

**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 July 18, 2013

**HOBBS OCD**

☐ AMENDED REPORT

**OCT 17 2014**

**RECEIVED**

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

<sup>1</sup> Operator Name and Address BC Operating, Inc. P.O. Box 50820 Midland, Texas 79710		<sup>2</sup> OGRID Number 160825
<sup>3</sup> Property Code 40445		<sup>4</sup> API Number 30-025-42230
<sup>5</sup> Property Name Abe State		<sup>6</sup> Well No. 3H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
A	32	21S	33E		240	North	360	East	Lea

**8. Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
A	29	21S	33E		240	North	967	East	Lea

**9. Pool Information**

<sup>10</sup> Pool Name WC-025 G-07 S213330F; Bone Spring	<sup>11</sup> Pool Code 97927
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**Additional Well Information**

<sup>12</sup> Work Type New Well	<sup>13</sup> Well Type Oil	<sup>14</sup> Cable/Rotary Rotary	<sup>15</sup> Lease Type State	<sup>16</sup> Ground Level Elevation 3701'
<sup>17</sup> Multiple No	<sup>18</sup> Proposed Depth 10,880' TVD/15,950' MD	<sup>19</sup> Formation Bone Spring	<sup>20</sup> Contractor TBD	<sup>21</sup> Spud Date 11/01/2014
<sup>22</sup> Depth to Ground water		<sup>23</sup> Distance from nearest fresh water well		<sup>24</sup> Distance to nearest surface water

☒ 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	16"	13 3/8"	54.5#	1700'	1450	0'
Intermediate	12 1/4"	9 5/8"	40#	5300'	1650	0'
Production	8 1/2"	5 1/2"	17#	15,950'	2500	0'

**Casing/Cement Program: Additional Comments**

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**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram Annular	3000#	2000#	Hydrill/Shaeffer

<sup>25</sup> 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 <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature: <i>Pam Stevens</i>		<b>OIL CONSERVATION DIVISION</b>	
Printed name: Pam Stevens		Approved By: <i>[Signature]</i>	
Title: Regulatory Analyst		Title: Petroleum Engineer	
E-mail Address: pstevens@bcoperating.com		Approved Date: 10/04/14 Expiration Date: 11/04/16	
Date: 10/14/2014		<b>See Attached</b>	
Phone: 432-684-9696		<b>Conditions of Approval</b>	

**NOV 05 2014**

# CONDITIONS OF APPROVAL

API #	Operator	Well name & Number
30-025-42230	BC Operating Inc	Abe State # 5H

Applicable conditions of approval marked with XXXXXX

## Administrative Orders Required

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Other wells

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Drilling

XXXXXXX	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string

Casing

XXXXXXX	SURFACE & INTERNEMIATE(1) CASING - Cement must circulate to surface --
XXXXXXX	PRODUCTION CASING - Cement must tie back into intermediate casing --
XXXXXXX	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
XXXXXXX	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water