

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address B.C. OPERATING, INC., P.O. Box 50820, Midland, TX 79710		² OGRID Number 160825
³ Property Code 35729	⁴ Property Name Angell	⁵ API Number 30 - 025 - 37902
⁹ Proposed Pool 1 Lovington SW (Paddock)		¹⁰ Proposed Pool 2

⁷ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	11	17S	36E		660	North	660	East	Lea

⁸ Proposed Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code 3	¹⁵ Ground Level Elevation 3831'
¹⁶ Multiple N	¹⁷ Proposed Depth 6200'	¹⁸ Formation Paddock	¹⁹ Contractor Adobe	²⁰ Spud Date 6/15/06
Depth to Groundwater		Distance from nearest fresh water well		
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 14 mils thick Clay <input type="checkbox"/>		Pit Volume: 24000 bbls		
Closed-Loop System <input type="checkbox"/>		Drilling Method: Fresh Water <input type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil based <input type="checkbox"/> Gas/Air <input type="checkbox"/>		

²¹ Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17"	13-3/8"	48# H-40	500'	500 "C"	Surface
12 1/4"	8-5/8"	32# J-55	3,500'	500 "C"	1,000'
7-7/8"	5 1/2"	15.5# J-55	6,200'	750 "C"	3,000'

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

B.C. OPERATING, INC. proposes to drill/test the Paddock formation. Approximately 500' of surface casing will be set/cemented. If commercial, production casing will be run/cemented, perforate/stimulate as needed for production. Approximately 3500' of intermediate casing will be set and cemented.

MUD PROGRAM: 0-500'
500-3500'
3500-TD

FW/Spud mud
Cut Brine
Gel/Starch

BOPE PROGRAM: A 5000# BOPE will be installed on the 13-3/8 and 8-5/8" casing and tested daily.

Permit Expires 1 Year From Approval Date Unless Drilling Underway

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: **Kenneth C. Dickeson**
Title: **Authorized Agent**
E-mail Address: **kend@lavidaenergy.com**
Date: **5/30/06** Phone: **(432) 682-4002**

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached ☐

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State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-37902	Pool Code 40660	Pool Name Lovington Paddock
Property Code 35729	Property Name ANGELL	Well Number 1
OGRID No. 160825	Operator Name BC OPERATING, INC.	Elevation 3831'

