

DATE IN 6.20.11	SUSPENSE	ENGINEER WJ	LOGGED IN 6.20.11	TYPE SWD	APP NO. 1117153223
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



BC Operating 160825

Southerton 6" State 2

ADMINISTRATIVE APPLICATION CHECKLIST

30-025-34734

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

3811

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☒ Offset Operators, Leaseholders or Surface Owner
 [C] ☒ Application is One Which Requires Published Legal Notice
 [D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Linda Gregg _____ Regulatory Analyst _____
 Print or Type Name Signature Title Date

lgregg@bcoperating.com
 e-mail Address

D-06-165-38E

5200-6850'

1280 PSI

BC OPERATING, INC.

P.O. Box 50820
Midland, TX 79710

432-684-9696 (office)
432-686-0600 (fax)

June 17, 2011

New Mexico Oil Conservation Division
District 1 Office
1625 N. French Drive
Hobbs, New Mexico 88240

Re: Application for Amended Authorization to Inject
South Denton "6" State #2
Section 6, T-16-S, R-38E
Lea County, New Mexico

Gentlemen:

Per OCD instructions, please find enclosed a copy of our Application for Amended Authorization to Inject for the above referenced property. The original application and supporting documents was sent to the Santa Fe office.

All of the required forms, documents, and attachments are included in this package:

- C-108 Form
- Proof of notification sent to surface owners
- Proof of Publication of Notification

Should you have any questions or need additional information, please contact me at the letterhead address, (432) 684-9696 ext. 218, or by email at lgregg@bcoperating.com.

Sincerely,



Linda Gregg
Regulatory Analyst

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Amendment to deepen injection well Pressure Maintenance X Disposal Storage
Application qualifies for administrative approval? X Yes No
- II. OPERATOR: B C Operating, Inc.
ADDRESS: P.O. Box 50820, Midland, TX 79710
CONTACT PARTY: Linda Gregg PHONE: 432-684-9696 X 218
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? X Yes No
If yes, give the Division order number authorizing the project: SWD-R-13325
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: Linda Gregg TITLE: Regulatory Analyst
SIGNATURE: Linda Gregg DATE: 6-17-11/7-20-11
E-MAIL ADDRESS: lgregg@bcoperating.com *corrected*
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted.
Please show the date and circumstances of the earlier submittal: Original C-108 Filing, 5/10/10

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

INJECTION WELL DATA SHEET

OPERATOR: _____ B C Operating, Inc _____

WELL NAME & NUMBER: _____ South Denton "6" State #2 _____

WELL LOCATION: _____ 330 FNL & 330 FWL _____ D _____ 6 _____ 16S _____ 38E _____
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGEWELLBORE SCHEMATICWELL CONSTRUCTION DATASurface Casing

Hole Size: _____ 12 1/4" _____ Casing Size: _____ 8 5/8" _____

Cemented with: _____ 1035 _____ sx. *or* _____ ft³

Top of Cement: _____ Surf _____ Method Determined: _____

Intermediate Casing

Hole Size: _____ 7 7/8" _____ Casing Size: _____ 5 1/2" _____

Cemented with: _____ 980 _____ sx. *or* _____ ft³

Top of Cement: _____ Surf _____ Method Determined: _____

Production Casing

Hole Size: _____ 4 3/4" _____ Casing Size: _____ Open Hole _____

Cemented with: _____ N/A _____ sx. *or* _____ ft³

Top of Cement: _____ N/A _____ Method Determined: _____

Total Depth: _____ 6850' _____

Injection Interval

_____ 5200 _____ feet to _____ 6850' _____

(Perforated or Open Hole; indicate which) **(BOTH)**

INJECTION WELL DATA SHEET

Tubing Size: 2 7/8" Lining Material: Plastic Coated

Type of Packer: Baker Lok-set

Packer Setting Depth: <100' above top perf

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? X Yes No

If no, for what purpose was the well originally drilled? This is an application to _____

 amend original injection permit approved 8/5/10 by deepening well by 350' _____

2. Name of the Injection Formation: San Andres & Glorieta

3. Name of Field or Pool (if applicable): SWD; San Andres, Glorieta

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. No _____

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: None _____

New Mexico Oil Conservation Division – Form C-108

- I. Purpose :** Amendment to deepen injection well.
- II. Operator :** BC Operating, Inc.
Address : 303 Veterans Airpark Lane, Midland, Texas 79710
Contact Party : Linda Gregg (432) 684-9696, ext. 218
- III. Salt Water Disposal Well Data**
South Denton "6" State #2SWD
Unit Letter D, 330' FNL, 330' FWL, Section 6, T-16-S, R-38-E
Lee County, New Mexico
The above mentioned well was drilled for use as a saltwater disposal well. The injection zone was the San Andres formation. No porosity encountered. Propose to deepen well by 350' to Glorieta. No oil or gas zones are known to exist above the disposal interval. A swab test will be performed to evaluate the new 350 foot Glorieta interval to ensure it is not productive of oil or gas. One dry hole is located in this Section.
- IV.** This is an expansion of an existing project, Division order SWD-R-13325
- V. Subject Area Maps and Area of Review**
A map of the subject area, South Denton field, including all wells within a 2 mile radius is attached. Map also shows the subject well's area of review (or half mile radius circle).
- VI.** Southern Union State #1 is the only well within the area of review that penetrated the proposed injection interval. It was a dry hole and is now plugged. See attached information.
- VII. Proposed Operation**
1. Average Injection Rate = 3500 BWPD
Maximum Injection Rate = 4000 BWPD
2. The system will be closed.
3. Average Injection Pressure = 960 psig at surface
Maximum Injection Pressure = ~~1280~~ ¹⁰⁴⁵ psig at surface
4. See attached water analysis from offset San Andres well.
- VIII. Injection zone: San Andres and Glorieta**
Top San Andres: 5200'
Base San Andres: 6500'
Top Glorieta: 6500'
Base Glorieta: 6850'
Injection Interval: 5200'-6850'

Fresh Water Aquifer: Ogallala formation (Quaternary) near surface to 200'

- IX.** Stimulate with 3000 gal 15pct HCl.
- X.** Appropriate well logs were filed with the BLM/NMOCD when the well was drilled.
- XI.** Freshwater Wells within the Area of Review: There are none.
- XII.** After examining available geologic and engineering data, BC Operating, Inc. finds no evidence of open faults, or other hydrologic connection between the disposal zone and any underground source of drinking water.
- XIII.** "Proof of Notice"
- XIV.** Certification

South Denton 6 State #2 SWD **Current Completion**

LEASE & WELL NO. South Denton 6 State #2 SWD
 FIELD NAME SWD San Andres & Glorieta
 LOCATION 330 FNL & 330 FWL, Sec 6, T16S, R38E

FORMER NAME _____
 COUNTY & STATE Lea Co., NM
 API NO. 30-025-39734

K.B. ELEV. _____
 D.F. ELEV. _____
 GROUND LEVEL 3781'

CURRENT CONSTRUCTION

<u>SURFACE CASING</u>			
SIZE	<u>8-5/8"</u>	WEIGHT	<u>24.0#</u>
GRADE	<u>J55</u>	SX. CMT.	<u>1035 sx</u>
DEPTH	<u>2019'</u>	TOC @	<u>Surf</u>

Tubing Description
 NONE

WELL HISTORY

4/15/2010	APD Approved
8/5/2010	NMOCD Hearing for Injection Permit, permit approved
1/16/2011	Drilled well; no San Andres porosity encountered
	Propose to deepen well by 350' to Glorieta



<u>PRODUCTION CASING</u>			
SIZE	<u>5-1/2"</u>	WEIGHT	<u>15.5#</u>
GRADE	<u>J55</u>	SX. CMT.	<u>980 sx</u>
DEPTH	<u>6500'</u>	TOC @	<u>Surf</u>

PBTD@ _____
 TD@ 6500'

South Denton 6 State #2 SWD Proposed Completion

LEASE & WELL NO. South Denton 6 State #2 SWD
 FIELD NAME SWD San Andres & Glorieta
 LOCATION 330 FNL & 330 FWL, Sec 6, T16S, R38E

FORMER NAME _____
 COUNTY & STATE Lea Co., NM
 API NO. 30-025-39734

K.B. ELEV. _____
 D.F. ELEV. _____
 GROUND LEVEL 3781'

PROPOSED CONSTRUCTION

<u>SURFACE CASING</u>					
SIZE	<u>8-5/8"</u>	WEIGHT	<u>24.0#</u>	DEPTH	<u>2019'</u>
GRADE	<u>J55</u>	SX. CMT.	<u>1035 sx</u>	TOC @	<u>Surf.</u>

Tubing Description
 IPC 2-7/8", 6.5#, J-55

WELL HISTORY

4/15/2010 APD Approved
 8/5/2010 NMOCD Hearing for Injection Permit, permit approved
 1/16/2011 Drilled well; no San Andres porosity encountered
 Propose to deepen well by 350' to Glorieta
 3/23/2011 APD to deepen well approved

<u>PRODUCTION CASING</u>					
SIZE	<u>5-1/2"</u>	WEIGHT	<u>15.5#</u>	DEPTH	<u>6500'</u>
GRADE	<u>J55</u>	SX. CMT.	<u>980 sx</u>	TOC @	<u>Surf</u>

PBTD@ _____
 TD@ 6850'

Packer < 100' above top perf
 max inj pressure = 0.2 psi/ft
 max inj rate = 4000 bwpd

Injection Interval
5200' - 6850'
San Andres & Glorieta

OH 6500'-6850'

BC OPERATING, INC.

