

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-6162
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

NM OIL CONSERVATION
ARTESIA DISTRICT
JUN 8 2015

RECEIVED

State of New Mexico

Form C-101
Revised July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

☐ AMENDED REPORT

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 315017		4. API Number 30-015-73203
5. Property Name Wild Toad 36 State		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	1	25S	29E		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	36	24S	29E		240	North	1680	East	Eddy

9. Pool Information

Pool Name Owen Mesa; Wolfcamp (Gas)	Pool Code 97405
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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 3132'
16. Multiple No	17. Proposed Depth 11,000' TVD / 16,040' MD	18. Formation Wolfcamp	19. Contractor TBD	20. Spud Date 01/01/2016
Depth to Groundwater		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/lb	Setting Depth	Sacks of Cement	Estimated TOC
Surface	16"	13 3/8"	54.5#	725'	510	0'
Intermediate	12 1/4"	9 5/8"	40#	3260'	1290	0'
Production	8 1/2"	5 1/2"	17#	16,040'	2050	0'

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

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 <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature: Pam Stevens Printed name: Pam Stevens Title: Regulatory Analyst E-mail Address: pstevens@bcoperating.com Date: 06/03/2015 Phone: 432-684-9696		OIL CONSERVATION DIVISION Approved By: [Signature] Title: Dr. P. Supersaw Approved Date: 7-8-2015 Expiration Date: 7-8-2017 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

¹ API Number 30-015-43203	² Pool Code 97045	³ Pool Name OWEN MESA; WOLFCAMP (GAS)
⁴ Property Code 315014	⁵ Property Name WILD TOAD 36 STATE	⁶ Well Number 2H
⁷ OGRID No. 160825	⁸ Operator Name B.C. OPERATING, INC.	⁹ Elevation 3132'

¹⁰ Surface Location

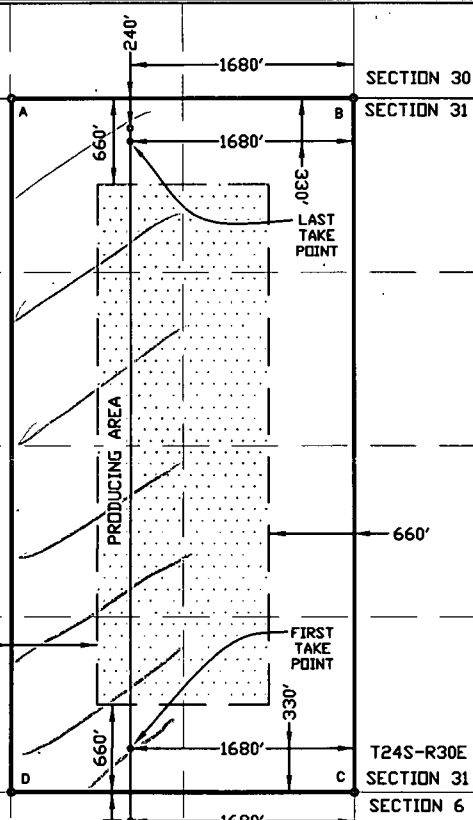
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	1	T25S	R29E		240'	NORTH	1680'	EAST	EDDY

¹¹ 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	36	T24S	R29E		240'	NORTH	1680'	EAST	EDDY

¹² Dedicated Acres 320.00	¹³ Joint or Infill 160	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						" 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. Pam Stevens 5/15/15 Signature Date Pam Stevens Printed Name pstevens@bcooperating.com E-mail Address	
SECTION 26	SECTION 25					"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. MAY 07, 2015 Date of Survey Signature and Seal of Professional Surveyor Lloyd P. Short Certificate Number LLOYD P. SHORT 21653	
SECTION 35	SECTION 36					SECTION 30	SECTION 31
SURFACE HOLE LOCATION 240' FSL 1680' FEL, SECTION 1 NAD 83, SPCS NM EAST Y: 424320.36 / X: 664628.84 LAT: 32.16590740N / LON: 103.93488629W NAD 27, SPCS NM EAST Y: 424261.86 / X: 623444.32 LAT: 32.16578385N / LON: 103.93440099W FIRST TAKE POINT 330' FSL 1680' FEL, SECTION 36 NAD 83, SPCS NM EAST Y: 424890.27 / X: 664626.50 LAT: 32.16747402N / LON: 103.93488701W NAD 27, SPCS NM EAST Y: 424831.76 / X: 623441.99 LAT: 32.16735049N / LON: 103.93440165W LAST TAKE POINT 330' FSL 1680' FEL, SECTION 36 NAD 83, SPCS NM EAST Y: 429517.25 / X: 664615.44 LAT: 32.18019305N / LON: 103.93486739W NAD 27, SPCS NM EAST Y: 429458.65 / X: 623431.06 LAT: 32.18006966N / LON: 103.93438154W BOTTOM HOLE LOCATION 240' FSL 1680' FEL, SECTION 36 NAD 83, SPCS NM EAST Y: 429607.25 / X: 664615.23 LAT: 32.18044045N / LON: 103.93486700W NAD 27, SPCS NM EAST Y: 429548.64 / X: 623430.86 LAT: 32.18031706N / LON: 103.93438114W CORNER COORDINATES NAD 83, SPCS NM EAST A - Y: 429846.11 / X: 663654.65 B - Y: 429849.23 / X: 666294.65 C - Y: 424572.12 / X: 666307.27 D - Y: 424593.50 / X: 663667.33						T24S-R30E SECTION 31	
SECTION 35	T24S-R29E SECTION 36					T24S-R30E SECTION 31	
SECTION 2	T25S-R29E SECTION 1	T25S-R30E SECTION 6					
CORNER COORDINATES NAD 27, SPCS NM EAST A - Y: 429787.50 / X: 622470.29 B - Y: 429790.62 / X: 625110.27 C - Y: 424513.62 / X: 625122.74 D - Y: 424495.00 / X: 622482.82							