Surface Location

UL or lot No. A	Section 11	Township 17 S	Range 36 E	Lot Idn	Feet from the 660	North/South line NORTH	Feet from the 660	East/West line EAST	County LEA
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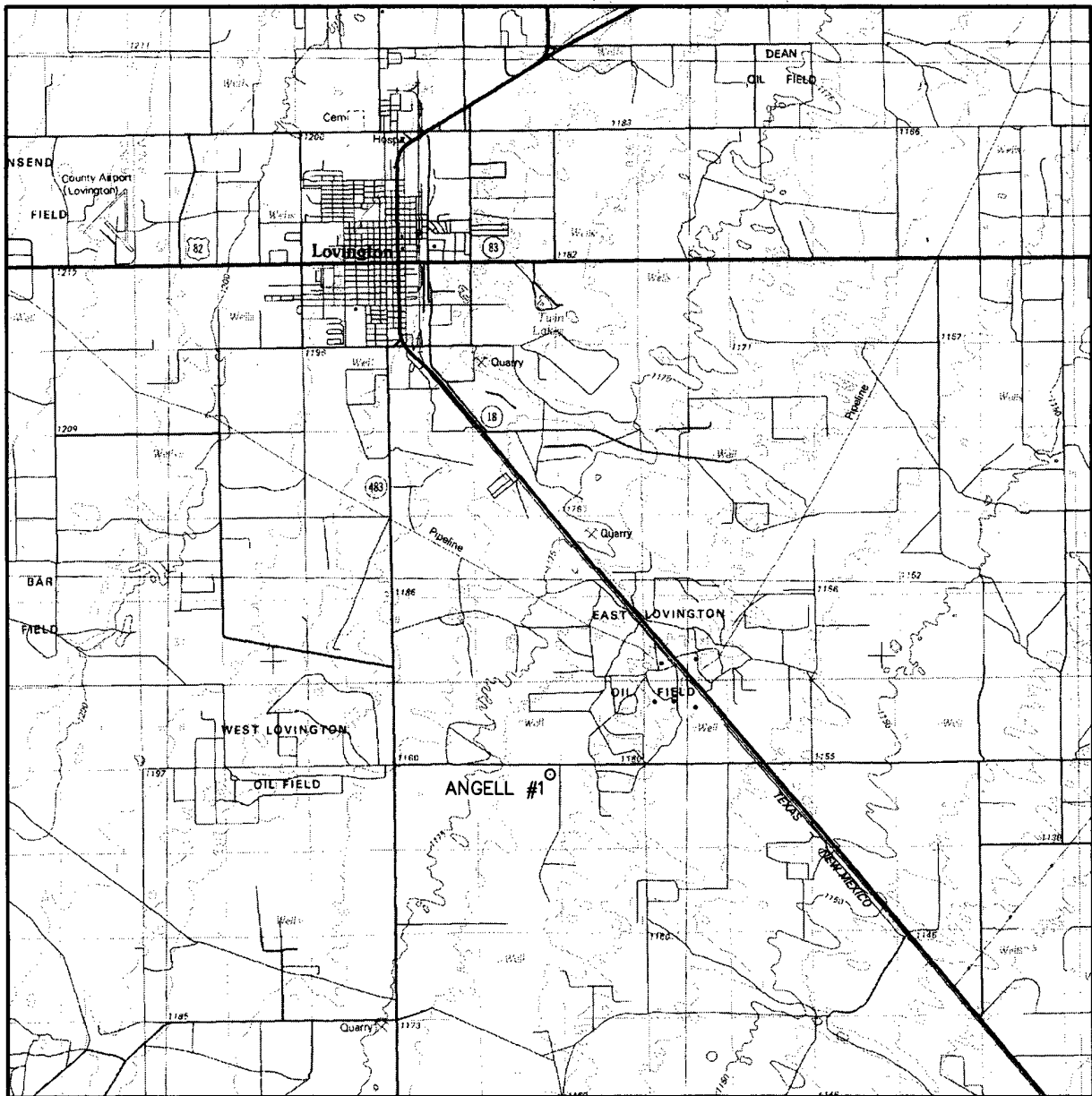
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code		Order No.					

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

				OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature Date Kenneth C. Dickeson Printed Name
				SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief. May 25, 2006 Date of Survey LVA Signature & Seal of Professional Surveyor W.O. Num 2006-0203 Certificate No. MACON McDONALD 12185

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 11 TWP. 17-S RGE. 36-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 660' FNL & 660' FEL

ELEVATION 3831'

OPERATOR BC OPERATING, INC.

LEASE ANGELL



**WEST
COMPANY**
of Midland, Inc.

110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
(432) 687-0865 - (432) 687-0868 FAX

[illegible]

CONTOUR INTERVAL:
LOVINGTON SE - 5'

U.S.G.S. TOPOGRAPHIC MAP
LOVINGTON SE



**WEST
COMPANY**
of Midland, Inc.

110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
(432) 687-0865 - (432) 687-0868 FAX

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State of New Mexico
Energy Minerals and Natural Resources

Form C-144
June 1, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

For drilling and production facilities, submit to
appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe
office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: B.C. OPERATING, INC. Telephone: (432) 683-2950 e-mail address: kwidner@usaonline.net	
Address: P.O. Box 50820, Midland, TX 79710	
Facility or well name: Angell #1	API #: 30-025-37902 U/L or Qtr/Qtr A Sec 11 T 17S R 36E
County: Lea	Latitude 676,233.4 Longitude 811,736.8 NAD: 1927 <input checked="" type="checkbox"/> 1983 <input type="checkbox"/>
Surface Owner: Federal <input type="checkbox"/> State <input type="checkbox"/> Private <input checked="" type="checkbox"/> Indian <input type="checkbox"/>	
Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness 14 mil Clay <input type="checkbox"/> Pit Volume 24,000 bbl	Below-grade tank Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: _____
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) 100 feet or more (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (20 points) No (0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) 1000 feet or more (0 points)
Ranking Score (Total Points) 20 points	

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility _____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: **5/30/06**

