

APPLICATION FOR AUTHORIZATION TO INJECT

30-025-20857

- I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage
Application qualifies for administrative approval? X Yes No
- II. OPERATOR: BC & D Operating, Inc.
ADDRESS: P.O. Box 302 Hobbs, NM 88241
CONTACT PARTY: Donnie Hill PHONE: 575-390-7626
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? Yes X No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Donnie Hill

TITLE: President

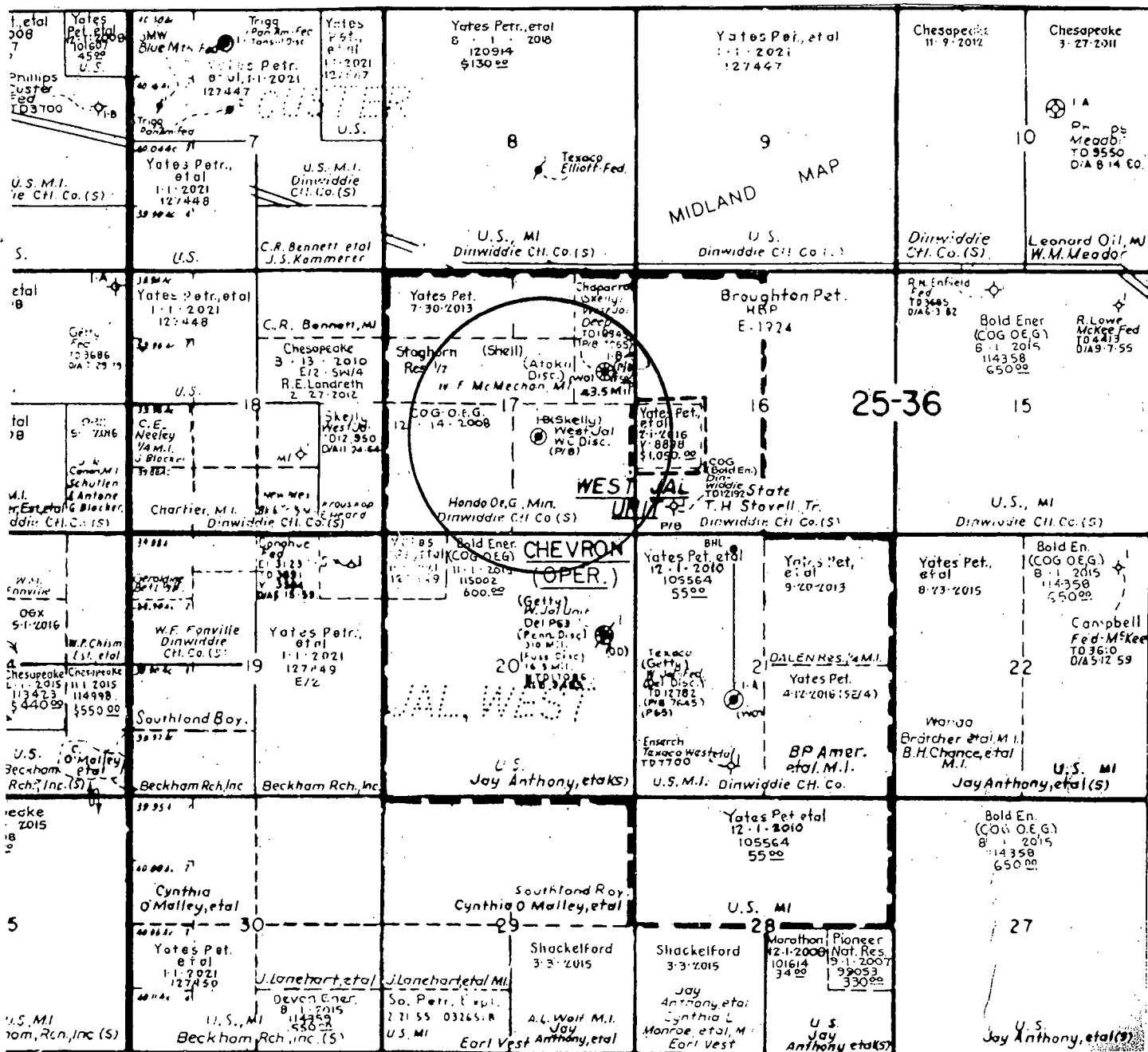
SIGNATURE: Donnie Hill

DATE: 3/26/15

E-MAIL ADDRESS: dhill@wellconsultant.com

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted.
Please show the date and circumstances of the earlier submittal: previously submitted when drilled

