JAN 15 2014

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

**BUREAU OF LAND MANAGEMENT  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972**

Effective 11/1/2013  
Bond NM2572

**1/15/2014 Approved subject to Conditions of Approval. JDB  
Change of Operator  
Conditions of Approval**

1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
2. Submit for approval of water disposal method.
3. Submit updated facility diagrams as per Onshore Order #3
4. This agency shall be notified of any spill or discharge as required by NTL-3A.
5. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
6. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
7. Subject to like approval by NMOCD.
8. All Reporting to ONRR ( OGOR Reports) must be brought current within 30 days of this approval including any past history.
9. If this well is incapable of producing in paying quantities submit NOI to plug and abandon this well or obtain approval to do otherwise within 90 days.
10. If not in place acquire operating rights on this lease within 30 days with BLM office in Santa Fe, NM.