

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 and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised July 18, 2013

☒ AMENDED REPORT

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, Texas 79710		² OGRID Number 160825
⁴ Property Code 314340	³ Property Name Cavegirl 31 State	⁵ API Number 30-015-43002
		⁶ Well No. 4H

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
D	6	24S	25E		240	North	889	West	Eddy

⁸ Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
D	31	23S	25E		240	North	890	West	Eddy

⁹ Pool Information

Pool Name Crooked Creek; Wolfcamp East (Gas)	Pool Code 75460
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Additional Well Information

¹¹ Work Type New Well	¹² Well Type Gas	¹³ Cable/Rotary Rotary	¹⁴ Lease Type State	¹⁵ Ground Level Elevation 3954'
¹⁶ Multiple No	¹⁷ Proposed Depth 8600' TVD/13,645' MD	¹⁸ Formation Wolfcamp	¹⁹ Contractor TBD	²⁰ Spud Date 02/01/2016
Depth to Groundwater		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
Surface	16"	13 3/8"	48#	400'	300	0'
Intermediate	12 1/4"	9 5/8"	40#	3100'	1240	0'
Production	8 3/4"	5 1/2"	17#	13,645'	2240	0'

Casing/Cement Program: Additional Comments

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²² Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram Annular	3000#	2000#	Hydrill/Shaeffer

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that 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: <i>Pam Stevens</i> Printed name: Pam Stevens Title: Regulatory Analyst E-mail Address: pstevens@bcoperating.com Date: 03/25/2015	OIL CONSERVATION DIVISION Approved By: <i>[Signature]</i> Title: <i>Dr. H. Spewer</i> Approved Date: <i>3/25/2015</i> Expiration Date: <i>3/25/2017</i> Conditions of Approval Attached
Phone: 432-684-9696	

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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

MAR 05 2015

RECEIVED

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-43002	² Pool Code 75460	³ Pool Name CROOKED CREEK; WOLFCAMP EAST (GAS)
⁴ Property Code 314340	⁵ Property Name CAVEGIRL 31 STATE	⁶ Well Number 4H
⁷ OGRID No. 160825	⁸ Operator Name B.C. OPERATING, INC.	⁹ Elevation 3954'

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
D	6	T24S	R25E		240'	NORTH	889'	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