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office



ATTACHMENT TO APPLICATION C-108

West Jal B #1 (API 30-025-20857)
Unit J, Sect. 17, Tws. 25 S., Rng. 36 E.
Lea Co., NM

III. WELL DATA

- A.
 - 1) See injection well data sheets and attached schematics.
 - 2) See injection well data sheets and attached schematics.
 - 3) 5 1/2" coated tubing.
 - 4) Baker Lock Set.
- B.
 - 1) Injection formation is the Delaware.
 - 2) Injection interval 5231' to 6000'.
 - 3) Well was drilled as a producer.
 - 4) The next higher producing zone is the Seven Rivers at approximately 3870'.

The next lower producing zone is the Bone Springs at approximately 7884'.

IV. NO.

V. MAP ATTACHED.

VI. LIST OF WELLS AND DATA ATTACHED.

- VII.** BC & D plans to rig up, install anchors and well head. Clean out all plugs down to approximately 6804'. Test casing for leaks. Plan to complete in open hole from 5231' to 6000'. Go in hole with 5 1/2" coated tubing and packer, and set at approximately 5200' or 100 feet of top perforations. Load with packer fluid and run MIT as OCD requires and put on injection.

- 1) Plan to inject approximately 15,000 bpd of produced water from various sources of production.
- 2) Open system, commercial.
- 3) Average injection pressure should be approximately 0# to 1000# or whatever limit OCD allows.
- 4) Analysis attached, only produced water.
- 5) Produced water from various sources..

- VIII.** The proposed disposal formation is Delaware which consists of sand and shale.

The fresh water formation in the area is the Santa Rosa formation which ranges in thickness from 200' to 600'. Analysis of water well attached.

IX. ACID AS NEEDED.

X. PREVIOUSLY SUBMITTED TO OCD.

XI. ATTACHED.

XII. I, Eddie W. Seay, have examined all available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zones and any underground source of drinking water pertaining to this well.

XIII. ATTACHED.

Side 1

INJECTION WELL DATA SHEET

OPERATOR: BC + D Operating LLCWELL NAME & NUMBER: West Jal B #1 (API 30-025-20857)WELL LOCATION: 1980/5 1980/E
FOOTAGE LOCATIONJ
UNIT LETTER17
SECTION25
TOWNSHIP36
RANGEWELLBORE SCHEMATICWELL CONSTRUCTION DATASurface Casing

PROPOSED WELLBORE SCHEMATIC		COMPLETION SCHEMATIC		APINUM: 30-025-20857																										
FORM	DEPTH			OPERATOR: BC & D OPERATING LLC																										
				LEASENAME: WEST JAL B																										
				WELL NO. 1																										
				SURF LOG: UL J SEC: 17 TWN: 25S RNG: 36E																										
				BH LOG: UL J SEC: 17 TWN: 25S RNG: 36E																										
				MD 12276 TVD 12276 KB 3140 DF 3138																										
				GL 3118																										
				POOL Jal: Strawn, West (Associated) Perf 11864-12090 SQZ																										
				POOL Jal: Wolfcamp, West Perf 11361-11420																										
				POOL Delaware (Dry) Perf 7881-7889																										
				PICKER: 1/2" string and within 100' of open hole																										
				Plug 35 size 8504-8910																										
				PERF 7881-7889 DRY																										
				CIBP @ 8200 cap w/ 24" cement																										
				Casing Record																										
				<table border="1"> <thead> <tr> <th>SIZE</th> <th>DEPTH</th> <th>CMT</th> <th>HOLE SIZE</th> <th>TOC</th> </tr> </thead> <tbody> <tr> <td>SURF</td> <td>13.378</td> <td>348</td> <td>400 size</td> <td>17.5</td> </tr> <tr> <td>INTAL</td> <td>8.625</td> <td>8231</td> <td>3155 size</td> <td>12.25</td> </tr> <tr> <td>PROD</td> <td>7</td> <td>11308</td> <td>370 size</td> <td>8.75</td> </tr> <tr> <td>LINER</td> <td>6</td> <td>11064-12273</td> <td>200 size</td> <td>8.125</td> </tr> </tbody> </table>		SIZE	DEPTH	CMT	HOLE SIZE	TOC	SURF	13.378	348	400 size	17.5	INTAL	8.625	8231	3155 size	12.25	PROD	7	11308	370 size	8.75	LINER	6	11064-12273	200 size	8.125
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				TD 12276																										
				6" LMR @ 12273 TOC @ 11064																										
				Strawn 11872																										
				Alaska 12238																										

