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Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

5. Lease Serial No.
LC-032579-E NM93034

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

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

2. Name of Operator BC&D Operating Inc.

3a. Address
PO Box 302 Hobbs, NM 88241

3b. Phone No. (include area code)
432-934-7686

4. Location of Well (Footage, Sec., T., R. M., or Survey Description)
660 FSL X 660 FWL, Unit Letter "M", Section 27, T25S, R37E NMPM
Lea County, New Mexico

7. If Unit or CA/Agreement, Name and/or No.
NM 71105

8. Well Name and No.
Santa Fe Federal # 001

9. API Well No.
30-025-26563

10. Field and Pool, or Exploratory Area
Jalmar(Gas)

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

12. CHECK 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 checked="" type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> After 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 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 checked="" type="checkbox"/> Water Disposal	

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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

BC&D Operating Inc. has acquired the Santa Fe Federal #1 from Westbrook Oil Corporation
Bonding and change of operator forms are currently on going.
BC&D is proposing to cement squeeze the current Yates perforations 2793-2979ft w/ 100 sacks Class "C" cement.
Drill out the cement and clean out to bottom of 5 1/2" casing and test the casing to 500 psig for 30 minutes, pending successful pressure test.
Drill 4 3/4" hole from current TD(3400ft) to TD 4200ft(San Andres). Run 4 1/2" 10.5# J55 Flush Joint casing to 3800 feet with the top of the casing at 3200ft. Cement with sufficient cement volume to circulate the 4 1/2" liner with cement. WOC. Drill out cement in liner and clean out to TD 4200 feet.
Run plastic coated tension packer and 2 3/8" IPC tubing to 3750 feet. Circulate with inhibited packer fluid(Notify BLM and NMOCD of pending test) and pressure test casing x tubing annulus to 350 psig for 30 minutes x Turn well to disposal service
Above work is pending approval of Change of Operator and approval of SWD permit application
Well would be equipped with double BOP with pipe and blind rams
Closed Loop system would be used during deepening operations. Fresh water would be used for drilling fluid.
Enclosed 6 copies of 3160-5, 6 copies of NMOCD form C144 CLEZ, C144 design, operation, maintenance and closure plan, Before and after well diagrams.
Copy of NMOCD form C108

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

Billy E. Prichard

Title Agent for BC&D Operating Inc.

Signature

Date

11/26/2010

DEC 1 2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

WESLEY W. INGRAM
PETROLEUM ENGINEER

Approved by

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

Date

Office

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)

BC&D Operating Inc.
Santa Fe Federal # 001
API # 30-025-26563

12 3/4" 33# csg set at 40ft
Cemented with 27 cubic feet Redi-Mix

Before conversion to SWD

8 5/8" 28# csg set at 482ft in 12 1/4" hole
Cemented w/ 325sx Class "C" cement
Cement circulated to surface

Exhibit "A"

