

District I
1625 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 Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Form C-101
Revised July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

☐ AMENDED REPORT

HOBBS OCD

FEB 26 2014

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

| | | |
|--|----------------------------|-----------------------------|
| Operator Name and Address BC Operating, Inc. P. O. Box 50820 Midland TX 79710 | | OGRID Number 160825 |
| | | API Number 30-025- 41703 |
| Property Code 40429 | Property Name Berry SWD | Well No. 1 |

7. Surface Location

POTASH AREA

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| I | 35 | 20 S | 34 E | | 1620 | S | 304 | E | Lea |

8. Proposed Bottom Hole Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| I | 35 | 20 S | 34 E | | 1620 | S | 304 | E | Lea |

9. Pool Information

| | |
|---|----------------------|
| Pool Name SWD; Cherry Canyon - Brushy Canyon (will file C-108 too) | Pool Code 97996 ✓ |
|---|----------------------|

Additional Well Information

| | | | | |
|---|----------------------------|---|---------------------|--|
| 11. Work Type N | 12. Well Type S | 13. Cable/Rotary R | 14. Lease Type P | 15. Ground Level Elevation 3782 |
| 16. Multiple N | 17. Proposed Depth 8715 | 18. Formation Bone Spring lime | 19. Contractor | 20. Spud Date Upon C-108 Approval |
| Depth to Ground water 112' (well CP 00611) | | Distance from nearest fresh water well 6159' (well CP 00611) | | Distance to nearest surface water >200' northwest |

☒ 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 |
|-----------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surface | 17-1/2" | 13-3/8" | 48 | 850' | 450 | GL |
| Intermed. | 11" | 8-5/8" | 32 | 6750' | 1300 (2 stage) | GL |
| Product'n | 7-7/8" | open hole | | 8715' | | |

Casing/Cement Program: Additional Comments

Will set packer at @ 5700', run 5-1/2" tubing, and dispose from 5750' to 6530' and 7270' - 8614'.

22. Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|------|------------------|---------------|--------------|
| | 3000 | | |

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.
I further certify that I have complied with 19.15.14.9 (A) NMAC ☐ and/or 19.15.14.9 (B) NMAC ☐, if applicable.
Signature: *Brian Wood*

Printed name: Brian Wood

Title: Consultant

E-mail Address: brian@permitswest.com

Date: 2-23-14

Phone: (505) 466-8120

OIL CONSERVATION DIVISION

Approved By:

Title: Petroleum Engineer

Approved Date: 07/04/14 Expiration Date: 03/04/16

OIL CONSERVATION DIVISION

CONDITION OF APPROVAL - Approval for drilling / workover ONLY - CANNOT INJECT OR DISPOSAL until the injection/disposal order has been approved by the OCD Santa Fe office.

11 MAR 06 2014

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

February 23, 2014

Paul Kautz
NM Oil Conservation Division
1625 N. French Dr.
Hobbs, NM 88240

HOBBS OCD

FEB 26 2014

RECEIVED

Dear Mr. Kautz:

There are no potash leases with a 1-mile radius of BC Operating's proposed Berry SWD 1 (1620 FSL & 304 FEL 35-20s-34e). Closest potash lease (HP-0051-0000) is 9 miles west (see attached map).

