

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-8161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 749-1283 Fax:(575) 749-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-8178 Fax:(505) 334-8170
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 228574

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, TX 79710		2. OGRID Number 160825
4. Property Code 317095		3. API Number 30-015-43961
5. Property Name SWEET TEA 6 STATE B		6. Well No. 001H

7. Surface Location

UL - Lot	L	Section	31	Township	24S	Range	29E	Lot Idn	I	Feet From	2491	N/S Line	S	Feet From	360	E/W Line	W	County	Eddy
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8. Proposed Bottom Hole Location

UL - Lot	M	Section	6	Township	25S	Range	29E	Lot Idn	M	Feet From	330	N/S Line	S	Feet From	990	E/W Line	W	County	Eddy
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9. Pool Information

CORRAL DRAW;WOLFCAMP; NORTH (GAS)	96846
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Additional Well Information

11. Work Type New Well	12. Well Type GAS	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 2921
16. Multiple N	17. Proposed Depth 15100	18. Formation Wolfcamp	19. Contractor	20. Spud Date 2/15/2017
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	450	450	0
Int1	12.25	9.625	40	2600	850	0
Prod	8.75	7	26	10500	1050	0
Liner1	6.125	4.5	13.5	15100	350	10000

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	CAMERON

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. Signature: Printed Name: Electronically filed by Sarah Presley Title: Regulatory Analyst Email Address: spresley@bcoperating.com Date: 11/10/2016	<p style="text-align: center;">OIL CONSERVATION DIVISION</p> Approved By: Paul Kautz Title: Geologist Approved Date: 11/22/2016 Expiration Date: 11/22/2018 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	² Pool Code	³ Pool Name
		WC, SALT DRAW; WOLFCAMP, (G)
⁴ Property Code	⁵ Property Name	⁶ Well Number
	SWEET TEA 6 STATE B	1H
⁷ OGRID No. 160825	⁸ Operator Name B.C. OPERATING, INC.	⁹ Elevation 2921

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
3	31	T24S	R29E		2491	SOUTH	360	WEST	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
7	6	T25S	R29E		330	SOUTH	990	WEST	EDDY

¹² Dedicated Acres 475.67	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 SECTION 30 SECTION 36 SECTION 31 		SECTION 29 SECTION 32 SURFACE HOLE LOCATION 2491' FSL 360' FWL, SECTION 31 NAD 83, SPCS NM EAST Y426920.54' / X634855.96' LAT32.17332140N / LDM104.03107992W NAD 27, SPCS NM EAST Y426862.08' / X593671.86' LAT32.17319856N / LDM104.03059103W FIRST TAKE POINT 1006' FSL 990' FWL, SECTION 31 NAD 83, SPCS NM EAST Y425438.01' / X635468.88 LAT32.16924121N / LDM104.02904789W NAD 27, SPCS NM EAST Y425379.57' / X594304.73 LAT32.16911829N / LDM104.02855923W SECTION 32 T-24-S SECTION 5 T-25-S LAST TAKE/BOTTOM HOLE LOCATION 330' FSL 990' FWL, SECTION 6 NAD 83, SPCS NM EAST Y419453.07' / X635496.42 LAT32.15278918N / LDM104.02907819W NAD 27, SPCS NM EAST Y419394.75' / X594312.13 LAT32.15266605N / LDM104.02859006W SECTION 5 SECTION 8 CORNER COORDINATES NAD 27, SPCS NM EAST A - Y: 427097.26 / X: 634495.60 B - Y: 427110.74 / X: 637144.06 C - Y: 419151.27 / X: 637140.03 D - Y: 419106.02 / X: 634506.81 CORNER COORDINATES NAD 27, SPCS NM EAST A - Y: 427038.80 / X: 593311.51 B - Y: 427052.25 / X: 595959.91 C - Y: 419092.94 / X: 595955.70 D - Y: 419047.72 / X: 593322.53
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: <i>Sarah Presley</i> Date: 11.10.16 SARAH PRESLEY Printed Name SPRESLEY@BCOPERATING.COM E-mail Address		
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. NOVEMBER 10, 2016 Date of Survey Signature and Seal of Professional Surveyor: <i>Lloyd P. Short</i> Certificate Number: LLOYD P. SHORT 21653 		

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Form APD Comments

Permit 228574

PERMIT COMMENTS

Operator Name and Address: BC OPERATING, INC. [160825] P O Box 50820 Midland, TX 79710	API Number: 30-015-43961
	Well: SWEET TEA 6 STATE B #001H

Created By	Comment	Comment Date
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Form APD Conditions

Permit 228574

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: BC OPERATING, INC. [160825] P O Box 50820 Midland, TX 79710	API Number: 30-015-43961
	Well: SWEET TEA 6 STATE B #001H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
pkautz	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
pkautz	Pit construction and closure must satisfy all requirements of your approved plan.
pkautz	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing -- 3) Liner - Cement must tie back into production casing
pkautz	Operator shall notify appropriate District office when setting conductor pipe.
pkautz	The Operator is to notify NMOCD by sundry within ten (10) days of spudding a well.
pkautz	It is the operator's responsibility to monitor cancellation dates of approved APDs.
pkautz	If an APD expires and if site construction has occurred, site remediation is required.
pkautz	Submit Gas Capture Plan form prior to spudding or initiating recompletion operations