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September 29, 2015

Mr. David Catanach, Director  
NM Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87501


**Hand-Delivered**

**Re: NMOCD Case No. 15398: Application of BC Operating, Inc. for  
Authorization to Conduct Injection Operations, Lea County, New Mexico**

Dear Mr. Catanach:

On behalf of BC Operating, Inc., enclosed is an original and one copy of an Application in the above-referenced case. Please set this matter for hearing on the October 29, 2015 examiner docket. Also enclosed is a proposed advertisement for the case.

Very truly yours,



Seth C. McMillan

SCM/do  
Encls.

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STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION

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IN THE MATTER OF THE APPLICATION  
OF BC OPERATING, INC. FOR  
AUTHORIZATION TO INJECT,  
LEA COUNTY, NEW MEXICO.

Case No. 15398

APPLICATION

BC Operating, Inc. ("BC" or "Applicant"), through its undersigned counsel, Montgomery and Andrews, P.A. (J. Scott Hall, Esq., Seth C. McMillan, Esq.), applies pursuant to 19.15.26.8 NMAC for an order authorizing the injection of water for disposal into the Cherry Canyon member of the Delaware Mountain Group formation in Lea County, New Mexico. In support of its Application, BC states:

1. Applicant is the operator of the following well:

Pearson #1 SWD  
1980' FNL & 660' FEL (Unit H)  
Section 33  
T-21-S, R-33-E, NMPM  
Lea County, New Mexico

2. The Pearson SWD No. 1 well is an oil and gas production well drilled to a total depth of approximately 14,983'. Applicant proposes to recomplete the well for injection of water into the Cherry Canyon member of the Delaware Mountain Group through perforations from 5,790' to 6,970'.

3. Injection operations through the well will be conducted at an anticipated average daily injection pressure of 900 psig and maximum pressure of 1158 psig. Applicant proposes injection of water at average daily rates of approximately 5,000 bbls and at maximum daily rates of approximately 20,000 bbls. The source of the injected fluids will be formation water from

Bone Spring and Wolfcamp production wells that have been drilled and are scheduled to be drilled in the area.

4. Applicant's proposed injection operation can be conducted in a safe and responsible manner without causing waste, impairing correlative rights or endangering fresh water, public health or the environment.

5. Applicant's original request for administrative approval was filed with the Division on or about July 22, 2015. Written objection was received and consequently, the matter must be set for hearing pursuant to NMAC §19.15.26.8 D, with notice to be given by the Division.

WHEREFORE, Applicant requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division on October 29, 2015 and that after notice and hearing as required by law, the Division enter its Order approving the utilization of the Pearson SWD #1 well for the injection of water into the Cherry Canyon member at the intervals and at the pressures, volumes and rates indicated, and making such other and further provisions as the Division determines appropriate.

Respectfully submitted,

MONTGOMERY & ANDREWS, P. A.

By: \_\_\_\_\_

J. Scott Hall

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Attorneys for BC Operating, Inc.

Case No. 15388 : *Application of BC Operating, Inc. for Authorization to Inject, Lea County, New Mexico.* Applicant seeks an order authorizing the injection of water for disposal into the Cherry Canyon member of the Delaware Mountain Group formation in the following well:

Pearson #1 SWD (API # 30-025-24438)

1980' FNL & 660' FEL (Unit H)

Section 33

T-21-S, R-33-E, NMPM

Lea County, New Mexico

Applicant proposes to reconfigure the well at the above location and utilize it for injection of produced water at depths of 5,790' to 6,970' subsurface. The well is located approximately 15 miles West of Eunice, New Mexico.