STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF B.C. OPERATING, INC.		
FOR COMPULSORY POOLING,		
LEA COUNTY, NEW MEXICO	Case No.	20837
APPLICATION OF B.C. OPERATING, INC.		
FOR COMPULSORY POOLING,		
LEA COUNTY, NEW MEXICO	Case No.	20838
APPLICATION OF B.C. OPERATING, INC.		
FOR COMPULSORY POOLING,		
LEA COUNTY, NEW MEXICO	Case No.	20839

<u>B.C. Operating, Inc.</u> <u>Applications, Affidavits, and Exhibits</u>

Case No. 20837 (Broadside 13 W Fed Com 1H)

Case No. 20838 (Broadside 13 W Fed Com 2H)

Case No. 20839 (Broadside 13 W Fed Com 3H)

November 14, 2019

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STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF B.C. OPERATING, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

20837 Case No.

APPLICATION

B.C. Operating, Inc. ("BCO"), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and John F. McIntyre), hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests in the Wolfcamp formation (WC-025 G-09 S243310P [98135]) in a standard 160-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 W/2 of Section 13, Township 24 South, Range 33 East, NMPM, in Lea County, New Mexico. In support of its application, BCO states as follows:

1. BCO is a working interest owner in the proposed HSU and has the right to drill thereon.

2. BCO proposes to dedicate the HSU to its 1-mile **Broadside 13 W Fed Com 1H** well, to be horizontally drilled from an approximate surface hole location 350' FSL and 2330' FWL of Section 12-T24S-R33E, to an approximate bottom hole location 20' FSL and 2310' FWL of Section 13-T24S-R33E. This well defines the HSU.

3. The completed intervals and first and last take points meet the setback requirements set forth in the statewide rules for horizontal oil wells.

4. BCO has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the HSU.

5. Approval of the HSU and the pooling of all mineral interest owners in the Wolfcamp formation underlying the HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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6. In order to permit BCO to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and BCO should be designated the operator of the HSU.

WHEREFORE, BCO requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 14, 2019, and that, after notice and hearing as required by law, the Division enter an order:

A. Creating a standard 160-acre, more or less, horizontal spacing and proration unit comprised of the E/2 W/2 of Section 13, Township 24 South, Range 33 East, NMPM, in Lea County, New Mexico;

B. Pooling all mineral interests in the Wolfcamp formation underlying the HSU;

C. Designating the Broadside 13 W Fed Com 1H well as the defining well for said HSU;

D. Designating BCO as operator of the HSU and the wells to be drilled thereon;

E. Authorizing BCO to recover its costs of drilling, equipping and completing the wells;

F. Approving the operating charges and costs of supervision while drilling of \$7000/month and, after completion, \$700/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Imposing a 200% penalty for the risk assumed by BCO in drilling and completing the wells against any interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

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MONTGOMERY & ANDREWS, P.A.

<u>/s/ Sharon T. Shaheen</u> Sharon T. Shaheen John F. McIntyre Post Office Box 2307 Santa Fe, NM 87504-2307 (505) 982-3873 <u>sshaheen@montand.com</u> jmcintyre@montand.com

Attorneys for B.C. Operating, Inc.

STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF B.C. OPERATING, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. _ 20838

APPLICATION

B.C. Operating, Inc. ("BCO"), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and John F. McIntyre), hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests in the Wolfcamp formation (WC-025 G-09 S243310P [98135]) in a standard 160-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the W/2 E/2 of Section 13, Township 24 South, Range 33 East, NMPM, in Lea County, New Mexico. In support of its application, BCO states as follows:

1. BCO is a working interest owner in the proposed HSU and has the right to drill thereon.

2. BCO proposes to dedicate the HSU to its 1-mile **Broadside 13 W Fed Com 2H** well, to be horizontally drilled from an approximate surface hole location 350' FSL and 1803' FEL of Section 12-T24S-R33E, to an approximate bottom hole location 20' FSL and 1651' FEL of Section 13-T24S-R33E. This well defines the HSU.

