

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
**District III**  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

**State of New Mexico**  
**Energy Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 South St. Francis Dr.**  
**Santa Fe, NM 87505**

Form C-101  
Revised July 18, 2013

☐ AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

<sup>1</sup> Operator Name and Address BC Operating, Inc. P.O. Box 50820 Midland, Texas 79710		<sup>2</sup> OGRID Number 160825 <sup>3</sup> AD Number 30-015-420666	
<sup>4</sup> Property Code 313 724	<sup>5</sup> Property Name Airport 36 State		<sup>6</sup> Well No. 1

7. Surface Location									
UL - Lot P	Section 36	Township 22S	Range 26E	Lot Idn	Feet from 330	N/S Line South	Feet From 330	E/W Line East	County Eddy

8. Proposed Bottom Hole Location									
UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

9. Pool Information	
Pool Name Carlsbad; Wolfcamp, South (Gas)	Pool Code 74200

Additional Well Information				
<sup>11</sup> Work Type New Well	<sup>12</sup> Well Type Gas	<sup>13</sup> Cable/Rotary Rotary	<sup>14</sup> Lease Type State	<sup>15</sup> Ground Level Elevation 3209'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 11,000'	<sup>18</sup> Formation Wolfcamp	<sup>19</sup> Contractor TBD	<sup>20</sup> Spud Date 01/01/2015
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program						
Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	17 1/2"	13 3/8"	54.5#	900'	980	0'
Intermediate	12 1/4"	9 5/8"	40#	5300'	1650	0'
Production	8 3/4"	5 1/2"	17#	11,000'	2500	5100'

Casing/Cement Program: Additional Comments

22. Proposed Blowout Prevention Program			
Type	Working Pressure	Test Pressure	Manufacturer
Double Ram Annular	3000#	2000#	Hydrill/Shaeffer

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. Signature: <i>Pam Stevens</i> Printed name: Pam Stevens Title: Regulatory Analyst E-mail Address: pstevens@bcoperating.com Date: 09/22/2014      Phone: 432-684-9696	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: center;">OIL CONSERVATION DIVISION</th> </tr> <tr> <td style="width: 50%;">                             Approved By: <i>T. C. Shepard</i>  <span style="font-size: 1.2em; font-weight: bold;">"Geologist"</span> </td> <td style="width: 50%;"></td> </tr> <tr> <td>                             Title:                         </td> <td>                             Approved Date: <i>9-22-2014</i>      Expiration Date: <i>9-22-2016</i> </td> </tr> <tr> <td colspan="2">                             Conditions of Approval Attached                         </td> </tr> </table>	OIL CONSERVATION DIVISION		Approved By: <i>T. C. Shepard</i> <span style="font-size: 1.2em; font-weight: bold;">"Geologist"</span>		Title:	Approved Date: <i>9-22-2014</i> Expiration Date: <i>9-22-2016</i>	Conditions of Approval Attached	
OIL CONSERVATION DIVISION									
Approved By: <i>T. C. Shepard</i> <span style="font-size: 1.2em; font-weight: bold;">"Geologist"</span>									
Title:	Approved Date: <i>9-22-2014</i> Expiration Date: <i>9-22-2016</i>								
Conditions of Approval Attached									

NSL Required prior to producing well.

# NM OIL CONSERVATION

ARTESIA DISTRICT

SEP 22 2014

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State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

RECEIVED

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-42666	<sup>2</sup> Pool Code 74200	<sup>3</sup> Pool Name CARLSBAD; WOLFCAMP, SOUTH (GAS)
<sup>4</sup> Property Code 313724	<sup>5</sup> Property Name AIRPORT 36 STATE	<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 160825	<sup>8</sup> Operator Name B.C. OPERATING, INC.	<sup>9</sup> Elevation 3209