Hole Size: 17.5 Casing Size: 13.375Cemented with: 400 SX. or _____ ft³Top of Cement: Surface Method Determined: CueIntermediate Casing
productionHole Size: 12.25 Casing Size: 9.625Cemented with: 3155 SX. or _____ ft³Top of Cement: Surface Method Determined: CueProduction Casing7 in cut + pulled from 6800Hole Size: 8.75 Casing Size: 7Cemented with: 370 SX. or _____ ft³Top of Cement: 6850 Method Determined: _____Total Depth: 12275 5" liner 11065-12275Injection Interval5231 feet to 6000(Perforated or Open Hole indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 5 1/2 Lining Material: IPC
 Type of Packer: Baker loc set
 Packer Setting Depth: Approx 5200 ~ within 100 ft of top open hole.
 Other Type of Tubing/Casing Seal (if applicable): NONE

Additional Data

1. Is this a new well drilled for injection? Yes X No
 If no, for what purpose was the well originally drilled? oil & gas
2. Name of the Injection Formation: Delaware
3. Name of Field or Pool (if applicable): Jal west (Associated)
4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. Bone Spring 2881 - 2889 Dry
Wolfcamp 11361 - 11420 Strawn 11684 - 12090.
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:
The Seven Rivers overlays at 3870
The Bone Springs underlies at 7962

