

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) 334-8170
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 235803

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, TX 79710		2. OGRID Number 160825
4. Property Code 317736		3. API Number 30-025-43794
5. Property Name KNIFE FIGHT FEE T		6. Well No. 001H

7. Surface Location

UL - Lot	B	Section	26	Township	24S	Range	34E	Lot Idn	B	Feet From	180	N/S Line	N	Feet From	2310	E/W Line	E	County	Lea
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8. Proposed Bottom Hole Location

UL - Lot	O	Section	26	Township	24S	Range	34E	Lot Idn	O	Feet From	240	N/S Line	S	Feet From	2310	E/W Line	E	County	Lea
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9. Pool Information

WC-025 G-09 S253402N;WOLFCAMP	98116
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 3455
16. Multiple N	17. Proposed Depth 17050	18. Formation Wolfcamp	19. Contractor	20. Spud Date 8/1/2017
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	13.5	10.75	40.5	400	500	0
Int1	9.875	7.625	29.7	12000	1700	0
Prod	6.75	5.5	23	11500	675	0
Liner1	6.75	5	18	17050	675	11500

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	CAMERON

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: _____ Printed Name: Electronically filed by Sarah Presley Title: Regulatory Analyst Email Address: spresley@bcoperating.com Date: 5/8/2017	<div style="text-align: center;">OIL CONSERVATION DIVISION</div> Approved By: Paul Kautz Title: Geologist Approved Date: 5/9/2017 Expiration Date: 5/9/2019 Conditions of Approval Attached
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

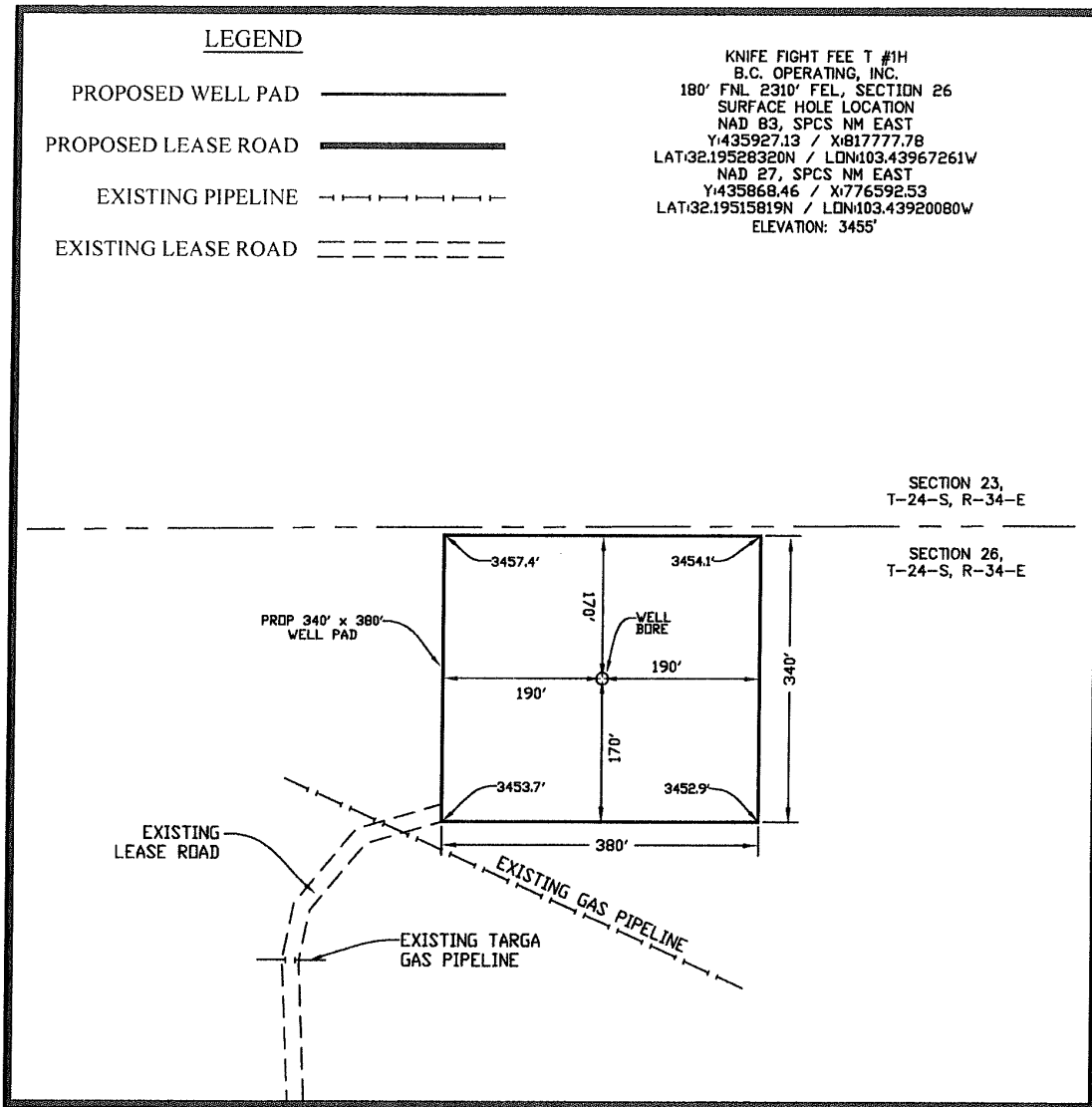
¹ API Number		² Pool Code		³ Pool Name					
⁴ Property Code		⁵ Property Name KNIFE FIGHT FEE T						⁶ Well Number 1H	
⁷ OGRID No. 160825		⁸ Operator Name B.C. OPERATING, INC.						⁹ Elevation 3455	
¹⁰ Surface Location									
UL or lot no. B	Section 26	Township T24S	Range R34E	Lot Idn	Feet from the 180	North/South line NORTH	Feet from the 2310	East/West line EAST	County LEA
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. O	Section 26	Township T24S	Range R34E	Lot Idn	Feet from the 240	North/South line SOUTH	Feet from the 2310	East/West line EAST	County LEA
¹² Dedicated Acres 160.00		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

