

**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**  
**NM OIL CONSERVATION**  
**ARTESIA DISTRICT**  
**Energy Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 South St. Francis Dr.**  
**Santa Fe, NM 87505**

Form C-101  
Revised July 18, 2013

OCT 10 2014

RECEIVED

☐ 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>4</sup> Property Code <b>313797</b>		<sup>5</sup> API Number <b>30-015-42130</b> <sup>6</sup> Well No. <b>1H</b>
<sup>3</sup> Property Name Cass 16 State		

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
A	17	23S	27E		330	North	240	East	Eddy

**\* Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
A	16	23S	27E		330	North	240	East	Eddy

**9. Pool Information**

<sup>9</sup> Pool Name Forehand Ranch; Wolfcamp (Gas)	<sup>9</sup> Pool Code 76780
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**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 3159'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 14,543' MD, 9500' TVD	<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	16"	13 3/8"	48#	580'	660	0'
Intermediate	12 1/4"	9 5/8"	36#	2650	850	0'
Production	8 1/2"	5 1/2"	17#	14,543'	2700	2500'

**Casing/Cement Program: Additional Comments**

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**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 ☒ 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: 10/07/2014

Phone: 432-684-9696

**OIL CONSERVATION DIVISION**

Approved By:

*T. C. Shepard*

Title:

**"Geologist"**

Approved Date: *10-15-2014* Expiration Date: *10-15-2016*

Conditions of Approval Attached

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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 30-015-42230	<sup>2</sup> Pool Code 76780	<sup>3</sup> Pool Name FOREHAND RANCH; WOLFCAMP (GAS) ✓
<sup>4</sup> Property Code 313797	<sup>5</sup> Property Name CASS 16 STATE	<sup>6</sup> Well Number 1H
<sup>7</sup> OGRIL 160825	<sup>8</sup> Operator Name B.C. OPERATING, INC.	<sup>9</sup> Elevation 3159

<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
A	17	T23S	R27E		330'	NORTH	240'	EAST	EDDY

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

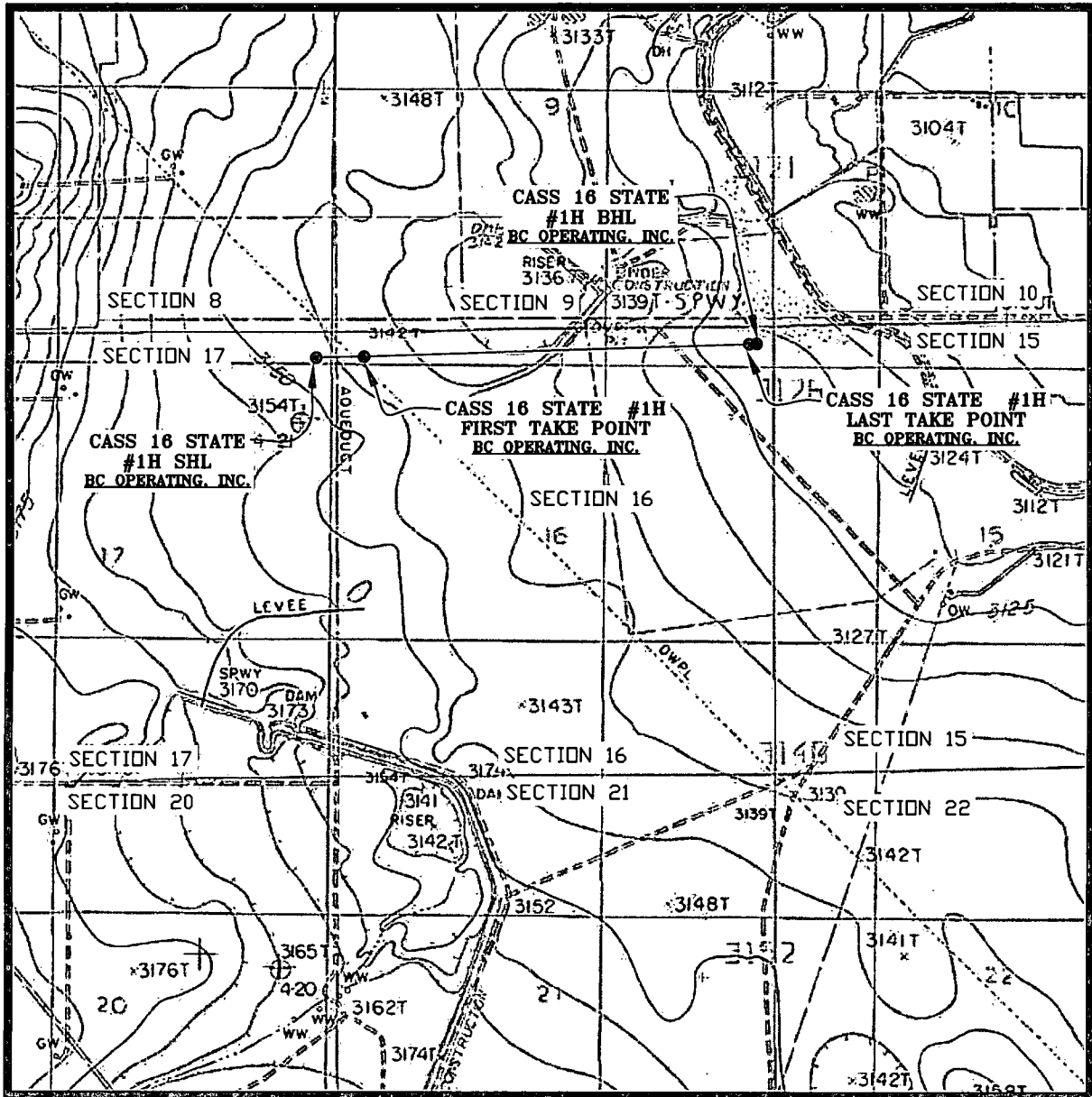
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	16	T23S	R27E		330'	NORTH	240'	EAST	EDDY