Rustler	880
Salado	975
Tansill	2520
Yates	2680
7 Rivers	2990
Queen	3355

Yates Perforations 2793-2979ft

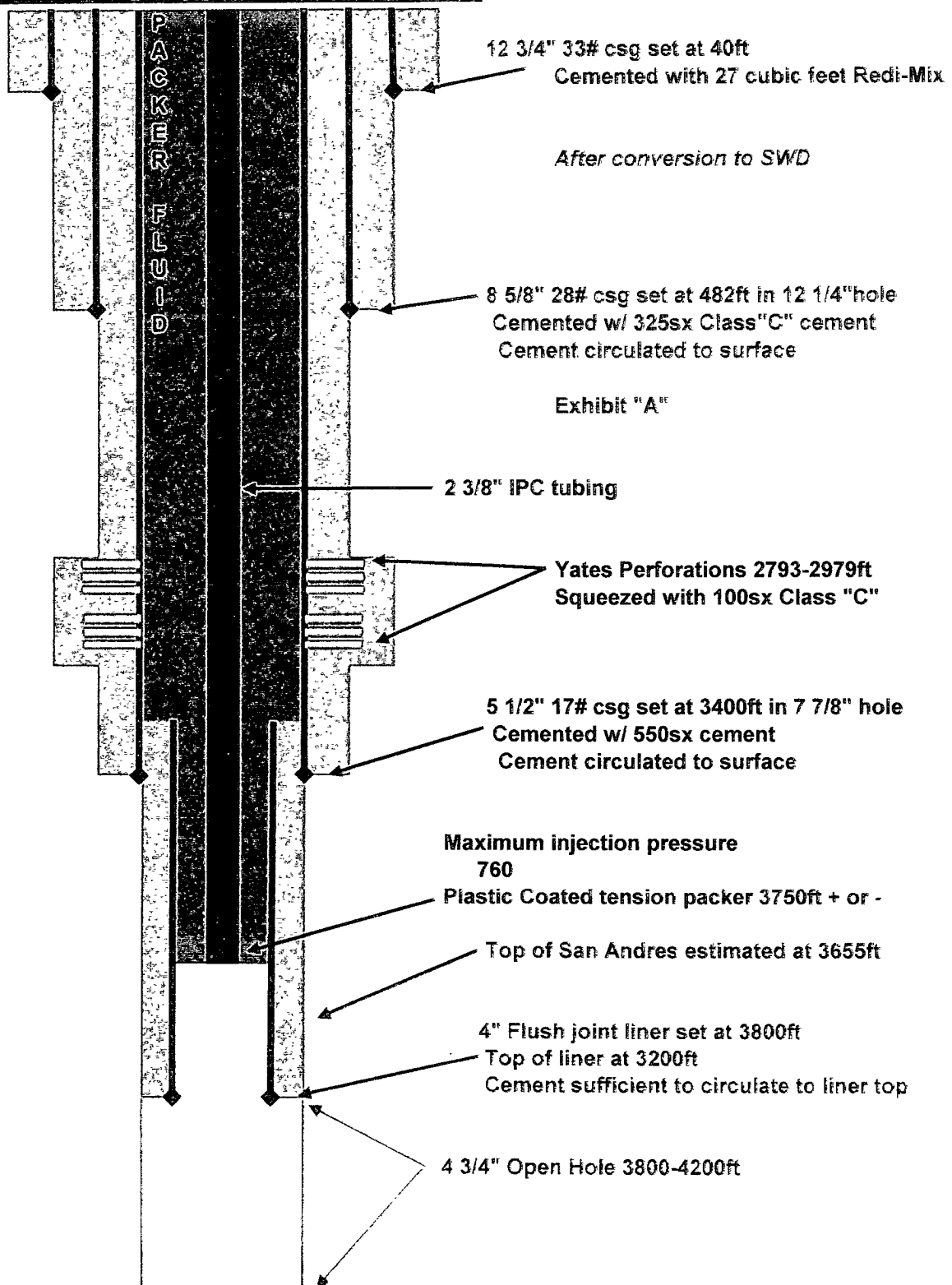
5 1/2" 17# csg set at 3400ft in 7 7/8" hole
Cemented w/ 550sx cement
Cement circulated to surface

BEP

Drawing not to scale

www.pwllc.net

BC&D Operating Inc.
Santa Fe Federal # 001
API # 30-025-26563



BEP

Drawing not to scale

www.pwllc.net

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 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
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144 CLEZ
July 21, 2008

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

Closed-Loop System Permit or Closure Plan Application

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Type of action: ☒ Permit ☐ Closure

Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1. Operator: **BC&D Operating Inc.** OGRID #: **25670**
Address: **PO Box 302 Hobbs, New Mexico 88241**
Facility or well name: **Santa Fe Federal # 001**
API Number: **30-025-26563** OCD Permit Number: _____
U/L or Qtr/Qtr M Section 27 Township 25S Range 37E County, Lea
Center of Proposed Design: Latitude **32.095850689** Longitude **-103.157131358** NAD. ☐ 1927 ☐ 1983
Surface Owner: ☐ Federal ☐ State ☒ Private ☐ Tribal Trust or Indian Allotment

2. ☒ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Operation: ☐ Drilling a new well ☒ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) ☐ P&A
☒ Above Ground Steel Tanks or ☐ Haul-off Bins

3. **Signs:** Subsection C of 19.15.17.11 NMAC
☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
☐ Signed in compliance with 19.15.3.103 NMAC

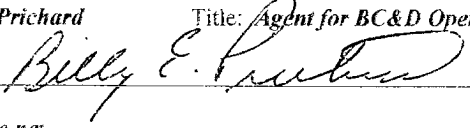
4. **Closed-loop Systems Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.
☒ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☒ Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
☐ Previously Approved Design (attach copy of design) API Number: _____
☐ Previously Approved Operating and Maintenance Plan API Number: _____

