

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
600 Rio Brazos Rd., 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-103
June 19, 2008

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

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-025-39690
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator B C Operating, Inc.		6. State Oil & Gas Lease No.
3. Address of Operator P O Box 50820 Midland, TX 79710		7. Lease Name or Unit Agreement Name Angell
4. Well Location Unit Letter <u>H</u> : <u>1650'</u> feet from the <u>North</u> line and <u>660'</u> feet from the <u>East</u> line Section <u>11</u> Township <u>17S</u> Range <u>36E</u> NMPM <u>Lea</u> County		8. Well Number <u>3</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3827' GR		9. OGRID Number 160285
		10. Pool name or Wildcat Lovingtong (Paddock)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:
REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER ☐ Convert to injection ☒ OTHER ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work): SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

1. Perforate San Andres formation 5218'-5258', 5140'-5168', 4860'-4870' and 4802'-4812' with 2 spf.
2. Rig up pulling unit. TIH with 5-1/2" injection packer on 2-3/8", 4.7#, J-55 fiberglass lined tubing. Set packer within 100' of top perforation (at +/-4750'). Flange up wellhead. Rig down pulling unit.
3. Acidize San Andres perforations with 2,000 gallons 20% HCl.
4. Initiate injection into San Andres formation at less than 500 BWPD. Max wellhead injection pressure = 960 psig.

Spud Date:

4/14/10

Rig Release Date:

4/28/10

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Star Harrell TITLE Regulatory Analyst DATE 03/11/2011

Type or print name Star Harrell E-mail address: sharrell@bcoperating.com PHONE: (432) 684-9696

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE MAR 21 2011

Conditions of Approval (if any):

* CONDITIONS OF APPROVAL: CANNOT INJECT INTO WELLBORE UNTIL SANTA FE APPROVES INJECTION ORDER. ALSO MUST NOTIFY OCD HOBB'S OFFICE PRIOR TO RUNNING MIT TEST + CHART.