

## OCD-HOBBS

Form 3160-5  
(February 2005)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an  
abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well  
☐ Oil Well ☐ Gas Well ☒ Other2. Name of Operator ~~SMITH & MARRS, INC.~~

BC Operating Inc

3a. Address  
P.O. BOX 863 MIDLAND, TX 797453b. Phone No. (include area code)  
432-586-3076

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

UNIT LETTER "G", SEC 27. T-26S, R-37E, NMPM 1650' FNL 1650' FEL

5. Lease Serial No.

NMLC-030174-B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

W H RHODES B NCT-1 #1WIW

9. API Well No.

30-025-12067

10. Field and Pool, or Exploratory Area

RHODES YATES SEVEN RIVERS

11. County or Parish, State

LEA COUNTY, NEW MEXICO

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

SEE ATTACHMENT-RESUBMISSION OF DAILY REPORTS FOR CORRECTION OF APPROVED MIT

ACCEPTED FOR RECORD

APR - 2 2007

LES BABYAK  
PETROLEUM ENGINEER14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Terri Jennings

Title

Secretary

Signature

Terri Jennings

Date

3-20-2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Larry W. Wink

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

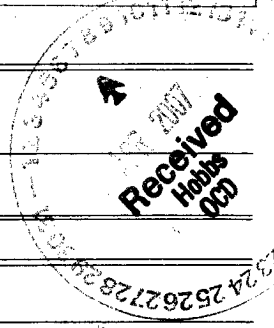
Date

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

GWW



# MIT OPERATOR'S COPY

Form 3160-5  
(February 2005)

## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

### SUNDRY NOTICES AND REPORTS ON WELLS

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FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

5. Lease Serial No. <b>NMLC-030174-B</b>
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No. <b>W H RHODES B NCT-1 #1 WIW</b>
9. API Well No. <b>30-025-12067</b>
10. Field and Pool, or Exploratory Area <b>RHODES YATES SEVEN RIVERS</b>
11. County or Parish, State <b>LEA COUNTY, NEW MEXICO</b>

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

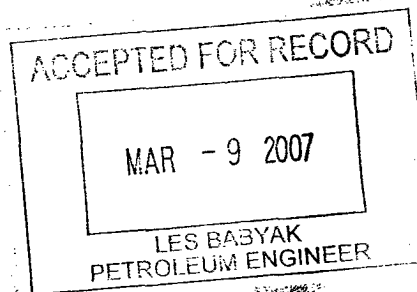
1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator <b>SMITH &amp; MARRS, INC.</b>	
3a. Address <b>P.O. BOX 863 KERMIT, TX 79745</b>	3b. Phone No. (include area code) <b>432-586-3076</b>
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SEE ATTACHMENT



14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) <b>JERRI JENNINGS</b>		Title <b>SECRETARY</b>
Signature <i>Jerri Jennings</i>		Date <b>3-6-2007</b>

### THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office _____	

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(Instructions on page 2)

## MAYO MARRS CASING PULLING INC.

Lease: BC OPERATING  
 Project: WH RHODES B NCT FED 1 # 1  
 ATTN: MIT  
 Mike Black

FAX #  
 PUSHER - JUAN RAMERIZ  
 BID = Hourly  
 Tracking # 07-5504-4

API 30-025-12067

1/24/2007 6 HRS

SAFETY MEETING - EQUIPMENT FROZEN UP - MI RU EQUIPMENT - STARTED BLOWING DOWN WELL INTO STEEL PITS - SDFD

8 HRS RIG	\$262.00	\$2,096.00
1 CONSULTANT	\$500.00	\$500.00
1.5 CREW TRAVEL TIME	\$150.00	\$225.00
1 Steel Pits per well	\$750.00	\$750.00