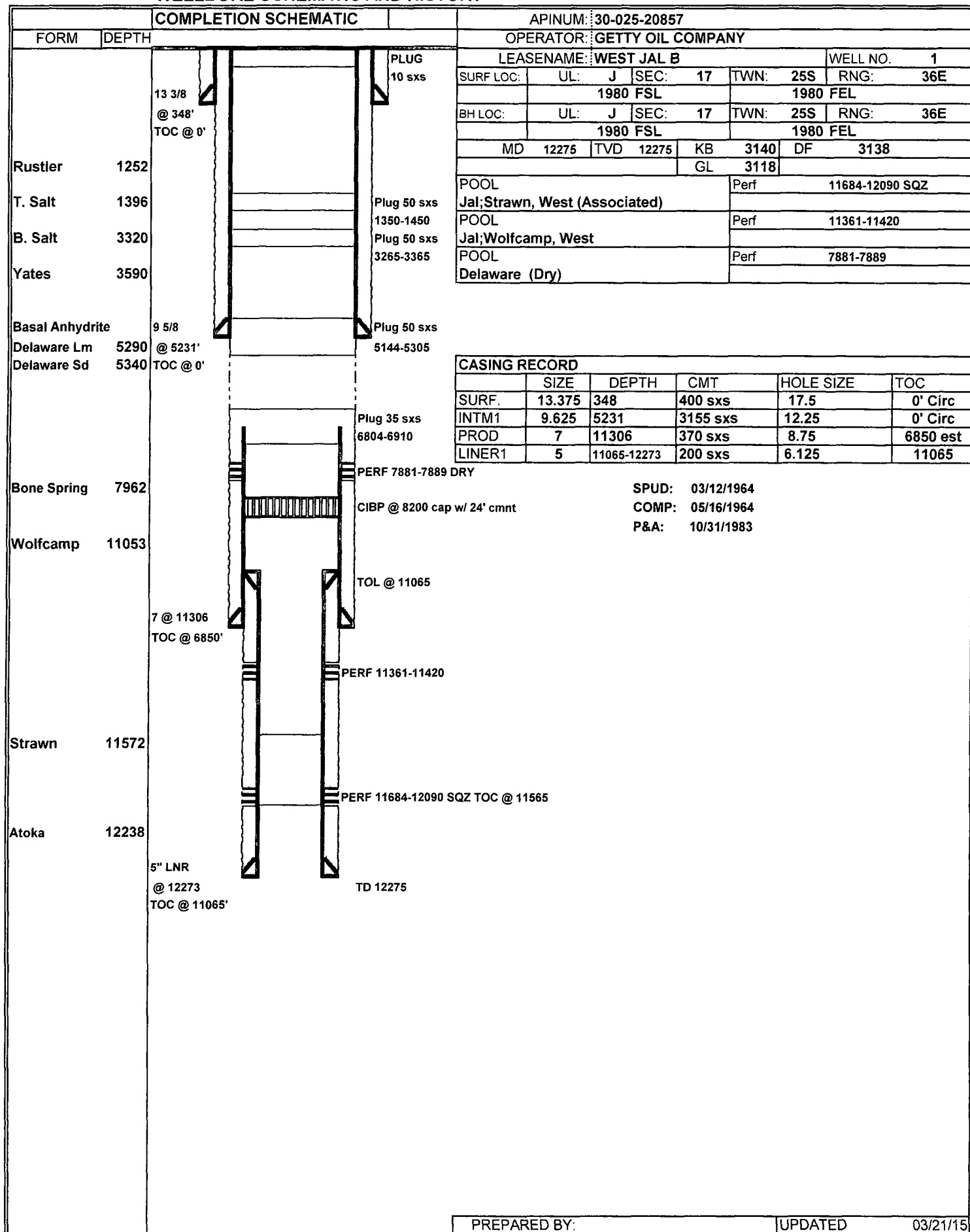
DISPOSAL WELL

API #	PROPERTY NAME	#	OPERATOR	TD	TYPE	STATUS	CO	LAND	U/L	SEC	TWN		RNG		N/S		E/W	
30-025-20857	WEST JAL B	1	BC&D OPERATING LLC	12275	O	P	Lea	P	J	17	25	S	36	E	1980	S	1980	E

Wells within 1/2 mile penetrating proposed disposal interval.

(-1,-1)	API #	PROPERTY NAME	#	OPERATOR	TD	TYPE	STATUS	CO	LAND	U/L	SEC	TWN		RNG		N/S		E/W		Dist
	30-025-25046	WEST JAL B DEEP	1	BC&D OPERATING LLC	18945	I	A	Lea	P	H	17	25	S	36	E	1980	N	660	E	1866

WELLBORE SCHEMATIC AND HISTORY



PREPARED BY:

