Date: 11/4/10

1625 N. French Dr., Hobbs, NM 88240 District II

State of New Mexico RECEIE Energy Minerals and Natural Resources

Form C-101 June 16, 2008

1301 W. Grand Avenue, Artesia, NM 88210

District III 1000 Rio Brazos Road, Aztec, NM 87410

Phone: (432) 684-9696 x 253

NOV 0 5 2010 Oil Conservation Division 1220 South St. Francis Dr.

Submit to appropriate District Office

| District IV 1220 S. St. Fi | rancis Dr., | Santa Fe, NM | 1 87505 OB | BSOC | Santa | a Fe, NM | | | | l | AM. | ENDED REPORT | | |
|---|---|--------------|---------------------------------------|------------------------------|--|--|-----------------------|---------------------------------|---|------------------------------------|---------|----------------------------|--|--|
| AP | | | Operator Name | e and Addre | ess | E-ENTI | ER, DE | CEPE | T | ACK, (| | DD A ZONE | | |
| B C Operating, Inc. P.O. Box 50820, Midland TX 79710 | | | | | | | | | 3 API Number | | | | | |
| Property Code Property 1 37360 Property 1 | | | | | | Name | | | 30 -025- 392 | 43. 7 | ° Well | 5 % No. | | |
| | | | | | | | | | 10 Drong | osed Pool 2 | | | | |
| 9 Proposed Pool 1 Wildcat Atoky - Morrow 49799 | | | | | | Q | | W; | 1dca+ | m | orr | ow | | |
| ⁷ Surfa | | | | | | | tion | | | | | | | |
| UL or lot no. | t no. Section Township Range Lot Idn 32 14-S 34-E | | | North/South line North North | | line | Feet from the 1980 | East/West line West | | County Lea | | | | |
| ⁸ Proposed Bottom Hole Location If Different From Surface | | | | | | | | | | | | | | |
| UL or lot no. | Section | Township | Range | Lot 1 | | from the North/South line Feet from the East/West line | | line | County | | | | | |
| | <u> </u> | | | | Additional | Well Info | ormatic | n On | | | | | | |
| | Type Code | | 12 Well Type Co G | ode | ¹³ Cab | le/Rotary R | | ¹⁴ L | Lease Type Code State 15 Ground Level 4140' | | | d Level Elevation 4140' | | |
| . 16 M | fultiple No | | ¹⁷ Proposed Dep 10,800' | oth | ¹⁸ Formation | | | ¹⁹ Contractor TBA | | ²⁰ Spud Date 12-1-10 | | | | |
| | | | | ²¹ Prop | osed Casin | g and Ce | ement I | Progra | am | | | | | |
| Hole S | | | ng Size | Casing weight/foot | | | ing Depth | Sacks of Cer | | | | | | |
| 17 ½ | | | 3/8" | 48# | | ļ | 500' | | 430 sz | × | Surface | | | |
| 11' | 11" | | | | 32# | | 1600' | | | | | Surface | | |
| 7 7/8" 5 1/2 | | | 1/2" | | 17# 1 | | 0,800' | 800' 800 s | | x Surface | | Surface | | |
| | | | | | | | | | | | | | | |
| | | | | | PEN or PLUG B all sheets if necess | | he data on | the pre | sent productive zo | one and pro | posed n | ew productive zone. | | |
| Mud Program: 0 to 430' 430' to 4600' 4600' to 10,800' Bope Program: A 5000# bope will be installed on FW/Spud Mud Cut Brine Gel/Starch the 8 5/8" casing and test daily. 8.6 to 9.0 ppg 9.9 to 10.3 ppg 8.6 to 8.8 ppg | | | | | | | | | | | | | | |
| Permit Expires 2 Years 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. | | | | | OIL CONSERVATION DIVISION | | | | | | | | | |
| Signature: CUT HOVELD | | | | | | Approved by: | | | | | | | | |
| Printed name: Star L. Harrell | | | | | | Title: PETROCEUM ENGINEER | | | | | | | | |
| Title: Regulatory Analyst | | | | | Approval Date: NOV 2 4 2010 Expiration Date: | | | | | | | | | |
| E-mail Addre | E-mail Address: sharrell@blackoakres.com | | | | | | 0- | | | | | | | |
| | | | | | | | | | Oil Consequation Division | | | | | |

Conditions of approval: Approval for drilling/workover ONLY--- CANNOT produce Downhole Commingled until

DHC is approved in Santa Fe.