### <sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	36	T22S	R26E		330'	SOUTH	330'	EAST	EDDY

### <sup>11</sup> Bottom Hole Location If Different From Surface

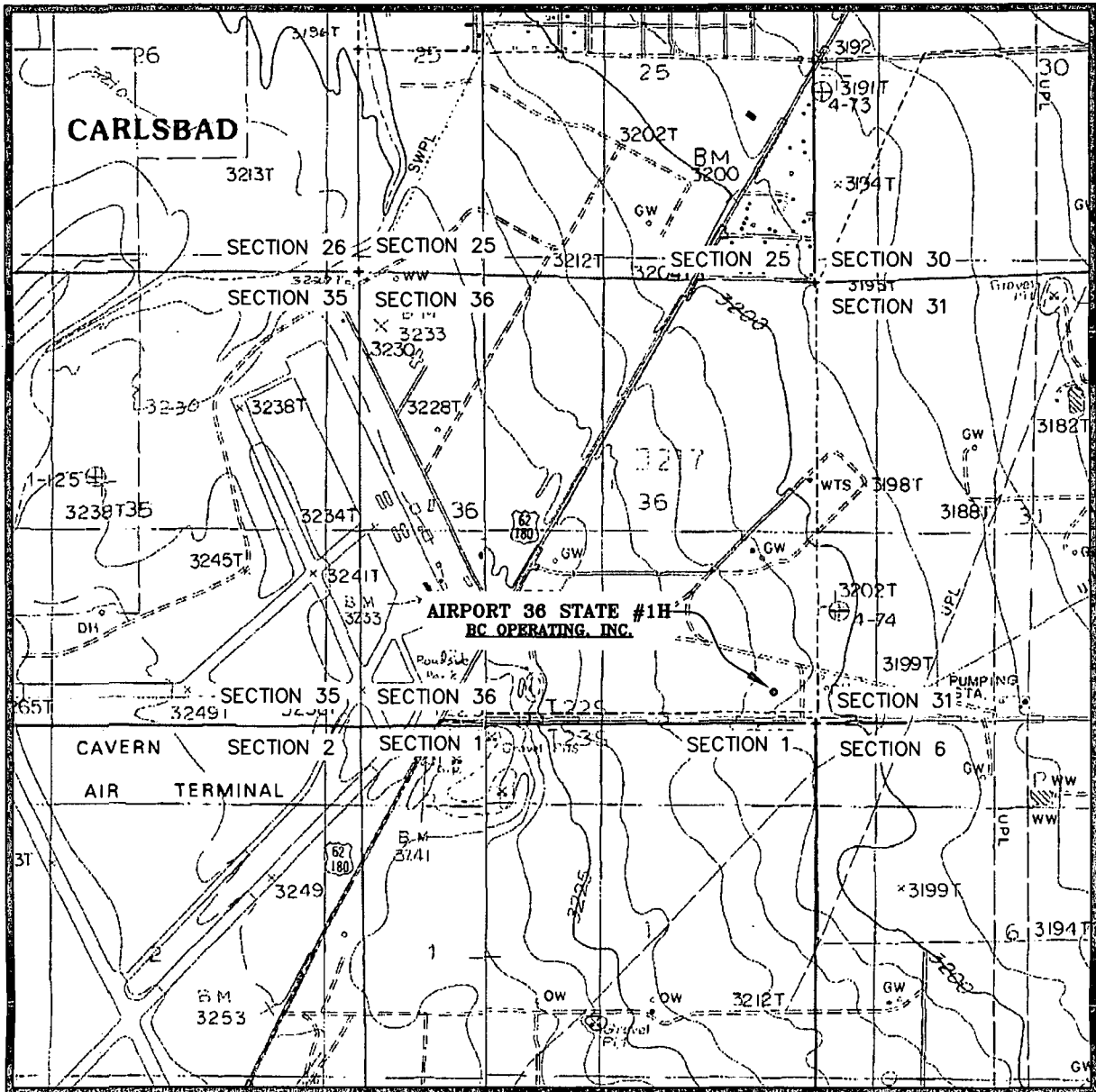
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 320.00	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.