Total Daily Cost = \$3,571.00

1/25/2007 11 HRS

SAFETY MEETING - RIG UP KILL TRUCK - LOAD AND TEST CASING TO 500# - RU ON TUBING AND PRESSURE UP TO 650# - SD FOR 5 MIN TUBING ON SLIGHT VACUUM - RIH WITH WIRELINE AND TAG @ 3051' - CALLED BRANDON BLACK - OK TO PULL TUBING AND CLEAN OUT - ND WELLHEAD - NU BOP - UNSET PACKER - WORK PACKER - POH WITH 2 JTS 2-3/8" TUBING - SDFD

11 HRS RIG	\$262.00	\$2,882.00
1 CONSULTANT	\$500.00	\$500.00
1.5 CREW TRAVEL TIME	\$150.00	\$225.00
1 B O P for 2 3/8" and 2 7/8" (5 DAYS)	\$550.00	\$550.00
6 Killtruck / hr	\$100.00	\$600.00
1 Water truck priced per load BRINE (Stays on location @ all times)	\$500.00	\$500.00
1 Wireline run (additional)	\$500.00	\$500.00

Total Daily Cost = \$9,328.00

1/26/2007 11 HRS

SAFETY MEETING - POH WITH 2 3/8" WITH TUBING AND PACKER DRAGGING AND SWABBING FLUID OUT INTO STILL PITS - HOT SHOT TO ODDESA FOR BLADE BIT - PICK UP BIT, X OVER SUB, & 3 COLLARS & MMCPI WORKSTRING - SDFD

11 HRS RIG	\$262.00	\$2,882.00
1 CONSULTANT	\$500.00	\$500.00
1.5 CREW TRAVEL TIME	\$150.00	\$225.00
1.06 VAREL BIT (6260K) 6% FEE	\$659.58	\$699.15
3051 2 3/8" Work String/ft	\$0.20	\$610.20
50 Miles Delivery charge (Work String)	\$3.00	\$150.00

Total Daily Cost = \$14,394.35

1/29/2007 11 HRS

SAFETY MEETING - WHILE RIH TUBING WOULD STACK OUT AND WOULD REVERSE THRU TIGHT SPOTS - PUMPED 2 LOADS OF WATER GETTING TO 2880' - CIRCULATED SOME OIL - NOT A LOT - RIG UP REVERSE UNIT AND CLEAN OUT 88 JTS - CIRCULATE CLEAN WITH PRODUCED WATER FROM BATTERY - SDFD

11 HRS RIG	\$262.00	\$2,882.00
1 CONSULTANT	\$500.00	\$500.00
1.5 CREW TRAVEL TIME	\$150.00	\$225.00
1 REVERSE UNIT PACKAGE / DAY	\$750.00	\$750.00
2 Water truck priced per load BRINE (Stays on location @ all times)	\$500.00	\$1,000.00

Total Daily Cost = \$19,751.35

1/30/2007 11 HRS

CORRECTED TALLY AND REPORT - CLEAN OUT 325' OF CASING - STOPPED @ OPEN HOLE - CIRCULATE HOLE CLEAN - SDFD

11 HRS RIG	\$262.00	\$2,882.00
1 CONSULTANT	\$500.00	\$500.00
1.5 CREW TRAVEL TIME	\$150.00	\$225.00
1 REVERSE UNIT PACKAGE / DAY	\$750.00	\$750.00
2 Water truck priced per load BRINE (Stays on location @ all times)	\$500.00	\$1,000.00

Total Daily Cost = \$25,108.35

Received  
 Hobbs  
 000

1/31/2007 11 HRS  
 BEGIN CLEANING OUT @ 3070' - CONTINUED TO KEEP PLUGGING UP - DRILL DOWN TO 3093' - POH - BIT WORN OUT - RIH WITH  
 MMCPI MILL TOOTH BIT - RIH - SDFD

11 HRS RIG	\$262.00	\$2,882.00
1 CONSULTANT	\$500.00	\$500.00
1.5 CREW TRAVEL TIME	\$150.00	\$225.00
1 REVERSE UNIT PACKAGE / DAY	\$750.00	\$750.00
2 Water truck priced per load BRINE (Stays on location @ all times)	\$500.00	\$1,000.00
1.06 VAREL BIT (6260K) 6% FEE	\$659.58	\$699.15