District I 1625 N. French Dr., Hobbs, NM 88240 <u>District II</u> 1301 W. Grand Avenue, Artesia, NM 88210

District III

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised July 16, 2010

OIL CONSERVATION DIVISIONNOV 0 5 2010

Submit one copy to appropriate District Office

1220 South St. Francis Dr. Santa Fe, NM 87505

HOBBSOCD

☐ AMENDED REPORT

District IV

1000 Rio Brazos Rd., Aztec, NM 87410

1220 S. St. Francis Dr., Santa Fe, NM 87505

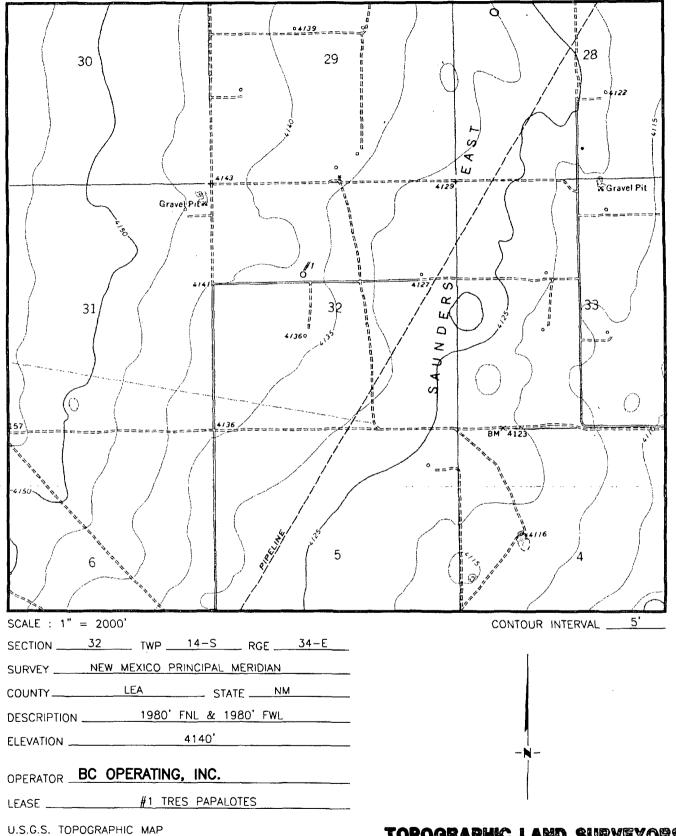
| WELL LOCATION AND ACREAGE DEDICATION PLAT |
|---|
|---|

| ¹ API Number 30-025-39243 | | | 9 | ² Pool Code 7 799 | | 3 Pool Name Atoka Wildcat Atoka Mirrory | | | | |
|---|---------------------------------------|------------------|--|---------------------------------|-----------------------|--|-----------------------|------------------------|---------------------------------|--|
| ⁴ Property Code 37360 | | | ⁵ Property D Tres Papal | | | | 6 7 | Vell Number | | |
| ⁷ OGRID No. 160825 | | | ⁸ Operator Name BC Operating, Inc. | | | | | | ⁹ Elevation 4140' | |
| | · · · · · · · · · · · · · · · · · · · | | | | ¹⁰ Surface | Location | | | | |
| UL or lot no. F | Section 32 | Township 14 S | Range 34 E | Lot Idn | Feet from the 1980 | North/South line North | Feet from the 1980 | East/West line West | County Lea | |
| | | | ¹¹ Bo | ottom Ho | le Location I | f Different Fron | n Surface | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County | |
| Dedicated Acre | s ¹³ Joint or | r Infill 14 C | onsolidation | Code 15 Or | der 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.

| | | <u></u> | |
|---|------------|----------|---|
| T6 / | 1 1 | | 17 OPERATOR CERTIFICATION |
| | | | I hereby certify that 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 |
| | 1 1 1 | ' | 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 |
| | 8 | | interest, or to a voluntary pooling agreement or a compulsory pooling |
| / | | | wher heretofore untered by the clivision. |
| 1 | | | 10 0 THO MO W 11-4-10 |
| | | | Signature Date |
| | | | |
| 1980 | | ' | Star L. Harrell |
| 1700 | ——• | | Printed Name |
| H | | | sharrell@blackoakres.com |
| 1 | | | E-mail Address |
| | | , | |
| | | | ¹⁸ SURVEYOR CERTIFICATION |
| , | , | , | I hereby certify that the well location shown on this |
| 1 | (| | plat was plotted from field notes of actual surveys |
| | | | · · · · · · · · · · · · · · · · · · · |
| İ | | | made by me or under my supervision, and that the |
| | , | - | same is true and correct to the best of my belief. |
| 1 | | | |
| | | | Date of Survey |
| | | | Signature and Seal of Professional Surveyor: |
| ∦ | | , | Signature and Sear of Frotessional Surveyor. |
| | | | |
| | | İ | |
| | | | |
| | | - | |
| | | | Certificate Number |
| | | | |
| - / | | | |

LOCATION & ELEVATION VERIFICATION MAP



FORT RANCH QUADRANGLE, NEW MEXICO LEA CO.