P.O. Box 50820
Midland, TX 79710

432-684-9696 (office)
432-686-0600 (fax)

July 7, 2011

New Mexico Oil Conservation Division
Attn: Donna Mull
District 1 Office
1625 N. French Drive
Hobbs, New Mexico 88240

Re: Application for Amended Authorization to Inject
South Denton "6" State #2
Section 6, T-16-S, R-38E
Lea County, New Mexico

Donna,

Please find enclosed the additional items you requested in order to review the above referenced application.

All of the required forms, documents, and attachments are included in this package:

- C-103
- C-105 and Deviation Report
- C-108 (Revised)
- Set of Logs

The proof of notification sent to surface owners and proof of publication of notification were included in the original packet.

Should you have any questions or need additional information, please contact me at the letterhead address, (432) 684-9696 ext. 218, or by email at lgregg@bcoperating.com. Thank you for your assistance in this matter.

Sincerely,



Linda Gregg
Regulatory Analyst

Submit 1 Copy To Appropriate District
Office
District I - (575) 393-6161
1625 N French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
October 13, 2009

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-39734
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name South Denton 6 State
8. Well Number 2
9. OGRID Number 160825
10. Pool name or Wildcat San Andres & Glorieta
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3751' GR

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other SWD ☐

2. Name of Operator
BC Operating, Inc.

3. Address of Operator
PO Box 50820, Midland, TX 79710

4. Well Location
Unit Letter D : 330 feet from the N line and 330 feet from the W line
Section 6 Township 16S Range 38E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3751' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input checked="" type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Deepen well by 350' to Glorieta as per APD approved 3/23/11, changing depth to 6850' (copy included).

No San Andres porosity encountered.

Injection interval will be 5200' - 6850', San Andres & Glorieta; OH 6500' - 6850'.

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD
8 5/8"	24#	2019'	12 1/4"	1035 sks
5 1/2"	15.5#	6500'	7 7/8"	980 sks
Open Hole	n/a	6850'	4 3/4"	n/a

Total Depth - 6500' Total Proposed Depth - 6850'

Spud Date:

1/6/11

Rig Release Date:

1/16/11

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Linda Gregg TITLE Regulatory Analyst DATE 7-7-11

Type or print name Linda Gregg E-mail address: lgregg@bcoperating.com PHONE: 432-684-9696, ext 218

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

District I
1425 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Huerfano Blvd., Artesia, NM 87010
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED New Mexico
Energy Minerals and Natural Resources

Form C-101
June 16, 2008

MAR 23 2011
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☒ AMENDED REPORT

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

Operator Name and Address BC Operating, Inc. PO Box 50820 Midland, TX 79710		OGRIID Number 160825
Property Code 38111	Property Name South Denton "6" State	API Number 30-023-39734
Proposed Pool 1 SWD; San Andres		Well No. 002
Proposed Pool 2		

Surface Location

TL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
D	6	16S	38E	5	330	North	330	West	Lea

Proposed Bottom Hole Location If Different From Surface

TL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County

Additional Well Information

Well Type Code Deepen	Well Type Code 602-5	Cable Rotary	License Type Code State	Ground Level Elevation 3781'
Multiple N	Proposed Depth 6850'	Formation San Andres	Contractor	Spud Date

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/4"	9 5/8"	32	2025'	600	Surface
7 7/8"	5 1/2"	15.5	6500'	900	Surface
4 3/4"	open hole	N/A	6850'	N/A	N/A

Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Proposed Blowout Prevention

Type: **Double Ram**

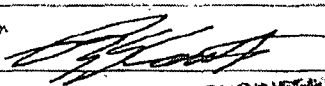
Working pressure: ~~5000~~ **3000**

Test Pressure: ~~5000~~ **3000**

Manufacturer: **3M**

SWD - R - 13325

This is an injection well. The proposed injection zone will be from 6500' to 6850'.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature Courtney Lockhart	Approved by 		
Printed name Courtney Lockhart	Title PETROLEUM ENGINEER		
Title Regulatory Tech	Approval Date MAR 23 2011	Expiration Date	
E-mail Address Courtney@totalenergyservices.us			
Date 3/22/2011	Phone 432/682-1598	Conditions of Approval Attached <input type="checkbox"/>	

Submit To Appropriate District Office Two Copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	Form C-105 July 17, 2008																		
		1. WELL API NO. 30-025-39734																		
		2. Type of Lease <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/> FED/INDIAN																		
		3. State Oil & Gas Lease No.																		
WELL COMPLETION OR RECOMPLETION REPORT AND LOG																				
4. Reason for filing: <input checked="" type="checkbox"/> COMPLETION REPORT (Fill in boxes #1 through #31 for State and Fee wells only) <input type="checkbox"/> C-144 CLOSURE ATTACHMENT (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33, attach this and the plat to the C-144 closure report in accordance with 19.15.17.13.K NMAC)		5. Lease Name or Unit Agreement Name South Denton 6 State																		
		6. Well Number: <div style="text-align: center;">2</div>																		
7. Type of Completion: <input checked="" type="checkbox"/> NEW WELL <input type="checkbox"/> WORKOVER <input type="checkbox"/> DEEPENING <input type="checkbox"/> PLUGBACK <input type="checkbox"/> DIFFERENT RESERVOIR <input type="checkbox"/> OTHER <u>SWD</u>																				
8. Name of Operator <div style="text-align: center;">BC Operating, Inc.</div>		9. OGRID 160825																		
10. Address of Operator <div style="text-align: center;">P.O. Box 50820, Midland TX 79710</div>		11. Pool name or Wildcat <div style="text-align: center;">San Andres</div>																		
12. Location	Unit Ltr	Section	Township	Range	Lot	Feet from the	N/S Line	Feet from the	E/W Line	County										
Surface:	D	6	16S	38E		330	North	330	West	Lea										
BH:																				
13. Date Spudded 1/6/11	14. Date T.D. Reached 1/14/11	15. Date Rig Released 1/16/11		16. Date Completed (Ready to Produce)			17. Elevations (DF and RKB, RT, GR, etc.) GL 3751'													
18. Total Measured Depth of Well 6500'		19. Plug Back Measured Depth		20. Was Directional Survey Made? No			21. Type Electric and Other Logs Run Comp Neutron Gamma Ray													
22. Producing Interval(s), of this completion - Top, Bottom, Name Injection Interval 5200'-6500'; San Andres																				
23. CASING RECORD (Report all strings set in well)																				
CASING SIZE	WEIGHT LB./FT.		DEPTH SET		HOLE SIZE		CEMENTING RECORD		AMOUNT PULLED											
8 5/8"	24 #		2019'		12 1/4"		1035 sks		0											
5 1/2"	15.5#		6500'		7 7/8"		980 sks		0											
24. LINER RECORD						25. TUBING RECORD														
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET		PACKER SET												
26. Perforation record (interval, size, and number) This is an injection well. Injection zone from 5200'-6500'. Note. Have applied to deepen well to 6850'					27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>DEPTH INTERVAL</th> <th>AMOUNT AND KIND MATERIAL USED</th> </tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </table>						DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED								
DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED																			
28. PRODUCTION																				
Date First Production		Production Method (Flowing, gas lift, pumping - Size and type pump)				Well Status (Prod. or Shut-in) Shut in														
Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl.		Gas - Oil Ratio												
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl		Oil Gravity - API - (Corr.)													
29. Disposition of Gas (Sold, used for fuel, vented, etc.)								30. Test Witnessed By												
31. List Attachments <i>inclination report</i>																				
32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit																				
33. If an on-site burial was used at the well, report the exact location of the on-site burial:																				
Latitude			Longitude			NAD 1927 1983														
I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief																				
Signature <i>Linda Gregg</i>			Printed Name Linda Gregg		Title Regulatory Analyst			Date 7/7/11												
E-mail Address lgregg@bcoperating.com																				

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well and not later than 60 days after completion of closure. When submitted as a completion report, this shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 11, 12 and 26-31 shall be reported for each zone.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy 2165'- Rustler	T. Canyon	T. Ojo Alamo	T. Penn A"
T. Salt	T. Strawn	T. Kirtland	T. Penn. "B"
B. Salt	T. Atoka	T. Fruitland	T. Penn. "C"
T. Yates 3315'	T. Miss	T. Pictured Cliffs	T. Penn. "D"
T. 7 Rivers	T. Devonian	T. Cliff House	T. Leadville
T. Queen 4210'	T. Silurian	T. Menefee	T. Madison
T. Grayburg	T. Montoya	T. Point Lookout	T. Elbert
T. Upper San Andres 5240'	T. Simpson	T. Mancos	T. McCracken
T. Glorieta	T. McKee	T. Gallup	T. Ignacio Otzte
T. Paddock	T. Ellenburger	Base Greenhorn	T. Granite
T. Blinebry	T. Gr. Wash	T. Dakota	
T. Tubb	T. Delaware Sand	T. Morrison	
T. Drinkard	T. Bone Springs	T. Todilto	
T. Abo	T. Lower San Andres	T. Entrada	
T. Wolfcamp	T.	T. Wingate	
T. Penn	T.	T. Chinle	
T. Cisco (Bough C)	T.	T. Permian	