<p><b>CORNER COORDINATES</b> NAD 83, SPCS NM EAST A - Y: 493200.20' / X: 568161.72' B - Y: 493139.71' / X: 570884.53' C - Y: 487843.47' / X: 570881.56' D - Y: 487840.96' / X: 568227.81' NAD 27, SPCS NM EAST A - Y: 493141.05' / X: 526980.15' B - Y: 493080.53' / X: 529702.93' C - Y: 487784.43' / X: 529699.85' D - Y: 487781.96' / X: 527046.14'</p>	<p><b>SURFACE HOLE LOCATION</b> NAD 83, SPCS NM EAST X: 570551.88 / Y: 488173.04' LAT: 32.34202355N / LON: 104.23873696W NAD 27, SPCS NM EAST X: 488114.00' / Y: 529370.19' LAT: 32.34190532N / LON: 104.23823463W</p>	<p><b><sup>17</sup> OPERATOR CERTIFICATION</b> 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 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 interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Pam Stevens</i> 9/18/14 Signature Date</p> <p><i>Pam Stevens</i> Printed Name</p> <p><i>pstevens@bcoperating.com</i> E-mail Address</p>
		<p><b><sup>18</sup> SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>SEPTEMBER 18, 2014 Date of Survey</p> <p><i>Lloyd P. Short</i> Signature and Seal of Professional Surveyor</p> <p><i>Lloyd P. Short</i> Certificate Number</p> <p>LLOYD P. SHORT 21653 NEW MEXICO PROFESSIONAL SURVEYOR</p>