Printed Name/Title **Kenneth C. Dickeson, Authorized Agent** Signature _____

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Printed Name/Title _____

ORIGINAL SIGNED BY
PAUL F. KAUTZ
PETROLEUM ENGINEER

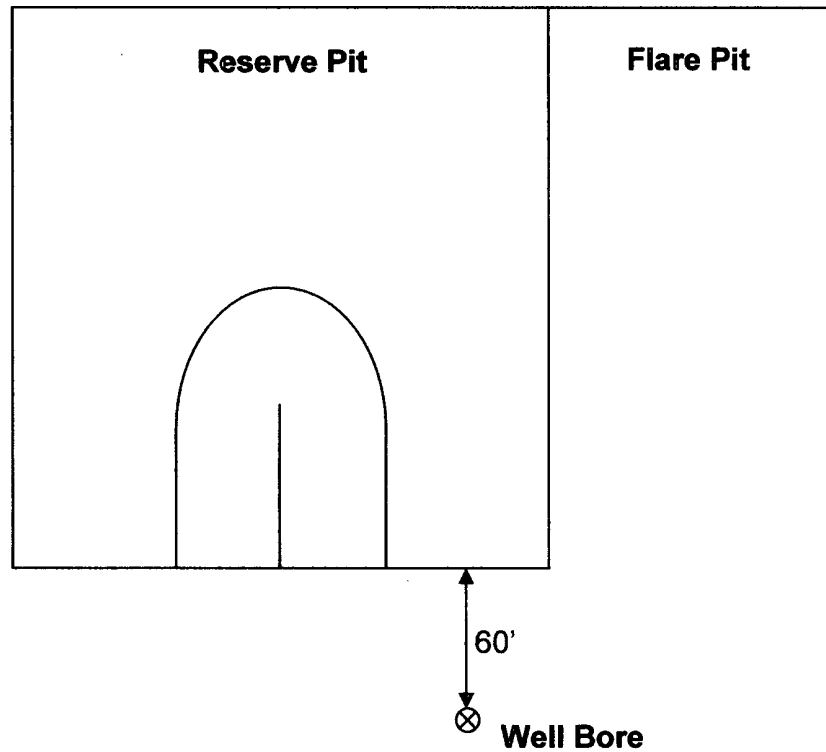
JUN 05 2006
Date: _____

Angell #1

B.C. OPERATING, INC.

The reserve pit will be to the North. The Southeast corner of the pit will be approximately 60' North of the well bore. The pit will be 150' x 150' and 6' deep with a capacity of 24,000 bbls.

Standard reserve pit. All reserve pits that are horse shoe size vary with the depth of the well.



H₂S Contingency Plan

B.C. OPERATING, INC.

Angell #1

Section 11, Township 17 South, Range 36 East,
LEA COUNTY, NM

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SCOPE

This plan establishes the B.C. OPERATING, INC. guidelines for all company and contract employees whose duties may involve exposure to hydrogen sulfide gas (H₂S) on the *Angell #1* location. This well is located 660 feet from the north line, 660 feet from the east line in Section 11 of Township 17 South, Range 36 East, Lea County, New Mexico. This plan also establishes procedure for isolation of the work site and evacuating the public on the condition that:

- A. There is a release of H₂S that encompasses the radius of exposure (ROE) in this plan and,
- B. There are persons and/or rods within the ROE and,
- C. There is the endangerment of human and/or animal life within the ROE.

There are no homes located within one (1) mile either direction of this particular location.

OBJECTIVE

The objective of B.C. OPERATING, INC. is to:

- A. Prevent any and all accidents, and to prevent the uncontrolled release of H₂S into the atmosphere and,
- B. Provide proper evacuation procedures to cope with emergencies and,
- C. Provide immediate and adequate medical attention should an injury occur.

It should be noted that B.C. OPERATING, INC. does not expect there to be any release of H₂S into the atmosphere but has taken the necessary steps to react properly to and control any hazards encountered on any of our facilities.