3. The completed intervals and first and last take points meet the setback requirements set forth in the statewide rules for horizontal oil wells.

4. BCO has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the HSU.

5. Approval of the HSU and the pooling of all mineral interest owners in the Wolfcamp formation underlying the HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to permit BCO to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and BCO should be designated the operator of the HSU.

WHEREFORE, BCO requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 14, 2019, and that, after notice and hearing as required by law, the Division enter an order:

A. Creating a standard 160-acre, more or less, horizontal spacing and proration unit comprised of the W/2 E/2 of Section 13, Township 24 South, Range 33 East, NMPM, in Lea County, New Mexico;

B. Pooling all mineral interests in the Wolfcamp formation underlying the HSU;

C. Designating the Broadside 13 W Fed Com 2H well as the defining well for said HSU;

D. Designating BCO as operator of the HSU and the wells to be drilled thereon;

E. Authorizing BCO to recover its costs of drilling, equipping and completing the wells;

F. Approving the operating charges and costs of supervision while drilling of \$7000/month and after completion \$700/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Imposing a 200% penalty for the risk assumed by BCO in drilling and completing the wells against any interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

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MONTGOMERY & ANDREWS, P.A.

<u>/s/ Sharon T. Shaheen</u> Sharon T. Shaheen John F. McIntyre Post Office Box 2307 Santa Fe, NM 87504-2307 (505) 982-3873 <u>sshaheen@montand.com</u> jmcintyre@montand.com

Attorneys for B.C. Operating, Inc.

STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF B.C. OPERATING, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. ____20839

APPLICATION

B.C. Operating, Inc. ("BCO"), through its undersigned counsel Montgomery & Andrews, P.A. (Sharon T. Shaheen and John F. McIntyre), hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all mineral interests in the Wolfcamp formation (WC-025 G-09 S243310P [98135]) in a standard 160-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the E/2 E/2 of Section 13, Township 24 South, Range 33 East, NMPM, in Lea County, New Mexico. In support of its application, BCO states as follows:

1. BCO is a working interest owner in the proposed HSU and has the right to drill thereon.

2. BCO proposes to dedicate the HSU to its 1-mile **Broadside 13 W Fed Com 3H** well, to be horizontally drilled from an approximate surface hole location 374' FSL and 313' FEL of Section 12-T24S-R33E, to an approximate bottom hole location 20' FSL and 330' FEL of Section 13-T24S-R33E. This well defines the HSU.

3. The completed intervals and first and last take points meet the setback requirements set forth in the statewide rules for horizontal oil wells.

4. BCO has in good faith sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the HSU.

5. Approval of the HSU and the pooling of all mineral interest owners in the Wolfcamp formation underlying the HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to permit BOC to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this HSU should be pooled and BCO should be designated the operator of the HSU.

WHEREFORE, BCO requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 14, 2019, and that, after notice and hearing as required by law, the Division enter an order:

A. Creating a standard 160-acre, more or less, horizontal spacing and proration unit comprised of the E/2 E/2 of Section 13, Township 24 South, Range 33 East, NMPM, in Lea County, New Mexico;

B. Pooling all mineral interests in the Wolfcamp formation underlying the HSU;

C. Designating the Broadside 13 W Fed Com 3H well as the defining well for said HSU;

D. Designating BCO as operator of the HSU and the wells to be drilled thereon;

E. Authorizing BCO to recover its costs of drilling, equipping and completing the wells;

F. Approving the operating charges and costs of supervision while drilling of \$7000/month and, after completion, \$700/month, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Imposing a 200% penalty for the risk assumed by BCO in drilling and completing the wells against any interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

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MONTGOMERY & ANDREWS, P.A.

<u>/s/ Sharon T. Shaheen</u> Sharon T. Shaheen John F. McIntyre Post Office Box 2307 Santa Fe, NM 87504-2307 (505) 982-3873 <u>sshaheen@montand.com</u> jmcintyre@montand.com

Attorneys for B.C. Operating, Inc.

STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF B.C. OPERATING, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO	Case No.	20837
APPLICATION OF B.C. OPERATING, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO	Case No.	20838
APPLICATION OF B.C. OPERATING, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO	Case No.	20839

AFFIDAVIT OF PHIL HAMMOND

I, being duly sworn on oath, state the following:

- 1. I am over the age of 18, and have the capacity to execute this Affidavit, which is based on my personal knowledge.
- 2. I am employed as a Land Manager with B.C. Operating, Inc. ("BCO"), and I am familiar with the subject application and the lands involved.
- 3. This affidavit is submitted in connection with the filing by BCO of the abovereferenced compulsory pooling applications pursuant to 19.15.4.12.A(1) NMAC.
- 4. I have not previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials qualify me to testify as an expert witness in petroleum land matters in front of the Division.
 - a. I graduated from Texas Tech University in May 2004 with a Bachelor of Business Administration, majoring in Finance.
 - b. I have been employed as an oil and gas landman since August 2007, and have since worked for several large oil and gas companies, including Cimarex, Apache

Corp, and RSP Permian, LLC. I have been working on New Mexico oil and gas matters for approximately 15 months.

5. The purpose of this application is to force pool working interest owners and uncommitted mineral interest owners into the horizontal spacing and proration units ("HSU") described below, and in the wells to be drilled in the unit.

6. No opposition is expected. The interest owners being pooled have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests in the wells. Although Franklin Mountain Energy has entered an appearance in these cases, I understand that it does not object to the proposed spacing units and wells and that it does not object to presenting this case by affidavit.

7. BCO seeks orders pooling all uncommitted mineral interests and uncommitted working interests in the Wolfcamp formation (WC-025 G-09 S243310P [98135]). BCO is seeking approval of three compulsory pooling applications:

- a. In Case No. 20837, the HSU underlies the E/2 W/2 of Section 13, Township 24
 South, Range 33 East, NMPM, in Lea County, New Mexico, creating a standard
 160-acre, more or less, HSU. This proposed HSU will be dedicated to the
 Broadside 13 W Fed Com 1H well ("1H").
- b. In Case No. 20838, the HSU underlies the W/2 E/2 of Section 13, Township 24 South, Range 33 East, NMPM, in Lea County, New Mexico, creating a standard 160-acre, more or less, HSU. This proposed HSU will be dedicated to the Broadside 13 W Fed Com 2H well ("2H").
- c. In Case No. 20839, the HSU underlies the E/2 E/2 of Section 13, Township 24 South, Range 33 East, NMPM, in Lea County, New Mexico, creating a standard

160-acre, more or less, HSU. This proposed HSU will be dedicated to the **Broadside 13 W Fed Com 3H** well ("3H").

8. Maps highlighting each proposed unit within Section 13 are attached hereto as **Exhibits 1A** (1H), **1B** (2H), **and 1C** (3H). The respective proposed units are indicated by the hatched marking on each of the foregoing exhibits.

9. The parties entitled to notice and the nature of their interests are found in the Summaries of Interests, attached hereto as **Exhibits 2A** (1H), **2B** (2H), **and 2C** (3H). Each Summary of Interest includes information regarding the working interest owners and overriding royalty interest owners in each HSU. Crown Energy Partners VI, Crump Energy Partners III, LLC, Concho Oil and Gas, and Franklin Mountain Energy 2, LLC, all of which are contributing Fee Leasehold. Devon Energy Production Company, L.P. is contributing federal leasehold (NMLC 063798). All parties which own working interests or overriding royalties in each proposed HSU are shown on the Summary of Interest attachment, as well as the interest percentages of the working interest owners in the proposed HSUs.

10. The location of the proposed well within each HSU is depicted as the solid black bolded line on the draft C-102 Forms attached hereto as **Exhibits 3A** (1H), **3B** (2H), **and 3C** (3H). All setbacks satisfy statewide requirements.

