

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

HOBBS OCD

OIL CONSERVATION DIVISION

FEB 17 2012

1220 South St. Francis Dr.

Santa Fe, NM 87505

RECEIVED

WELL API NO.

30-025-40216

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

37357

7. Lease Name or Unit Agreement Name

Jalmat

8. Well Number 1

9. OGRID Number

160825

10. Pool name or Wildcat

Grayburg/San Andres

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 ☐

2. Name of Operator

BC Operating, Inc.

3. Address of Operator

P.O. Box 50820 Midland, Texas 79710

4. Well Location

Unit Letter N : 422 feet from the South line and 2158 feet from the West line

Section 16 Township 23S Range 36E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3454' GL

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☒ P AND A ☐

CASING/CEMENT JOB ☐

OTHER: ☐

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.

02/03/12 - MIRU Choctaw & TOO H w/rods & pump.

02/06/12 - TOO H w/tbg. RIH w/cement retainer on tbg. Circ 60 bbls hot oil. TOO H w/retainer & TIH w/2 7/8" SN & 114 jts of production tbg. SN @ 3718'. Swabbed - IFL @ 500 FFS / FFL @ 800 FFS.

02/07/12 - Swabbing - IFL @ 700 FFS / FFL @ 900 FFS. TOH w/tbg. Set TAC w/13# tension. Land bottom of MA @ 3808', SN @ 3787' & TAC @ 3527'. Prep to run pump & rods.

02/08/12 - TIH w/1 1/4" x 10' GA, 2 1/2" x 1 3/4" x 20' pump, 8- 1 1/2" K-bars, 83- 3/4" rods, 58- 7/8" rods, space pump w/2', 8' x 7/8" subs & 1 1/2" x 26' PR. RDMO.

Spud Date:

08/13/2011

Rig Release Date:

08/21/2011

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

SIGNATURE

Pam Stevens

TITLE Regulatory Analyst

DATE 02/15/2011

Type or print name

Pam Stevens

E-mail address:

pstevens@bcoperating.com

PHONE:

432-684-9696

For State Use Only

APPROVED BY:

[Signature]

TITLE

PETROLEUM ENGINEER

DATE

JUL 10 2012

Conditions of Approval (if any):

JUL 10 2012