GENERAL EMERGENCY ACTION

In the event of an emergency, the following action should be initiated:

1. All personnel shall immediately evacuate to an upwind and uphill “safe breathing” area.
 2. Those who must enter the hazard area must wear positive pressure self-containing breathing apparatus and must use other appropriate safety equipment as outlined on Page 10.
 3. Isolate the well, if possible.
 4. Use the “Buddy System” at all times.
 5. Account for all personnel and take appropriate action as necessary for personnel safety.
 6. Display the appropriate color warning flag to describe the type of emergency.
 7. Contact B.C. OPERATING, INC. personnel at the earliest time available according to the emergency call out list on Page 5.
-
- The B.C. OPERATING, INC. supervisor will assess the situation and assign duties to various persons to bring the situation under control.
 - Notification of local emergency response agencies and residents will be assigned by the B.C. OPERATING, INC. supervisor.
 - Media inquiries are to be referred to:
 - B.C. OPERATING, INC.
 - P.O. Box 50820
 - Midland, TX 79710

BC OPERATING, INC.

EMERGENCY CALL OUT NUMBERS

NAME	TITLE	OFFICE #	CELL #	HOME #
Jerry Livingston	Drilling Foreman	(432) 684-9696	(432) 664-3189	(432) 523-3755
Kevin Widner	Operations Manager	(432) 684-9696	(432) 425-4829	(432) 520-3557

**Emergency Notification Numbers
Eddy, County**

Organization or Agency	Phone Number
New Mexico State Police	(505) 885-3137
Eddy County Sheriff's Department	(505) 887-7551
Emergency Medical Service (Ambulance)	911
Eddy County Emergency Management	(505) 887-9511
State Emergency Response Center (SERC) Max Johnson (Chairman)	(505) 476-9620
Carlsbad Fire Department	911 or (505) 885-3125
Oil Conservation Division (District II)	(505) 748-1283
National Response Center (NRC)	(800) 424-8802

CONTOUR INTERVAL:
LOVINGTON SE - 5'

U.S.G.S. TOPOGRAPHIC MAP
LOVINGTON SE



**WEST
COMPANY**
of Midland, Inc.

110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
(432) 687-0865 - (432) 687-0868 FAX

EMERGENCY PROCEDURES FOR UNCONTROLLABLE RELEASE OF HYDROGEN SULFIDE GAS (H₂S)

1. Secure and don self-contained breathing apparatus.
2. Remove all personnel to an upwind and uphill “safe breathing” zone.
3. Contact all concerned employees and immediate supervisor for instructions.
4. Take steps to protect and/or remove the general public to an upwind area away from the source of H₂S.
5. Deny entry to unnecessary personnel.
6. Notify necessary public safety personnel (for assistance in the evacuation of the general public and to help maintain roadblocks):
 - a. State Police if on or near a **state road**
 - b. Sheriff’s Department if on or near a **county road**
7. Contact the Oil Conservation Division (OCD).
8. While attempting to control the release, maintain tight security and safety procedures.
9. Use the “Buddy System” when entering any hazardous areas.

The responsibility of this plan is with the B.C. OPERATING, INC. supervisor(s) who shall be in complete command during the emergency.

IGNITION PROCEDURES FOR UNCONTROLLABLE WELL CONDITIONS

The decision to ignite the well is the decision of the company supervisor(s). This decision should be made only as a last resort and in a situation where it is determined that:

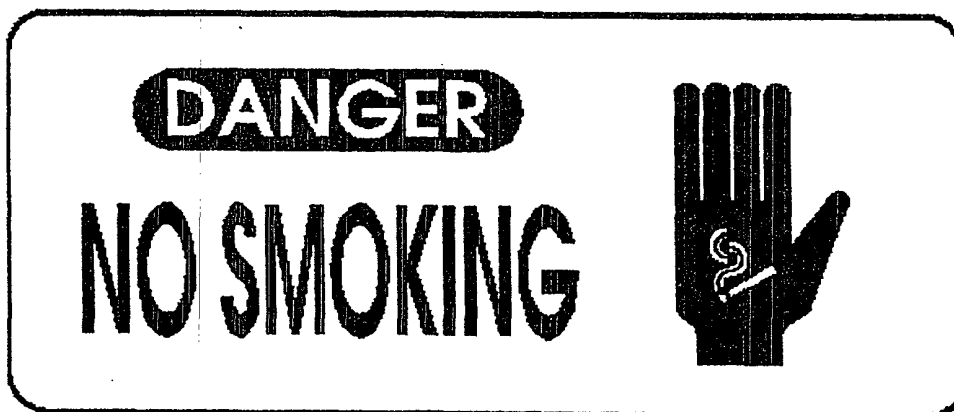
- Human life and/or property are endangered
- There is no hope of controlling the blowout under the prevailing conditions at the well.