11. There are no depth severances in the Wolfcamp Formation for these proposed wells.

12. The proposed surface hole location of the **Broadside 13 W Fed Com 1H** is approximately 350' FSL and 2330' FWL of Section 12-T24S-R33E. The proposed bottom hole location is approximately 20' FSL and 2310' FWL of Section 13-T24S-R33E. The proposed total vertical depth is 12,150'. The first take point will be located at approximately 330' FNL and 2310'

FWL of Section 13-T24S-R33E and the last take point will be located at approximately 100' FSL and 2310' FWL of Section 13-T24S-R33E.

13. The proposed surface hole location of the **Broadside 13 W Fed Com 2H** is approximately 350' FSL and 1803' FEL of Section 12-T24S-R33E. The proposed bottom hole location is approximately 20' FSL and 1651' FEL of Section 13-T24S-R33E. The proposed total vertical depth is 12,150'. The first take point will be located at approximately 330' FNL and 1651' FEL of Section13-T24S-R33E and the last take point will be located at approximately100' FSL and 1651' FEL of Section13-T24S-R33E.

14. The proposed surface hole location of the **Broadside 13 W Fed Com 3H** is approximately 374' FSL and 313' FEL of Section 12-T24S-R33E. The proposed bottom hole location is approximately 20' FSL and 330' FEL of Section 13-T24S-R33E. The proposed total vertical depth is 12,150'. The first take point will be located at approximately 330' FNL and 330' FEL of Section 13-T24S-R33E and the last take point will be located at approximately 100' FSL and 330' FEL of Section 13-T24S-R33E.

15. I have conducted a diligent search of the public records in Lea County, New Mexico, where the wells will be located, and conducted phone directory and computer searches to obtain contact information for parties entitled to notification. I mailed all parties well proposals, including an Authorization for Expenditure ("AFE").

16. BCO has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed well.

17. Exhibits 4A (1H), 4B (2H), and 4C (3H) are sample proposal letters and the AFEs for each proposed well. The estimated cost of the wells set forth in the AFE is fair, reasonable,

and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

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18. Exhibit 5 is a copy of the notice letter with applications that was sent to all of the uncommitted interest owners in the proposed HSUs.

19. BCO requests overhead and administrative rates of \$7,000/month for drilling a well and \$700/month for a producing well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. BCO requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