<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><sup>16</sup></p>				<p><b><sup>17</sup> OPERATOR CERTIFICATION</b></p> <p>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> 10/1/14 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></p> <p>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 30, 2014 Date of Survey</p> <p><i>Lloyd P. Short</i> Signature and Seal of Professional Surveyor</p> <p>Certificate Number LLOYD P. SHORT 21653</p>					
<p><b>SURFACE HOLE LOCATION</b> 330' FNL 240' FEL NAD 83, SPCS NM EAST X581181.84' / Y476985.81' LAT32.31124095N / LON104.20436074W NAD 27, SPCS NM EAST X539999.78' / Y476926.94' LAT32.3112207N / LON104.20386056W</p>				<p><b>LAST TAKE POINT</b> 330' FNL 330' FEL NAD 83, SPCS NM EAST X586378.03' / Y477145.61' LAT32.31166193N / LON104.18754046W NAD 27, SPCS NM EAST X545195.89' / Y477086.67' LAT32.31154281N / LON104.18704090W</p>	
<p><b>FIRST TAKE POINT</b> 330' FNL 330' FVL NAD 83, SPCS NM EAST X581751.82' / Y476996.96' LAT32.31126970N / LON104.20251570W NAD 27, SPCS NM EAST X540569.75' / Y476938.08' LAT32.31115079N / LON104.20201539W</p>				<p><b>BOTTOM HOLE LOCATION</b> 330' FNL 240' FEL NAD 83, SPCS NM EAST X586468.02' / Y477148.50' LAT32.31166954N / LON104.18724915W NAD 27, SPCS NM EAST X545285.88' / Y477089.56' LAT32.31155041N / LON104.18674960W</p>	
<p><b>CORNER COORDINATES</b> NAD 83, SPCS NM EAST A - Y: 477316.50' / X: 581420.97' B - Y: 477486.36' / X: 586707.24' C - Y: 474772.99' / X: 586713.32' D - Y: 474661.31' / X: 581428.04'</p>				<p><b>CORNER COORDINATES</b> NAD 27, SPCS NM EAST A - Y: 477257.62' / X: 540238.91' B - Y: 477427.41' / X: 545525.10' C - Y: 474714.11' / X: 545531.33' D - Y: 474602.50' / X: 540245.92'</p>	

