

**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) 748-1283 Fax:(575) 748-9720  
**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 228521

**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 317092		3. API Number 30-015-43964
5. Property Name CAMPANA 3 2 STATE X		6. Well No. 001H

**7. Surface Location**

UL - Lot	A	Section	3	Township	24S	Range	26E	Lot Idn	1	Feet From	330	N/S Line	N	Feet From	240	E/W Line	E	County	Eddy
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**8. Proposed Bottom Hole Location**

UL - Lot	A	Section	2	Township	24S	Range	26E	Lot Idn	1	Feet From	330	N/S Line	N	Feet From	330	E/W Line	E	County	Eddy
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**9. Pool Information**

BLACK RIVER;WOLFCAMP (GAS)	72240
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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 3291
16. Multiple N	17. Proposed Depth 14500	18. Formation Wolfcamp	19. Contractor	20. Spud Date 3/1/2017
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	48	400	500	0
Int1	12.25	9.625	36	2150	800	0
Prod	8.75	7	26	11000	950	0
Liner1	6.125	4.5	13.5	14500	250	9500

**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: 11/14/2016	<p style="text-align: center;"><b>OIL CONSERVATION DIVISION</b></p> Approved By: Paul Kautz Title: Geologist Approved Date: 11/22/2016 Expiration Date: 11/22/2018 Conditions of Approval Attached
Phone: 432-684-9696	

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT

16 SECTION 34 SECTION 3 SHL 240'	330' SECTION 35 A SECTION 2 330' 330' 330' D	<div style="text-align: center;"> </div>	T-23-S T-24-S 330' SECTION 1 SECTION 1 SECTION 1	<h3 style="text-align: center;">17 OPERATOR CERTIFICATION</h3> <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 style="text-align: right;">           Signature       </p> <p style="text-align: right;">         11-14-16          Date       </p> <p style="text-align: center;"> <b>SARAH PRESLEY</b>          Printed Name       </p> <p style="text-align: center;"> <b>SPRESLEY@BCOPERATING.COM</b>          E-mail Address       </p>
SECTION 3 SECTION 10	SECTION 2 SECTION 11	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p style="text-align: center;">SURFACE HOLE LOCATION 330' FNL 240' FEL NAD 83, SPCS NM EAST X559946.92' / Y453649.59' LAT32.25264151N / LDN104.27313499W NAD 27, SPCS NM EAST X518764.74' / Y455591.55' LAT32.25252357N / LDN104.27263394W</p> <p style="text-align: center;">FIRST TAKE POINT 330' FNL 330' FVL NAD 83, SPCS NM EAST X560516.97' / Y455652.99' LAT32.25265021N / LDN104.27129098W NAD 27, SPCS NM EAST X519334.79' / Y455595.03' LAT32.25253222N / LDN104.27078999W</p> </div> <div style="width: 45%;"> <p style="text-align: center;">LAST TAKE POINT/BOTTOM HOLE LOCATION 330' FNL 330' FEL NAD 83, SPCS NM EAST X565170.52' / Y455678.81' LAT32.25271290N / LDN104.25621159W NAD 27, SPCS NM EAST X523996.29' / Y455620.74' LAT32.25259454N / LDN104.25571109W</p> <p style="text-align: center;">CORNER COORDINATES NAD 83, SPCS NM EAST A - X: 560190.00' / Y: 455901.18' B - X: 565511.48' / Y: 456010.66' C - X: 565488.24' / Y: 453390.95' D - X: 560166.00' / Y: 453399.90'</p> </div> </div>	SECTION 1 SECTION 12	<h3 style="text-align: center;">18 SURVEYOR CERTIFICATION</h3> <p>I hereby certify that the well location shown on this plot 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 style="text-align: right;"> <b>SEPTEMBER 30, 2016</b>          Date of Survey       </p> <p style="text-align: right;">         Signature and Seal of Professional Surveyor            Certificate Number       </p> <p style="text-align: right;"> <b>LLOYD P. SHORT</b>          21653       </p>

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**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form APD Comments

Permit 228521

**PERMIT COMMENTS**

Operator Name and Address: BC OPERATING, INC. [160825] P O Box 50820 Midland, TX 79710	API Number: 30-015-43964
	Well: CAMPANA 3 2 STATE X #001H

Created By	Comment	Comment Date
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Form APD Conditions

Permit 228521

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: BC OPERATING, INC. [160825] P O Box 50820 Midland, TX 79710	API Number: 30-015-43964
	Well: CAMPANA 3 2 STATE X #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