LONG. LONG.: W 103.5348518

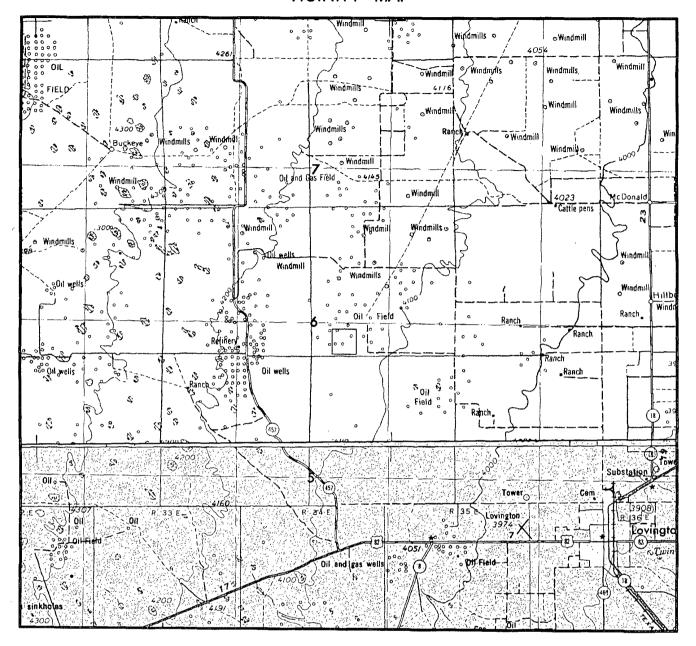
SCALED LAT. LAT.: N 33.0627660

TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

2903 N. BIG SPRING MIDLAND, TX. 79705 (800) 767-1653

VICINITY MAP



| SECTION | 32 | TWP _ | 14- | <u>-S</u> R(| GE | <u>34–E</u> |
|---------------|-------|--------|---------|-------------------|------|-------------|
| SURVEY | NEW I | MEXICO | PRINCIP | AL MERI | NAIC | |
| COUNTY | | LEA | | STATE | NM | |
| DESCRIPTION . | | 198 | O' FNL | <u>&1980'</u> | FWL | |

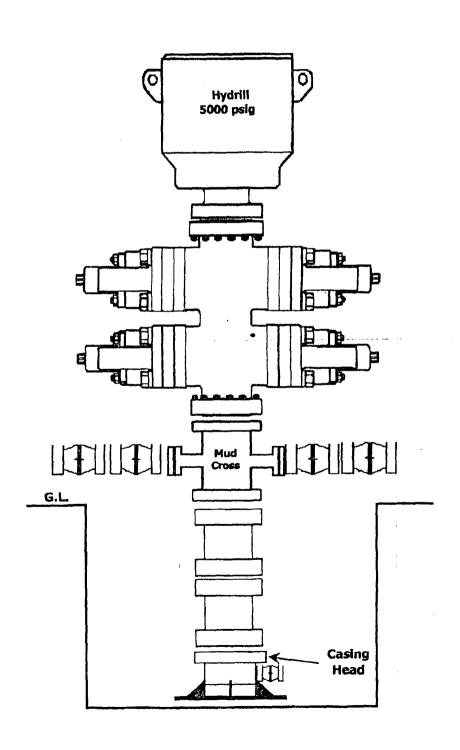
OPERATOR BC OPERATING, INC LEASE #1 TRES PAPALOTES DISTANCE & DIRECTION FROM JCT. OF HIGHWAY 82 & HIGHWAY 457 GO NORTHWEST ± 9.0 MILES ON HIGHWAY 457 THENCE WEST ±3.5 ON LEASE ROAD THENCE NORTH ±0.06 MILES THENCE EAST ±0.4 MILES TO A POINT ±200' SOUTH OF LOCATION



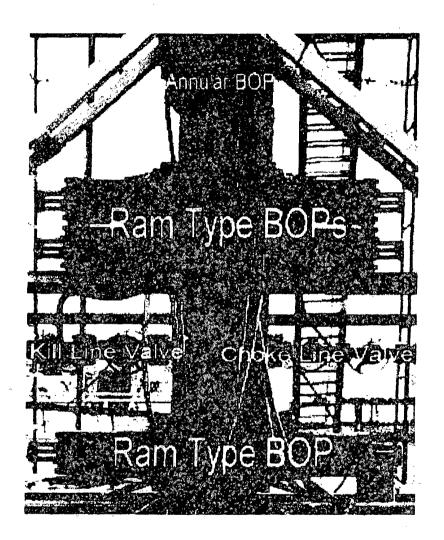
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Example of Blowout Preventer Tested to 5,000#



3 M Cheke Menifold