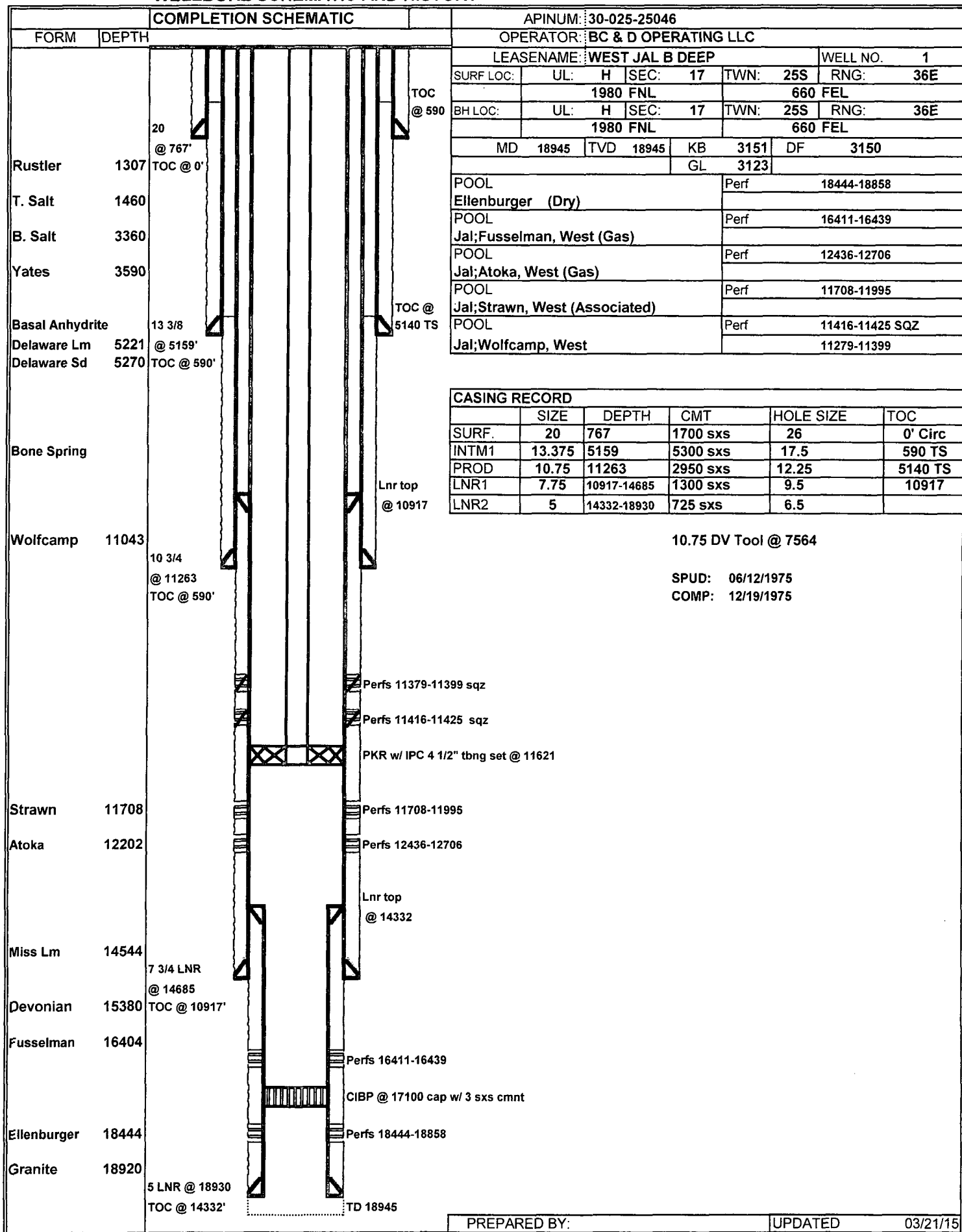
UPDATED

03/21/15

PROPOSED WELLBORE SCHEMATIC

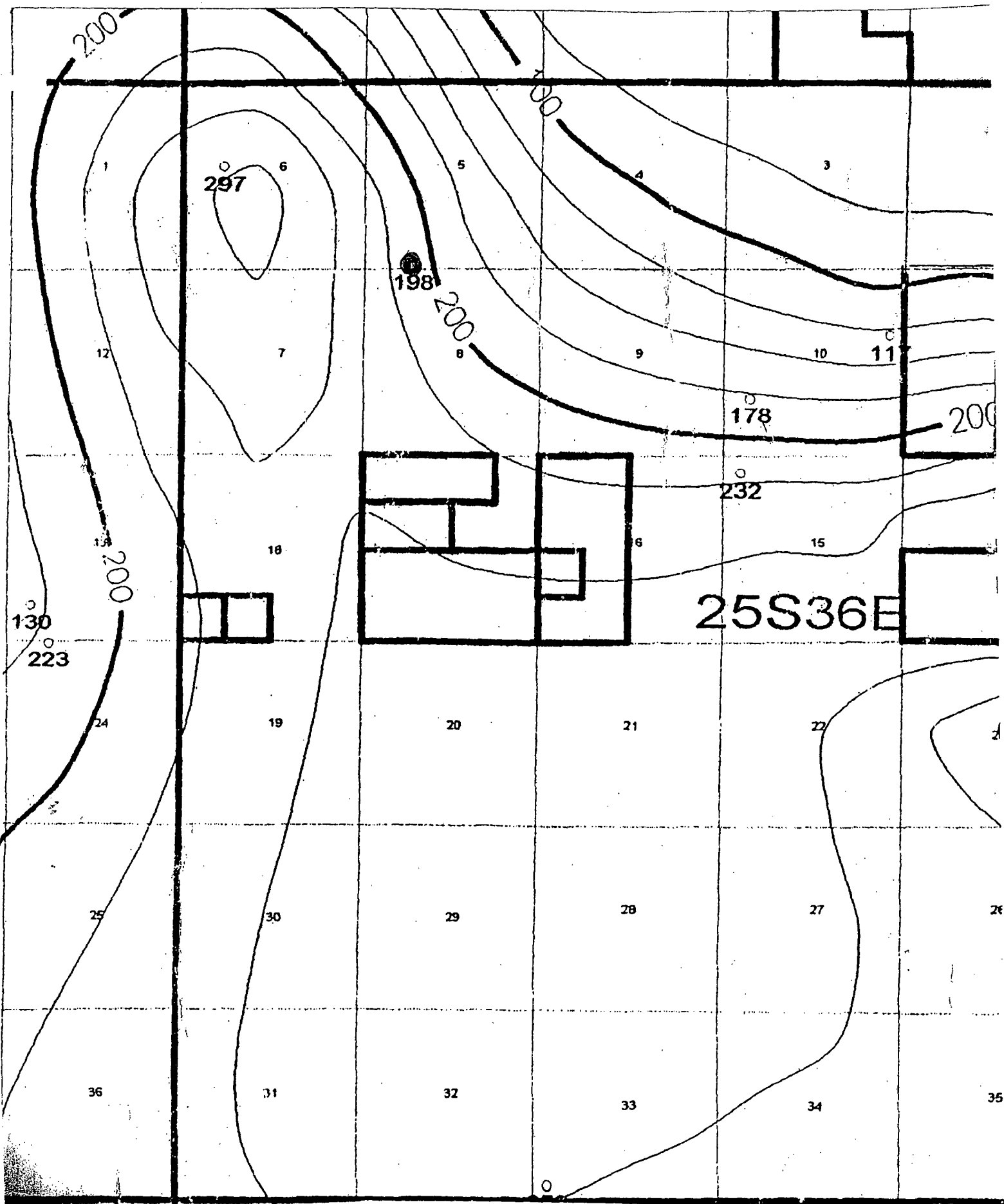
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PREPARED BY:		UPDATED 03/21/15																															

