

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

Oil Conservation Division

HOBBS OCD

Permit

1220 South St. Francis Dr.

JUL 09 2014

Santa Fe, NM 87505

RECEIVED

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

¹ Operator Name and Address BC Operating, Inc. P.O. Box 50820 Midland, Texas 79710		² OGRID Number 160825
		³ API Number 30-025-41950
⁴ Property Code 313471	⁵ Property Name Nighthawk State Com	⁶ Well No. 3H

⁷ Surface Location

UL - Lot O	Section 20	Township 18S	Range 35E	Lot Idn	Feet from 240	N/S Line South	Feet From 2310	E/W Line East	County Lea
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⁸ Pool Information

Airstrip, Bone Spring	960
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Additional Well Information

⁹ Work Type New Well	¹⁰ Well Type Oil	¹¹ Cable/Rotary Rotary	¹² Lease Type State	¹³ Ground Level Elevation 3923'
¹⁴ Multiple No	¹⁵ Proposed Depth 15,030' MD	¹⁶ Formation Bone Spring	¹⁷ Contractor TBD	¹⁸ Spud Date 10/01/2014
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

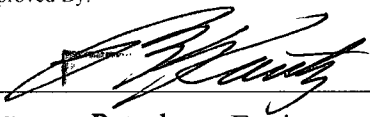
¹⁹ Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	17 1/2"	13 3/8"	54.5#	1870'	1450	0'
Intermediate	12 1/4"	9 5/8"	40#	3370'	1050	0'
Production	8 3/4"	5 1/2"	17#	15,030'	2600	0'

Casing/Cement Program: Additional Comments

This will be a horizontal well w/BHL Unit O, Sec. 29, T-18S, R-35E, 240' FSL & 2110' FEL in Lea County.

Proposed Blowout Prevention Program

Type Double Ram Annular	Working Pressure 3000#	Test Pressure 2000#	Manufacturer Hvdriill/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 checked="" type="checkbox"/> .		OIL CONSERVATION DIVISION Approved By:  Title: Petroleum Engineer	
Signature: Pam Stevens		Approved Date: 07/10/14	
Printed name: Pam Stevens		Expiration Date: 07/10/16	
Title: Regulatory Analyst			
E-mail Address: pstevens@bcoperating.com			
Date: 07/07/14	Phone: 432-684-9696		

JUL 14 2014