INSTRUCTIONS FOR IGNITING THE RELEASE

1. Two personnel are required for the ignition operation. They **must** wear positive pressure self-contained breathing apparatus and a D-ring style full body safety harness with a non-flammable safety rope attached. (**Must be an OSHA approved body harness**)
2. One (safety) person will test the atmosphere for explosive gases with an approved Triple-range (H_2S , O_2 , LFL) monitor. The other person (company supervisor) is responsible for igniting the well.
3. Primary method of ignition shall be with the 25mm flare gun with range of approximately 500 feet.
4. Ignite up-wind and do not approach any closer than is warranted.
5. Select a safe ignition site which offers ultimate egress.
6. Before activating flare gun, check for presence of combustible gas.
7. After ignition, continue emergency action and procedure as before.
8. All unassigned personnel will limit their actions to those directed by the company supervisor.

After the well is ignited, burning H_2S will produce SO_2 , which is also highly toxic. **Do not assume the area is safe after the well is ignited.**

A NO SMOKING POLICY shall be strictly enforced on location at all times.



EMERGENCY EQUIPMENT REQUIREMENTS

1. Respiratory Protection

- **Rescue Units (SCBA's) :** One (1) unit shall be placed at each briefing area and 2 shall be stored in the safety trailer.
- **Work/EscapE Units:** Four (4) units shall be stored on the rig floor connected to the safety trailer with sufficient hose to allow workers to adequately perform duties with minimal restriction.
- **Emergency Escape Units:** Four (4) units shall be stored in the top dog house for emergency evacuation purposes.

2. Signs and Flags

- **One (1) Condition Sign** shall be placed at location entrance with the following language:

DANGER
H₂S

POTENTIAL DANGER (Green)

MODERATE DANGER (Yellow)

EXTREME DANGER (Red)

- **Condition Flags** shall be displayed at the sign in one of the following designations:

Green / normal conditions **Yellow / potential danger** **Red/ danger, H₂S Present**

3. **Briefing Area:** Two (2) briefing areas, designated by signs, shall be located perpendicular to each other and be easily visible and readily accessible.
4. **Windsocks:** Two (2) windsocks shall be strategically placed where they are easily visible from all points.

5. Hydrogen Sulfide Detectors and Alarms:

- One (1) stationary H₂S monitor with three sensors shall be located on the rig in the top dog house. The H₂S monitor shall be calibrated to alarm at 10PPM for the low alarm (visual alarm) and 15 PPM for the high alarm (audible alarm). Calibrations shall be checked every 30 days or as needed. The sensors shall be located as follows:

#1 – Rig floor

#2 – Bell Nipple

#3 – Flow line or where the well bore fluid is discharged

- A gas sampling pump, with detector tubes capable of measuring H₂S gas, shall be located in the safety trailer.

6. Additional Rescue Equipment

- One Hundred Feet (100') of 5/8" OSHA approved rope.
- Two (2) OSHA approved full body harness
- One (1) Stretcher

7. Fire Extinguishers:

- One (1) 20#, Class ABC fire extinguisher shall be located in the safety trailer.

8. Communication:

- Cellular Phones/Mobile Phones or two- way radios shall be available via the vehicles on location and on the rig floor.

TOXIC EFFECTS OF HYDROGEN SULFIDE

Hydrogen sulfide (H₂S) is extremely toxic. The acceptable ceiling concentration for an eight (8) hour exposure is 10 PPM, which is .001% by volume. Hydrogen sulfide (H₂S) is colorless. Hydrogen Sulfide (H₂S) is heavier than air, the specific gravity is equal to 1.19 which is 20% heavier than ambient temp air which is 1.00. Hydrogen sulfide (H₂S) can form an explosive mixture with air between 4.3% and 46.0%. By volume hydrogen sulfide (H₂S) is as toxic as hydrogen cyanide and is between 5-6 times more toxic than carbon monoxide.