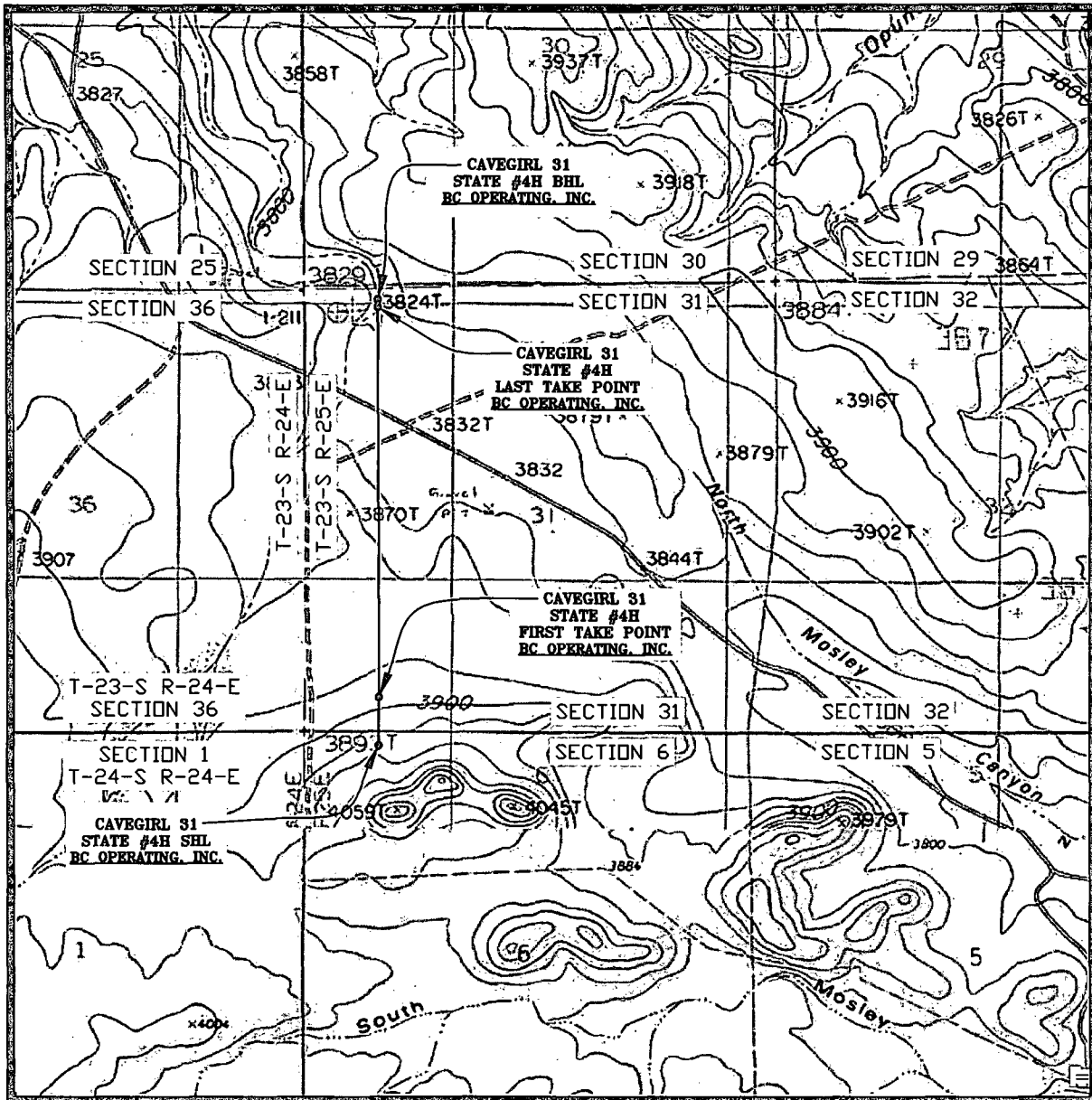
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	31	T23S	R25E		240'	NORTH	890'	WEST	EDDY

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

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.

	<p>CORNER COORDINATES NAD 83, SPCS NM EAST A - Y461216.10' / X507267.09' B - Y461256.49' / X510096.25' C - Y455944.62' / X509921.53' D - Y455933.38' / X507271.27'</p>	<p>CORNER COORDINATES NAD 27, SPCS NM EAST A - Y461159.25' / X466085.63' B - Y461199.57' / X468914.76' C - Y453887.88' / X468739.88' D - Y453876.70' / X466089.65'</p>	<p>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.</p> <p><i>Pam Stevens</i> 3/1/15 Signature Date</p> <p><i>Pam Stevens</i> Printed Name</p> <p><i>pstevens@bcoperating.com</i> E-mail Address</p>	
	<p>BOTTOM HOLE LOCATION 240' FNL 890' FWL, SECTION 31 NAD 83, SPCS NM EAST X508157.27' / Y460988.79' LAT32.26728736N / LDN104.44068301W NAD 27, SPCS NM EAST X466975.79' / Y460931.93' LAT32.26717353N / LDN104.44017580W</p>	<p>SECTION 30</p>		<p>SECTION 29</p>