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....
No. 2, from.....to.....
No. 3, from.....to.....
No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
No. 2, from.....to.....feet.....
No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology

From	To	Thickness In Feet	Lithology

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form W-12
(1-1-71)
FOD1296

INCLINATION REPORT (One Copy Must Be Filed With Each Completion Report)		6. RRC District
1. FIELD NAME (as per RRC Records or Wildcat)		2. LEASE NAME <div style="text-align: center;">South Denton 6 State</div>
3. OPERATOR BC Operating, Inc.		7. RRC Lease Number. (Oil completions only)
4. ADDRESS		8. Well Number <div style="text-align: center;">2</div>
5. LOCATION (Section, Block, and Survey)		9. RRC Identification Number (Gas completions only)
		10. County

RECORD OF INCLINATION

11. Measured Depth (feet)	12. Course Length (Hundreds of feet)	13. Angle of Inclination (Degrees)	14. Displacement per Hundred Feet (Sine of Angle x100)	15. Course Displacement (feet)	16. Accumulative Displacement (feet)
258	258	0.50	0.87	2.24	2.24
830	572	0.60	1.05	6.00	8.24
1367	537	0.50	0.87	4.67	12.91
1807	440	0.50	0.87	3.82	16.73
2160	353	0.50	0.87	3.07	19.80
2442	282	0.70	1.22	3.44	23.24
2690	248	0.60	1.05	2.60	25.84
2945	255	0.40	0.70	1.78	27.62
3510	565	0.80	1.40	7.91	35.53
3950	440	0.50	0.87	3.82	39.35
4450	500	0.40	0.70	3.50	42.85
5000	550	0.60	1.05	5.77	48.62
5463	463	0.05	0.09	0.41	49.03
5963	500	0.20	0.35	1.75	50.78

If additional space is needed, use the reverse side of this form.

17. Is any information shown on the reverse side of this form? ☐ yes ☐ no
18. Accumulative total displacement of well bore at total depth of 5963 feet = 50.78 feet.
- *19. Inclination measurements were made in - ☐ Tubing ☐ Casing ☐ Open hole ☐ Drill Pipe
20. Distance from surface location of well to the nearest lease line _____ feet.
21. Minimum distance to lease line as prescribed by field rules _____ feet.
22. Was the subject well at any time intentionally deviated from the vertical in any manner whatsoever? _____
- (If the answer to the above question is "yes," attach written explanation of the circumstances.)

<p>INCLINATION DATA CERTIFICATION</p> <p>I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on both sides of this form and that such data and facts are true, correct, and complete to the best of my knowledge. This certification covers all data as indicated by asterisks (*) by the item numbers on this form.</p> <div style="border-top: 1px solid black; margin-top: 10px;"> <p>Signature of Authorized Representative</p> <p>Danny Crow, Vice President of Operations</p> <p>Name of Person and Title (type or print)</p> <p>Felderhoff Brothers Drilling</p> <p>Name of Company</p> <p>Telephone: 940-668-8344</p> <p style="text-align: center;">Area Code</p> </div>	<p>OPERATOR CERTIFICATION</p> <p>I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of all information presented in this report, and that all data presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all data and information presented herein except inclination data as indicated by asterisks (*) by the item numbers on this form.</p> <div style="border-top: 1px solid black; margin-top: 10px;"> <p>Signature of Authorized Representative</p> <p>Name of Person and Title (type or print)</p> <p>Operator</p> <p>Telephone: _____</p> <p style="text-align: center;">Area Code</p> </div>
---	--

Railroad Commission Use Only:

Approved By: _____ Title: _____ Date: _____

* Designates items certified by company that conducted the inclination surveys.

709 W INDIANA
MIDLAND, TEXAS 79701
FAX (432) 682-8819

NOTICE

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

STATE OF NEW MEXICO TO: All persons, owners, producers, operators, purchasers, and takers of oil and gas, and all other interested persons, particularly in Lea County, New Mexico:

NOTICE IS HEREBY GIVEN: That B C Operating, Inc., located at 303 Veterans Air Park Lane Suite 6101, Midland, TX 79705, attention Jason Wacker (432) 684-9696, is requesting that the Oil Conservation Commission, pursuant to NM Rule 19.15.26.8 administratively authorize the approval of the amended injection of produced saltwater for enhanced recovery into the following well:

South Denton "6" State #2

API #30-025-39734

Unit D, Section 6, Township 16S, Range 38E

330 FNL & 330 FWL

9 miles due East of Lovington on County Road 83

Injection Zone and Interval: San Andres & Glorietta
5200' – 6850'

Injection Pressure and Rate: 1280 psi and 4000 BWPD

OBJECTIONS may be filed with the Oil Conservation Division within fifteen (15) days after the publication of this notice. Objections, if any, should be mailed to Oil Conservation Division, 1220 South St Francis Dr., Santa Fe, New Mexico 87505.

Affidavit of Publication

State of New Mexico,
County of Lea.

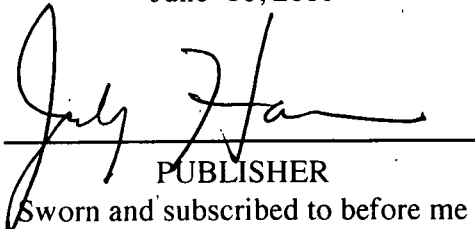
I, JUDY HANNA
PUBLISHER

of the Hobbs News-Sun, a
newspaper published at Hobbs, New
Mexico, do solemnly swear that the
clipping attached hereto was
published in the regular and entire
issue of said newspaper, and not a
supplement thereof for a period

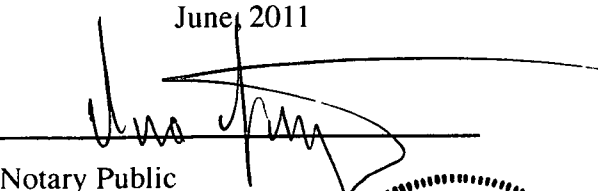
of 1 issue(s).

Beginning with the issue dated
June 10, 2011

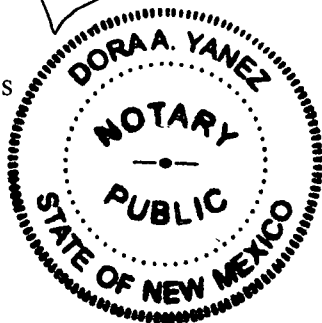
and ending with the issue dated
June 10, 2011


PUBLISHER

Sworn and subscribed to before me
this 13th day of
June, 2011


Notary Public

My commission expires
February 09, 2013
(Seal)



This newspaper is duly qualified to
publish legal notices or
advertisements within the meaning of
Section 3, Chapter 167, Laws of
1937 and payment of fees for said
publication has been made.

NOTICE
JUNE 10, 2011

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

STATE OF NEW MEXICO TO: All persons, owners, producers, operators, purchasers, and takers of oil and gas, and all other interested persons, particularly in Lea County, New Mexico:

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South Denton "6" State #2
API #30-025-39734
Unit D, Section 6, Township 16S, Range 38E
330 FNL & 330 FWL
9 miles due East of Lovington on County Road 83

Injection Zone and Interval: San Andres & Glorieta
5200' - 6850'

Injection Pressure and Rate: 1280 psi and 4000 BWPD

OBJECTIONS may be filed with the Oil Conservation Division within fifteen (15) days after the publication of this notice. Objections, if any, should be mailed to Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505.

#26678

67106074

00074165

BC OPERATING INC
PO BOX 50820
MIDLAND, TX 79710

State of New Mexico
New Mexico State Land Office
P. O. Box 1148
Santa Fe, NM 87504

The TGD Limited Partnership
c/o Thurman F. Duncan
302 N. 7th
Lovington, NM 88260

Yarbro's Inc.
P. O. Box 1136
Lovington, NM 88260

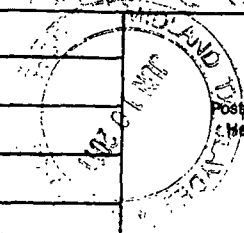
Terry W. Bohannon, Sr.
1429 Barford Ave.
Hacienda Heights, CA 91745

BOS Dairy, LLC
303 State Hwy 83
Lovington, NM 88260

7009 3410 0000 0957 6623

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com

OFFICIAL USE

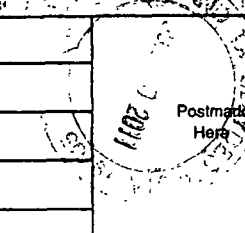
Postage	\$	 Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To: State of New Mexico
 Street, Apt. or PO Box: New Mexico State Land Office
 City, State: P. O. Box 1148 Santa Fe, NM 87504

7009 3410 0000 0957 6616

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com

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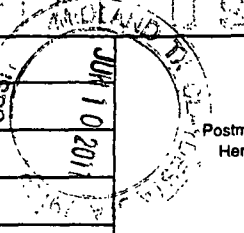
Postage	\$	 Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To: The TGD Limited Partnership
 Street, Apt. or PO Box: c/o Thurman F. Duncan 302 N. 7th
 City, State: Lovington, NM 88260

7009 3410 0000 0957 6609

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com

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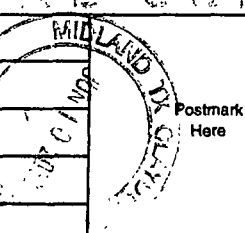
Postage	\$	 Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To: Yarbro's Inc.
 Street, Apt. or P. O. Box: P. O. Box 1136
 City, State: Lovington, NM 88260