TOXICITY OF VARIOUS GASES

<i>Common Name</i>	<i>Chemical Formula</i>	<i>Specific Gravity</i>	<i>Threshold Limit¹</i>	<i>Hazardous Limit²</i>	<i>Lethal Concentration³</i>
Hydrogen Cyanide	HCN	0.94	10 PPM	150 PPM/Hr	300 PPM
Hydrogen Sulfide	H ₂ S	1.189	10 PPM ⁴ 15 PPM ⁵	100 PPM/Hr	600 PPM
Sulfur Dioxide	SO ₂	2.21	2 PPM	N/A	100 PPM
Chlorine	CL ₂	2.45	1 PPM	4 PPM/Hr	1000 PPM
Carbon Monoxide	CO	0.97	50 PPM	400 PPM/Hr	1000 PPM
Carbon Dioxide	CO ₂	1.52	5000 PPM	5%	10%
Methane	CH ₄	0.55	90,000 PPM	Combustible @ 5%	N/A

- (1) Threshold limit – Concentration at which it is believed that all workers may be repeatedly exposed, day after day with out adverse effects also referred to as Time Weighted Average (TWA).
- (2) Hazardous limit – Concentration that may cause death
- (3) Lethal concentration – Concentrations that will cause death with short-term exposure
- (4) Threshold limit – 10PPM – NIOSH guide to chemical hazards
- (5) Short- term threshold limit – Concentration higher than Threshold limit with limits placed on time one can be exposed. Exposure time is limited to 15 minutes followed by one (1) hour in fresh air. This cycle can be repeated for (4) times during a normal eight (8) hour work day.

(Concentrations are calculated @ 15.00 psia and 60 degrees F.)

Concentrations		Physical Effects
0.001%	10 PPM	Obvious & unpleasant odor. Safe for an eight (8) hour exposure
0.005%	50 PPM	Can cause some flu-like symptoms and can cause pneumonia.
0.01%	100 PPM	IDLH ¹ . Kills the sense of smell in 3 to 15 minutes. May irritate eyes and throat.
0.02%	200 PPM	Kills the sense of smell rapidly. Severely irritates eyes and throat. Severe flu-like symptoms after 4 or more hours may cause lung damage and/or death.
0.06%	600 PPM	Loss of consciousness quickly, death will result if not rescued promptly.

(1) Immediately dangerous to life or health

TOXICITY OF HYDROGEN SULFIDE

H ₂ S Per Cent (PPM)	0 - 2 Minutes	0 - 15 Minutes	15 - 30 Minutes	30 Minutes to 1 Hour	1 - 4 Hours	4 - 8 Hours	8 - 48 Hours
0.005 (50 ppm) 0.010 (100 ppm)				Mild Conjunctivitis; Respiratory Tract Irritation			
0.010 (100 ppm) 0.015 (150 ppm)		Coughing; Irritation of Eyes; Loss of Sense of Smell	Disturbed Respiration; Pain in Eyes; Sleepiness	Throat	Salivation & Mucous Discharge; Sharp Pain in Eyes; Coughing	Increased Symptoms*	Hemorrhage & Death *
0.015 (150 ppm) 0.020 (200 ppm)		Loss of Sense of Smell	Throat & Eye Irritation	Throat & Eye Irritation	Difficult Breathing; Blurred Vision; Light & Shy	Serious Irritating Effects	Hemorrhage & Death *
0.025 (250 ppm) 0.035 (350 ppm)	Iritation of Eyes; Loss of Sense of Smell	Iritation of Eyes	Painful Secretion of Tears; Weariness	Light & Shy; Nasal Catarrh; Pain in Eyes; Difficult Breathing	Hemorrhage & Death		
0.035 (350 ppm)		Iritation of Eyes; Loss of Sense of Smell	Difficult Respiration Coughing; Iritation of Eyes	Increased Irritation of Eyes & Nasal Tract; Dull Pain Head; Weariness; Light & Shy	Dizziness Weakness; Increased Irritation; Death	Death *	
0.050 (500 ppm)	Coughing Collapse & Unconsciousness	Respiratory Disturbances; Iritation of Eyes; Collapse	Serious Eye Irritation; Palpitation of Heart; Few Cases of Death*	Severe Pain in Eyes and Head Dizziness; Trembling of Extremities; Great Weakness & Death *			
0.060 (600 ppm) 0.070 (700 ppm) 0.080 (800 ppm) 0.100 (1000 ppm) 1.150 (1500 ppm)	Collapse * Unconsciousness Death *	Collapse * Unconsciousness Death *					