WELLBORE SCHEMATIC AND HISTORY



Water Sample Analysis

Pool	Location			Chlorides
	Section	Township	Range	
North Justis Montoya	2	25S	37E	45440
North Justis McKee	2	25S	37E	58220
North Justis Fusselman	2	25S	37E	68533
North Justis Ellenburger	2	25S	37E	34151
Fowler Blinebry	22	24S	37E	116085
Skaggs Grayburg	18	20S	38E	84845
Warren McKee	18	20S	38E	85910
Warren Abo	19	20S	39E	91600
DK Drinkard	30	20S	39E	106855
Littman San Andres	8	21S	38E	38695
East Hobbs grayburg	29	18S	39E	6461
Halfway Yates	16	20S	32E	14768
Arkansas Junction San Andres	12	18S	36E	7171
Pearl Queen	28	19S	35E	114310
Midway Abo	17	17S	37E	36494
Lovinton Abo	31	16S	37E	22933
Lovington San Andres	3	16S	37E	4899
Lovington Paddock	31	16S	37E	93720
Mesa Queen	17	16S	32E	172530
Kernitz Wolfcamp	27	16S	34E	49345
Hume Queen	9	16S	34E	124960
Anderson Ranch Wolfcamp	2	16S	32E	11040
Anderson Ranch Devonian	11	16S	32E	25702
Anderson Ranch Unit	11	16S	32E	23788
Caudill Devonian	9	15S	36E	20874
Townsend Wolfcamp	6	16S	36E	38695
Dean Perno Penn	5	16S	37E	44730
Dean Devonian	35	15S	36E	19525
South Denton Wolfcamp	26	15S	37E	54315
South Denton Devonian	36	15S	37E	34080
Medicine Rock Devonian	15	15S	38E	39760
Little Lucky Lake Devonian	29	15S	30E	23288
Wantz Abo	26	21S	37E	132770
Crosby Devonian	18	25S	37E	58220
Scarborough Yates Seven Rivers	7	26S	37E	3443(Reef)
Teague Simpson	34	23S	37E	114665
Teague Ellenburger	34	23S	37E	120345
Rhodes Yates 7 Rivers	27	26S	37E	144485
House SA	11	20S	38E	93365
House Drinkard	12	20S	38E	49700
South Leonard Queen	24	26S	37E	115375
Elliot Abo	2	21S	38E	55380
Scharb Bone Springs	5	19S	35E	30601
EK Queen	13	18S	34E	41890
East EK Queen	22	18S	34E	179630
Maljamar Grayburg SA	22	17S	32E	46079
Maljamar Paddock	27	17S	32E	115375
Maljamar Devonian	22	17S	32E	25418



Gr undwater Map

● Water Samples

Analytical Results For:

 BC & D OPERATING
 P. O. BOX 302
 HOBBS NM, 88241

 Project: TOMMIE DINWIDDIE FWW #1
 Project Number: NONE GIVEN
 Project Manager: DONNIE HILL
 Fax To: (575) 942-2005

 Reported:
 19-Sep-13 15:26

TOMMIE DINWIDDIE FWW #1

H302139-01 (Water)

