

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

Energy Minerals and Natural Resources

Oil Conservation Division

☒ AMENDED REPORT

1220 South St. Francis Dr.

Santa Fe, NM 87505

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

Operator Name and Address BC Operating, Inc. P.O. Box 50820 Midland, Texas 79710		OGRID Number 160825
Property Code 314340	Property Name Cavegirl 31- State	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	6	24S	25E		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	31	23S	25E		240	North	1769	East	Eddy

9. Pool Information

Pool Name	Pool Code
Crooked Creek; Wolfcamp East (Gas)	75460

Additional Well Information

11 Work Type New Well	12 Well Type Gas	13 Cable/Rotary Rotary	14 Lease Type State	15 Ground Level Elevation 3891'
16 Multiple No	17 Proposed Depth 8600' TVD/13,681' MD	18 Formation Wolfcamp	19 Contractor TBD	20 Spud Date 12/01/15
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#	400'	300	0'
Intermediate	12 1/4"	9 5/8"	40#	3100'	1240	0'
Production	8 3/4"	5 1/2"	17#	13,681'	2250	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: 03/25/2015 Phone: 432-684-9696

OIL CONSERVATION DIVISION

Approved By:

Title:

Approved Date:

Expiration Date:

Conditions of Approval Attached

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
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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

MAR 05 2015

☐ AMENDED REPORT

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-43000	² Pool Code 75460	³ Pool Name CROOKED CREEK; WOLFCAMP EAST (GAS)
⁴ Property Code 314340	⁵ Property Name CAVEGIRL 31 STATE	⁶ Well Number 2H
⁷ OGRID No. 160825	⁸ Operator Name B.C. OPERATING, INC.	⁹ Elevation 3891'

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	6	T24S	R25E		240'	NORTH	1680'	EAST	EDDY

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	31	T23S	R25E		240'	NORTH	1769'	EAST	EDDY

¹² Dedicated Acres 320.00	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

¹⁶ SECTION 25 CORNER COORDINATES NAD 83, SPCS NM EAST A - Y461256.49' / X510096.25' B - Y461296.77' / X512918.16' C - Y458625.97' / X512902.42' D - Y455957.54' / X512564.30' E - Y455944.62' / X509921.53'		SECTION 30 SECTION 29	
SECTION 36 BOTTOM HOLE LOCATION 240' FNL 1769' FEL, SECTION 31 NAD 83, SPCS NM EAST X511147.47' / Y461031.47' LAT32.26741255N / LDM104.43100880 NAD 27, SPCS NM EAST X469965.96' / Y460974.53' LAT32.26729848N / LDM104.4305192W		SECTION 31 B SECTION 32 LAST TAKE POINT	
LAST TAKE POINT 330' FNL 1773' FEL, SECTION 31 NAD 83, SPCS NM EAST X511143.01' / Y460941.40' LAT32.26716494N / LDM104.43102299W NAD 27, SPCS NM EAST X469961.50' / Y460884.47' LAT32.26705087N / LDM104.43051612W		T-23-S R-24-E T-23-S R-25-E	
FIRST TAKE POINT 330' FSL 1680' FEL, SECTION 31 NAD 83, SPCS NM EAST X510911.66' / Y456279.46' LAT32.25434922N / LDM104.43175763W NAD 27, SPCS NM EAST X469730.01' / Y456222.68' LAT32.25423517N / LDM104.43125124W		660' 660' PRODUCTION AREA	
SURFACE HOLE LOCATION 240' FNL 1680' FEL, SECTION 6 NAD 83, SPCS NM EAST X510889.68' / Y455709.95' LAT32.25278364N / LDM104.43182706W NAD 27, SPCS NM EAST X469708.01' / Y455653.19' LAT32.25266959N / LDM104.43132073W		SECTION 31 SECTION 32 330' 1680' 1680' FIRST TAKE POINT E	
SECTION 36 T-23-S R-25-E		SECTION 6 SECTION 5	
SECTION 1 T-24-S R-24-E CORNER COORDINATES NAD 27, SPCS NM EAST A - Y461199.57' / X468914.76' B - Y461239.78' / X471736.64' C - Y458569.07' / X471720.82' D - Y455900.73' / X471382.62' E - Y455887.88' / X468739.88'			

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 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.