Total Daily Cost = \$31,164.51

2/1/2007 11 HRS  
 RIH - TAG FILL @ 3080' - CLEAN BACK OUT TO 3093' - START DRILLING @ 3093' - DRILL DOWN TO 3120' - CIRCULATING UP FES2,  
 DEHYDRATED MUD, AND A LOT OF SAND - PULL UP IN CASING - SDFD

11 HRS RIG	\$262.00	\$2,882.00
1 CONSULTANT	\$500.00	\$500.00
1 REVERSE UNIT PACKAGE / DAY	\$750.00	\$750.00
1.5 CREW TRAVEL TIME	\$150.00	\$225.00
1 Water truck priced per load BRINE (Stays on location @ all times)	\$500.00	\$500.00
1 BIT RENTAL / 1ST DAY / \$100 DAY AFTER	\$100.00	\$100.00

Total Daily Cost = \$36,121.51

2/2/2007 12 HRS  
 POH - BIT WAS WORN OUT - RIH WITH NEW VAREL MILL TOOTH BIT - TIH TO 3093' - CLEAN DOWN TO 3113' - DID NOT GET BACK  
 TO 3120' - PUH AND LAYDOWN SWIVEL STAND BACK 2 STANDS - CLOSE IN WELL OVER THE WEEKEND

12 HRS RIG	\$262.00	\$3,144.00
1 CONSULTANT	\$500.00	\$500.00
1.5 CREW TRAVEL TIME	\$150.00	\$225.00
1.06 VAREL BIT (6260K) 6% FEE	\$659.58	\$699.15
1 REVERSE UNIT PACKAGE / DAY	\$750.00	\$750.00
1 Water truck priced per load BRINE (Stays on location @ all times)	\$500.00	\$500.00

Total Daily Cost = \$41,939.66

2/5/2007 11 HRS  
 TAG FILL @ 3109' - RU PUMP - WASH AND CLEAN DOWN TO 3118' - HOLE KEEPS FALLING IN ON BIT - POH - SDFD

11 HRS RIG	\$262.00	\$2,882.00
1 CONSULTANT	\$500.00	\$500.00
1.5 CREW TRAVEL TIME	\$150.00	\$225.00
1 REVERSE UNIT PACKAGE / DAY	\$750.00	\$750.00
1 Water truck priced per load BRINE (Stays on location @ all times)	\$500.00	\$500.00

Total Daily Cost = \$46,796.66

2/6/2007 9 HRS  
 TAG FILL @ 3109' - RU PUMP - CLEAN FILL AND SAND TO 3127' - CLEAN DOWN TO 3127' - KEEP RUNNING UP AND DOWN UNTIL  
 HOLE STAYED CLEAN - BRANDON AND MARK AGREED TO STOP HERE - CIRCULATE HOLE CLEAN - POH - LAY DOWN BIT - CLOSE  
 IN WELL - CALL CHEM TECK AND SET UP 600 GAL OF 15% ACID FOR 9:30AM - MICKEAL BRINGING OUT 7" PACKER - SDFD

9 HRS RIG	\$262.00	\$2,358.00
1 CONSULTANT	\$500.00	\$500.00
1.5 CREW TRAVEL TIME	\$150.00	\$225.00
1 REVERSE UNIT PACKAGE / DAY	\$750.00	\$750.00
1 Water truck priced per load BRINE (Stays on location @ all times)	\$500.00	\$500.00

Total Daily Cost = \$51,129.66

2/7/2006 11 HRS  
 RIH TUBING TO 3063' - SPOT 1 BBL 15% ACID ACROSS PERFS - LET SET 1 HOUR - REVERSE OUT - POH - RIH WITH PRODUCTION  
 STRING AND 7" PACKER TO 3009' - PUMP 13 BBLs 15% ACID AND FLUSH TO PERFS - STARTING PUMP PRESSURE WAS 425# AND  
 ENDING PRESSURE WAS 1300# - SHUT IN WELL OVERNIGHT

