

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-8161 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 Rd., Aztec, NM 87410  
Phone:(505) 334-8178 Fax:(505) 334-6170  
**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3482

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-101  
August 1, 2011  
Permit 232179

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

1. Operator Name and Address BLACK MOUNTAIN OPERATING LLC 500 Main Street Fort Worth, TX 76102		2. OGRID Number 371127
4. Property Code 317441		3. API Number 30-025-43618
5. Property Name GRAMA RIDGE STATE COM		6. Well No. 007H

**7. Surface Location**

UL - Lot	P	Section	2	Township	22S	Range	34E	Lot Idn	P	Feet From	150	N/S Line	S	Feet From	758	E/W Line	E	County	Lea
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**8. Proposed Bottom Hole Location**

UL - Lot	A	Section	35	Township	21S	Range	34E	Lot Idn	A	Feet From	330	N/S Line	N	Feet From	1001	E/W Line	E	County	Lea
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**9. Pool Information**

GRAMA RIDGE;BONE SPRING, NE	28435
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**Additional Well Information**

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3573
16. Multiple N	17. Proposed Depth 21500	18. Formation 3rd Bone Spring Sand	19. Contractor	20. Spud Date 5/29/2017
Depth to Ground water		Distance from nearest fresh water well		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
Surf	17.5	13.375	54.5	1750	1850	0
Int1	12.25	9.625	40	5820	1200	0
Int2	8.75	7	29	10000	940	0
Prod	6	4.5	13.5	21500	1340	9750

**Casing/Cement Program: Additional Comments**

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**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3500	3500	
Double Ram	5000	5000	

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify 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:	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Michael McCracken	Approved By: Paul Kautz
Title: COO	Title: Geologist
Email Address: michael.mccracken@blackmtn.com	Approved Date: 2/21/2017      Expiration Date: 2/21/2019
Date: 2/21/2017      Phone: 817-698-9901	Conditions of Approval Attached

PROPERTY INFORMATION		PROPERTY IDENTIFICATION CODE	
1. Owner's Name		2. Property Address	
2. Owner's Address		3. City	
3. Owner's Phone		4. State	
4. Owner's Email		5. Zip	
5. Owner's Signature		6. Date	
6. Owner's Title		7. Agent's Name	
7. Agent's Address		8. Agent's Phone	
8. Agent's Email		9. Agent's Signature	
9. Agent's Title		10. Date	
PROPERTY DESCRIPTION		PROPERTY IDENTIFICATION CODE	
1. Property Description		2. Property Address	
2. Property Description		3. City	
3. Property Description		4. State	
4. Property Description		5. Zip	
5. Property Description		6. Date	
6. Property Description		7. Agent's Name	
7. Property Description		8. Agent's Phone	
8. Property Description		9. Agent's Signature	
9. Property Description		10. Date	

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**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form APD Comments

Permit 232179

**PERMIT COMMENTS**

Operator Name and Address: BLACK MOUNTAIN OPERATING LLC [371127] 500 Main Street Fort Worth, TX 76102	API Number: 30-025-43618
	Well: GRAMA RIDGE STATE COM #007H

Created By	Comment	Comment Date
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Form APD Conditions

Permit 232179

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: BLACK MOUNTAIN OPERATING LLC [371127] 500 Main Street Fort Worth, TX 76102	API Number: 30-025-43618
	Well: GRAMA RIDGE STATE COM #007H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
pkautz	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
pkautz	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.
pkautz	1) SURFACE & INTERMEDIATE1 CASING - Cement must circulate to surface -- 2) INTERMEDIATE2 CASING - Cement must tie back into intermediate1 casing -- 3) PRODUCTION CASING - Cement must tie back into intermediate2 casing --
pkautz	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
pkautz	Only Fresh Water and Air are Valid Drilling Fluids for Surface Casing
pkautz	Operator shall notify appropriate District office when setting conductor pipe.
pkautz	The Operator is to notify NMOCDD by sundry (Form C-103) within ten (10) days of spudding a well.
pkautz	Stage Tool 1) Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.
pkautz	Submit Gas Capture Plan form prior to spudding or initiating recompletion operations