# LOCATION VERIFICATION MAP

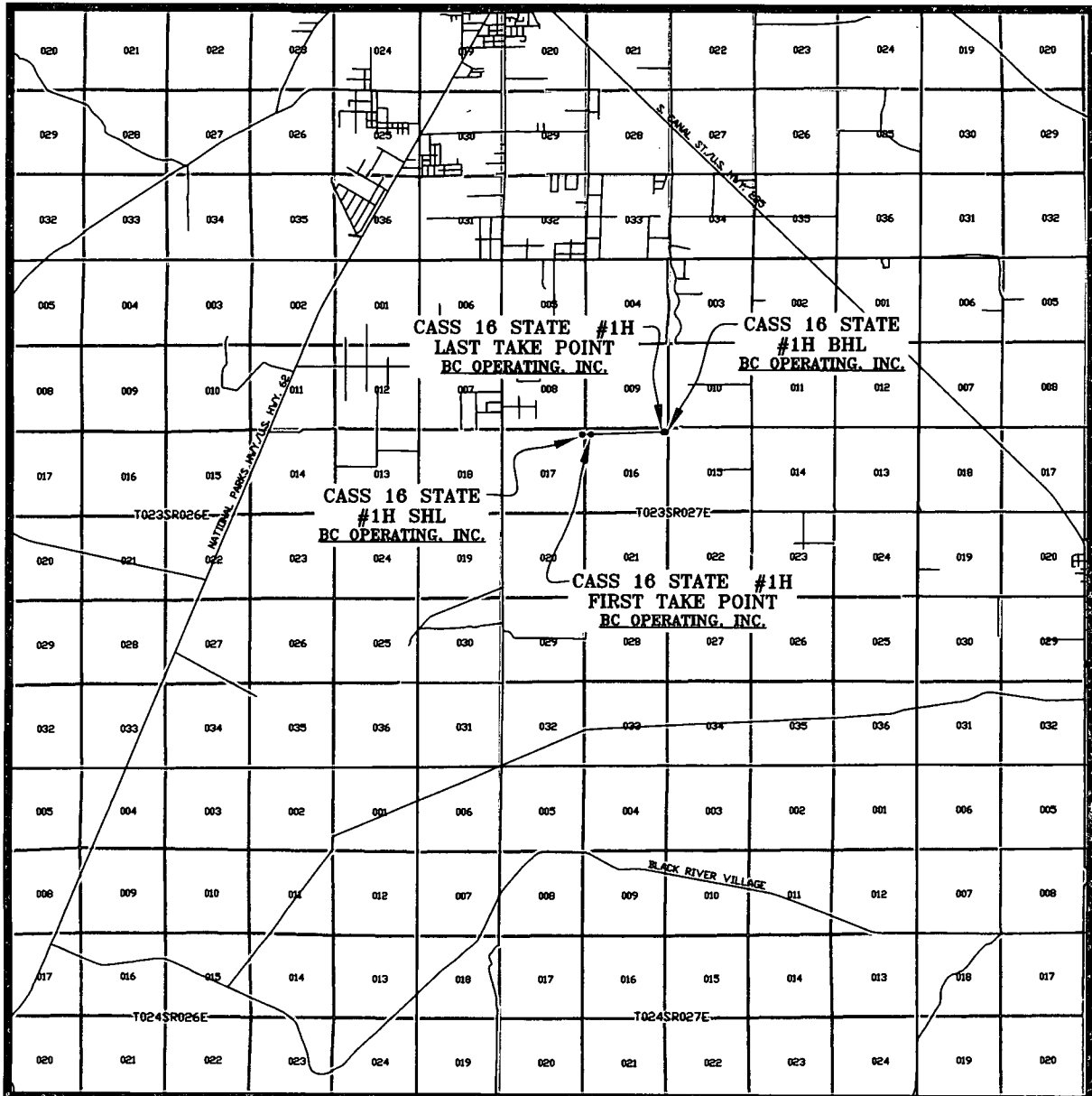


SEC. 17 TWP. 23-S RGE. 27-E  
 SURVEY: N.M.P.M.  
 COUNTY: EDDY  
 DESCRIPTION: 330' FNL & 240' FEL  
 ELEVATION: 3159'  
 OPERATOR: B.C. OPERATING, INC.  
 LEASE: CASS 16 STATE  
 U.S.G.S. TOPOGRAPHIC MAP: OTIS, N.M.