20. BCO requests the maximum cost, plus 200% risk charge, be assessed against nonconsenting working interest owners.

21. BCO requests that it be designated operator of the wells.

22. The Exhibits to this Affidavit were prepared by me, or compiled from BCO's business records.

23. The granting of this Application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

24. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NAUGHT

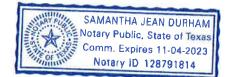
Phil Hammond

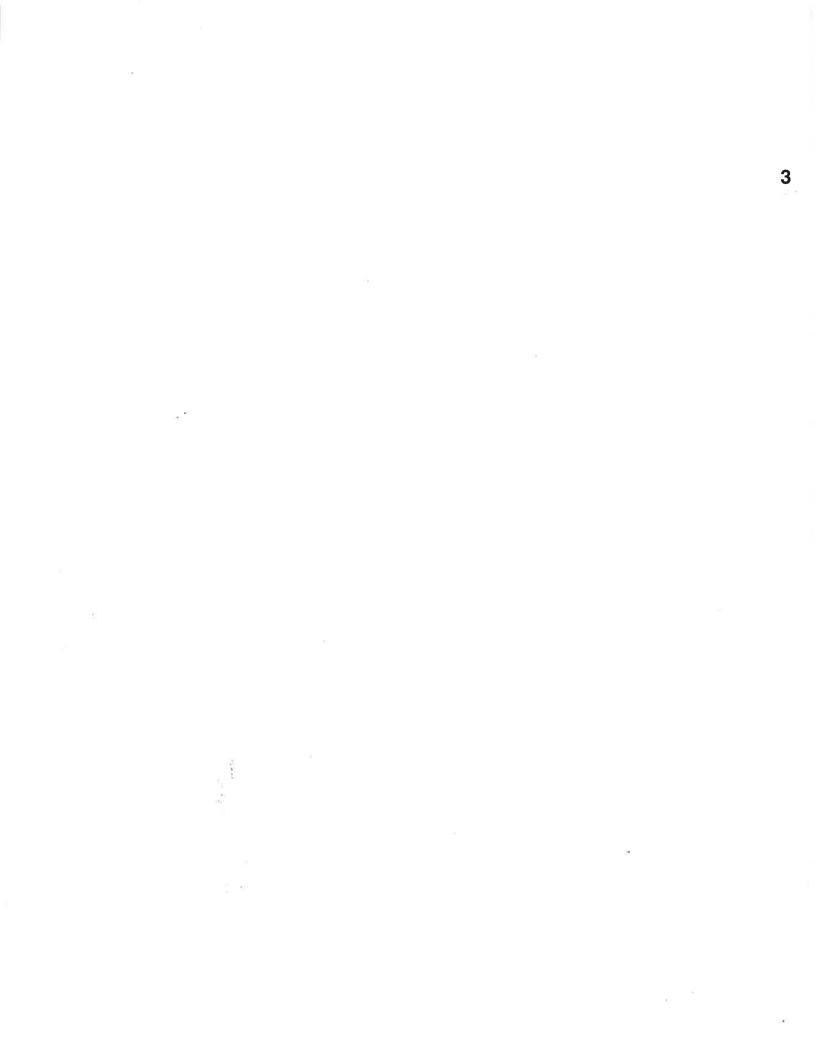
STATE OF <u>Texas</u>) COUNTY OF <u>Midland</u>)

Subscribed to and sworn before me this 13^{H} day of November, 2019.

Kamantha Gean Duljam Notary Public

My Commission expires 11 4 2023





STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF B.C. OPERATING, INC. FOR COMPULSORY POOLING,		
LEA COUNTY, NEW MEXICO	Case No. 20837	
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FOR COMPULSORY POOLING,		
LEA COUNTY, NEW MEXICO	Case No. 20839	

AFFIDAVIT OF MICHAEL MOYLETT

I, being duly sworn on oath, state the following:

1. I am over the age of 18, and have the capacity to execute this Affidavit, which is based on my personal knowledge.

2. I am employed as a petroleum geologist for B.C. Operating, Inc. ("BCO"), and I am familiar with the subject application and the geology involved.

3. This affidavit is submitted in connection with the filing by BCO of the abovereferenced compulsory pooling applications pursuant to 19.15.4.12.A(1) NMAC.

4. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology matters. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.

 a. I graduated from the Missouri University of Science and Technology with a Bachelor of Science in 1983, majoring in geology and geophysics, and from the same university with a Master of Science in geology and geophysics in 1985.

- b. I have been employed with various oil and gas companies as a geologist for 34 years, with over half of my time spent as a geologist working on New Mexico oil and gas matters.
- c. Examples of cases in which I have testified as an expert geologist before the Commission and before the Division include, among others, *Application of Collins and Ware, Inc., for Special Pool Rules, Lea County, New Mexico*, Case No. 11,798 (Tr. Aug. 14, 1997), and, more recently, on behalf of Applicant here in *Application of BC Operating, Inc. et al. for Compulsory Pooling, Eddy County, New Mexico*, Case No. 15661 (Tr. Mar. 30, 2017).

5. **Exhibit 6** illustrates the generalized sections in southeastern New Mexico, with the targeted Wolcamp in the Permian Basin highlighted in yellow.

6. Exhibit 7 illustrates the Wolfcamp horizontal producers in acreage near the proposed wells. Specific data is provided for those existing wells immediately to the east and west of the proposed wells. The highlighted portion reflects the fee lease(s) in which Applicant has an interest. As reflected in Exhibits 1A, 1B, and 1C, the proposed spacing units will also include the federal lease comprising the remainder of Section 13 to the south of the highlighted portion on Exhibit 7.