# LOCATION VERIFICATION MAP

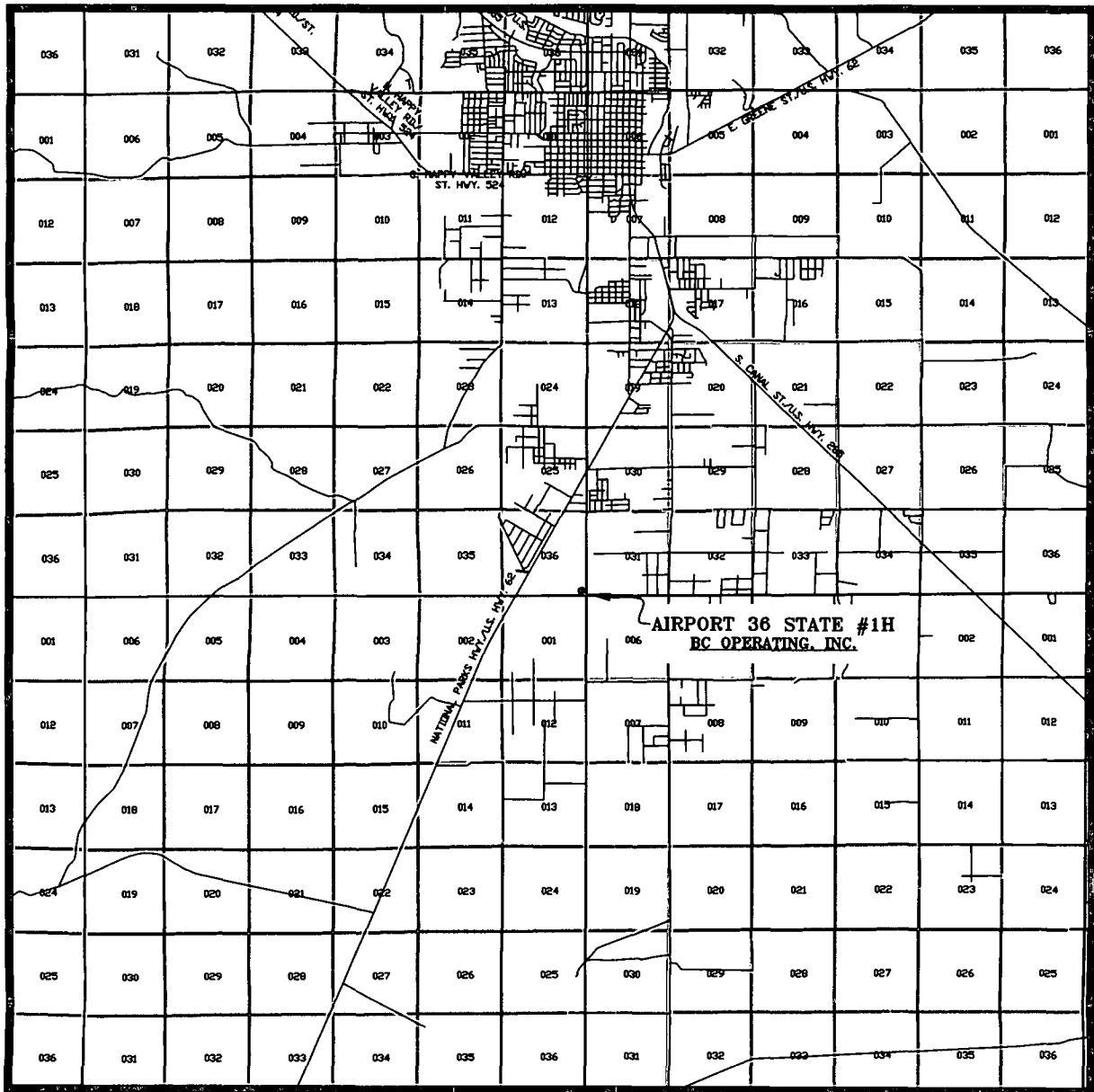


SEC. 36 TWP. 22-S RGE. 26-E  
 SURVEY: N.M.P.M.  
 COUNTY: EDDY  
 DESCRIPTION: 330' FSL & 330' FEL  
 ELEVATION: 3209'  
 OPERATOR: B.C. OPERATING, INC.  
 LEASE: AIRPORT 36 STATE  
 U.S.G.S. TOPOGRAPHIC MAP: OTIS, N.M.

SCALE: 1" = 2000'  
 CONTOUR INTERVAL = 5'

PREPARED BY:  
 R-SQUARED GLOBAL, LLC  
 1309 LOUISVILLE AVENUE, MONROE, LA 71201  
 318-323-6900 OFFICE  
 JOB No. R3422

# VICINITY MAP



SEC. 36 TWP. 22-S RGE. 26-E  
 SURVEY: N.M.P.M.  
 COUNTY: EDDY  
 DESCRIPTION: 330' FSL & 330' FEL  
 ELEVATION: 3209'  
 OPERATOR: B.C. OPERATING, INC.  
 LEASE: AIRPORT 36 STATE  
 U.S.G.S. TOPOGRAPHIC MAP: OTIS, N.M.

SCALE: 1" = 2 MILES

PREPARED BY:  
 R-SQUARED GLOBAL, LLC  
 1309 LOUISVILLE AVENUE, MONROE, LA 71201  
 318-323-6900 OFFICE  
 JOB No. R3422

## **BC Operating, Inc. Closed Loop System**

### **Design Plan**

#### *Equipment List*

- 2 – 414 MI Swaco *Centrifuges*
- 2 – MI Swaco 4 screen Moongoose *Shale Shakers*
- 2 – double screen *Shakers* with rig inventory
- 2 – CRI *Haul off bins* with track system
- 2 – additional 500bbl *Frac tanks* for fresh and brine water
- 2 – 500bbl *water tanks* with rig inventory