5. **Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:** (19.15.17.13.D NMAC)
Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.
Disposal Facility Name: **Sundance** Disposal Facility Permit Number: **NM-01-003**
Disposal Facility Name: _____ Disposal Facility Permit Number: _____
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations?
☐ Yes (If yes, please provide the information below) ☐ No
Required for impacted areas which will not be used for future service and operations:
☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6. **Operator Application Certification:**

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): **Billy (Bill) E. Prichard** Title: **Agent for BC&D Operating Inc.**

Signature:  Date: **11/26/10**

e-mail address: **billy@pwtc.net** Telephone: **432-934-7680**

OCD Approval: ☐ Permit Application (including closure plan) ☐ Closure Plan (only)

OCD Representative Signature: _____ Approval Date: _____

Title: _____ OCD Permit Number: _____

8. **Closure Report (required within 60 days of closure completion):** Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☐ Closure Completion Date: _____

9. **Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:**

Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations:

☐ Site Reclamation (Photo Documentation)

☐ Soil Backfilling and Cover Installation

☐ Re-vegetation Application Rates and Seeding Technique

10.

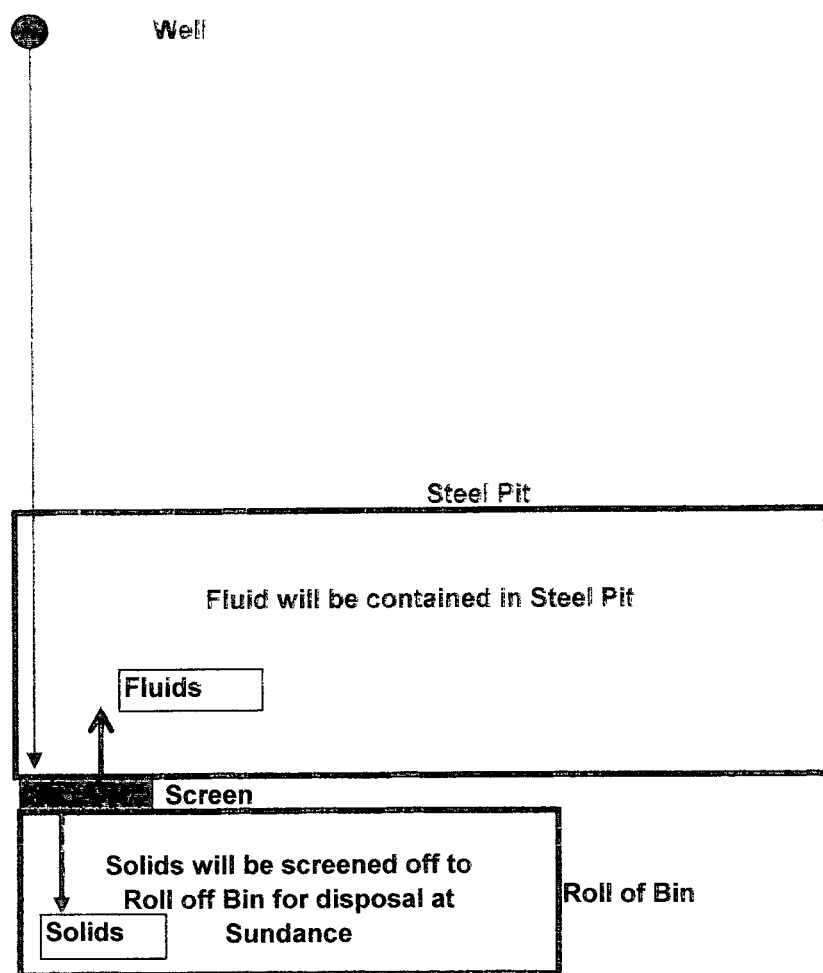
Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____



Pits and Roll off bins will be monitored during re-entry operations
 Fluids will be hauled to Sundance Disposal NM-01-003
 Solids will be hauled to Sundance Disposal NM-01-003

*BC&D Operating Inc.
 Santa Fe Federal # 001
 API # 30-025-26563
 Design, Operation, Closure Plan*