7. Exhibit 8 is a Wolfcamp structure map. The acreage in which Applicant owns an interest in the proposed spacing units is depicted by a hachured rectangle. As noted, the proposed spacing units will also include the federal lease comprising the remainder of Section 13 to the south of the hachured portion, as reflected in Exhibits 1A, 1B, and 1C. The contour intervals of the structure map are 100'. The subsequent cross-section from west to east and north to south are also identified to locate our closest control on the reservoir properties for the Broadside 13 W Fed

Com 1H, 2H, and 3H wells. I do not observe any faulting, pinch-outs, or other geologic impediments or hazards to developing this targeted interval with a horizontal well.

8. **Exhibit 9** is a Wolfcamp stratigraphic cross-section. Each well is a triple combo log, if available. Track 1 is gamma ray log and scaled from 0 to 100 api units. Track 2 is a porosity log (neutron density when available) scaled 10% to 30% and a sonic log scaled 40-100 microseconds/foot. Track 3 is the deep resistivity log from 0.2 ohmm to 2000 ohmm. The shading cutoff is less than 30 ohmm Third Bone Spring Sand to 100 ohmm Wolfcamp formation to help identify the more permeable rocks. Track 2 is the porosity track with curve scaled from 30% to -10%. The yellow shading on this curve is anything greater than 8% density porosity. The crosssection identifies the key tops used to evaluate reservoirs and landing targets for the Broadside 13 W Fed Com 1H, 2H, and 3H wells. Simplified well-bores for the Broadside 13 W Fed Com 1H, 2H, and 3H wells are on the cross-section showing the landing target interval in the West to East Wolfcamp stratigraphic Cross section and North to South Wolfcamp Stratigraphic cross section.

- 9. Based on my geologic study of the area, I conclude the following:
 - a. The horizontal spacing and proration unit is justified from a geologic standpoint.
 - b. There are no structural impediments or faulting that will interfere with horizontal development.
 - c. Each quarter-quarter section in the unit will contribute more or less equally to production.
 - d. The preferred well orientation in this area is north-south. This is because the inferred orientation of the maximum horizontal stress is roughly east-west.

10. The Exhibits to this Affidavit were prepared by me, or compiled from BCO's business records.

11. The granting of this Application is in the interests of conservation and the prevention of waste.

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12. The foregoing is correct and complete to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NAUGHT

