

District I1625 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 Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170**District IV**1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

Form C-101
August 1, 2011

Permit 231011

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

1. Operator Name and Address BLACK MOUNTAIN OPERATING LLC 500 Main Street Fort Worth, TX 76102		2. OGRID Number 371127
4. Property Code 316287 ✓		3. API Number 30-015-44046
5. Property Name CYPRESS		6. Well No. 001H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	9	23S	27E	M	655	S	190	W	Eddy

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	9	23S	27E	P	340	S	330	E	Eddy

9. Pool Information

CARLSBAD;BONE SPRING, SOUTH	9670
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3146
16. Multiple N	17. Proposed Depth 15200	18. Formation Bone Spring	19. Contractor	20. Spud Date 3/6/2017
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
Surf	17.5	13.375	54.5	1725	1500	0
Int1	12.25	9.65	40	7300	1740	0
Prod	8.75	5.5	20	15200	1015	6800

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	
Annular	3500	3500	

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify 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.		OIL CONSERVATION DIVISION	
Signature:		Approved By: <i>Raymond H. Odum</i>	
Printed Name: Electronically filed by Michael McCracken		Title: <i>Geologist</i>	
Title: COO		Approved Date: 1-24-2017	
Email Address: michael.mccracken@blackmtn.com		Expiration Date: 1-24-2019	
Date: 1/19/2017	Phone: 817-698-9901	Conditions of Approval Attached	

001H drill as horizontal or change
(avoid duplicates) well #. R/P.

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Form C-102
August 1, 2011

Permit 231011

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-4404	2. Pool Code 9670	3. Pool Name CARLSBAD;BONE SPRING, SOUTH
4. Property Code 316287 ✓	5. Property Name CYPRESS	6. Well No. 001H
7. OGRID No. 371127 ✓	8. Operator Name BLACK MOUNTAIN OPERATING LLC	9. Elevation 3146

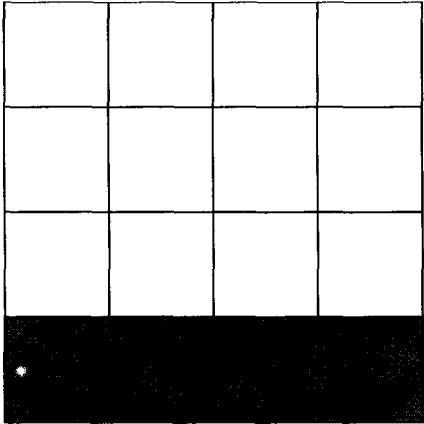
10. Surface Location

UL - Lot M	Section 9	Township 23S	Range 27E	Lot Idn M	Feet From 655	N/S Line S	Feet From 190	E/W Line W	County Eddy
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 160.00	13. Joint or Infill			14. Consolidation Code Other			15. Order No.		

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

	OPERATOR CERTIFICATION	
	<p><i>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(s) 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.</i></p>	
	<p>E-Signed By: Michael McCracken Title: COO Date: 1/19/2017</p>	
	SURVEYOR CERTIFICATION	
<p><i>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.</i></p>		
<p>Surveyed By: Bob LaStrapes Date of Survey: 1/17/2017 Certificate Number: 23006</p>		