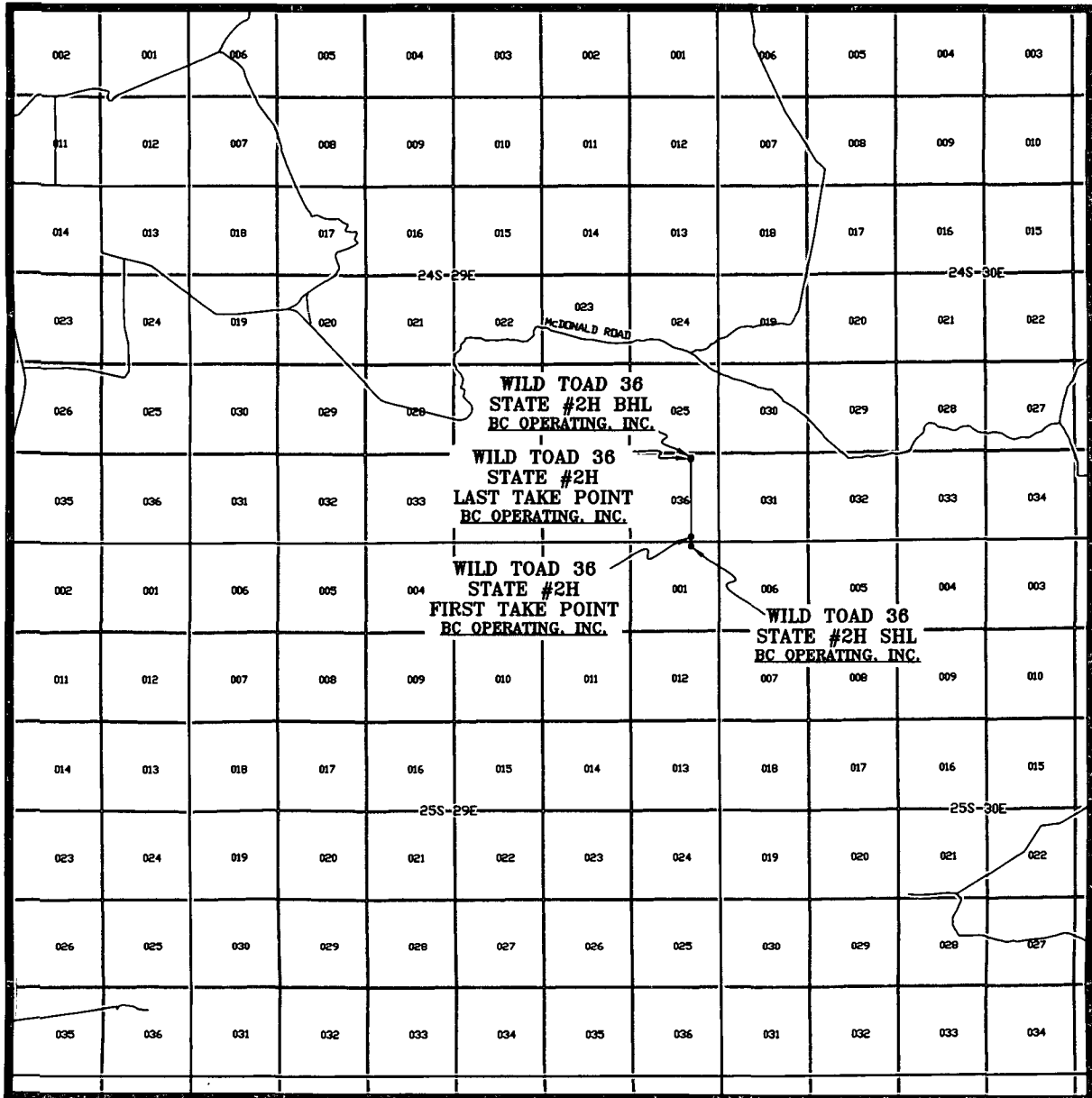
Topographic map of the Wild Toad 36 area. The map shows contour lines and section numbers (26, 25, 30, 35, 36, 31, 02, 01, 06). The map is divided into four quadrants by a vertical line and a horizontal line. The quadrants are labeled with township and range coordinates: T24S R29E, T24S R30E, T25S R29E, and T25S R30E. The map includes the following text labels:

- WILD TOAD 36
STATE #2H BHL
BC OPERATING, INC.
- WILD TOAD 36
STATE #2H
LAST TAKE POINT
BC OPERATING, INC.
- WILD TOAD 36
STATE #2H
FIRST TAKE POINT
BC OPERATING, INC.
- WILD TOAD 36
STATE #2H SHL
BC OPERATING, INC.

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

PREPARED BY:
R-SQUARED GLOBAL, LLC
1309 LOUISVILLE AVENUE, MONROE, LA 71201
318-323-8900 OFFICE
JOB No. R3458_002

VICINITY MAP



SEC. 1 TWP. 25-S RGE. 29-E
 SURVEY: N.M.P.M.
 COUNTY: EDDY
 DESCRIPTION: 240' FNL & 1680' FEL
 ELEVATION: 3132'
 OPERATOR: B.C. OPERATING, INC.
 LEASE: WILD TOAD 36 STATE
 U.S.G.S. TOPOGRAPHIC MAP: PIERCE CANYON, N.M.

SCALE: 1" = 2 MILES

PREPARED BY:
 R-SQUARED GLOBAL, LLC
 1309 LOUISVILLE AVENUE, MONROE, LA 71201
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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.