7009 3410 0000 0957 6593

U.S. Postal Service
CERTIFIED MAIL RECEIPT
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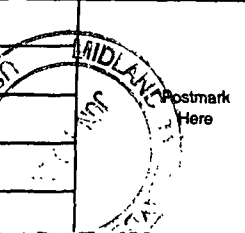
Postage	\$	 Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To: Terry W. Bohannon, Sr.
 Street, Apt. or PO Box: 1429 Barford Ave.
 City, State: Hacienda Heights, CA 91745

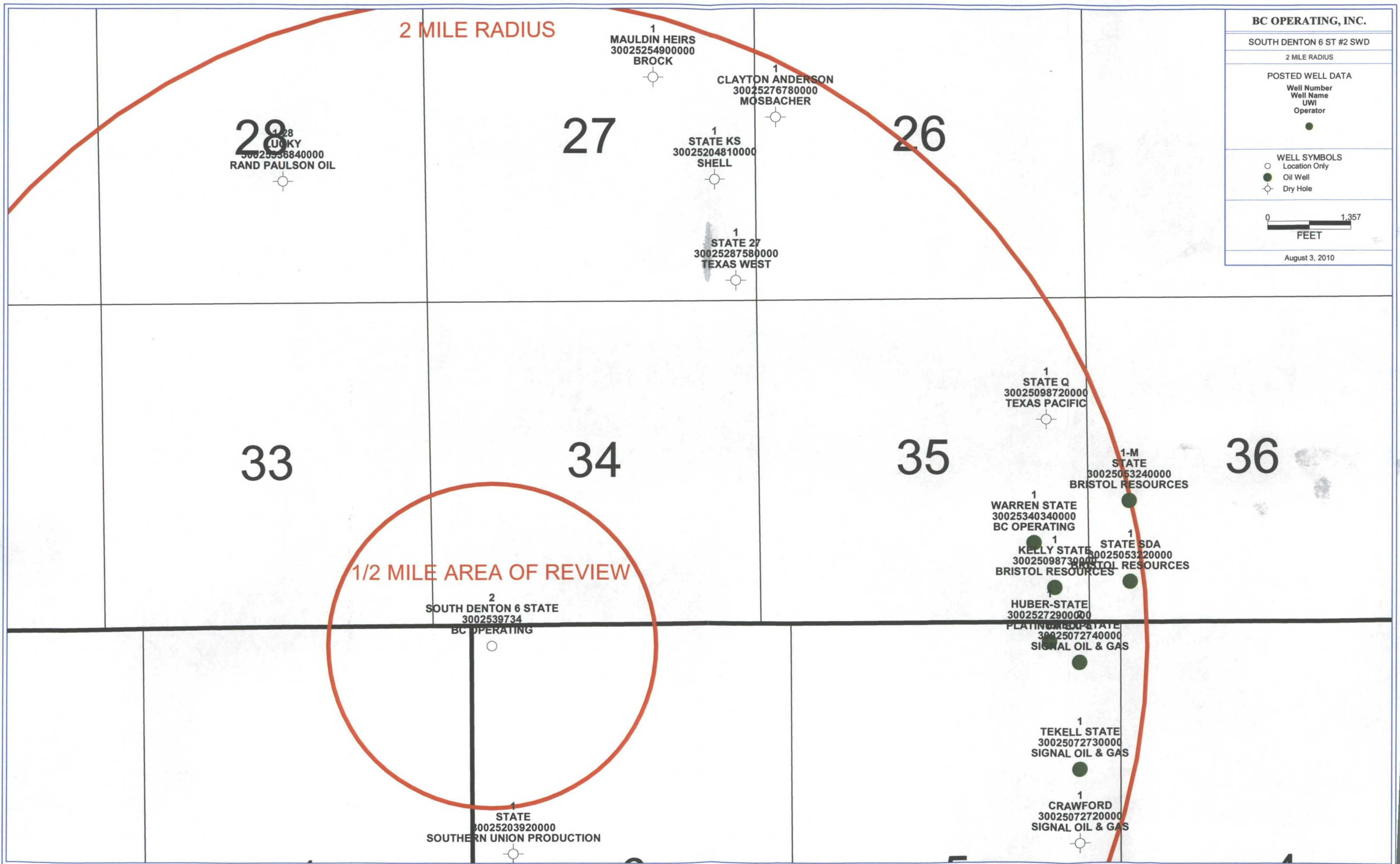
7009 3410 0000 0957 7200

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$	 Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Sent To: BOS Dairy, LLC
 Street, Apt. or PO Box: 303 State Hwy 83
 City, State: Lovington, NM 88260



BC OPERATING, INC.

SOUTH DENTON 6 ST #2 SWD

2 MILE RADIUS

POSTED WELL DATA

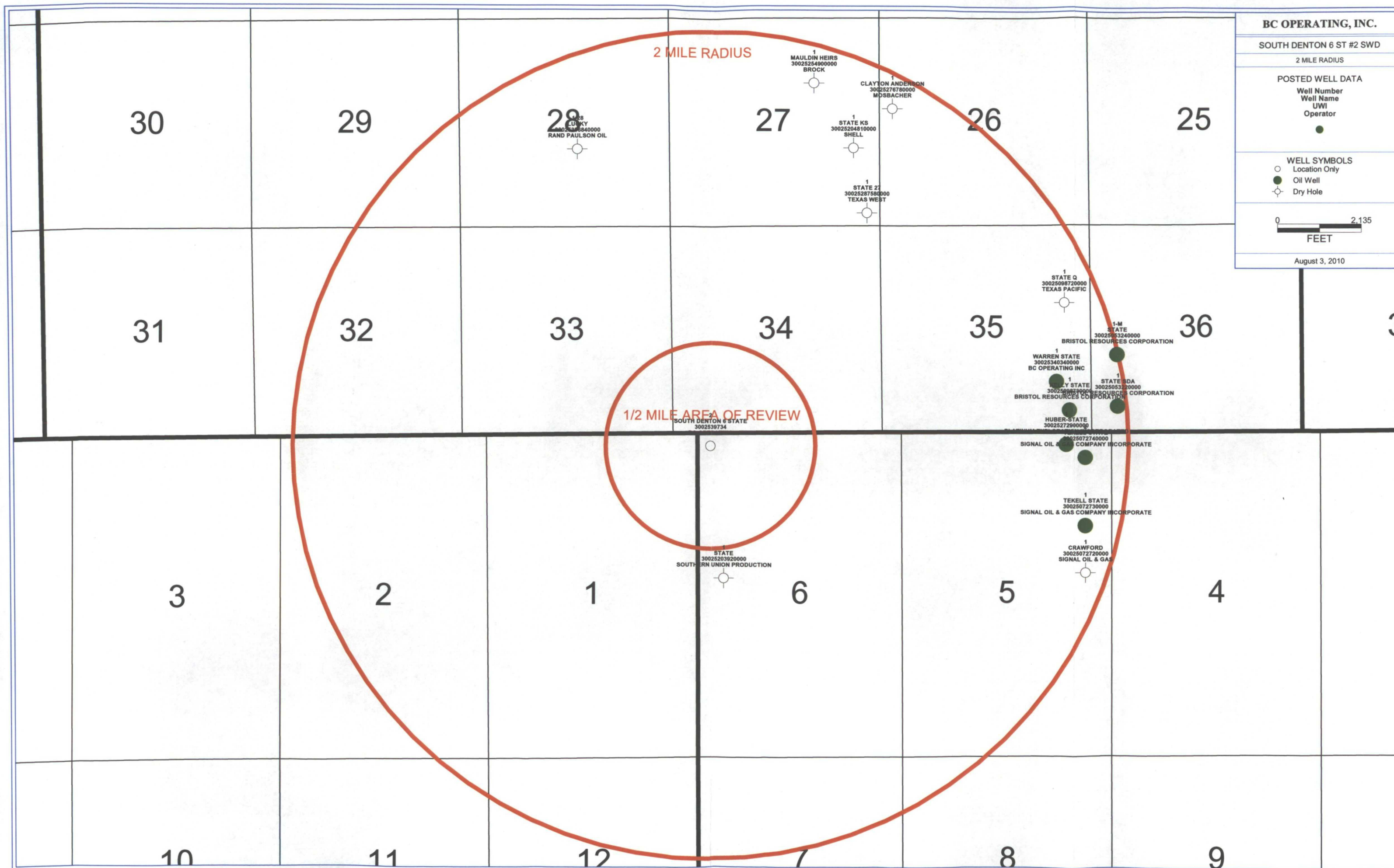
Well Number	Well Name	UWI	Operator

WELL SYMBOLS

- Location Only
- Oil Well
- ⊙ Dry Hole

0 1,357
FEET

August 3, 2010



BC OPERATING, INC.