Signature: Pam Stevens Date: 3/1/15

Printed Name: Pam Stevens

E-mail Address: pstevens@bcoperating.com

¹⁸ SURVEYOR CERTIFICATION

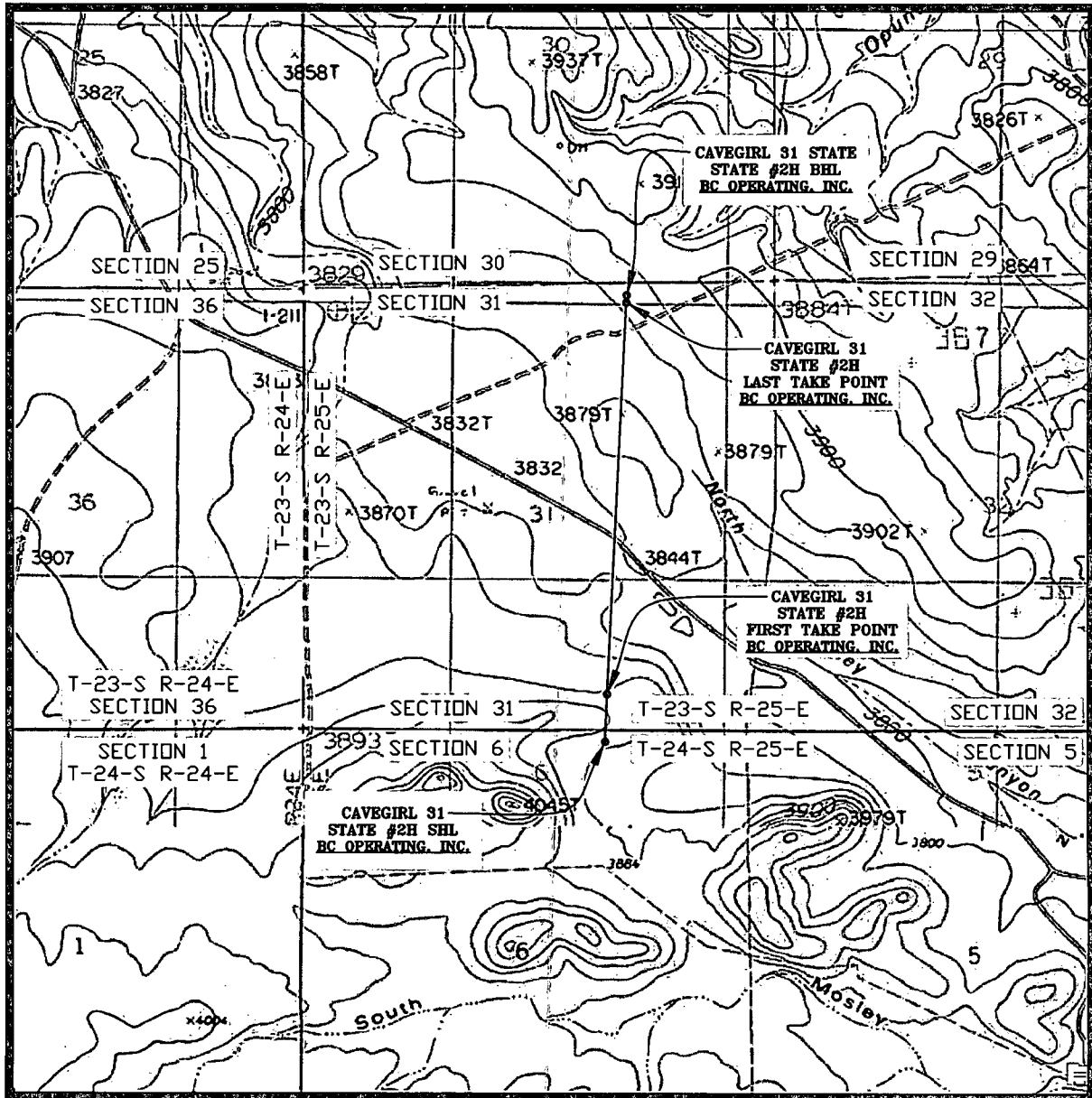
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: JANUARY 20, 2015

Signature and Seal of Professional Surveyor: Lloyd P. Short

Certificate Number: 21653

LOCATION VERIFICATION MAP



SEC. 6 TWP. 24-S RGE. 25-E

SURVEY: N.M.P.M.

COUNTY: EDDY

DESCRIPTION: 240' FNL & 1680' FEL

ELEVATION: 3891'

OPERATOR: B.C. OPERATING, INC.