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

PREPARED BY:  
 R-SQUARED GLOBAL, LLC  
 1309 LOUISVILLE AVENUE, MONROE, LA 71201  
 318-323-6900 OFFICE  
 JOB No. R3449\_001

# VICINITY MAP



SEC. 17 TWP. 23-S RGE. 27-E  
 SURVEY: N.M.P.M.  
 COUNTY: EDDY  
 DESCRIPTION: 330' FNL & 240' FEL  
 ELEVATION: 3159'  
 OPERATOR: B.C. OPERATING, INC.  
 LEASE: CASS 16 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. R3449\_001

## 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

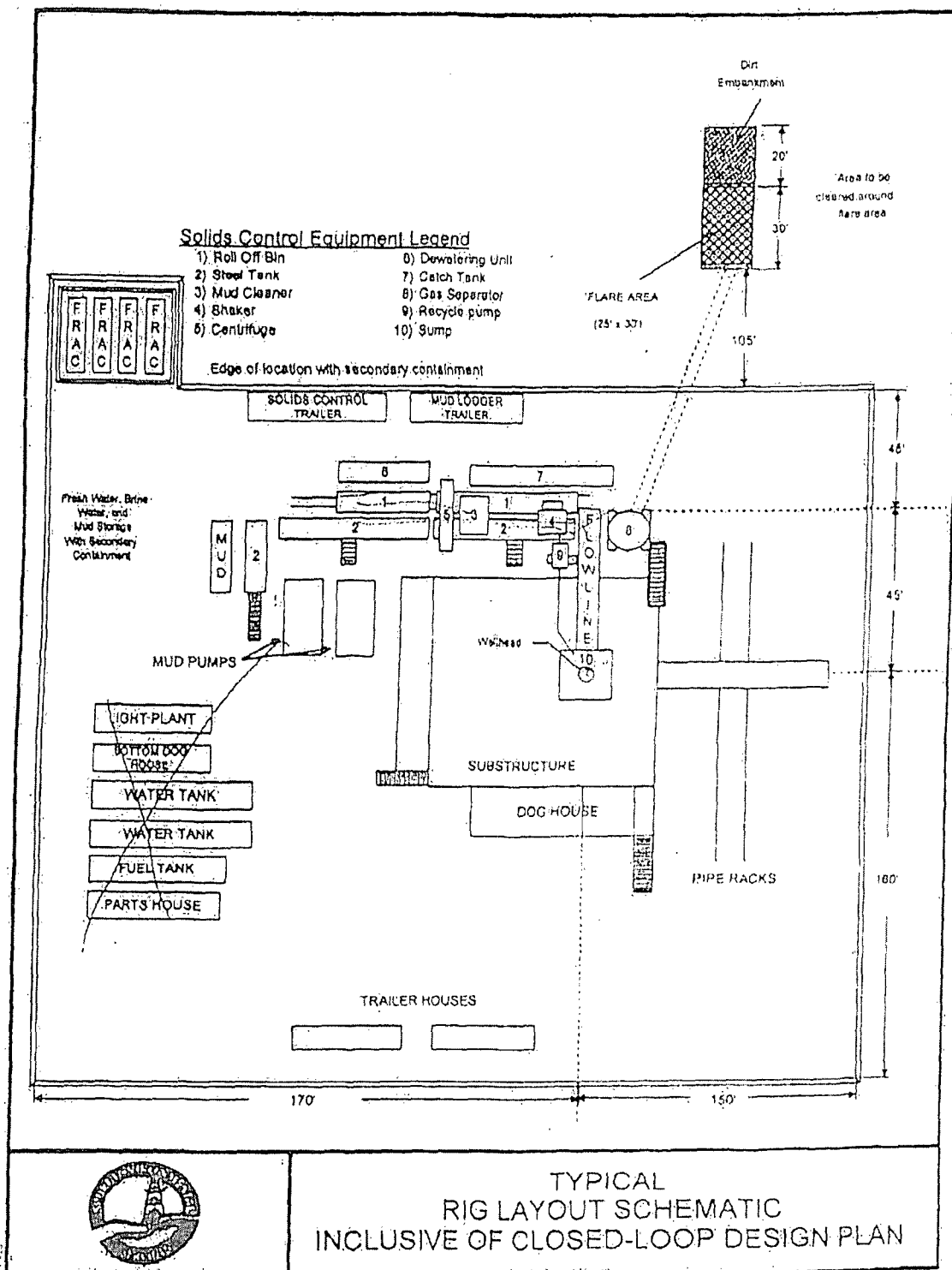
*\*Equipment manufactures may vary due to availability but components will not.*

### 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.



TYPICAL  
RIG LAYOUT SCHEMATIC  
INCLUSIVE OF CLOSED-LOOP DESIGN PLAN