SOUTH DENTON 6 ST #2 SWD

2 MILE RADIUS

POSTED WELL DATA

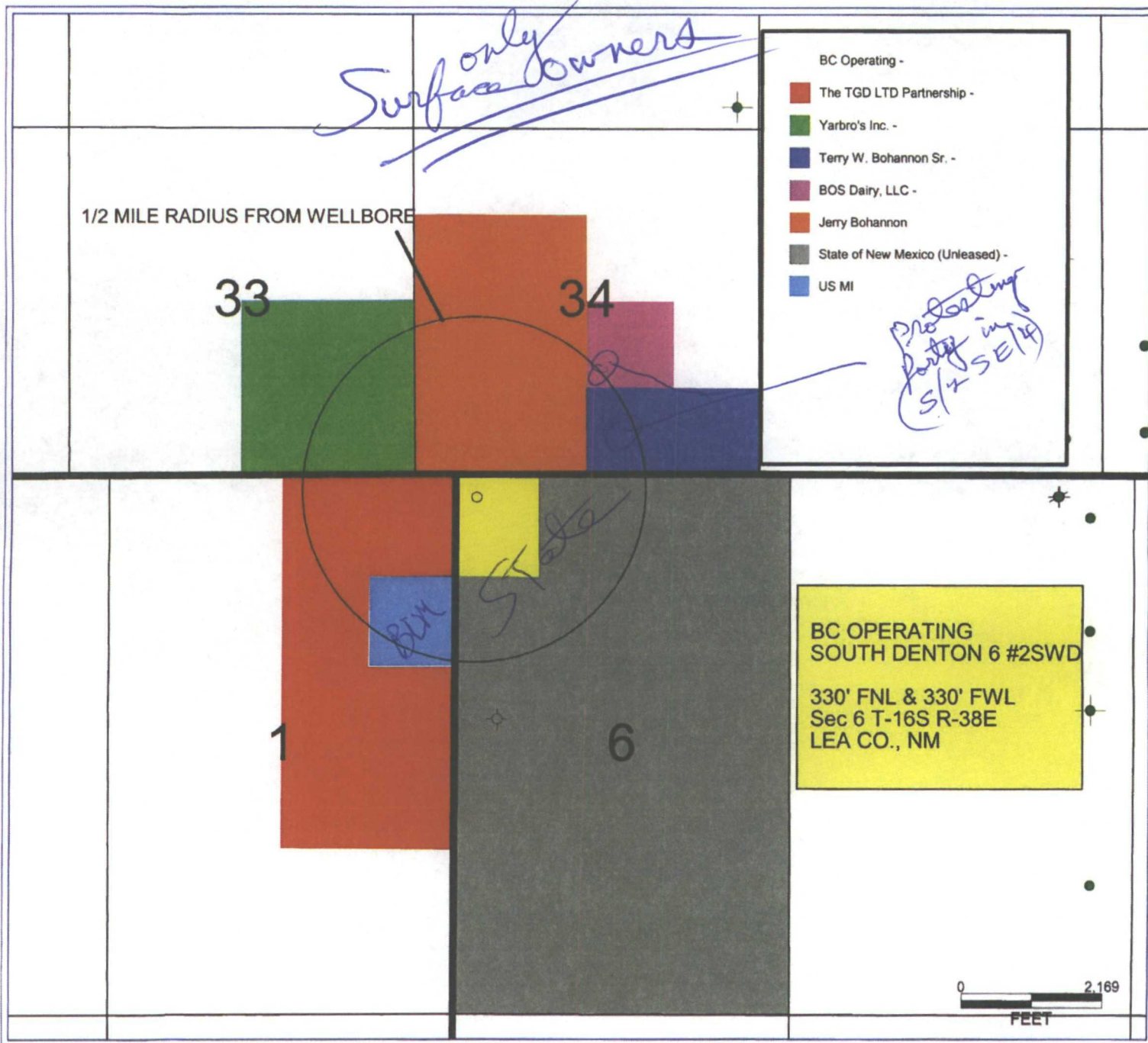
Well Number	Well Name	UWI	Operator

WELL SYMBOLS

- Location Only
- Oil Well
- ⊙ Dry Hole

0 2,135
FEET

August 3, 2010



Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Wednesday, June 22, 2011 1:50 PM
To: 'Linda Gregg'
Subject: RE: Disposal application from BC Operating, Inc.: South Denton 6 State #2 30-025-39734 San Andres and Glorieta

Linda:

I know there are no producing San Andres or Glorieta wells – so no operators.
Sounds like the San Andres and Glorieta is not leased either.

Please confirm that these surface owners are also the mineral rights owners.

Why was the State Land Office notified?

Will Jones

New Mexico

Oil Conservation Division

Images Contacts

From: Linda Gregg [<mailto:lgregg@bcoperating.com>]
Sent: Wednesday, June 22, 2011 1:46 PM
To: Jones, William V., EMNRD
Subject: RE: Disposal application from BC Operating, Inc.: South Denton 6 State #2 30-025-39734 San Andres and Glorieta

Hi Will,

Our land man said that there are no leases and no production in this area; therefore, we notified only the surface owners: Listed below are the land descriptions owned by each one:

The TGD Ltd Partnership -	Section 1: Lots 1,2,7,9,10,15,&16; T16S, R37E; Lea County, NM; 2/9/10 (305.82 acres)
Yarbro's Inc. -	SE/4 Section 33: T15S, R37E; Lea County, NM; 2/8/10 (160 acres)
Terry W. Bohannon Sr. -	S/2SE/4 Section 34: T15S, R37E; Lea County, NM; 2/10/10 (80 acres)
BOS Dairy, LLC -	NW4SE4 Section 34: T15S, R37E; Lea County, NM; 2/10/10 (40 acres)

State of New Mexico was also notified.

Please do not hesitate to contact me should you have any other questions or need additional information. Thank you for your assistance in this matter.

Thanks,

Linda Gregg
Regulatory Analyst
BC Operating, Inc.
(432) 684-9696, ext. 218

From: Jones, William V., EMNRD [<mailto:William.V.Jones@state.nm.us>]
Sent: Wednesday, June 22, 2011 11:52 AM

To: Linda Gregg

Subject: Disposal application from BC Operating, Inc.: South Denton 6-State #2 30-025-39734 San Andres and Glorieta

Hello Linda:

I have not reviewed this thoroughly yet, but did see that we will need to know the lands controlled by each of the parties you provided notice to. Also these lands should encompass the rights to the San Andres and Glorieta dephs and should cover the entire ½ mile Area of Review around this well.

Just send this to your Landman and he/she can likely let you know.

PS: Also enclosing a checklist (just use the "operators" page) so you can better ensure you have everything in the application that we are looking for. If you address all items on this checklist, then BC Operating likely will not have delays waiting for this permit. At least that is the purpose.

Regards,

William V Jones, P.E.

Engineering, Oil Conservation Division

1220 South St. Francis Drive, Santa Fe, NM 87505

Tel 505.476.3448 ~ Fax 505.476.3462



SOUTH DENTON SWD APPLICATION

<u>SURFACE OWNERS</u>	
State of New Mexico New Mexico State Land Office P. O. Box 1148 Santa Fe, NM 87504	Section 6; T16S, R38E; Lea County, NM
The TGD Limited Partnership c/o Thurman F. Duncan 302 N. 7 th Lovington, NM 88260	Section 1: Lots 1,2,7,9,10,15,&16; T16S, R37E; Lea County, NM; 2/9/10 (305.82 acres)
Yarbro's Inc. P. O. Box 1136 Lovington, NM 88260	SE/4 Section 33: T15S, R37E; Lea County, NM; 2/8/10 (160 acres)
Jerry W. Bohannon P. O. Box 2245 Hobbs, NM 88241	SW/4 Section 34: T15S, R37E; Lea County, NM
Terry W. Bohannon, Sr. 1429 Barford Ave. Hacienda Heights, CA 91745	S/2 SE/4 Section 34: T15S, R37E; Lea County, NM; 2/10/10 (80 acres)
BOS Dairy, LLC 303 State Hwy 83 Lovington, NM 88260	NW/4 SE/4 Section 34: T15S, R37E; Lea County, NM; 2/10/10 (40 acres)
<u>UNLEASED MINERAL OWNERS</u>	
State of New Mexico New Mexico State Land Office P. O. Box 1148 Santa Fe, NM 87504	Section 6; T16S, R38E; Lea County, NM
United States of America Bureau of Land Management P. O. Box 27115 Santa Fe, NM 87502	SE/4 NE/4 Section 1; T16S, R37E; Lea County, NM

Jones, William V., EMNRD

From: Linda Gregg [lgregg@bcoperating.com]
Sent: Monday, July 11, 2011 9:32 AM
To: Jones, William V., EMNRD
Subject: South Denton 6 State #2
Attachments: South Denton 6 State #2 Mineral Owner Notification Letter.doc; South Denton 6 State #2 Unleased Mineral Interests.pdf; Revised - South Denton 6 State #2 NMOC letter-District.pdf

Good morning Will,

Please find attached a copy of the letter that was mailed to the unleased mineral interest owners of the above referenced property as well as a list of those owners. The certified receipt tracking numbers are listed by each owner. There were a few that we were unable to find addresses for. Those marked with an asterisk are listed as owners in some of the other sections so duplicate letters were not sent. Just as a reminder, letters have already been mailed to the surface owners. Also, the District 1 office had requested some additional information and I've attached a copy of everything that was sent to them in case you should need copies of that information as well.

If you have any questions or need additional information, please do not hesitate to contact me. And thanks again for all of your assistance in this matter.

Thanks,

Linda Gregg
Regulatory Analyst
BC Operating, Inc.
(432) 684-9696, ext. 218

BC OPERATING, INC.