LEASE: CAVEGIRL 31 STATE

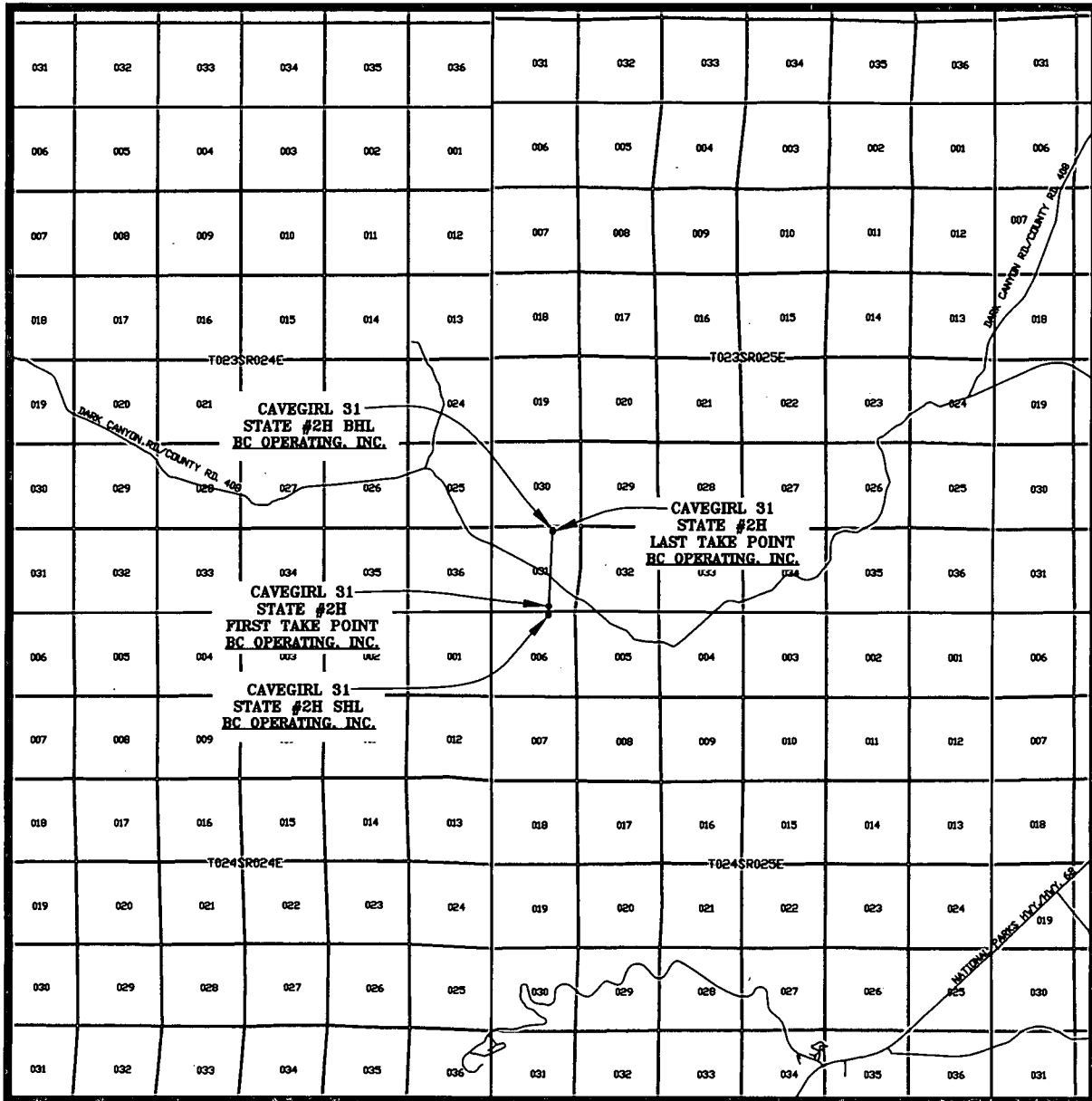
U.S.G.S. TOPOGRAPHIC MAP: CARNERO PEAK, N.M.

SCALE: 1" = 2000'

CONTOUR INTERVAL = 20'

PREPARED BY:
R-SQUARED GLOBAL, LLC
1309 LOUISVILLE AVENUE, MONROE, LA 71201
318-323-6900 OFFICE
JOB No. R3477_002

VICINITY MAP



SEC. 6 TWP. 24-S RGE. 25-E

SURVEY: N.M.P.M.

COUNTY: EDDY

DESCRIPTION: 240' FNL & 1680' FEL

ELEVATION: 3891'

OPERATOR: B.C. OPERATING, INC.