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Analyst	Analyzed	Method	Notes
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Cardinal Laboratories
Inorganic Compounds

Alkalinity, Bicarbonate	249	5.00	mg/L	1	3082302	AP	09-Sep-13	310.1	
Alkalinity, Carbonate	ND	0.00	mg/L	1	3082302	AP	09-Sep-13	310.1	
Chloride*	80.0	4.00	mg/L	1	3090904	AP	09-Sep-13	4500-Cl-B	
Conductivity	1060	1.00	uS/cm	1	3091004	AP	10-Sep-13	120.1	
pH*	7.50	0.100	pH Units	1	3091003	AP	10-Sep-13	9045	
Sulfate*	234	50.0	mg/L	5	3090903	AP	09-Sep-13	375.4	
TDS*	684	5.00	mg/L	1	3083008	AP	06-Sep-13	160.1	
Alkalinity, Total*	204	4.00	mg/L	1	3082302	AP	09-Sep-13	310.1	

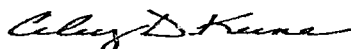
Green Analytical Laboratories
Total Recoverable Metals by ICP (E200.7)

Calcium*	69.6	1.00	mg/L	1	B309142	JGS	17-Sep-13	EPA200.7	
Magnesium*	48.8	1.00	mg/L	1	B309142	JGS	17-Sep-13	EPA200.7	
Potassium*	7.41	1.00	mg/L	1	B309142	JGS	17-Sep-13	EPA200.7	
Sodium*	104	1.00	mg/L	1	B309142	JGS	17-Sep-13	EPA200.7	

Cardinal Laboratories

*=Accredited Analyte

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

SANTA ROSA SANDSTONE

The Santa Rosa Sandstone consists primarily of red, white, gray or greenish-gray varies from a fine grain to coarse grain sandstone. In the vicinity of the West Jal B Deep # 1 well occurs at depth around 700 to 850'. In this area the Santa Rosa is of minor hydrological significance and there are no Santa Rosa water wells in the vicinity of the West Jal B Deep well #1. Consequently, the Santa Rosa water quality in this area is not known. However, over southern Lea County it yields small quantities of water, with some reports of wells producing 100 gpm. Santa Rosa water in the southern part of the county usually has high sulfate content.

OFFSET OPERATORS AND MINERALS

SURFACE OWNER

Dinwiddie Cattle Co.
P.O. Box 374
Roswell, NM 88202

MINERALS - LEASED

Yates Petroleum
105 S. Fourth St.
Artesia, NM 88210

OFFSET OPERATOR

BC & D Operating
Box 302
Hobbs, NM 88241

OFFSET SURFACE & MINERALS

U.S. - BLM
620 E. Green St.
Carlsbad, NM 88220

POTASH AREA

Intercontinental Potash Corp.
600 W. Bender
Hobbs, NM 88240

Intrepid Potash
220 Red Cloud
Carlsbad, NM 88220

BC & D OPERATING, INC.

March 2015

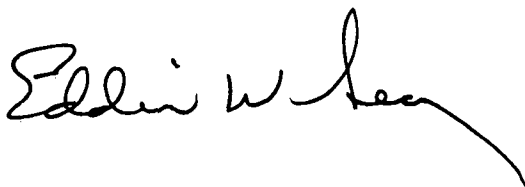
RE: West Jal B #1
Unit J, Sect. 17, T. 25 S., R. 36 E.
API 30-025-20857

Dear Sir:

In accordance with the Rules and Regulations of the Oil Conservation Division of the State of New Mexico, you are being provided a copy of the C-108, Application for Authorization to Inject into the above captioned well.

Any questions about the permit can be directed to Eddie W. Seay, (575)392-2236. Any objections or request for hearing must be filed with the Oil Conservation Division within fifteen (15) days from the date received. The OCD address is 1220 S. Saint Francis Drive, Santa Fe, NM 87504, (505)476-3440.

Thank you,

A handwritten signature in black ink, appearing to read "Eddie W. Seay", with a long, sweeping underline.