P.O. Box 50820
Midland, TX 79710

432-684-9696 (office)
432-686-0600 (fax)

July 8, 2011

CERTIFIED MAIL

Re: Administrative Disposal Application to Amend an Existing Disposal Permit
Granted with Hearing Order R-13325
South Denton "6" State #2; API #30-025-39734
Unit D: 330' from N Line and 330' from W Line of Unit D, Section 6, T16S, R38E
Lea County, New Mexico

Attention Mineral Interest Owner:

As operator of the above referenced property, we are filing an administrative amendment to Hearing Order R-13325 with the NMOCD to deepen this disposal well by 350'. BC Operating, Inc. is sending this notice out to all unleased mineral interest owners within ½ mile of this well. The original application to convert this well to a disposal was already approved for injecting into the San Andres formation from 5200' - 6500'. This application will amend the formation names to San Andres and Glorieta and the injection interval to 5200' - 6850'.

If you have objection to this request, then it is necessary for you to file a written objection within fifteen (15) days of receipt of this letter with:

Engineering Bureau
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, NM 87505

If you have no objection, then it is not necessary to do anything.

Should you have any questions or need additional information, please contact me at the letterhead address, (432) 684-9696 ext. 218, or by email at lgregg@bcoperating.com.

Sincerely,

Linda Gregg
Regulatory Analyst

Surface & Mineral Takeoff
 Section 1: Lots 1, 2, 7, 9, 10, 15, & 16
 T-16-S, R-37-E
 Lea County, New Mexico
 February 9, 2010
 (305.82 acres)

Surface Interest:

<u>SURFACE OWNER</u>	<u>SI</u>	<u>NET ACRES</u>	<u>STATUS</u>
The TGD Limited Partnership c/o Thurman F. Duncan 302 N. 7 th Lovington, NM 88260	100%	305.82	OPEN

Mineral Interest:

<u>MINERAL OWNER</u>	<u>MI</u>	<u>NET ACRES</u>	<u>STATUS</u>
Norma J. Chanley P.O. Box 729 Hobbs, NM 88241 7010 3090 0001 8453 6517	0.24524%	0.750000	OPEN
Roy G. Barton, Jr. P.O. Box 978 Hobbs, NM 88241 7010 3090 0001 8453 6524	0.24524%	0.750000	OPEN
Frank B. Haughton & Rosamond C. Haughton, Joint Tenants, with the right of survivorship 3625 Rosedale Ave. Dallas, TX 75205 Phone: 214.363.4969 7010 3090 0001 8453 6531	2.61591%	8.000000	OPEN
Richard Haughton, Jr. C/O Frank B. Haughton 3625 Rosedale Ave. Dallas, TX 75205 7010 3090 0001 8453 6548	3.26989%	10.000000	OPEN
Dan C. Berry P.O. Box 67 Eunice, NM 88231 Phone: 575.394.3189 7010 3090 0001 8453 6555	0.65397%	2.000000	OPEN
Marjorie K. Shae, widow 904 Walker Dr. Hobbs, NM 88240 7010 3090 0001 8453 6562	0.32698%	1.000000	OPEN
R.C. Newberry P.O. Box 1667 Albuquerque, NM. 87103-1667 7010 3090 0001 8453 6579	0.32698%	1.000000	OPEN

Alex U. Bransford Grapevine, TX <i>no address found</i>	4.90484%	15.000000	OPEN
Goldie Cash, as Trustee of the Goldie Cash Revocable Trust U/D/O March 1, 1987 7316 S. Gary Pl. Tulsa, OK 74136-5926 Phone: 918.494.5076	15.53201%	47.500000	OPEN
7010 3090 0001 8453 6586			
Mack Easley, etux Loyce R. 2700 Vista Grande Dr. NW, Unit 96 Albuquerque, NM 87120-1050 Phone: 575.839.7393	1.36763%	4.182500	OPEN
7010 3090 0001 8453 6593			
Leigh Thornton P.O. Box 910 Fort Worth, TX	5.72232%	17.500000	OPEN
7010 3090 0001 8453 6609			
Dale E. Selzer 3620 Dartmouth Ave. Dallas, TX 75205-3239 Phone: 214.528.2688	0.32698%	1.000000	OPEN
7010 3090 0001 8453 6616			
Richard K. Marks 4561 Venetian Way Frisco, TX 75034-6693 Phone: 972.370.9235	0.32698%	1.000000	OPEN
7009 3410 0000 0957 7217			
Douglas L. Cone P.O. Box 6217 Lubbock, TX 79413	0.53806%	1.645500	OPEN
7009 3410 0000 0957 7224			
Clifford Cone P.O. Box 6010 Lubbock, TX 79413	0.53806%	1.645500	OPEN
7009 3410 0000 0957 7231			
Tom R. Cone Rural Route 2 Southwest City, Missouri 64863	0.53806%	1.645500	OPEN
7009 3410 0000 0957 7248			
Cathie Auvenshine Route 6 - Box 79N Austin, TX 78737	0.53806%	1.645500	OPEN
7009 3410 0000 0957 7255			
Kenneth G. Cone P.O. Box 1148 Lovington, NM 88260	0.53806%	1.645500	OPEN
7009 3410 0000 0957 7279			

Nelda Sue (Wilks) Goff 302 North 7 th St. Lovington, NM 88260	10.89965%	33.333333	OPEN
7009 3410 0000 0957 7286			
Genevieve Duncan 302 North 7 th St. Lovington, NM 88260	21.79931%	66.666666	OPEN
7009 3410 0000 0957 7293			
Jane Ramsland Oil & Gas Partnership Ltd. P.O. Box 10689 Midland, TX 79702	4.35986%	13.333333	OPEN
7009 3410 0000 0957 7309			
Shirley B. Wynn 8111 Preston Road, Suite 811 Dallas, TX 75225	4.35986%	13.333333	OPEN
7009 3410 0000 0957 7521			
J.C. Barnes, Jr. Estate P.O. Box 505 Midland, TX 79702	4.35986%	13.333333	OPEN
7009 3410 0000 0958 4109			
A Gayle Hudgens P.O. Box 25561 Dallas, TX 75225	4.84634%	14.821079	OPEN
7009 3410 0000 0958 4116			
Julie Antweil Silverman 4408 Canyon Ct. NE Albuquerque, NM 87109-3534 Phone: 575.292.0950	3.23089%	9.880719	OPEN
7009 3410 0000 0958 4123			
Barry Antweil P.O. Box 2010 Hobbs, NM 88240	3.23089%	9.880719	OPEN
7009 3410 0000 0958 4130			
Mark Antweil P.O. Box 2010 Hobbs, NM 88240	3.23089%	9.880719	OPEN
7009 3410 0000 0958 4147			
Phillip Berry P.O. Box 1561 Lovington, NM 88260 Phone: 575.396.2755	0.07513%	0.229786	OPEN
7009 3410 0000 0958 4154			
Dan C. Berry III P.O. Box 1006 Eunice, NM 88231 Phone: 575.393.0765; 575.393.696	0.07513%	0.229786	OPEN
7009 3410 0000 0958 4161			

Ensign Oil Company P.O. Box 11050 Midland, TX 79702	0.97678%	2.987194	OPEN
	7009 3410 0000 0958 4178		

COMMENTS:

Most of the mineral conveyances on this tract were done in the 1960's without much Oil & Gas activity following. Therefore, some of the parties on this report are over the age of 65 and have not been active at all in Lea County, NM. These are the most current addresses of record.

Surface & Mineral Takeoff
 SE/4 Section 33, T15S-R37E
 Lea County, New Mexico
 February 8, 2010
 (160 acres)

Surface Interest:

<u>SURFACE OWNER</u>	<u>SI</u>	<u>NET ACRES</u>	<u>STATUS</u>
Yarbro's Inc. P.O. Box 1136 Lovington, NM 88260	8/8	160.00	OPEN

Mineral Interest:

<u>MINERAL OWNER</u>	<u>MI</u>	<u>NET ACRES</u>	<u>STATUS</u>
Weldon Yarbro 1103 W. Ave K Lovington, NM 88260 Phone: 505.396.3389 7009 3410 0000 0958 4185	10.41666%	16.6667	OPEN
Don Yarbro 1007 W. Ave K Lovington, NM 88260 Phone: 505.396.3389 7009 3410 0000 0958 4192	10.41666%	16.6667	OPEN
Charles David West III C/O Laura Jean West Sammann 13180 Iliff Aurora, CO 80014 7009 3410 0000 0958 4208	3.12500%	5.0000	OPEN
Laura Jean West Sammann 13180 Iliff Aurora, CO 80014 7009 3410 0000 0958 4215	3.12500%	5.0000	OPEN
J.R. & Betty Canon Living Trust P.O. Box 2405 Hobbs, NM 88240-2405 7009 3410 0000 0958 4222	6.25000%	10.0000	OPEN
Richard T. Halpain, Atty 188 Riotech Flatonia, TX 78941 Phone: 979.968.3963 7009 3410 0000 0958 4239	12.50000%	20.0000	OPEN
David E. Wise, Minnie E. Dixon, Laura E. Ethridge, Charles L. Wise their heirs or assigns (no address found)	41.66666%	66.6667	OPEN

Mr. & Mrs. J.R. Caldwell (no address found)	12.50000%	20.0000	OPEN
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COMMENTS

David E. Wise, etal, are the heirs of John H. Wise which resided and believed to have deceased in Lubbock County, Texas. More research will be needed to determine heirship status and current contact information of above parties.