LEASE: CAVEGIRL 31 STATE

U.S.G.S. TOPOGRAPHIC MAP: CARNERO PEAK, N.M.

SCALE: 1" = 2 MILES

PREPARED BY:
R-SQUARED GLOBAL, LLC
1309 LOUISVILLE AVENUE, MONROE, LA 71201
318-323-8900 OFFICE
JOB No. R3477_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

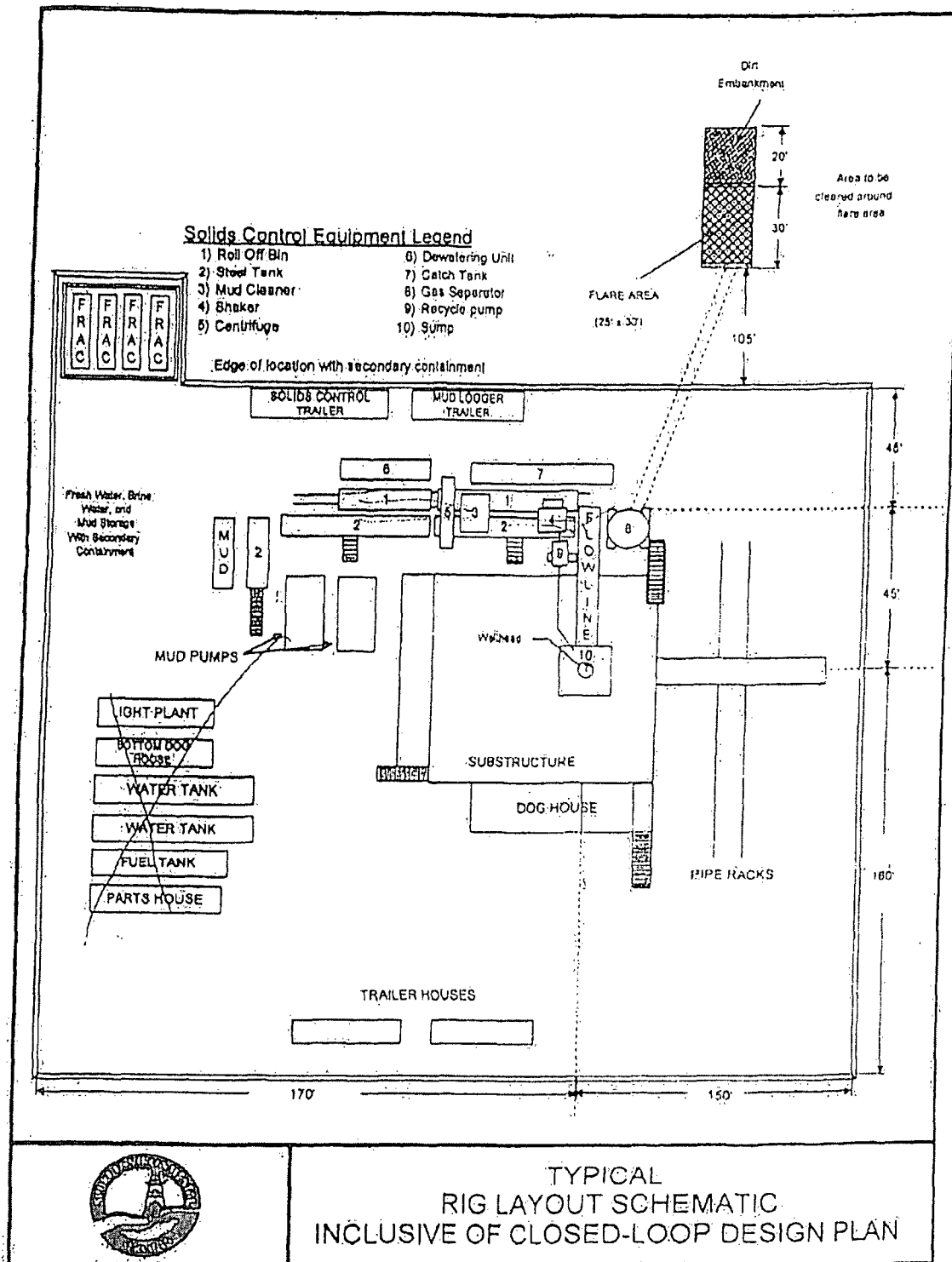
**Equipment manufactures may vary due to availability but components will not*

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.



Permit Conditions of Approval

API: 30-015-43000

Cavegirl 31 State #2H

OCD Reviewer	Condition
<i>RDADE</i>	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