

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 OIL CONSERVATION DIVISION
NOV 04 2016

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

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|---|
| WELL API NO. 30-025-42230 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. VO6800 / 40445 |
| 7. Lease Name or Unit Agreement Name Abe State ✓ |
| 8. Well Number #3H ✓ |
| 9. OGRID Number 160825 ✓ |
| 10. Pool name or Wildcat WC-025 G-07 S213330F; 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 A : 240 feet from the North line and 360 feet from the East line ✓
Section 29 32 Township 21S Range 33E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3701' 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.

10/31/2016: DEPTH 16,155'. RIG RELEASED AT REPORT TIME. 6.5 HOURS CEMENT 5.5" CASING TO SURFACE, 4.5 HOURS SET SLIPS AND NIPPLE DOWN WELLHEAD, RIG RELEASE 5:00 PM 10/30/2016.

CASING DETAIL:

| | |
|--|------------------|
| GUIDE SHOE | 1.61 |
| 1 JT. 5.5" 20# P110RY BK THREADS | 43.58 |
| FLOAT COLLAR | .97 |
| 1 JT. 5.5" 20# P110RY BK THREADS | 43.60 |
| LANDING COLLAR | 1.40 |
| 1 JT. 5.5" 20# P110RY BK THREADS | 43.59 |
| RSI TOOL #1 | 3.42 |
| 1 JT. 5.5" 20# P110RY BK THREADS | 43.76 |
| RSI TOOL #2 | 3.42 |
| 1 JT. 5.5" 20# P110RY BK THREADS | 828.45 |
| 22FT MARKER 5.5" 20# P110RY BK THREADS | 21.71 |
| 1 JT. 5.5" 20# P110RY BK THREADS | 2,568.39 |
| 22FT MARKER 5.5" 20# P110RY BK THREADS | 20.53 |
| 1 JT. 5.5" 20# P110RY BK THREADS | 12,533.64 |
| TOTAL | 16,158.07 |
| LESS FEET ABOVE FLOOR | 3.07 |
| CASING SET AT | 16,155.07 |

CEMENT DETAIL: LEAD 730 SACKS PRO-VALUE C, 11.0 PPG, 4.1 YIELD. TAIL 940 PRO-VALUE H, 13.5 PPG, 2.29 YIELD, 50% CaCO₃. 20 BBLs FRESH WATER AHEAD, 50 BBLs LCM SWEEP, 47 BBLs SCAVENGER SLURRY (10.5 PPG CEMENT), LEAD 497 BBLs, TAIL 383 BBLs, DROP PLUG FOLLOWED BY 24 BBLs 10% ACETIC ACID, 388 BBLs FRESH WATER. BUMPED PLUG, FLOATS HELD, FULL RETURNS DURING JOB, CIRCULATED 189 SACKS CEMENT TO SURFACE.

Spud Date: 10/11/2016

Rig Release Date: 10/30/2016

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 11/01/2016

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 11/07/16
Conditions of Approval (if any): _____