

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 December 16, 2011

Energy Minerals and Natural Resources

HOBBS OCD

Oil Conservation Division

Permit

1220 South St. Francis Dr.

Santa Fe, NM 87505

JUL 16 2013

RECEIVED

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
		API Number 30-025-41372
Property Code 40031	Property Name Leyte Gulf State Com	Well No. 1H

Surface Location

UL - Lot A	Section 35	Township 17S	Range 36E	Lot Idn	Feet from 195	N/S Line North	Feet From 3610	E/W Line East	County Lea
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Pool Information

Midway; Bone Spring	46310
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Additional Well Information

Work Type New Well	Well Type Oil	Cable/Rotary Rotary	Lease Type State	Ground Level Elevation 3813'
Multiple No	Proposed Depth TVD: 9800' / MD: 14,800'	Formation Bone Spring	Contractor TBD	Spud Date TBD
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#	1800'	1400	0'
Intermediate	12 1/4"	9 5/8"	36#	3300'	1000	0'
Production	7 7/8"	5 1/2"	17#	14,800'	2300	2300'

Casing/Cement Program: Additional Comments

This will be a horizontal well w/BHL Unit A, Sec. 26, T-17S, R-36E, 240' FNL & 360' FEL in Lea County.
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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram Annular	3000#	2000#	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 ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Signature: *Pam Stevens*

Printed name: Pam Stevens

Title: Regulatory Analyst

E-mail Address: pstevens@bcoperating.com

Date: 07/12/13

Phone: 432-684-9696

OIL CONSERVATION DIVISION

Approved By:

Title: *[Signature]*
Petroleum Engineer

Approved Date: *09/05/13*

Expiration Date: *08/05/15*

CONDITION OF APPROVAL: Approval for Drilling ONLY. CANNOT produce without the OCD Santa Fe approval for Non-Standard Location.

SEP 09 2013