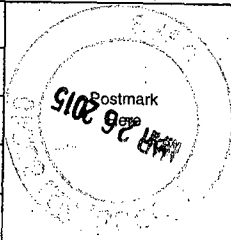
Eddie W. Seay, Agent
Eddie Seay Consulting
601 W. Illinois
Hobbs, NM 88242
(575)392-2236
seay04@leaco.net

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OFFICIAL USE

Postage	\$ 165
Certified Fee	330
Return Receipt Fee (Endorsement Required)	270
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 765



Sent To
Intercontinental Potash Corp.
Street, Apt. No.,
or PO Box **600 W. Bender**
City, State, ZIP+4
Hobbs, NM 88240

PS Form 3800, August 2006

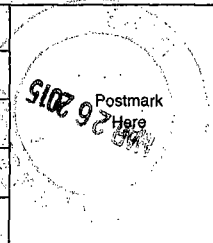
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Return Receipt Fee (Endorsement Required)	270
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 765



Sent To
BLM
Street, Apt. No.,
or PO Box **620 E. Green St.**
City, State, ZIP+4
Carlsbad, NM 88220

PS Form 3800, August 2006

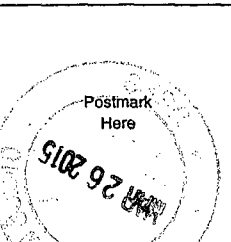
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Sent To
Dinwiddie Cattle Co.
Street, Apt. No.,
or PO Box **P.O. Box 374**
City, State, ZIP+4
Roswell, NM 88202

PS Form 3800, August 2006

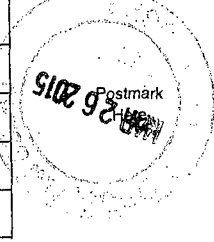
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Street, Apt. No.,
or PO Box **220 Red Cloud**
City, State, ZIP+4
Carlsbad, NM 88220

PS Form 3800, August 2006

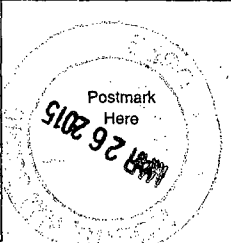
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PS Form 3800, August 2006

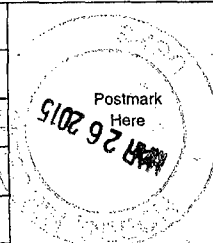
See Reverse for Instructions

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Sent To
BC & D Operating
Street, Apt. No.,
or PO Box **Box 302**
City, State, ZIP+4
Hobbs, NM 88241

PS Form 3800, August 2006

See Reverse for Instructions

LEGAL NOTICE

Pursuant to the rules and regulations of the Oil Conservation Division of the State of New Mexico, BC & D Operating, Inc., Box 302, Hobbs, NM 88241, is filing a C-108, Application for Salt Water Disposal. The well being applied for is the West Jal B #1, API 30-025-20857, located in Unit J, Section 17, Township 25 South, Range 36 East, Lea Co., NM. The injection formations are the Delaware from 5231' to 6000' below surface. Expected maximum injection rate is 15,000 bpd., and the expected maximum injection pressure is 1000 psi or what the OCD allows. Any questions about the application can be directed to Eddie W. Seay, (575)392-2236, or any objection or request for hearing must be directed to the Oil Conservation Division, (505)476-3440, 1220 South Saint Francis Drive, Santa Fe, NM 87504, within fifteen (15) days.

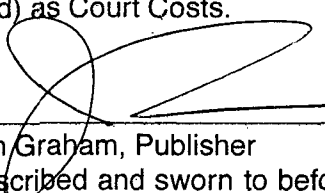
Affidavit of Publication

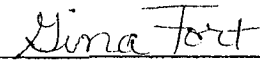
STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

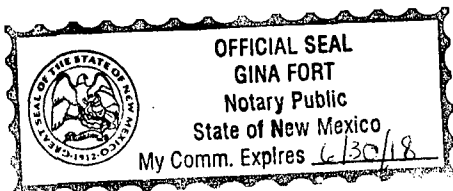
John Graham being first duly sworn on oath deposes and says that he is Publisher of THE LOVINGTON LEADER, a thrice a week newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled Legal Notice was published in a regular and entire issue of THE LOVINGTON LEADER and not in any supplement thereof, for one (1) day(s), beginning with the issue of March 28, 2015 and ending with the issue of March 28, 2015.

And that the cost of publishing said notice is the sum of \$ 26.35 which sum has been (Paid) as Court Costs.


John Graham, Publisher
Subscribed and sworn to before me this 2nd day of April, 2015.


Gina Fort
Notary Public, Lea County, New Mexico
My Commission Expires June 30, 2018



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28, 2015.