

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

WELL API NO. 30-015-42732
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name STERLING 20 STATE
8. Well Number 2H
9. OGRID Number 160825
10. Pool name or Wildcat FOREHAND RANCH; WOLFCAMP
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3169' GL

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 ARTESIA DISTRICT

2. Name of Operator BC OPERATING, INC. OCT 17 2016

3. Address of Operator P.O BOX 50820
MIDLAND, TX 79710

4. Well Location
 Unit Letter P : 240 feet from the SOUTH line and 330 feet from the EAST line
 Section 17 Township 23S Range 27E NMPM EDDY County
 (GAS)

RECEIVED

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

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

BC OPERATING, INC. RESPECTFULLY REQUESTS TO EXTEND THE CURRENT DRILLING PERMIT FOR 1 YEAR. THE CEMENT AND CASING WILL BE THE SAME AS LISTED ON THE ORIGINAL DRILLING PERMIT.

CURRENT EXPIRATION DATE: OCTOBER 15, 2016

Additional requests for extension
 Must be accompanied by current work plan and current C-102

SP

Spud Date:

Rig Release Date:

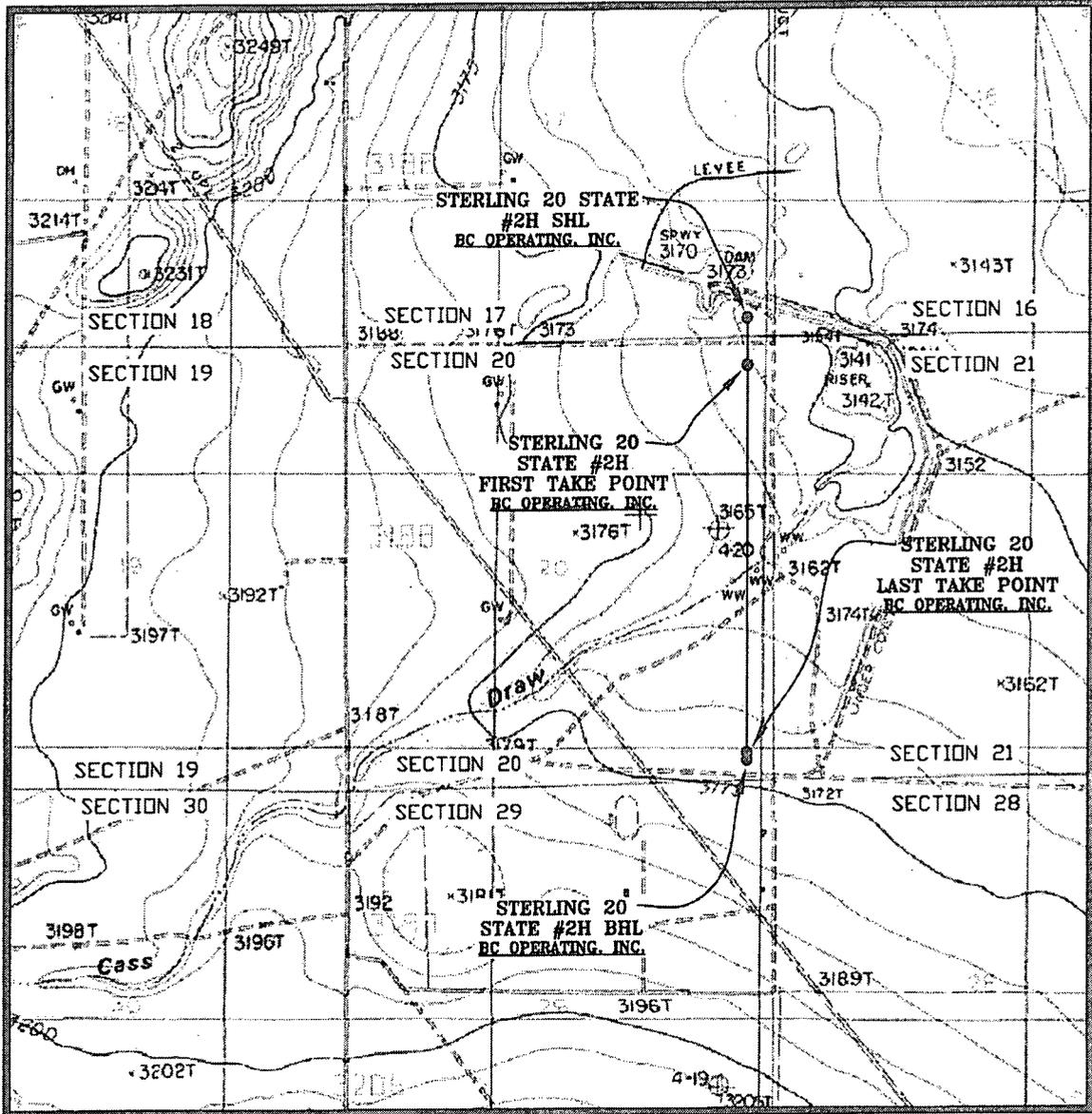
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Sarah Presley TITLE REGULATORY ANALYST DATE 10/14/2016