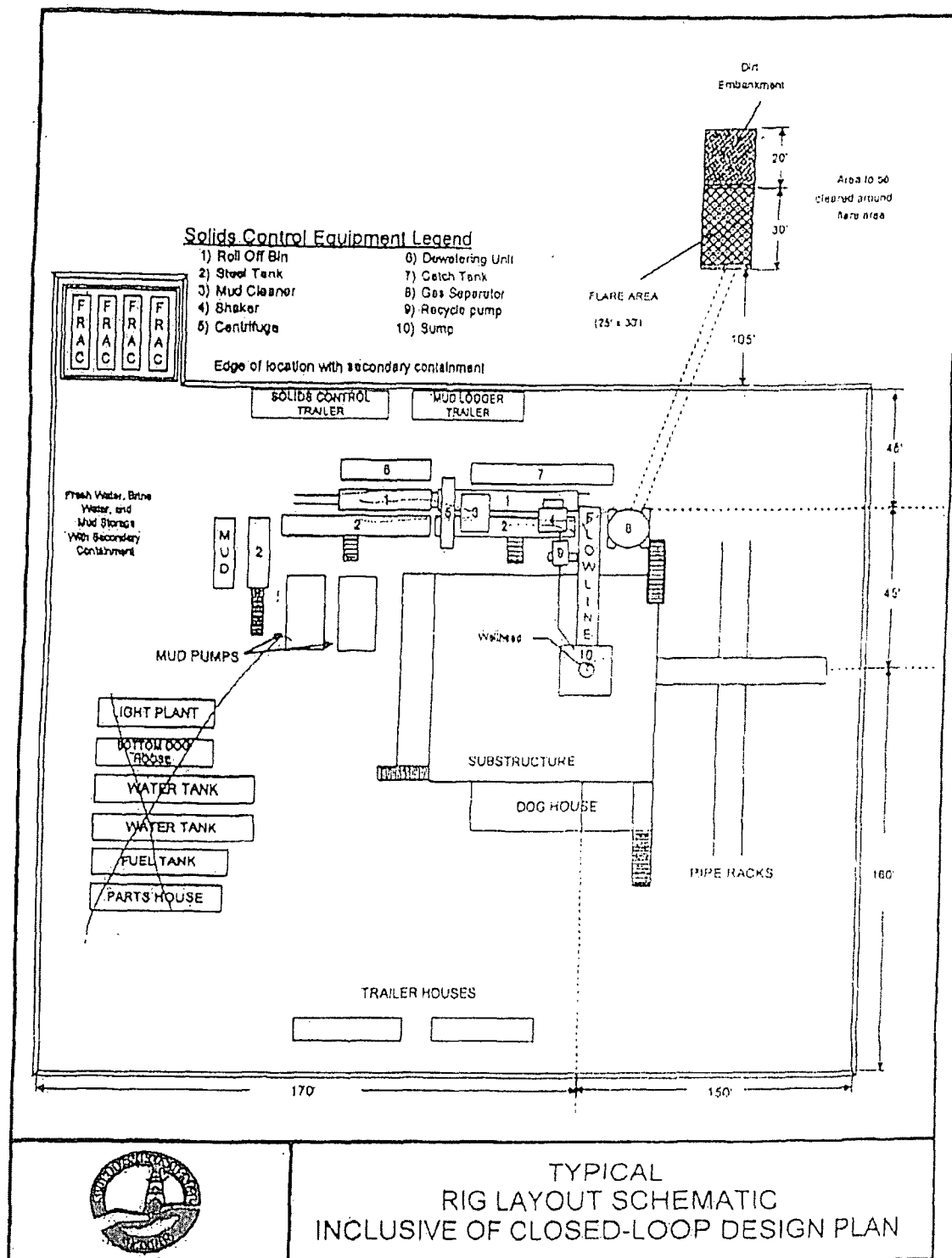
*\*Equipment manufactures may vary due to availability but components will not.*

### **Operation and Maintenance**

The system along with equipment will be inspected numerous times a day by each tour to make sure all equipment is operating correctly. Routine maintenance will be done to keep system running properly. Any leak in system will be repaired and/or contained immediately and the OCD notified within 48 hours of the remediation process start.

### **Closure Plan**

While drilling, all cuttings and fluids associated with drilling will be hauled off and disposed of via Controlled Recovery Incorporated Facilities Permit NM01-0006.



## Permit Conditions of Approval

API: 30-015-42666

OCD Reviewer	Condition
CSHAPARD	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string

Cannot produce well until NSL has been  
approved by Santa Fe

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