	<p>LAST TAKE POINT 330' FNL 890' FWL, SECTION 31 NAD 83, SPCS NM EAST X508157.34' / Y460898.78' LAT32.26703994N / LDN104.44068249W NAD 27, SPCS NM EAST X460841.92' / Y460841.92' LAT32.25419432N / LDN104.44017529W</p>			
	<p>FIRST TAKE POINT 330' FSL 890' FWL, SECTION 31 NAD 83, SPCS NM EAST X508161.00' / Y456267.16' LAT32.25430815N / LDN104.44065566W NAD 27, SPCS NM EAST X466979.38' / Y456210.45' LAT32.52419432N / LDN104.44014898W</p>			
<p>SURFACE HOLE LOCATION 240' FNL 889' FWL, SECTION 6 NAD 83, SPCS NM EAST X508161.21' / Y455697.28' LAT32.25274163N / LDN104.44065315W NAD 27, SPCS NM EAST X466979.57' / Y455640.59' LAT32.25262780N / LDN104.44014653W</p>	<p>SECTION 31</p>	<p>SECTION 32</p>	<p>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.</p> <p>JANUARY 20 2015 Date of Survey</p> <p><i>Lloyd P. Short</i> Signature and Seal of Professional Surveyor</p> <p><i>Lloyd P. Short</i> Certificate Number</p>	
<p>SECTION 1 T-24-S R-24-E</p>	<p>SECTION 6</p>	<p>SECTION 5</p>		