Type or print name SARAH PRESLEY E-mail address: SPRESLEY@BCOPERATING.COM PHONE: 432-684-9696

For State Use Only
 APPROVED BY: Karen Sharp TITLE Bus Oper Spec-Adv DATE 10-17-16
 Conditions of Approval (if any):

LOCATION VERIFICATION MAP

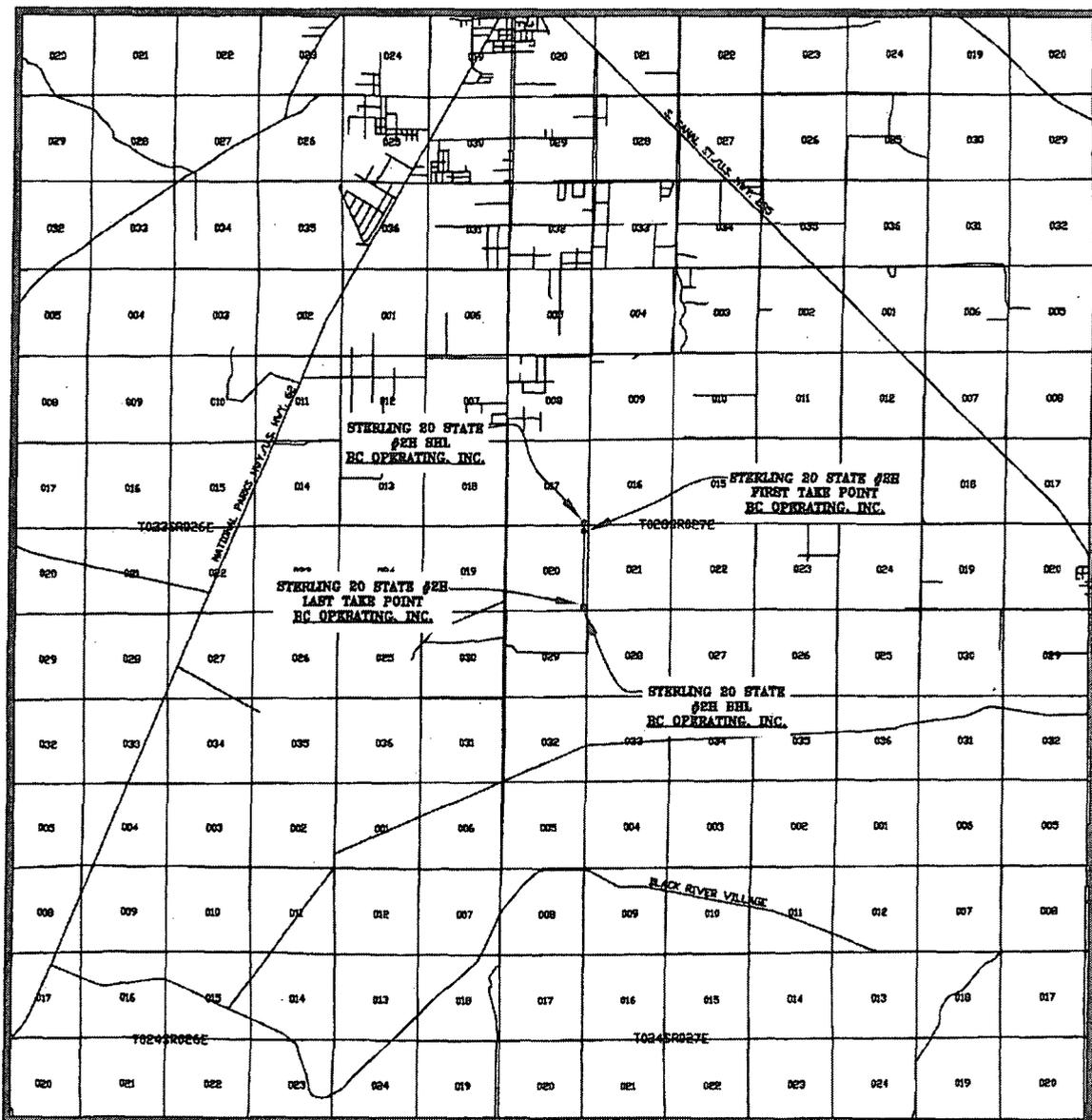


SEC. 17 TWP. 23-S RGE. 27-E
 SURVEY: N.M.P.M.
 COUNTY: EDDY
 DESCRIPTION: 240' FSL & 330' FEL
 ELEVATION: 3169'
 OPERATOR: B.C. OPERATING, INC.
 LEASE: STERLING 20 STATE