11 HRS RIG	\$262.00	\$2,882.00
1 CONSULTANT	\$500.00	\$500.00
1.5 CREW TRAVEL TIME	\$150.00	\$225.00
1 REVERSE UNIT PACKAGE / DAY	\$750.00	\$750.00
1 Water truck priced per load BRINE (Stays on location @ all times)	\$500.00	\$500.00
1.06 VAREL BIT (5396F) 6% FEE	\$1,005.18	\$1,065.49

Received  
 Hobbs  
 000

8 Killtruck / hr	\$100.00	\$800.00
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Total Daily Cost = \$57,852.16

2/8/2006 11 HRS  
OPEN TUBING - ON VACUUM - GET INJECTION RATE - 1/4 BBL MIN @ 800# - SHUT DOWN FOR 15 MINUTES - WELL ON VACUUM - CALL BRANDON - CIRCULATE PACKER FLUID - SET PACKER - WILL DO BIG ACID JOB AT A LATER DATE - SDFD

11 HRS RIG	\$262.00	\$2,882.00
1 CONSULTANT	\$500.00	\$500.00
1.5 CREW TRAVEL TIME	\$150.00	\$225.00
1 Water truck priced per load BRINE (Stays on location @ all times)	\$500.00	\$500.00
8 Killtruck / hr	\$100.00	\$800.00

Total Daily Cost = \$62,759.16

2/9/2006 10 HRS  
OPEN WELL - RELEASE PACKER - SET @ 15,000# TENSION - HOOK UP WELLHEAD TO INJECTION - LOAD HOLE WITH PACKER FLUID - TESTED 7" TO 525# - TESTED GOOD - INJECTION TEST @ +/- 50 BBLS A DAY @ +/- 500 PSI - START MOVING OFF EQUIPMENT

10 HRS RIG	\$262.00	\$2,620.00
1 CONSULTANT	\$500.00	\$500.00
1.5 CREW TRAVEL TIME	\$150.00	\$225.00
1 Water truck priced per load BRINE (Stays on location @ all times)	\$500.00	\$500.00
6 Killtruck / hr	\$100.00	\$600.00

Total Daily Cost = \$67,204.16

2/20/2006 10 HRS  
RU - CASING WOULD NOT TEST - ND WELLHEAD - NU BOP - RELEASE PACKER - POH - CHECK PACKER - LOOKS OK - TIH WITH PACKER TO 585' - TEST CASING TO 500# - OK - TIH TO 1170' - TEST CASING - OK - TIH TO 1700' - TEST CASING - OK - SDFD

10 HRS RIG	\$262.00	\$2,620.00
1 CONSULTANT	\$500.00	\$500.00
1.5 CREW TRAVEL TIME	\$150.00	\$225.00
1 Water truck priced per load BRINE (Stays on location @ all times)	\$500.00	\$500.00
8 Killtruck / hr	\$100.00	\$800.00

Total Daily Cost = \$71,849.16

2/21/2006 11 HRS  
RU - WELL ON VACUUM - PACKER SET GOOD @ 1690' - LOAD HOLE - STARTED TESTING @ 1690' - FOUND HOLE BETWEEN 682' - 650' - HOT SHOT F90R RBP - RIH AND SET RBP @ 2407' - PUH AND CLOSE IN WELL - SDFD

11 HRS RIG	\$262.00	\$2,882.00
1 CONSULTANT	\$500.00	\$500.00
1.5 CREW TRAVEL TIME	\$150.00	\$225.00
1 Water truck priced per load BRINE (Stays on location @ all times)	\$500.00	\$500.00
8 Killtruck / hr	\$100.00	\$800.00

