

OCD-HOBBS

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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 ☐ Other

2 Name of Operator BC Operating, Inc

3a Address PO Box 50820 Midland, TX 79710 3b Phone No (include area code) 432-684-9696

4 Location of Well (Footage, Sec, T, R, M, or Survey Description)
660' FSL + 1980' FWL
Sec 20 23S-32E

5 Lease Serial No NMNM-116573

6 If Indian, Allottee or Tribe Name N/A

7 If Unit or CA/Agreement, Name and/or No N/A 30-025-38447

8 Well Name and No Lonecat Federal #1

9 API Well No Not yet assigned 30-025-38447

10 Field and Pool, or Exploratory Area Trieste Draw Delaware West

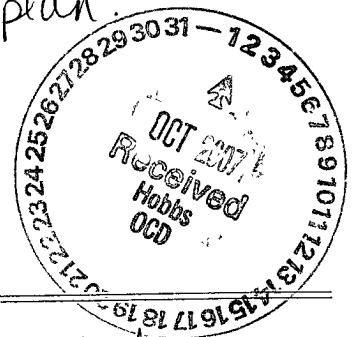
11 County or Parish, State Lea

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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Submitting copies of BOP Test on 7/29/07, witnessed by BCM, as per the approved drilling plan.



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed) Pam Botkin

Title Engineering Tech

Signature Pam Botkin

Date 8/8/07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /S/ DAVID R. GLASS

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.

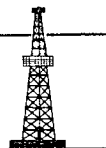
Office

Title 18 U.S.C. Section 1012, 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 representations as to any matter within its jurisdiction

(Instructions on page 2)

GWW

BUS: 505 396-4540 • *FAX:* 505 396-0044



B

Check Valve Open

[illegible]

Mileage

SUB TOTAL

TAX

TOTAL

MAN WELDING SERVICES, INC

Company BC Operating Date 07/29/07
Lease Lone Wolf Field #1 County Lea, NM
Drilling Contractor Halsar 347 Plug & Drill Pipe Size 12" 4 1/2" X 1

Accumulator Function Test - OO&GO#2

To Check - USABLE FLUID IN THE NITROGEN BOTTLES (III.A.2.c.i. or ii or iii)

- Make sure all rams and annular are open and if applicable HCR is closed.
- Ensure accumulator is pumped up to working pressure! (Shut off all pumps)
 1. Open HCR Valve. (If applicable)
 2. Close annular.
 3. Close **all** pipe rams.
 4. Open one set of the pipe rams to simulate closing the blind ram.
 5. For 3 ram stacks, open the annular to achieve the 50+ % safety factor. (5M and greater systems).
 6. Record remaining pressure 1600 psi. Test Fails if pressure is lower than required.
 - a. {950 psi for a 1500 psi system} b. {1200 psi for a 2000 & 3000 psi system }
 7. If annular is closed, open it at this time and close HCR.

To Check - PRECHARGE ON BOTTLES OR SPHERICAL (III.A.2.d.)

- Start with manifold pressure at, or above, maximum acceptable pre-charge pressure:
 - a. {800 psi for a 1500 psi system} b. {1100 psi for 2000 and 3000 psi system}
- 1. Open bleed line to the tank, slowly. (gauge needle will drop at the lowest bottle pressure)
 2. Close bleed line. Barely bump electric pump and see what pressure the needle jumps up to.
 3. Record pressure drop 1000 psi. Test fails if pressure drops below minimum.
- Minimum: a. {700 psi for a 1500 psi system} b. {900 psi for a 2000 & 3000 psi system}

To Check - THE CAPACITY OF THE ACCUMULATOR PUMPS (III.A.2.f.)

- Isolate the accumulator bottles or spherical from the pumps & manifold.
- Open the bleed off valve to the tank, {manifold psi should go to 0 psi} close bleed valve.
 1. Open the HCR valve, {if applicable}
 2. Close annular
 3. With **pumps** only, time how long it takes to regain the required manifold pressure.
 4. Record elapsed time 1 min 30 sec. Test fails if it takes over 2 minutes.
 - a. {950 psi for a 1500 psi system} b. {1200 psi for a 2000 & 3000 psi system}