

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 August 1, 2011

HOBBS OCD

DEC 03 2012

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

| |
|---|
| WELL API NO. 30-025-40730 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. 39415 |
| 7. Lease Name or Unit Agreement Name Midway 22 State |
| 8. Well Number 1H |
| 9. OGRID Number 160825 |
| 10. Pool name or Wildcat Midway; Bone Spring |

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 B : 330 feet from the North line and 1980 feet from the East line
 Section 22 Township 17S Range 36E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3841' GL

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

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

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.

11/04/12 - Set & Cmt Surface Casing:
 Ran 52 jts of 13 3/8" 61# J-55 STC casing w/18 centralizers set @ 2097' & cmt w/Lead - 2390 sx Class C + .4% gel + 1# Star-seal + .35% C-20 + .25% C-37 + .25% R-38. Tail w/300 sx Class C + .35% C-20 + .25% R-38 with TOC at Surface. Circ 324 sx to surface.

11/08/12 - Set & Cmt Intermediate Casing:
 Ran 104 jts of 9 5/8" 40# J-55 LTC casing w/16 centralizers set @ 3392' & cmt w/Lead - 740 sx Class H 50/50 + 10% bentonite + 1.5# Star-Seal + .25% R-38 + 10% salt. Tail w/250 sx Class H + .25# Star-seal + .25% R-38 + .1% C-20 w/TOC at Surface. Circ 69 bbls to surface.

Spud Date: 10/26/2012 Rig Release Date:

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 11/29/2012

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

For State Use Only

APPROVED BY: [Signature] TITLE Dist. MGR DATE 12-05-2012

Conditions of Approval (if any):

DEC 05 2012