

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

- NSL 7193
 - 13C operating
 160825

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- [D] Other: Specify _____

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[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

Well
 - BLACK RIVER 10
 State Com 14
 30-015-42689
 Pool
 - BLACK RIVER 2j
 WOLF CAMP EAST
 (G)
 97442

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

MICHAEL H. FELDEWERT

Print or Type Name

Signature

ATTORNEY

Title

mfeldewert@hollandhart.com

10/28/14

Date

e-mail Address



October 28, 2014

VIA HAND DELIVERY

Jami Bailey
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RECEIVED OGD
26th OCT 28 PM 4:26

Re: Application of BC Operating, Inc. for administrative approval of an unorthodox well location for its Black River 10 State Com #1H Well to be located in the E/2 of Section 10, Township 24 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

Dear Ms. Bailey:

BC Operating, Inc. (OGRID No. 160825) seeks administrative approval of an unorthodox well location for its **Black River 10 State Com #1H Well** to be completed within the Black River; Wolfcamp, East (Gas) Pool (Pool Code 97442) underlying the E/2 of Section 10, Township 24 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. This well will be drilled from a surface location 240 feet from the North line and 360 feet from the East line of Section 15, Township 24 South, Range 27 East but completed wholly within Section 10. The upper most perforation will be 330 feet from the South line and 360 feet from the East line of Section 10 (Unit P) and the lower most perforation will be 330 feet from the North line and 360 feet from the east line of Section 10 (Unit A). Since this acreage is governed by the Division Rule 19.15.15.10.B which provides for wells in defined gas pools in Eddy County to be spaced on 320 acres and located no closer than 660 feet to the outer boundary of the spacing unit, the completed interval for this well will be unorthodox. Approval of the unorthodox completed interval will allow for efficient well spacing and prevent waste of a productive reservoir.

Exhibit A is the Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Black River 10 State Com #1H Well** encroaches on the spacing and proration units to the North, Northwest, West, Southwest and South.

Exhibit B is a land plat for Section 10 and the surrounding sections that shows the proposed **Black River 10 State Com #1H Well** in relation to adjoining units and existing wells.



Exhibit C is a list of the parties affected by the encroachment. A copy of this application with all attachments has been sent by certified mail to each affected party advising them that if they have an objection it must be filed in writing with the division within 20 days from the date the division receives this application. A courtesy copy of this application has also been provided to the New Mexico State Land Office.

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael H. Feldewert".

Michael H. Feldewert
ATTORNEY FOR BC OPERATING, INC.

cc: New Mexico State Land Office
P.O. Box 1148
Santa Fe, NM 87501

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 & 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 30-015-42689	² Pool Code 97442	³ Pool Name BLACK RIVER, WOLFCAMP (GAS)
⁴ Property Code	⁵ Property Name BLACK RIVER 10 STATE COM	⁶ Well Number 1H
⁷ OGRID No. 160825	⁸ Operator Name B.C. OPERATING, INC.	⁹ Elevation 3181'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	15	T24S	R27E		240'	NORTH	360'	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	10	T24S	R27E		240'	NORTH	360'	EAST	EDDY

¹² Dedicated Acres 320.00	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

¹⁶ SECTION 4 SECTION 9 SECTION 9 SECTION 9 SECTION 16	SECTION 3		SECTION 2	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 _____ Date _____ Printed Name _____ E-mail Address _____ 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. SEPTEMBER 22, 2014 Date of Survey _____ Signature and Seal of Professional Surveyor _____ Certificate Number LLOYD P. SHORT 21653
	SECTION 10		SECTION 11	
	SECTION 10		SECTION 11	
	SECTION 10		SECTION 14	