 U.S.G.S. TOPOGRAPHIC MAP: OTIS, N.M.

SCALE: 1" = 2000'
 CONTOUR INTERVAL = 5'

PREPARED BY:
 R-SQUARED GLOBAL, LLC
 1309 LOUISVILLE AVENUE, MONROE, LA 71201
 318-323-6900 OFFICE
 JOB No. R3450_002

VICINITY MAP



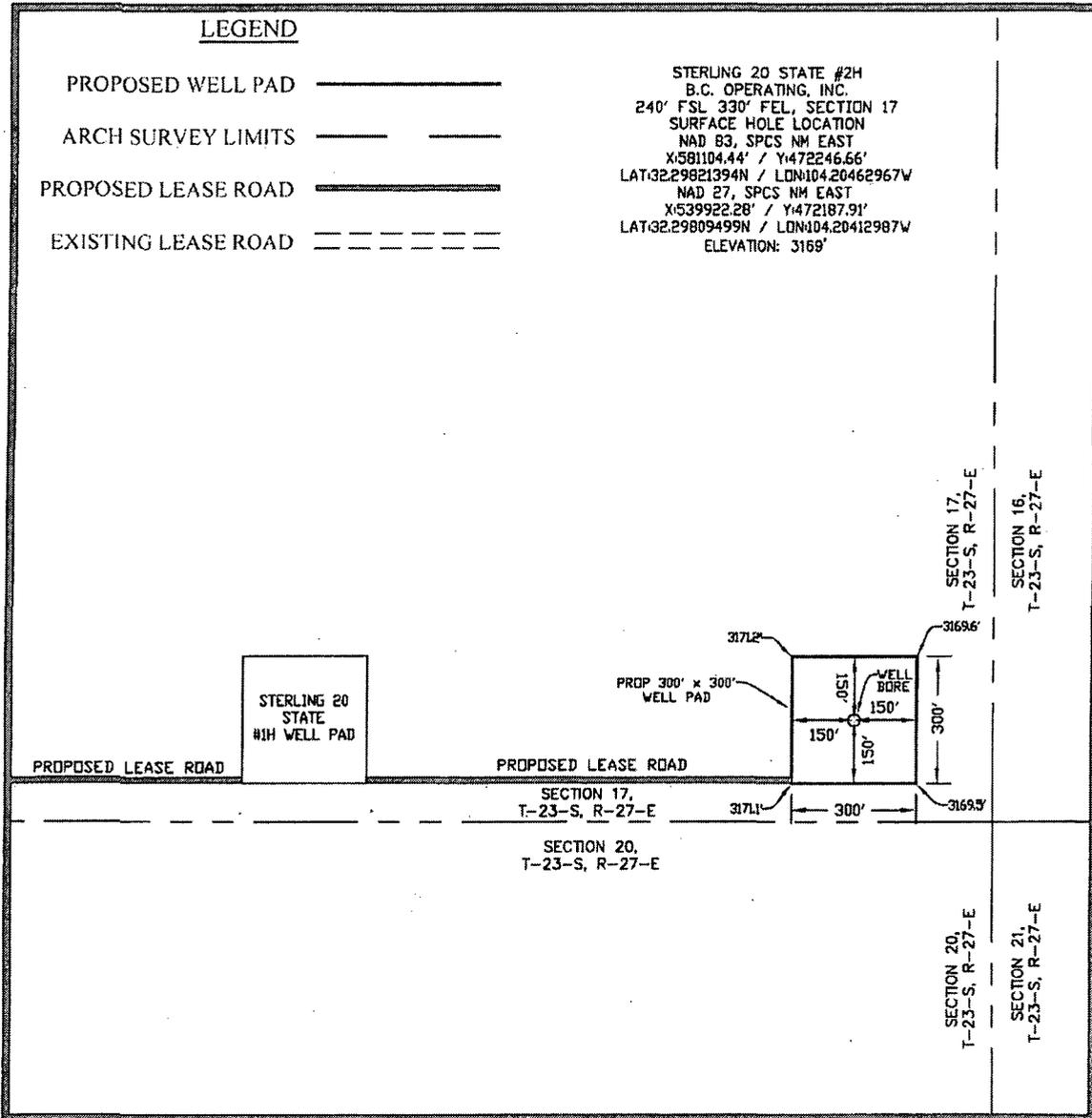
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 COUNTY: EDDY
 DESCRIPTION: 240' FSL & 330' FEL
 ELEVATION: 3169'
 OPERATOR: B.C. OPERATING, INC.
 LEASE: STERLING 20 STATE
 U.S.G.S. TOPOGRAPHIC MAP: OTIS, N.M.