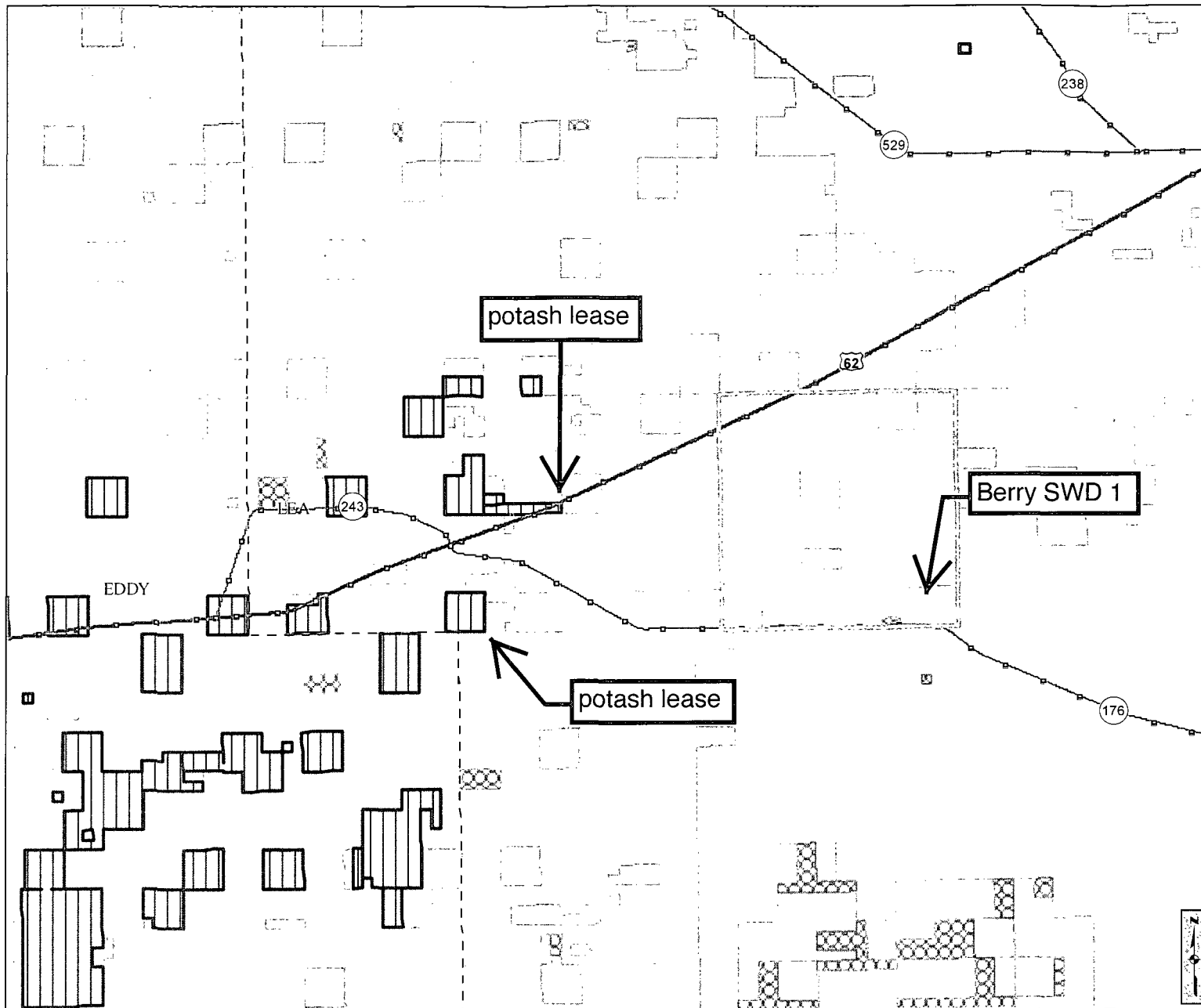
Please call me if you have any questions.

Sincerely,



Brian Wood

cc: Hall



Cartographic Features

- County Boundaries
- County Seats
- City, Town or Village
- SLO District Offices
- SLO District Boundary
- Hwy Mileposts
- Interstate
- US Hwy
- NM Hwy
- Local Road
- Continental Divide

Federal Minerals Ownership

- All Minerals
- Coal Only
- Oil and Gas Only
- Oil, Gas and Coal Only
- Other Minerals

State Trust Lands

- Surface Estate
- Subsurface Estate
- Surface and Subsurface Estate

State Leases

- Oil and Gas Leases
- Agricultural Leases
- Commercial Leases
- Minerals Leases
- Not Available for Oil and Gas Leasing
- Oil and Gas Leasing Influenced by Restriction

Oil and Gas Related Features

- Oil and Gas Unit Boundary
- Participating Areas in Units
- Geologic Regions
- Volcanic Vents
- NMOCD Order R-111-P Potash Enclave Outline

NMOCD Oil and Gas Wells

- CO₂
- Gas
- Injection
- Miscellaneous
- Oil
- Salt Water Disposal
- Water
- DA or PA

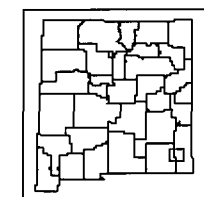
New Mexico State Land Office Oil, Gas and Minerals

0 1 2 4 6 8 Miles
Universal Transverse Mercator Projection, Zone 13
1983 North American Datum

The New Mexico State Land Office assumes no responsibility or liability for, or in connection with, the accuracy, reliability or use of the information provided here, in State Land Office data layers or any other data layer.

Land Office Geographic Information Center
logic@slo.state.nm.us

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