

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 7194  
 - B L OPERATING, INC  
 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 TO  
 STATE COM #24  
 30-015-42728  
POOL  
 - BLACK RIVER  
 WOLF CAMP, BUSHG  
 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

e-mail Address

10/28/14  
 Date

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

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**Re: Application of BC Operating, Inc. for administrative approval of an unorthodox well location for its Black River 10 State Com #2H 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 #2H Well** to be completed within the Black River; Wolfcamp (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 1680 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 1680 feet from the East line of Section 10 (Unit O) and the lower most perforation will be 330 feet from the North line and 1680 feet from the East line of Section 10 (Unit B). 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 in this section 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 #2H Well** encroaches on the spacing and proration units to the North and South.

**Exhibit B** is a land plat for Section 10 and the surrounding sections that shows the proposed **Black River 10 State Com #2H 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 cursive script, 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



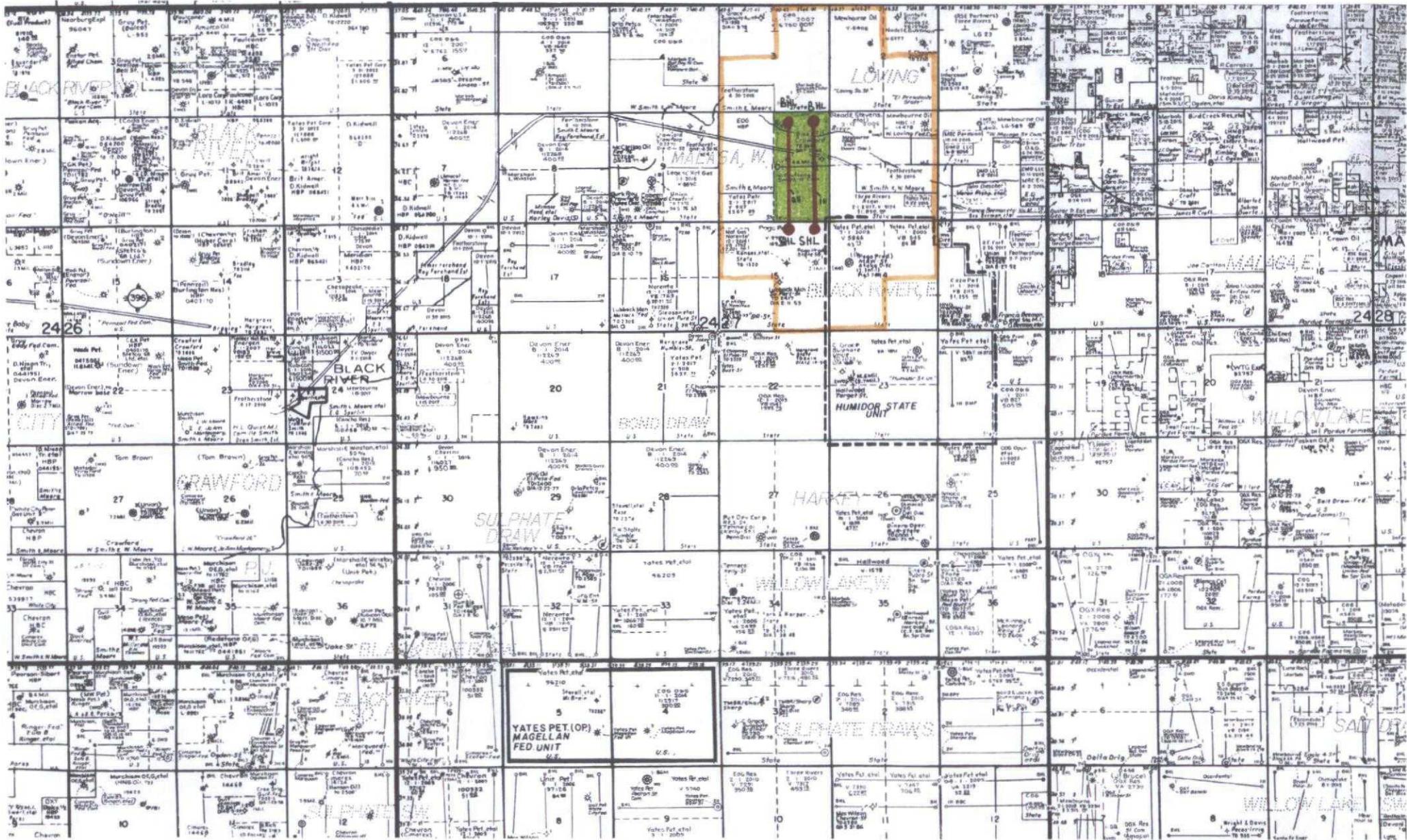


EXHIBIT  
 B

**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



**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 #2H 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,

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

Michael H. Feldewert  
ATTORNEY FOR BC OPERATING, INC.