SCALE: 1" = 2 MILES

PREPARED BY:
 R-SQUARED GLOBAL, LLC
 1309 LOUISVILLE AVENUE, MONROE, LA 71201
 318-323-8900 OFFICE
 JOB No. R3450_002

WELL PAD TOPO

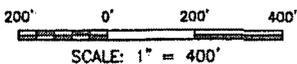
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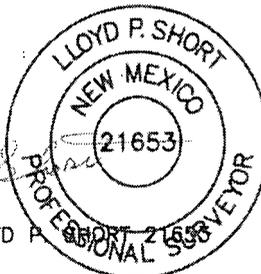
DIRECTIONS TO LOCATION:

FROM THE INTERSECTION OF U.S. HIGHWAY 62/WEST GREENE STREET AND U.S. 180 W./U.S. 62 W./S. CANAL STREET IN CARLESBAD, NEW MEXICO, TRAVEL SOUTH ON U.S. 62 W./S. CANAL STREET FOR 2.3 MILES TO OLD CAVERN HWY. ON THE LEFT. TRAVEL SOUTH ON OLD CAVERN HWY. FOR 6.3 MILES TO LEASE ROAD ON THE LEFT. TRAVEL EAST ON LEASE ROAD FOR 1.0 MILE TO PROPOSED WELL 290 FEET TO THE LEFT.

NOTE:
 THIS IS NOT A BOUNDARY SURVEY, APPARENT PROPERTY CORNERS AND PROPERTY LINES ARE SHOWN FOR INFORMATION ONLY. BOUNDARY DATA SHOWN IS FROM STATE OF NEW MEXICO OIL CONSERVATION DIVISION FORM C-102 INCLUDED IN THIS SUBMITTAL.