* Data secured from experiments of dogs, which have susceptibility similar to men/women. **PPM parts per million

THE USE OF SELF-CONTAINED BREATHING AIR EQUIPMENT

SCBA should be worn when:

- Working near the top or on top of any tank.
- Disconnecting any line where H₂S can reasonably be expected.
- Sampling air in the area to determine if toxic concentrations of H₂S exist.
- Working in areas where over 10 PPM of H₂S has been detected.
- At any time there is a doubt as to the H₂S level in the area to be entered.

Air quality testing shall be continuous throughout the entire operation if a container is breeched or in a hazardous location.

All personnel shall be trained in the use of SCBA prior to working in a potentially hazardous location.

Facial hair and standard eyeglasses are not allowed with SCBA use.

Contact lenses are never allowed with the use of SCBA.

The SCBA shall be inspected monthly.

After each use, the SCBA shall be cleaned, disinfected, serviced, inspected and refilled to proper specifications.

May 30, 2006

NMOCD District II
1625 N. French Drive
Hobbs, NM 88240

RE: Form C-101 Well Permit, Form C-144 Pit Permit
and H₂S Contingency Plan
BC OPERATING, INC. – **Angell #1 Well**
660' FNL & 660' FEL, Section 11, T-17-S, R-36-E,
LEA COUNTY, NEW MEXICO

Gentlemen:

Attached hereto for NMOCD approval are duplicate originals of each of the captioned NMOCD forms for the referenced well.

Inasmuch as a rig is scheduled for this well in the next few days, we would appreciate your expediting this request.

If you have any questions relative to this matter, please contact **Ken Dickeson** at **(432) 559-0073**.

Thank you,


Kimberly Barker

Enclosures

tlnmocd(angell)



BC OPERATING, INC.

P.O. Box 50820
Midland, Texas 79710

731 W. Wadley, Bldg. L, Ste. 200
Midland, Texas 79705
(432) 684-9696
Fax (432) 686-0600

March 23, 2006

To Whom It May Concern

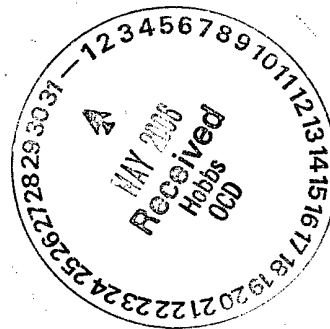
B.C. Operating, Inc. hereby constitutes and appoints Kenneth C. Dickeson as its authorized agent to execute on its behalf regulatory documents required by either the New Mexico Oil Conservation Division and/or the Bureau of Land Management. Such authority to execute documentation may include, but is not limited to, State of New Mexico well permits (Forms C-101, C-102, C-103, C-144, etc.) and Bureau of Land Management Authority for Permit to Drill and Sundry Notices, Right of Way Applications and Agreements.


Thank you for your cooperation in this matter.

Yours very truly,



Kevin Widner
Operations Manager



 The sender of this message has requested a read receipt. [Click here to send a receipt.](#)

Mull, Donna, EMNRD

From: Phillips, Dorothy, EMNRD
To: Mull, Donna, EMNRD
Cc:
Subject: RE: Financial Assurance Requirement
Attachments:

Sent: Mon 6/5/2006 9:18 AM

All have blankets and one appear on Jane's list.

From: Mull, Donna, EMNRD
Sent: Monday, June 05, 2006 8:06 AM
To: Phillips, Dorothy, EMNRD
Cc: Macquesten, Gail, EMNRD; Sanchez, Daniel J., EMNRD
Subject: Financial Assurance Requirement

Dorothy,

Is the Financial Assurance Requirement for these Operators OK?

Pogo Producing Co (17891)
Devon Energy Production Co LP (6137)
Pride Energy Co (151323)
BTA Oil Producers (3002)
Chesapeake Operating Inc (147179)
B C Operating Inc (160825)

I have check the inactive well list for each of these operators.

Please let me know. Thanks and have a nice day. Donna