SECTION 22 SECTION 27	CORNER COORDINATES NAD 83, SPCS NM EAST A - Y: 436105.61 / X: 817437.94 B - Y: 436111.60 / X: 818762.22 C - Y: 430860.91 / X: 818806.52 D - Y: 430841.92 / X: 817487.30			17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <i>Sarah Presley</i> Date: 5.8.17 Printed Name: Sarah Presley E-mail Address: spresley@bcoperating.com	
	SURFACE HOLE LOCATION 180' FSL 2310' FEL, SECTION 26 NAD 83, SPCS NM EAST Y: 435927.13 / X: 817777.78 LAT: 32.19528320N / LON: 103.43967261W NAD 27, SPCS NM EAST Y: 435868.46 / X: 776592.53 LAT: 32.19515819N / LON: 103.43920080W				18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. MARCH 17, 2017 Date of Survey Signature and Seal of Professional Surveyor: <i>Lloyd P. Short</i> Certificate Number: 21653 LLOYD P. SHORT 21653
	FIRST TAKE POINT 330' FSL 2310' FEL, SECTION 26 NAD 83, SPCS NM EAST Y: 435777.15 / X: 817778.79 LAT: 32.19487092N / LON: 103.43967340W NAD 27, SPCS NM EAST Y: 435718.49 / X: 776593.53 LAT: 32.19474590N / LON: 103.43920161W				
	LAST TAKE POINT 330' FSL 2310' FEL, SECTION 26 NAD 83, SPCS NM EAST Y: 431176.64 / X: 817813.25 LAT: 32.18222524N / LON: 103.43968556W NAD 27, SPCS NM EAST Y: 431118.10 / X: 776627.77 LAT: 32.18210015N / LON: 103.43921454W				
SECTION 27 SECTION 34	BOTTOM HOLE LOCATION 240' FSL 2310' FEL, SECTION 26 NAD 83, SPCS NM EAST Y: 431086.64 / X: 817813.98 LAT: 32.18197785N / LON: 103.43968561W NAD 27, SPCS NM EAST Y: 431028.10 / X: 776628.50 LAT: 32.18185276N / LON: 103.43921460W		19 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. MARCH 17, 2017 Date of Survey Signature and Seal of Professional Surveyor: <i>Lloyd P. Short</i> Certificate Number: 21653 LLOYD P. SHORT 21653		
CORNER COORDINATES NAD 27, SPCS NM EAST A - Y: 436046.94 / X: 776252.70 B - Y: 436052.92 / X: 777576.95 C - Y: 430802.01 / X: 777621.01 D - Y: 430783.39 / X: 776301.81					