Michael Moylett

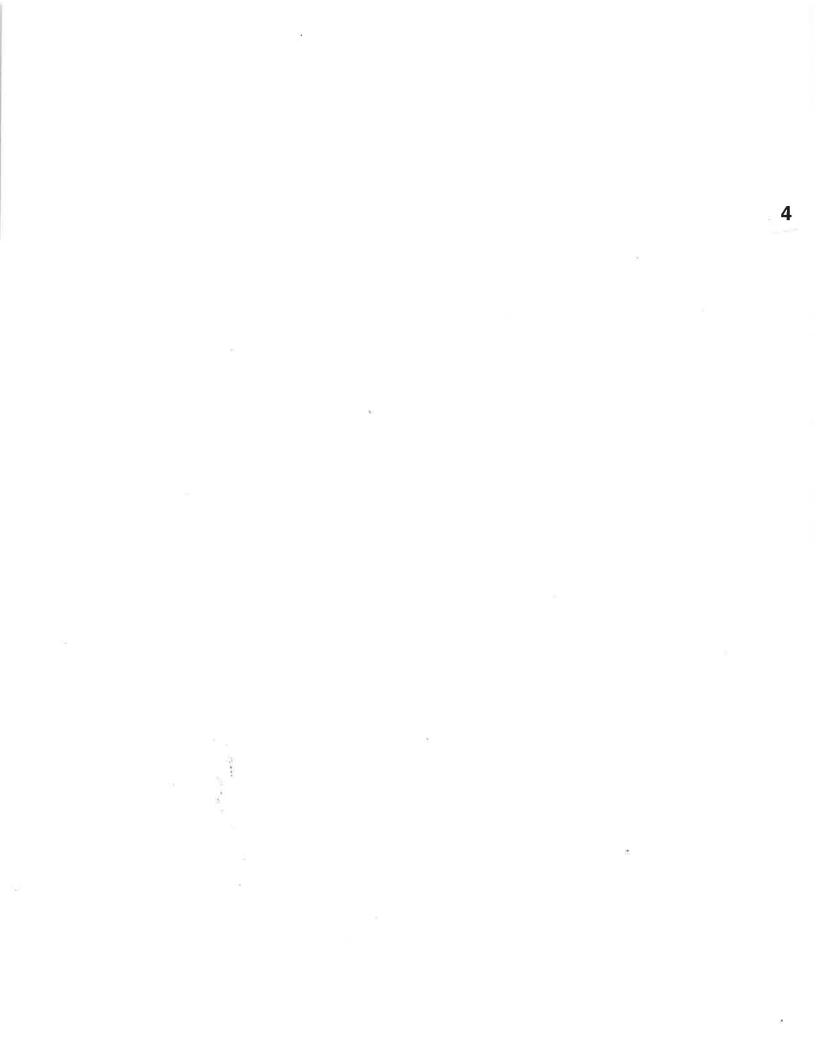
STATE OF Texas COUNTY OF Midland)ss

Subscribed to and sworn before me this $\frac{1}{2}$ day of November, 2019.

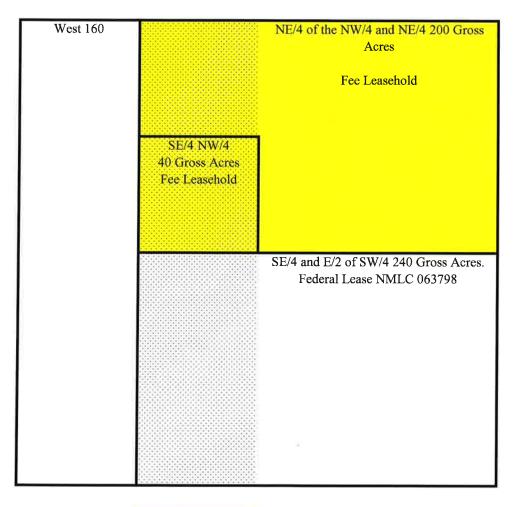
Walker James Meadowa My Commission Expires 08/28/2023 ID No. 128717959

Notary Public

My Commission expires 8/28/2023.



Broadside Fed Com 1H All of the East Half of the West Half of Section 13, T24S, R33E, Lea Co., NM, containing 160 acres, more or less





Crown VI and Crump III Leasehold Proposed Horizontal Spacing Unit

EXHIBIT taboles

Summary of Interests Case No. 20837 Broadside Fed Com 1H East Half of the West Half of Section 13, T24S, R33E, Lea Co., NM

Committed Working Interest: Crown Energy Partners VI, LLC Crump Energy Partners III, LLC	Working Interest 20.2278646% 20.2278646%
<u>Uncommitted Interests</u> Concho Oil and Gas Devon Energy Production Company, L.P. Franklin Mountain Energy 2, LLC	6.40625% 50.00% 3.138%
Overriding Royalty Interest Owners Concho Oil & Gas LLC COG Operating LLC Katharing Keilikar Malatara assessed assessed	
Katherine Koiliker McIntyre, separate property Roger John Allen and Nancy Edge Jennings Allen, Trustees under Allen Family Trust dated 5/19/2000 Susan J. Croft, marital status unknown	
Jamie E. Jennings, marital status unknown Sid R. Bass Panther City Investment Company Trustee	
RMB O&G NM, LLC EPB O&G Multi-State LLC Thru-Line O&G Multi State, LLC	
SRBI O&G Multi-State, LLC LMBI O&G Multi State, LLC Ewell H. Muse Ill	
Keystone O&G Multi-State LLC TD Minerals, LLC	
Fortis Minerals III, LLC Santa Elena Minerals IV, LP CCJR Properties, LLC	
Madison M. Hinkle and wife, Susan M. Hinkle Marc A. Lilley and wife, Lisa M. Lilley Timothy D. Lilley	
Rolla R. Hinkle III and wife, Rosemary H. Hinkle Trevor Turmelle	



