

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



May 2, 2012

BC Operating Inc
ATT: Pam Botkin
P O Box 50820
Midland, TX 79710

RE: CANCELLATION OF INTENT TO DRILL

Flying M #1

G-7-09s-33e, 1980/N & 1980/E

API # 30-025-39711

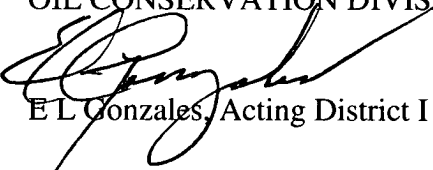
Gentlemen:

Twenty-four months or more have elapsed since Division Form C-101, "Notice of Intent to Drill" the subject well was approved. To date no progress reports, form C-103, have not been received. Therefore, approval of your permit to drill this well has expired and no drilling operations are to be initiated without further notice to and approval by the Oil Conservation Division. Pending such approval, this location will be considered as an abandoned location.

If drill has been done, please file OCD form C-103 "Subsequent Reports", with dates and of the work that was done, immediately to bring this file into current status.

Truly yours,

OIL CONSERVATION DIVISION


E L Gonzales, Acting District I Supervisor

Cc: OCD/ Santa Fe
OCD/Hobbs
BLM
State Land Office