LOCATION VERIFICATION MAP

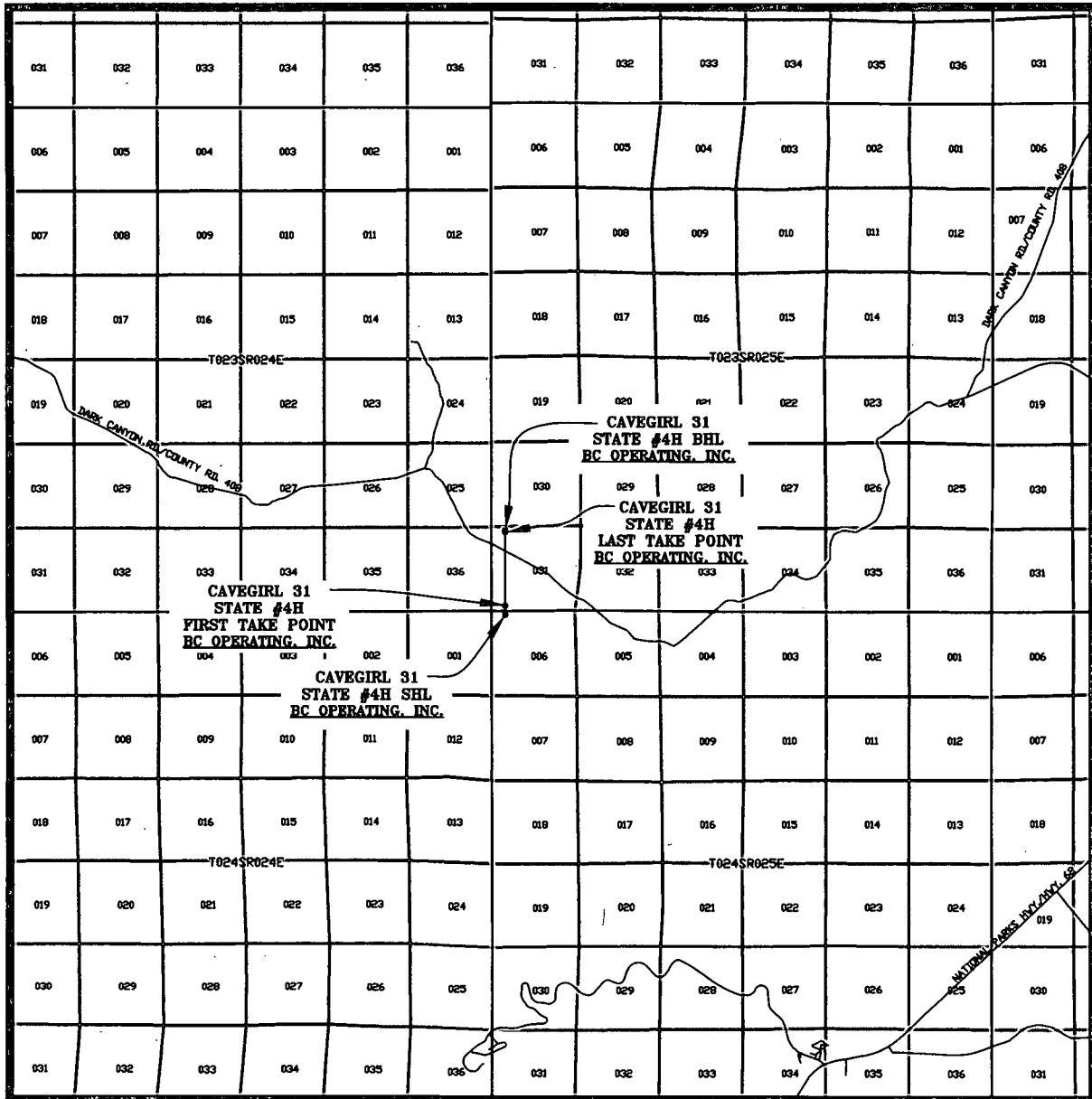


SEC. 6 TWP. 24-S RGE. 25-E
 SURVEY: N.M.P.M.
 COUNTY: EDDY
 DESCRIPTION: 240' FNL & 889' FWL
 ELEVATION: 3954'
 OPERATOR: B.C. OPERATING, INC.
 LEASE: CAVEGIRL 31 STATE
 U.S.G.S. TOPOGRAPHIC MAP: CARNERO PEAK, N.M.

SCALE: 1" = 2000'
 CONTOUR INTERVAL = 20'

PREPARED BY:
 R-SQUARED GLOBAL, LLC
 1309 LOUISVILLE AVENUE, MONROE, LA 71201
 318-323-6900 OFFICE
 JOB No. R3477_004

VICINITY MAP



SEC. 6 TWP. 24-S RGE. 25-E

SURVEY: N.M.P.M.

COUNTY: EDDY

DESCRIPTION: 240' FNL & 889' FWL

ELEVATION: 3954'

OPERATOR: B.C. OPERATING, INC.

LEASE: CAVEGIRL 31 STATE

U.S.G.S. TOPOGRAPHIC MAP: CARNERO PEAK, N.M.