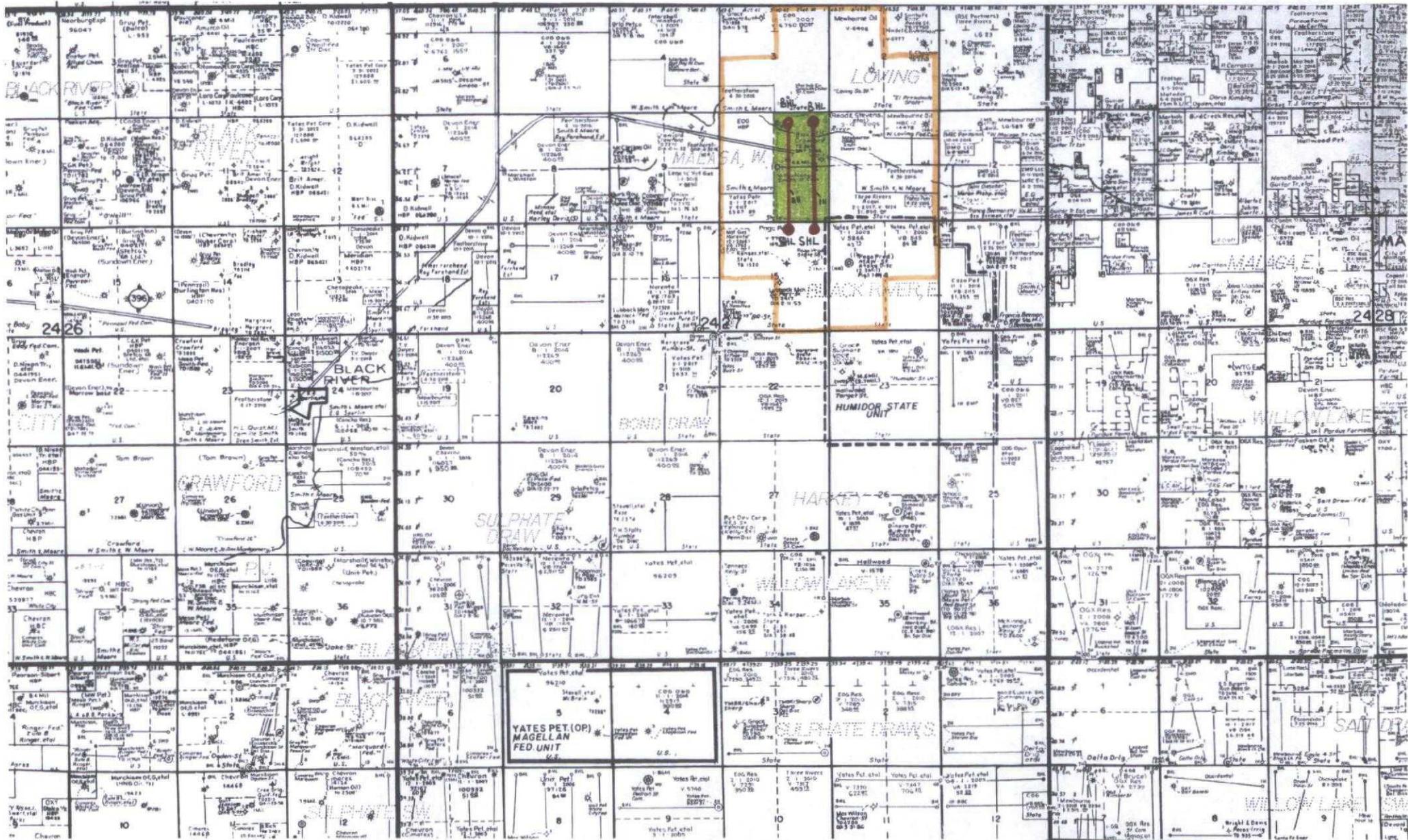


EXHIBIT
B

Exhibit C

COG Operating LLC
600 W. Illinois Avenue
Midland, Texas 79701

Nadel and Gussman Permian, LLC
601 N. Marienfield, Suite 508
Midland, Texas 79701

ConocoPhillips Company
P.O. Box 7500
Bartlesville, Oklahoma 74005

First Century Oil, Inc.
P.O. Box 1518
Roswell, New Mexico 88202

CLM Production Company
P.O. Box 1518
Roswell, New Mexico 88202

Vrooman Energy, LLC
10510 S. Kingston Avenue
Tulsa, Oklahoma 74137

James B. Read
P.O. Box 1518
Roswell, New Mexico 88202

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

EOG Resources, Inc.
5509 Champions Drive
Midland, Texas 79706

Crown Oil Partners V, LP
P.O. Box 50820
Midland, Texas 79705

Mewbourne Oil Company
500 W. Texas Avenue, Suite 1020
Midland, Texas 79701

MRC Permian Company
5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240

Read & Stevens, Inc.
400 N. Pennsylvania Avenue, Suite 1000
Roswell, New Mexico 88201

CBR Oil Properties LLC
P.O. Box 1518
Roswell, New Mexico 88202

Lincoln Oil & Gas L.L.C.
P.O. Box 1518
Roswell, New Mexico 88202

Watson Properties, LLC
3905 Futura Dr.
Roswell, New Mexico 88201

Betty R. Young
P.O. Box 1518
Roswell, New Mexico 88202

Oxy USA Inc.
P.O. Box 27570
Houston, Texas 77227

Fredonia Resources, Inc.
P.O. Box 1788
Longview, Texas 75606

HOLLAND & HART^{LLP}



Michael H. Feldewert
Recognized Specialist in the Area of Natural
Resources - oil and gas law - New Mexico
Board of Legal Specialization
mfeldewert@hollandhart.com

October 28, 2014

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: Affected Parties

Re: Application of BC Operating, Inc. for administrative approval of an unorthodox well location for its Black River 10 State Com #1H Well to be located in the E/2 of Section 10, Township 24 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

To Land Manager:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Caleb Hopson
BC Operating, Inc.
T 432-684-9696 ext. 762
F 432-686-0600
chopson@bcoperating.com

Sincerely,

Michael H. Feldewert
ATTORNEY FOR BC OPERATING, INC.

Holland & Hart^{LLP}

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ☺