Total Daily Cost = \$76,756.16

2/22/2006 11 HRS  
POH WITH SETTING TOOL - FLUID LEVEL WAS @ 620' - RIH TO 2301' TESTED GOOD - POUR SAND ON RBP - TESTED 6 TIMES COMING UP HOLE TO 773' ALL TESTED GOOD - SDFD

11 HRS RIG	\$262.00	\$2,882.00
1 CONSULTANT	\$500.00	\$500.00
1.5 CREW TRAVEL TIME	\$150.00	\$225.00
8 Killtruck / hr	\$100.00	\$800.00
1.06 VAREL BIT 6% HANDLING FEE	\$595.00	\$630.70

Total Daily Cost = \$81,793.86

2/26/2006 10 HRS  
TEST CASING UNDER PACKER @ 620' - OK - TESTED ABOVE - OK - TIH AND LATCH ON TO RBP - POH - LAYDOWN WORKSTRING - LAYDOWN RBP AND TAKE IN - SDFD

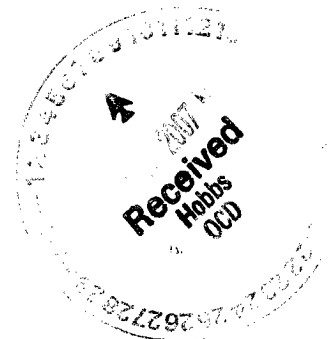
10 HRS RIG	\$262.00	\$2,620.00
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1 CONSULTANT  
1.5 CREW TRAVEL TIME  
6 Killtruck / hr

\$500.00	\$500.00
\$150.00	\$225.00
\$100.00	\$600.00

Total Daily Cost = \$85,738.86



2/26/2006 0 HRS  
CREW DID NOT SHOW UP - GALAN IS LOOKING FOR ANOTHER CREW

0 HRS RIG	\$262.00	\$0.00
0 CONSULTANT	\$500.00	\$0.00
0 CREW TRAVEL TIME	\$150.00	\$0.00
0 Killtruck / hr	\$100.00	\$0.00

Total Daily Cost = \$85,738.86

2/28/2006 6 HRS  
CREW SHOWED UP - TESTED TUBING IN HOLE TO 5000# - LAYDOWN 1 JOINT - SET PACKER - LOAD HOLE - TEST CASING - NO TEST - SDFD

6 HRS RIG	\$262.00	\$1,572.00
0.5 CONSULTANT	\$500.00	\$250.00
1.5 CREW TRAVEL TIME	\$150.00	\$225.00

Total Daily Cost = \$87,785.86

3/1/2006 12 HRS  
OPEN WELL - TEST FROM 3009' TO 2437' - PRESSURE UP ON CASING AND FLOW UP TUBING - SET PACKER AT 2880' ACHIEVED TEST - CAN GET TEST FROM 2870' TO 2913' - SET PACKER @ 2880' - HANG ON AND TEST CASING TO 600# - SDFD

12 HRS RIG	\$262.00	\$3,144.00
1 CONSULTANT	\$500.00	\$500.00
1.5 CREW TRAVEL TIME	\$150.00	\$225.00
6 Killtruck / hr	\$100.00	\$600.00

Total Daily Cost = \$92,254.86

3/2/2007 11 HRS  
OPEN WELL - RU KILLTRUCK - RUN CHART - FAILED - ND WELLHEAD - RELEASE PACKER - RESET PACKER - PULLED 38,000# - HANG ON - NU WELLHEAD - RUN CHART - GOOD TEST - ALSO RAN CHART ON RHODES B NCT 1 #8 - GOOD TEST - BOTH APPROVED BY OCD - SDFD

11 HRS RIG	\$262.00	\$2,882.00
1 CONSULTANT	\$500.00	\$500.00
1.5 CREW TRAVEL TIME	\$150.00	\$225.00
6 Killtruck / hr	\$100.00	\$600.00
1 Chart Recorder / well / day	\$250.00	\$250.00

Total Daily Cost = \$96,711.86



