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MAY 27 2010

HOBBSOCD

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address B C & D OPERATING, INC. P. O. BOX 302 HOBBS, NM 88241		² OGRID Number 025670
		³ Reason for Filing Code/ Effective Date WELL PLACED ON PRODUCTION 10-05-09
⁴ API Number 30 - 025-11873	⁵ Pool Name CROSBY;DEVONIAN (GAS)	⁶ Pool Code 75480
⁷ Property Code 001650	⁸ Property Name G. W. SHAHAN	⁹ Well Number 002

II. ¹⁰ Surface Location

Ul or lot no. B	Section 33	Township 25S	Range 37E	Lot Idn	Feet from the 990	North/South line NORTH	Feet from the 1650	East/West line EAST	County LEA
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¹¹ Bottom Hole Location

Ul or lot no. B	Section 33	Township 25S	Range 37E	Lot Idn	Feet from the 990	North/South line NORTH	Feet from the 1650	East/West line EAST	County LEA
¹² Lse Code P	¹³ Producing method code P	¹⁴ Gas connection Date 10/3/09	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ O/G/W
020809	SOUTHERN UNION GAS SERVICES 301 COMMERCE ST., SUITE 700 FORT WORTH, TX 76102	G

IV. Well Completion Data

²¹ Spud Date	²² Ready Date	²³ TD	²⁴ PBSD	²⁵ Perforations	²⁶ DHC, MC
²⁷ Hole Size	²⁸ Casing & Tubing Size	²⁹ Depth Set	³⁰ Sacks Cement		
	SEE ORIGINAL COMPLETION DATA				

V. Well Test Data

³¹ Date New Oil	³² Gas Delivery Date 10/6/09	³³ Test Date 10/3/09	³⁴ Test Length 24	³⁵ Tbg. Pressure	³⁶ Csg. Pressure
³⁷ Choke Size	³⁸ Oil 0	³⁹ Water 1029	⁴⁰ Gas 5		⁴¹ Test Method PUMPING

⁴² I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Gaye Heard</i>		OIL CONSERVATION DIVISION	
Printed name: GAYE HEARD		Approved by: <i>[Signature]</i>	
Title: AGENT		Title: PETROLEUM ENGINEER	
E-mail Address: gheard@oilreportsinc.com		Approval Date: JUN 01 2010	
Date: 05/25/10	Phone: 575-393-2727		

P.M.