

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  
Energy Minerals and Natural Resources  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-101  
Revised December 16, 2011

Permit

HOBBS OCD

MAR 27 2013

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, Texas 79710		OGRID Number 160825
Property Code 39782	Property Name Sims State Com	API Number 30-025-41076
		Well No. 1H

Surface Location

UL - Lot M	Section 34	Township 20S	Range 35E	Lot Idn	Feet from 160	N/S Line South	Feet From 360	E/W Line West	County Lea
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Pool Information

Grama Ridge; Bone Spring, North	28434
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Additional Well Information

Work Type New Well	Well Type Oil	Cable/Rotary Rotary	Lease Type Fee State	Ground Level Elevation 3722'
Multiple No	Proposed Depth 10,250' TVD/15,000' MD	Formation Bone Spring	Contractor TBD	Spud Date 06/01/13
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

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"	54.5#	1850'	1450	0'
Intermediate	12 1/4"	9 5/8"	36#	5700'	1250	0'
Production	8 3/4"	5 1/2"	17#	15,000'	2000	0'

Casing/Cement Program: Additional Comments

This will be a horizontal well w/BHL Unit D, Sec. 34, T-20S, R-35E, 240' FNL & 360' FWL in Lea County, NM. Permit Expires 2 Years From Approval Date Unless Drilling Underway

Type Double Ram Annular	Working Pressure 3000#	Test Pressure 2000#	Manufacturer Hydrill/Shaeffer
I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION Approved By: Title: Dist. MGR Approved Date: 3-28-2013 Expiration Date: 3-28-2015	
Signature: Pam Stevens			
Printed name: Pam Stevens			
Title: Regulatory Analyst			
E-mail Address: pstevens@bcoperating.com			
Date: 03/25/13	Phone: 432-684-9696		

**DISTRICT II**  
1901 W. Grand Avenue, Artesia, NM 88210

**HOBBS OCD**

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

MAR 27 2013

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-41076	Pool Code 28434	Pool Name Grama Ridge; Bone Spring, North
Property Code 39782	Property Name SIMS State Corn	Well Number 1-H
OGRID No. 160825	Operator Name BC OPERATING, INC.	Elevation 3722'

### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	34	20-S	35-E		160	SOUTH	360	WEST	LEA

## 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
D	34	20-S	35-E		240	NORTH	360	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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

<p>360' 240'</p> <p>⊗ (BHL)</p> <p>Plane Coordinate</p> <p>X = 771,591.4</p> <p>Y = 559,867.1</p>					
<p>N 0°29'16" W - 4887.7'</p>					
<p>360' #1-H (SL)</p> <p>— 160'</p>					

**NOTE:**

1) Plane Coordinates and Bearings shown hereon are Transverse Mercator Grid and Conform to the "New Mexico Coordinate System", New Mexico East Zone, North American Datum of 1927. Distances shown hereon are mean horizontal surface values.

**OPERATOR CERTIFICATION**

*I hereby certify the 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.*

*Pam Stevens*

Signature

3/25/13

Date

Pam Stevens

Printed Name

**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.*

March 19, 2013

Date of Survey

Signature & Seal of Professional Surveyor

LVA



W.O. Num. 2013-0453

Certificate No. MACON, McDONALD

12135