

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
OCT 12 2012
RECEIVED

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

<p>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.)</p>		<p>WELL API NO. 30-025-40216 ✓</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator BC Operating, Inc.</p>		<p>6. State Oil & Gas Lease No. 37357</p>
<p>3. Address of Operator P.O. Box 50820 Midland, Texas 79710</p>		<p>7. Lease Name or Unit Agreement Name Jalmat ✓</p>
<p>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</p>		<p>8. Well Number 1 ✓</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3454' GL</p>		<p>9. OGRID Number 160825</p>
<p>10. Pool name or Wildcat Grayburg/San Andres</p>		

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

<p>NOTICE OF INTENTION TO:</p> <p>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"/></p>		<p>SUBSEQUENT REPORT OF:</p> <p>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"/></p>	
<p>OTHER: <input type="checkbox"/></p>		<p>OTHER: Set CIBP & recompleto to Yates <input checked="" type="checkbox"/></p>	

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.

We made another attempt to recompleto this well which I was told was unsuccessful. The well is making nothing but water:

07/13/12 – MIRU, unhung well, unseated pump & POOH w/rods & pump.
 07/14/12 – TOH w/2 7/8" tbg. PU & TIH w/5 1/2" cmt retainer & set @ 3528'. Did cement squeeze from 3568' to 3688' w/150 sx Class C.
 07/17/12 – Perfed Queen formation 3343' – 3354', 3292' – 3306', 3252' – 3207' & 3218' – 3230' w/60 degree phasing 2 SPF 110 total holes. TIH w/5 1/2" treating packer. Hydrotested tubing in hole to 3200' @ 5000#.
 07/18/12 – Spotted acid across perfs 3218' – 3354' & acidized perfs w/3000 gals 15% HCL. RIH w/2 7/8" x 3 1/2" x 21' MHMA, 2 7/8" SN, 8 jts 2 7/8" tbg, 2 7/8" x 5 1/2" TAC & 96 jts 2 7/8" tbg, 2 1/2" x 1 1/2" x 20' RHBC w/10' GA, 8-1 1/2" F-bars, 68- 3/4" rods, 57- 7/8" rods & spaced out w/4', 6', 8' x 7/8" subs & 1 1/2" x 26' PR.

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 10/10/2012

Type or print name Pam Stevens E-mail address: pstevens@bcoperating.com PHONE: 432-684-9696

For State Use Only

APPROVED BY: [Signature] TITLE DBT/MAR DATE 11-21-2012
 Conditions of Approval (if any):

NOV 29 2012