AUGUST 25, 2016



PREPARED BY:
 R-SQUARED GLOBAL, LLC
 1306 LOUISVILLE AVENUE, MONROE, LA 71201
 318-323-6800 OFFICE
 JOB No. R3450_002

EXISTING ACCESS ROAD VICINITY MAP

STERLING 20 STATE #2H

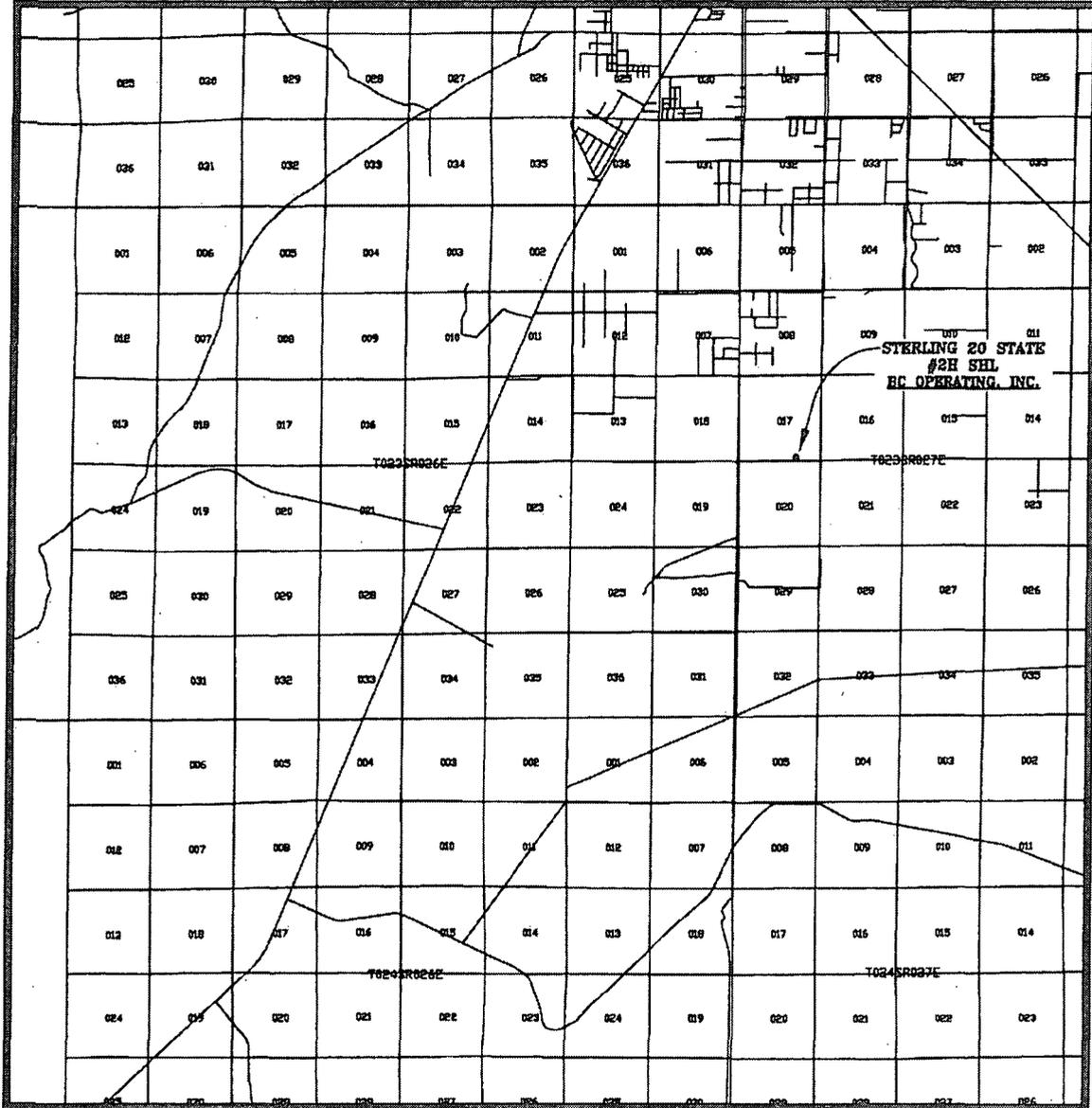
240' FSL & 330' FEL

SEC. 17 TWP. 23-S RGE. 27-E

SURVEY: N.M.P.M.

COUNTY: EDDY

U.S.G.S. TOPOGRAPHIC MAP: OTIS, N.M.



SCALE: 1" = 2 MILES

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