Mr. & Mrs. J.R. Caldwell come into a mineral interest on this tract by Deed dated 2/23/1969 at Book 313 Page 403. After this particulat conveyance this party does not again apear in title. I have done an extensive name search at the county level to find contact information for the Caldwell's or their heirs. More research will be needed to find accurate contact information.

Surface & Mineral Takeoff
 SW/4 Section 34, T15S-R37E
 Lea County, New Mexico
 February 10, 2010
 (160 acres)

Surface Interest (Save and Except a 2.34 acre tract):

<u>SURFACE OWNER</u>	<u>SI</u>	<u>NET ACRES</u>	<u>STATUS</u>
Jerry W. Bohannon P.O. Box 2245 Hobbs, NM 88241	100%	157.6559	OPEN

Surface Interest of a 2.3441 acre tract in the SW/4:

<u>SURFACE OWNER</u>	<u>SI</u>	<u>NET ACRES</u>	<u>STATUS</u>
Pablo Lujan 5618 Cletsoway SW Albuquerque, NM 87105	100%	2.3441	OPEN

Not within
 1/4 mile.
 radius

Mineral Interest:

<u>MINERAL OWNER</u>	<u>MI</u>	<u>NET ACRES</u>	<u>STATUS</u>
Encore Acquisition Company 777 Main St., Suite 1400 Fort Worth, TX 76102 7009 3410 0000 0958 4246	16.66666%	26.66666	OPEN
J.B. Wilson Morino, Missouri no address found	16.66666%	26.66666	OPEN
The Mary Helen Seaton Trust % JP Morgan Chase Bank P.O. Box 660197 Dallas, Texas 75266-0197 7009 3410 0000 0958 4253	8.33333%	13.33333	OPEN
Liberty National Bank, Trustee for the W.T. Reed Trust P.O. Box 1627 Lovington, NM 88260 7009 3410 0000 0958 4260	8.33333%	13.33333	OPEN

The Frankie A. Skinner Revocable Trust 6426 Opal Odessa, TX 79762	8.33333%	13.33333	OPEN
	7009 3410 0000 0957	7262	
Blackstone Minerals Company, LP 1001 Fannin, Suite 2020 Houston, TX 77002	16.66666%	26.66666	OPEN
	7010 3090 0001 8450	6008	
Weldon Yarbro 1103 W. Ave K Lovington, NM 88260 Phone: 505.396.3389	8.33333%	13.33333	OPEN
Yeager Resources, a Partnership P.O. Box 990 Midland, TX 79702-0990	2.77777%	4.44443	OPEN
	7010 3090 0001 8450	6015	
SevenWays Minerals, LTD. 214 W. Texas Ave., Suite 200 Midland, TX 79701-4621	2.77777%	4.44443	OPEN
	7010 3090 0001 8450	6022	
Patsy Hinchey Family Partnership P.O. Box 3142 Midland, TX 79702-3142	2.77777%	4.44443	OPEN
	7010 3090 0001 8450	6039	
James Reed McCrory P.O. Box 25764 Albuquerque, NM 87125	8.33333%	13.33333	OPEN
	7010 3090 0001 8450	6046	

COMMENTS:

The surface of the 2.3441 acre tract was granted by QCD deed from Antonio Lujan to Pablo Lujan virtue of QCD dated 6/25/2001. However, Antonio Lujan granted this same tract to Yesenia Anzures by virtue of SWD 463/116 dated 6/6/1990. I will provide the address for Yesenia Anzures below. More research will be needed to identify actual owner.

Yesenia Anzures
Route 1, Box 483H
Lovington, NM

J.N. Wilson deceased in Midland County, Texas in 1954. In his will, which is filed in Midland County, TX, he passed all property to J.B. Wilson in the state of Missouri. More research will be needed to find contact information or heirs for said J.B. Wilson.

Surface & Mineral Takeoff
S/2SE/4 Section 34, T15S-R37E
Lea County, New Mexico
February 10, 2010
(80 acres)

Surface Interest:

<u>SURFACE OWNER</u>	<u>SI</u>	<u>NET ACRES</u>	<u>STATUS</u>
Terry W. Bohannon Sr. 1429 Barford Ave. Hacienda Heights, CA 91745	100%	80	OPEN

Mineral Interest:

<u>MINERAL OWNER</u>	<u>MI</u>	<u>NET ACRES</u>	<u>STATUS</u>
Joe H. Woodard and wife, Maylee Woodward P.O. Box 223 Mason, TX 76856	12.50000%	10.00000	OPEN
	7010 3090 0001 8450 6053		
Cleta F. Sander 16095 Longvista Dr. Dallas, TX 75248	4.86111%	3.88888	OPEN
	7010 3090 0001 8450 6060		
Tara Leigh Burton Rismani 1083 Roslyn Court Denver, CO 80250	4.86111%	3.88888	OPEN
	7010 3090 0001 8450 6077		
Judy Lynette Barnes 1816 Lloydminister Way Cedar Park, TX 78613	2.430555%	1.94444	OPEN
	7010 3090 0001 8450 6084		
Jimmy Lee Fleming 9102 Westerkirk Ave. Austin, TX 78750	2.430555%	1.94444	OPEN
	7010 3090 0001 8450 6091		
Dwayne L. Sears Box 1898 Fort Stockton, TX 79735	3.645833%	2.91667	OPEN
	7010 3090 0001 8450 6107		
Ronald G. Sears 4130 F.M. 709 South Corsicana, TX 75110	3.645833%	2.91667	OPEN
	7010 3090 0001 8450 6114		

Byron L. Wilcox P.O. Box 133 Duncan, OK 73534	3.645833%	2.91667	OPEN
	7010 3090 0001 8450 6121		
Randall K. Wilcox, S&SP 3711 N. Temple Ave. Springfield, MO 65803	3.645833%	2.91667	OPEN
	7010 3090 0001 8450 6138		
John Byron Fort P.O. Box 151 Tatum, NM 88267	3.6458325%	2.916664	OPEN
	7010 3090 0001 8450 6145		
Laquita Anne Dial P.O. Box 19000 Clovis, NM 88102	2.7343742%	2.187496	OPEN
	7010 3090 0001 8450 6152		
Jerry Don Fort 4153-B S. Fraserway Aurora, CO 80014	2.7343742%	2.187496	OPEN
	7010 3090 0001 8450 6169		
Royce Lee Fort P.O. Box 10204 Midland, TX 79702	2.7343742%	2.187496	OPEN
	7010 3090 0001 8450 6176		
Curtis Alan Fort P.O. Box 797 Tatum, NM 88267	2.7343742%	2.187496	OPEN
	7010 3090 0001 8450 6183		
Mildred Leverett, passed away Daughter: Sarah Reid Son: Bernard Leverett <i>no address found</i>	14.58333%	11.66666	OPEN
Robert Sweatt 104 RR1 Burton, TX 77835	14.58333%	11.66666	OPEN
	7010 3090 0001 8450 6190		
Reba Nell Bengé Grandrud 2322 Cholla St. E Phoenix, AZ 85028	14.58333%	11.66666	OPEN
	7010 3090 0001 8450 6206		

COMMENTS:

Stanger to title: (believe the party only owns an interest in the N/2)

Edgar Lewis Killingsworth (by QCMD 474/814 dated: 6/28/1991)
1919 Stanford Ave.
Baton Rouge, LA 70808

All addresses found are the most current addresses given in the Lea County, NM records, and some have been provided by Royce Lee Fort whom is related to many of the owners. The addresses that are not provided as of yet have been confirmed by Mr. Fort and I am waiting on follow up from these parties for accurate addresses. I expect this information in the coming days.

Surface & Mineral Takeoff
 NW4SE4 Section 34, T15S-R37E
 Lea County, New Mexico
 February 10, 2010
 (40 acres)

Surface Interest:

<u>SURFACE OWNER</u>	<u>SI</u>	<u>NET ACRES</u>	<u>STATUS</u>
BOS Dairy, LLC 303 State Hwy 83 Lovington, NM 88260	100%	40	OPEN /

Mineral Interest:

<u>MINERAL OWNER</u>	<u>MI</u>	<u>NET ACRES</u>	<u>STATUS</u>
Wanda Nelle Wight 10996 North Double Eagle Court Oro Valley, AZ 85737	8.33333%	3.33333	OPEN
		7010 3090 0001 8450 6213	
Claire Conway Blair & Curtis Paul Blair 919 Carlson Circle Brea, CA 92821	8.33333%	3.33333	OPEN
		7010 3090 0001 8450 6220	
Cleta F. Sander 16095 Longvista Dr. Dallas, TX 75248	4.16666%	1.66666	OPEN
Tara Leigh Burton Rismani 1083 Roslyn Court Denver, CO 80250	4.16666%	1.66666	OPEN
Judy Lynette Barnes 1816 Lloydminister Way Cedar Park, TX 78613	2.08333%	0.83333	OPEN
Jimmy Lee Fleming 9102 Westerkirk Ave. Austin, TX 78750	2.08333%	0.83333	OPEN
Dwayne L. Sears Box 1898 Fort Stockton, TX 79735	3.12500%	1.25000	OPEN