SCALE: 1" = 2 MILES

PREPARED BY:
R-SQUARED GLOBAL, LLC
1309 LOUISVILLE AVENUE, MONROE, LA 71201
318-323-8900 OFFICE
JOB No. R3477_004

BC Operating, Inc. Closed Loop System

Design Plan

Equipment List

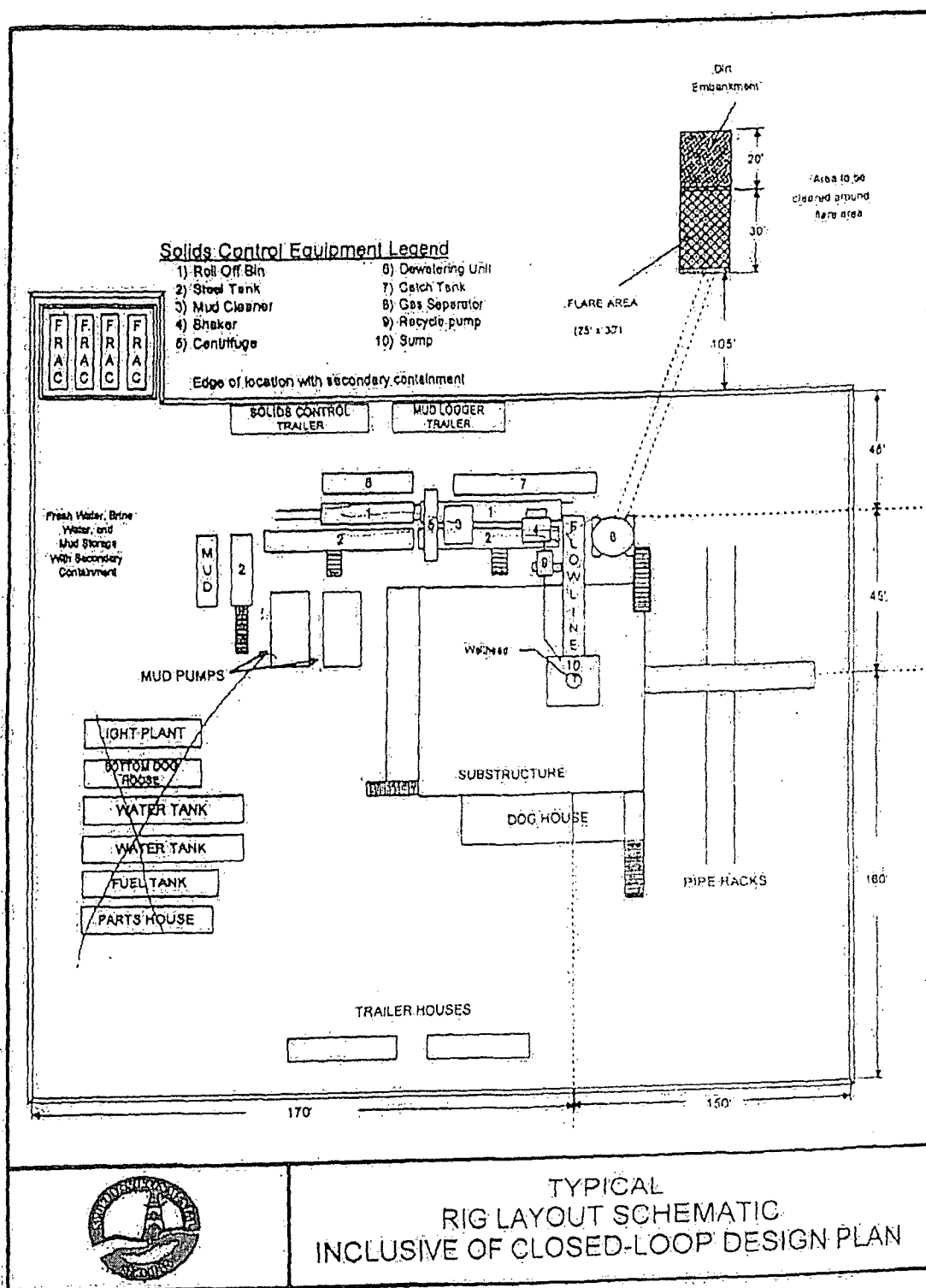
- 2 – 414 MI Swaco *Centrifuges*
 - 2 – MI Swaco 4 screen *Moongoose Shale Shakers*
 - 2 – double-screen *Shakers* with rig inventory
 - 2 – CRI *Haul off bins* with track system
 - 2 – additional 500bbl *Frac tanks* for fresh and brine water
 - 2 – 500bbl *water tanks* with rig inventory
- *Equipment manufactures may vary due to availability but components will not.*

Operation and Maintenance

The system along with equipment will be inspected numerous times a day by each tour to make sure all equipment is operating correctly. Routine maintenance will be done to keep system running properly. Any leak in system will be repaired and/or contained immediately and the OCD notified within 48 hours of the remediation process start.

Closure Plan

While drilling, all cuttings and fluids associated with drilling will be hauled off and disposed of via Controlled Recovery Incorporated Facilities Permit NM01-0006.



TYPICAL
RIG LAYOUT SCHEMATIC
INCLUSIVE OF CLOSED-LOOP DESIGN PLAN

Permit Conditions of Approval

API: 30-0/5-43002

Cavegirl 31 State #4H

OCD Reviewer	Condition
<i>RDADE</i>	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