WELL PAD TOPO

SEC. 26 TWP. 24-S RGE. 34-E
SURVEY: N.M.P.M.
COUNTY: LEA
U.S.G.S. TOPOGRAPHIC MAP: WOODLEY FLAT, N.M.



DIRECTIONS TO LOCATION:

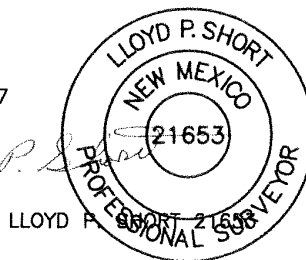
FROM THE INTERSECTION OF STATE HIGHWAY 18/S. DAL PASO STREET AND U.S. 180 W./U.S. 62 W./E. MARLAND BLVD. IN HOBBS, NEW MEXICO, TRAVEL SOUTH ON STATE HIGHWAY 18/S. DAL PASO STREET TOWARD E. GYPSY ST. FOR 40.8 MILES TO NM-128 W./E. KANSAS AVE. ON THE RIGHT. TRAVEL NORTHWEST ON NM-128 W./E. KANSAS AVE. FOR 15.5 MILES TO PROPOSED WELL 4,427.75 FEET TO THE LEFT.

NOTE:

THIS IS NOT A BOUNDARY SURVEY, APPARENT PROPERTY CORNERS AND PROPERTY LINES ARE SHOWN FOR INFORMATION ONLY. BOUNDARY DATA SHOWN IS FROM STATE OF NEW MEXICO OIL CONSERVATION DIVISION FORM C-102 INCLUDED IN THIS SUBMITTAL.

100' 0' 100' 200'
SCALE: 1" = 200'