Ronald G. Sears 4130 F.M. 709 South Corsicana, TX 75110	3.12500%	1.25000	OPEN
Byron L. Wilcox P.O. Box 133 Duncan, OK 73534	3.12500%	1.25000	OPEN
Randall K. Wilcox, S&SP 3711 N. Temple Ave. Springfield, MO 65803	3.12500%	1.25000	OPEN
John Byron Fort P.O. Box 151 Tatum, NM 88267	3.12500%	1.25000	OPEN
Laquita Anne Dial P.O. Box 19000 Clovis, NM 88102	2.34375%	0.93750	OPEN
Jerry Don Fort 4153-B S. Fraserway Aurora, CO 80014	2.34375%	0.93750	OPEN
Royce Lee Fort P.O. Box 10204 Midland, TX 79702	2.34375%	0.93750	OPEN
Curtis Alan Fort P.O. Box 797 Tatum, NM 88267	2.34375%	0.93750	OPEN
Mildred Leverett, passed away Daughter: Sarah Reid Son: Bernard Leverett	12.50000%	5.00000	OPEN
Robert Sweatt 104 RR1 Burton, TX 77835	12.50000%	5.00000	OPEN
Reba Nell Bengé Grandrud 2322 Cholla St. E Phoenix, AZ 85028	12.50000%	5.00000	OPEN

Kevin C. Cunningham and his wife, Laurie E. Cunningham 813 Marston Edmond, OK 73034	4.16666%	1.66666	OPEN
	7010 3090 0001 8450 6237		
Ronna-Lynn Conlon and John William Conlon, wife and husband RR 16 Lufkin, TX 75901	4.16666%	1.66666	OPEN
	7010 3090 0001 8450 6244		

COMMENTS:

Stanger to title: (believe the party only owns an interest in the N/2)

Edgar Lewis Killingsworth (by QCMD 474/814 dated: 6/28/1991)
1919 Stanford Ave.
Baton Rouge, LA 70808

All addresses found are the most current addresses given in the Lea County, NM records, and some have been provided by Royce Lee Fort whom is related to many of the owners. The addresses that are not provided as of yet have been confirmed by Mr. Fort and I am waiting on follow up from these parties for accurate addresses. I expect this information in the coming days.

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Saturday, July 16, 2011 2:20 PM
To: 'Linda Gregg'
Cc: Ezeanyim, Richard, EMNRD
Subject: Disposal application from BC Operating, Inc.: South Denton 6 State #2 30-025-39734 San Andres and Glorieta 5200 to 6850 feet

Hello Linda:

I looked over your application and only have a couple more items (please send these to me and copy to any protesting party to complete this application) :

- a. Send a "Current" wellbore diagram showing the well as it is before it is drilled out to the Glorieta.
- b. Your wellbore diagram does not show the 13-3/8 surface casing, but that is mentioned in the C-108. Please correct either the diagram(s) or the C-108 portion showing this casing.
- c. I don't see mention of which sources or which waters will be going into this well – will it be for BC Operating local producing wells or will you take other peoples water? What formations will be contributing waste water to this well?
- d. How will your people evaluate the new 350 foot Glorieta interval to ensure it is not productive of oil or gas? (The OCD is charged with preventing "waste" of oil and gas... so we need some writeup in your C-108 about how you will test this interval or otherwise prevent waste caused by disposal into a potential producing interval).

It is still early, but already there has been a protest on July 12, 2011 from

Ms Clea Sander
214-982-1084
16095 Longvista Fr.
Dallas, TX 75248.

Please contact her and let me know your efforts to lease her acreage or otherwise negotiate this application with her. Please also let me know if or when your attorney sets this application to an examiner hearing – and whom your attorney will be.

Regards,



William V Jones, P.E.
Engineering, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
Tel 505.476.3448 ~ Fax 505.476.3462



CC: Ms Clea Sander

BC OPERATING, INC.

P.O. Box 50820
Midland, TX 79710

432-684-9696 (office)
432-686-0600 (fax)

July 20, 2011

New Mexico Oil Conservation Division
Attn: William Jones
1220 South St. Francis Dr
Santa Fe, NM 87505

Sent Via Email

Re: Administrative Disposal Application to Amend an Existing Disposal Permit
Granted with Hearing Order R-13325
South Denton "6" State #2; API #30-025-39734
Unit D: 330' from N Line and 330' from W Line of Unit D, Section 6, T16S, R38E
Lea County, New Mexico

Will:

In response to your email dated July 18th, please find the following documents attached for your review:

- The "current" wellbore diagram showing the well as it is before it is deepened to the Glorieta as well as the "proposed" wellbore diagram showing the well's construction after it is deepened to the Glorieta.
- A corrected C-108 showing the correct surface casing as it corresponds to both the current and proposed wellbore diagrams.

We will be performing a swab test to evaluate the new 350 foot Glorieta interval to ensure it is not productive of oil or gas. This step has been added to the corrected C-108 under Section III.

Water disposed of into this well will be from the Warren State #1 (operated by BC Operating, Inc.) via pipeline as well as outside operated wells in the South Denton field via truck. This well has been approved as a commercial SWD by the NMSLO. Water from the Warren State #1 well is from the Devonian formation. A Devonian formation water analysis was submitted with the well's original injection permit application.

We will be contacting Ms. Cleta Sander to discuss her protest and attempt to negotiate this application with her and will keep you apprised of our efforts.

Should you have any questions or need additional information, please contact me at the letterhead address, (432) 684-9696 ext. 218, or by email at lgregg@bcoperating.com.

Sincerely,



Linda Gregg
Regulatory Analyst

July 12, 2011

RECEIVED OCD
2011 JUL 14 A 10:37

Engineering Bureau
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico. 87505

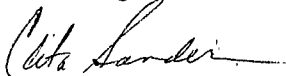
Re: B C Operating, Inc. Letter Dated July 8, 2011
Administrative Disposal Application to Amend an Existing Disposal Permit
Granted with Hearing Order R-13325
South Denton "G" State #2; API #30-025-39734
Unit D: 330' from N Line & 330' from W Line of Unit D,
Section 6, T-16-S, R-38-E
Lea County, New Mexico

Gentlemen:

As a Mineral Rights Owner in this area, I object to the administrative amendment to Hearing Order R-13325 with the NMOC to deepen this disposal well by 350' as proposed by B C Operating, Inc. located at 303 Veterans Air Park Lane Suite 6101, Midland, TX 79705.

I received the notification letter on July 11, 2011, and am returning it by Certified Mail on July 12, 2011. I can be reached at 214/982-1084 if you need additional information.

Thank you,



Cleta Sander
16095 Longvista Dr.
Dallas, Texas 75248

Cleta Sander

16095 Longvista Dr.
Dallas, Texas 75248

214-982-1084 (Home)

RECEIVED OCD

July 26, 2011

2011 JUL 29 A 9:59

Will Jones, P.E.
NMOCD - Engineering
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
(505) 476-3448

Re: Administrative Disposal Application to Amend an Existing Disposal Permit
Granted with Hearing Order R-13325
South Denton "6" State #2 SWD; API #30-025-39734
Unit D: 330' from N Line and 330' from W Line of Unit D, Section 6, T16S, R38E
Lea County, New Mexico

Dear Mr. Jones:

BC Operating, Inc. has clarified several items regarding my protest to the subject injection permit application. I wish to formally withdraw my protest to this injection permit application. Please call me if you have any questions.

Sincerely,



Cleta Sander
Offset Mineral Owner

Injection Permit Checklist (11/15/2010)

WFX PMX SWD

Permit Date

UIC Qtr

Wells 1 Well Name(s): SOUTH DENTON 6" STATE #2

API Num: 30-0 25-39734 Spud Date: 1/16/11 New/Old: N (UIC primacy March 7, 1982)

Footages 330 FNL/330 FWL Unit D Sec 6 Tsp 16S Rge 38E County LEA

General Location:

Operator: BC OPERATING, INC

Contact LINDA EAGG

OGRID: 160825 RULE 5.9 Compliance (Wells)

(Finan Assur) OK IS 5.9 OK?

Well File Reviewed Current Status:

Planned Work to Well:

Diagrams: Before Conversion After Conversion Elogs in Imaging File:

Well Details:

		Sizes Hole.....Pipe	Setting Depths	Stage Tool	Cement Sx or Cf	Determination Method
New Existing	Surface	17 13 7/8			500 SX	Surf
New Existing	Interm	12 1/4 8 5/8	2019'		1035 SX	Surf
New Existing	LongSt	7 7/8 5 1/2	6500		980 SX	Surf
New Existing	Liner					
New Existing	OpenHole		6500 - 6850			

Depths/Formations:

	Depths, Ft.	Formation	Tops?
Formation(s) Above	5200	SA	✓
Injection TOP:	5200	SA	Max. PSI: 1040
Injection BOTTOM:	6850	GLORIA	OpenHole ✓ Perfs ✓
Formation(s) Below	6500 6850	GLORIA X-20	✓

Capitan Reef? (Potash? Noticed?) (WIPP? Noticed?) Salado Top/Bot Cliff House?

Fresh Water: Depths: 7200' Formation DEWEL Wells? NONE Analysis? Affirmative Statement ✓

Disposal Fluid Analysis? Sources:

Disposal Interval: Analysis? Production Potential/Testing:

Notice: Newspaper Date

Surface Owner SLD

Mineral Owner(s)

State/Fee

RULE 26 7(A) Affected Persons:

(MANY UNLEASED Fee OWNERS) NOTICED 7/11/11

AOR: Maps? Well List? Producing in Interval? NO Wellbore Diagrams?

.....Active Wells Repairs? Which Wells?

.....P&A Wells Repairs? Which Wells?

Issues:

Request Sent

Reply: