

**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

ARTESIA DISTRICT

Form C-101

Revised July 18, 2013

Minerals and Natural Resources

SEP 29 2014

NM OIL CONSERVATION  
ARTESIA DISTRICT

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

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☐ AMENDED REPORT

SEP 29 2014

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

1. Operator Name and Address BC Operating, Inc. P.O. Box 50820 Midland, Texas 79710		2. OGRID Number 160825	
3. Property Code 313 729		4. APL Number 30-015-72728	
5. Property Name Black River 10 State Com		6. Well No. 2H	

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
B	15	24S	27E		240	North	1680	East	Eddy

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
B	10	24S	27E		240	North	1680	East	Eddy

9. Pool Information

Pool Name Black River; Wolfcamp (Gas)	Pool Code 97442
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Additional Well Information

11. Work Type New Well	12. Well Type Gas	13. Cable/Rotary Rotary	14. Lease Type State	15. Ground Level Elevation 3209'
16. Multiple No	17. Proposed Depth 8900' TVD/14,044' MD	18. Formation Wolfcamp	19. Contractor TBD	20. Spud Date 12/01/2014
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	16"	13 3/8"	48#	630'	400	0'
Intermediate	12 1/4"	9 5/8"	40#	3100'	1135	0'
Production	8 1/2"	5 1/2"	17#	14,044'	2500	0'

Casing/Cement Program: Additional Comments

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram Annular	3000#	2000#	Hydrill/Shaeffer

23. 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 ☒ and/or 19.15.14.9 (B) NMAC ☒, if applicable.

Signature: Pam Stevens

Printed name: Pam Stevens

Title: Regulatory Analyst

E-mail Address: pstevens@bcoperating.com

Date: 09/25/2014

Phone: 432-684-9696

OIL CONSERVATION DIVISION

Approved By:

T. C. Shepard

Title:

Geologist

Approved Date:

10-14-2014

Expiration Date:

10-14-2016

Conditions of Approval Attached

NSL Required

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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

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 <b>30-015-42728</b>	<sup>2</sup> Pool Code <b>97442</b>	<sup>3</sup> Pool Name <b>BLACK RIVER; WOLFCAMP (GAS)</b>
<sup>4</sup> Property Code <b>313739</b>	<sup>5</sup> Property Name <b>BLACK RIVER 10 STATE COM</b>	<sup>6</sup> Well Number <b>2H</b>
<sup>7</sup> OGRID No. <b>160825</b>	<sup>8</sup> Operator Name <b>B.C. OPERATING, INC.</b>	<sup>9</sup> Elevation <b>3192'</b>

<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
B	15	T24S	R27E		240'	NORTH	1680'	EAST	EDDY

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

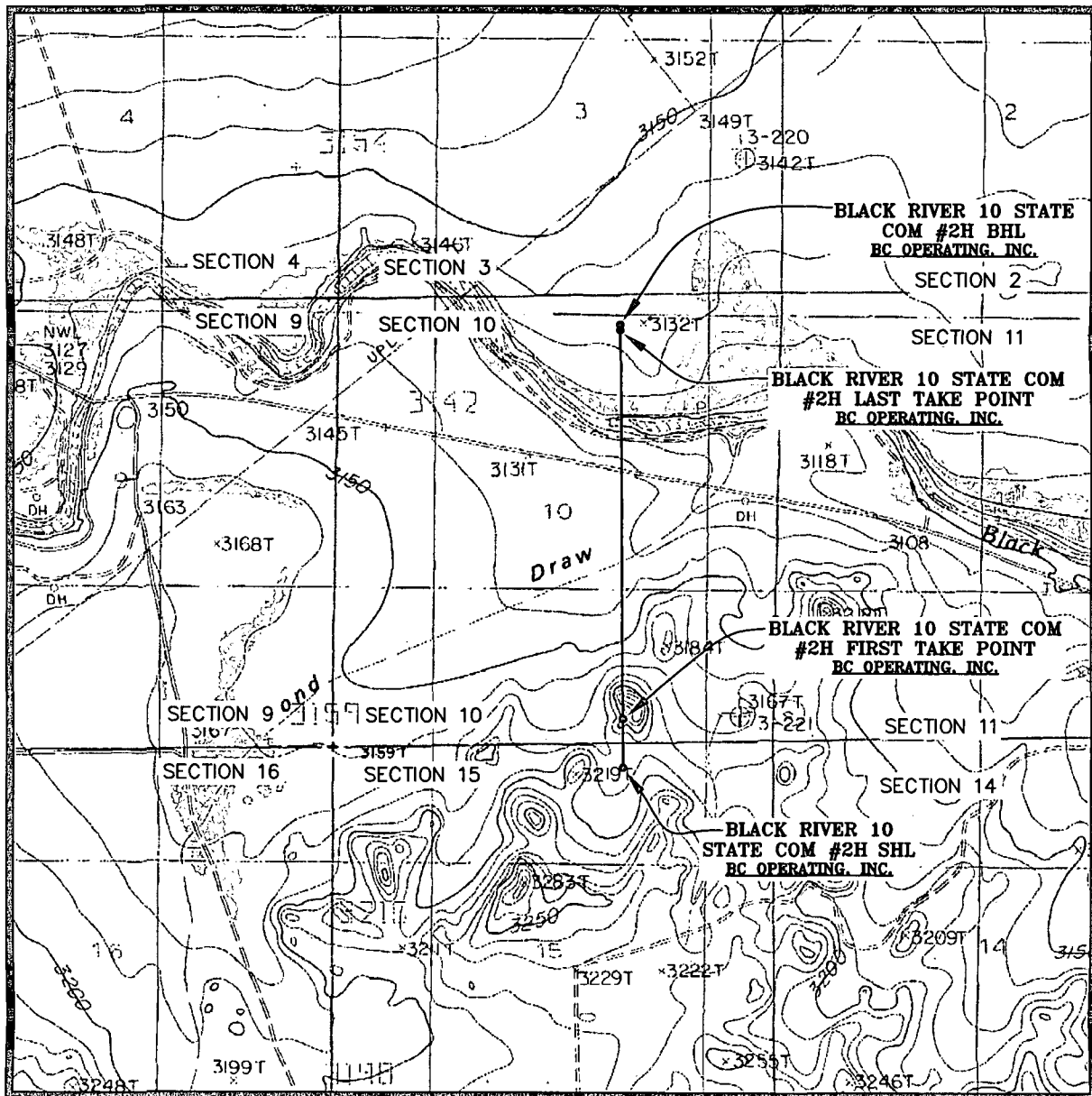
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	10	T24S	R27E		240'	NORTH	1680'	EAST	EDDY

<sup>12</sup> Dedicated Acres <b>320.00</b>	<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.

<sup>16</sup> SECTION 4	SECTION 3	SECTION 2		<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><u>Pam Stevens</u> 9/22/14 Signature Date</p> <p><u>Pam Stevens</u> Printed Name</p> <p><u>pstevens@bcoperating.com</u> E-mail Address</p>	
SECTION 9	SECTION 10	SECTION 11			<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 22, 2014 Date of Survey</p> <p><u>Lloyd P. Short</u> Signature and Seal of Professional Surveyor</p> <p><u>Lloyd P. Short</u> Certificate Number</p>
SECTION 9	SECTION 10	SECTION 11			
SECTION 16	SECTION 15	SECTION 14			

# LOCATION VERIFICATION MAP

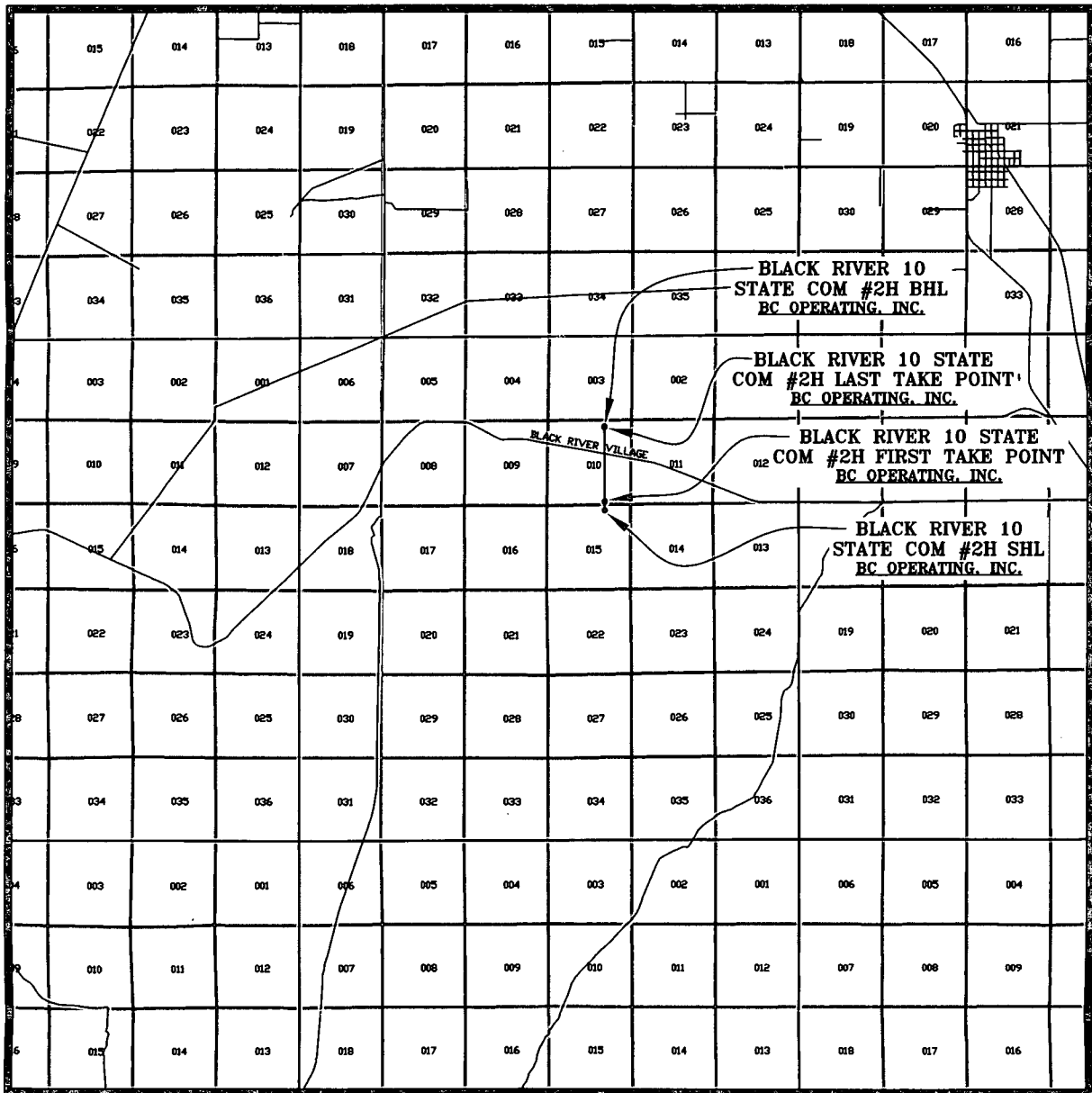


SEC. 15 TWP. 24-S RGE. 27-E  
 SURVEY: N.M.P.M.  
 COUNTY: EDDY  
 DESCRIPTION: 240' FNL & 1680' FEL  
 ELEVATION: 3192'  
 OPERATOR: B.C. OPERATING, INC.  
 EDDYSE: BLACK RIVER 10 STATE COM  
 U.S.G.S. TOPOGRAPHIC MAP: BOND DRAW, N.M.

SCALE: 1" = 2000'  
 CONTOUR INTERVAL = 10'

PREPARED BY:  
 R-SQUARED GLOBAL, LLC  
 1309 LOUISVILLE AVENUE, MONROE, LA 71201  
 318-323-8900 OFFICE  
 JOB No. R3421\_002

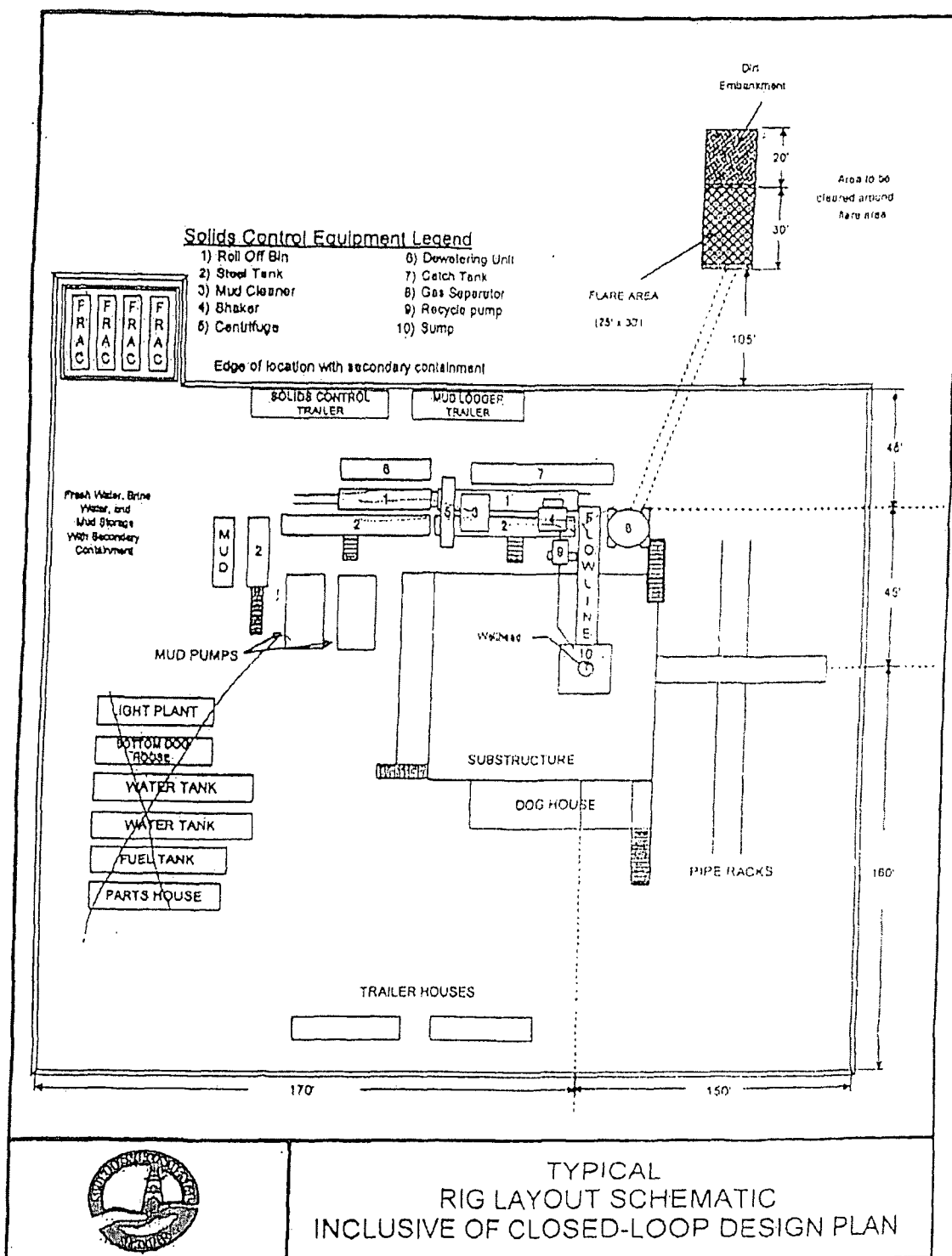
# VICINITY MAP



SEC. 15 TWP. 24-S RGE. 27-E  
 SURVEY: N.M.P.M.  
 COUNTY: EDDY  
 DESCRIPTION: 240' FNL & 1680' FEL  
 ELEVATION: 3192'  
 OPERATOR: B.C. OPERATING, INC.  
 EDDYSE: BLACK RIVER 10 STATE COM  
 U.S.G.S. TOPOGRAPHIC MAP: BOND DRAW, N.M.

SCALE: 1" = 2 MILES

PREPARED BY:  
 R-SQUARED GLOBAL, LLC  
 1309 LOUISVILLE AVENUE, MONROE, LA 71201  
 318-323-6900 OFFICE  
 JOB No. R3421\_002



## 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.