MARCH 17, 2017



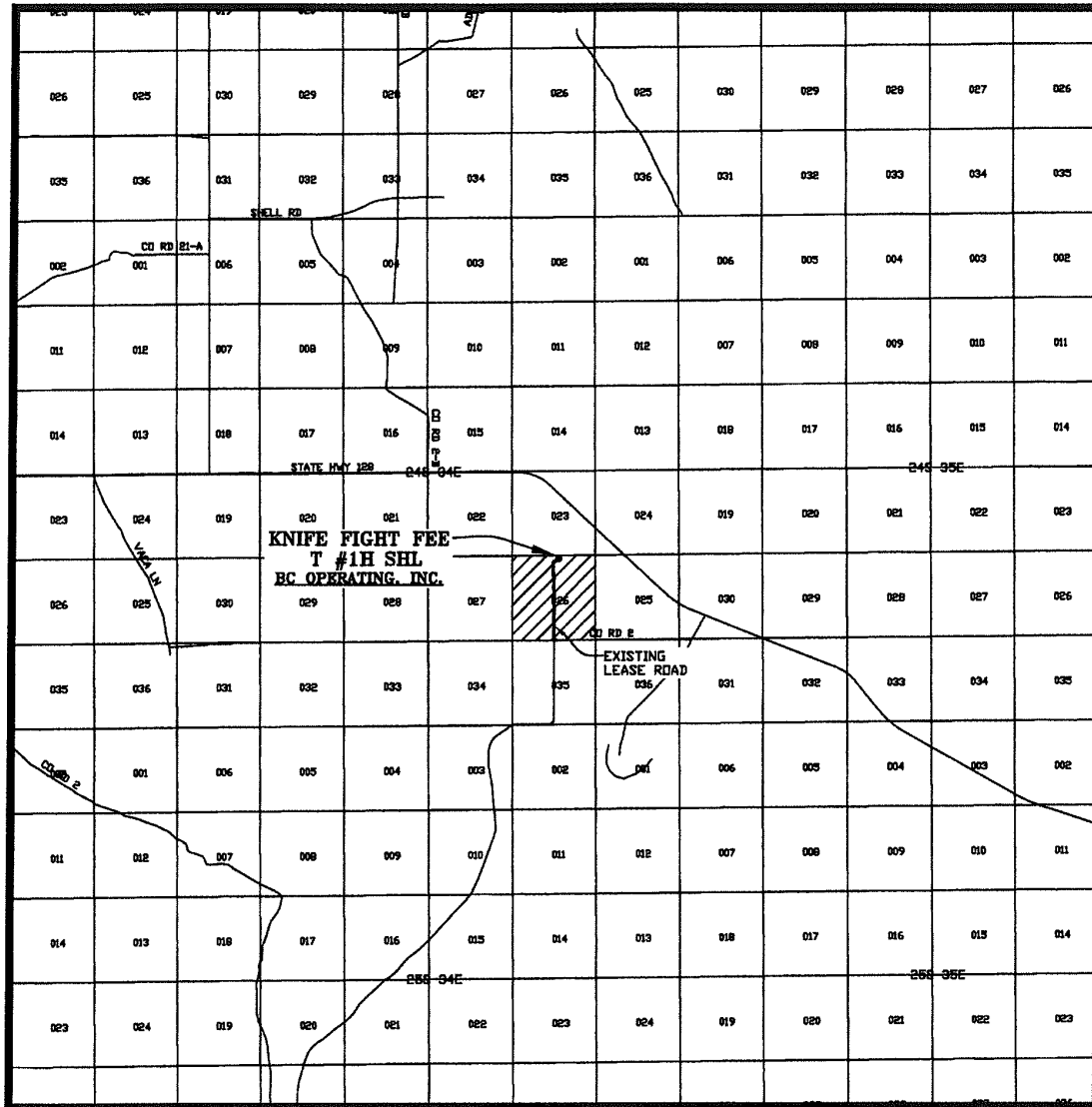
LLOYD P. SHORT 21653

PREPARED BY:
R-SQUARED GLOBAL, LLC
1309 LOUISVILLE AVENUE, MONROE, LA 71201
318-323-8900 OFFICE
JOB No. R3717-01

EXISTING ACCESS ROAD VICINITY MAP

KNIFE FIGHT FEE T #1H
180' FNL & 2310' FEL
SEC. 26 TWP. 24-S RGE. 34-E
SURVEY: N.M.P.M.
COUNTY: LEA

U.S.G.S. TOPOGRAPHIC MAP: WOODLEY FLAT, N.M.



SCALE: 1" = 2 MILES

PREPARED BY:
R-SQUARED GLOBAL, LLC
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1220 S. St Francis Dr.
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Form APD Comments

Permit 235803

PERMIT COMMENTS

Operator Name and Address: BC OPERATING, INC. [160825] P O Box 50820 Midland, TX 79710	API Number: 30-025-43794
	Well: KNIFE FIGHT FEE T #001H

Created By	Comment	Comment Date
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Form APD Conditions

Permit 235803

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: BC OPERATING, INC. [160825] P O Box 50820 Midland, TX 79710	API Number: 30-025-43794
	Well: KNIFE FIGHT FEE T #001H

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 & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing -- 3) Liner - Cement must tie back into production 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	1)- The Operator is to notify NMOC by sundry (Form C-103) within ten (10) days of the well being spud 2)- Drilling Sundries Form C-103 (Casing and Cement test are to be submitted within 10 days 3)- Completion Reports & Logs are to be submitted within 20 days 4)- Deviation / Directional Drill Survey are to be filed with or prior to C-104
pkautz	It is the operator's responsibility to monitor cancellation dates of approved APDs. APD's are good for 2 years and may be extended for one year. Only one 1 year extension will be granted if submitted by C-103 before expiration date. After expiration date or after a 1 year extension must submit new APD.
pkautz	If an APD expires and if site construction has occurred, site remediation is required.
pkautz	Must notify OCD Hobbs Office of any water flows in the Salado Formation at 575-370-3186. Report depth and flow rate
pkautz	Operator to Submit Gas Capture Plan form prior spud