District J 1625 N French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S First St., Artesin, 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

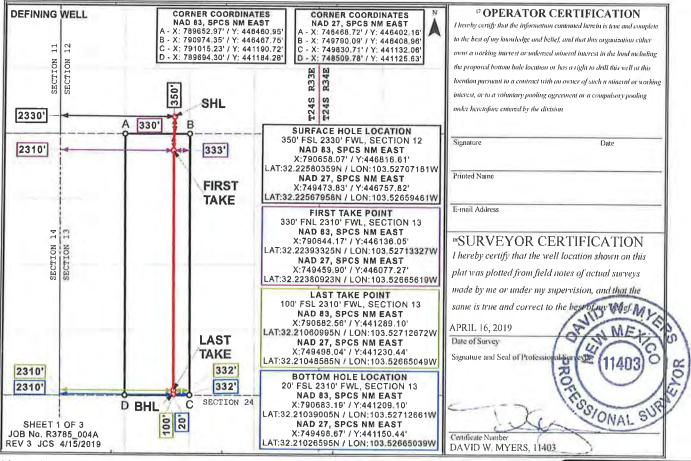
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505 Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

EXHIBIT

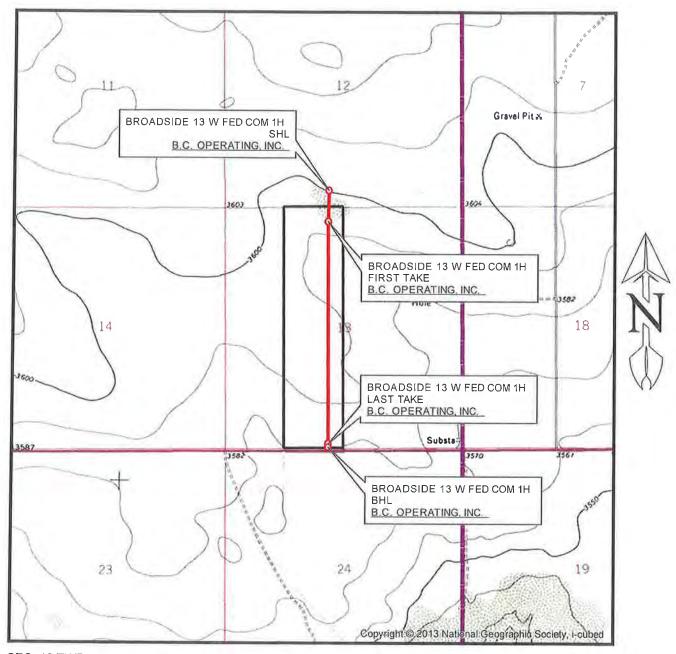
			WELL LO	DCATIO	N AND ACR	EAGE DEDIC.	ATION PLA	Т	
¹ AP1 Number ² Pool Code					³ Pool Name				
98135 WC-025 C				WC-025 G-09	S243310P U	JPPER WOLI	FCAMP		
⁴ Property C	lode			BRO	⁵ Property N ADSIDE 13	^{iame} W FED COM		6	Vell Number 1 H
⁷ ogrid 1 16082					[®] Operator N .C. OPERAT	lame			'Elevation 3595'
					" Surface L	ocation			
UL or lot no.	Section	Townshi	p Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	12	245	S 33E		350	SOUTH	2330	WEST	LEA
			" Bo	ttom Hol	le Location If	Different From	Surface		
UL or lot no.	Section	Townshi	p Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	13	245	S 33E		20	SOUTH	2310	WEST	LEA
¹² Dedicated Acres 160.0	¹³ Joint of	r Infill	¹⁴ Consolidation	Code ¹⁵ Or	der 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.



Distances/areas relative to NAD 83 Combined Scale Factor: 0,99981187 Convergence: 0°26'05.64126"

LOCATION VERIFICATION MAP



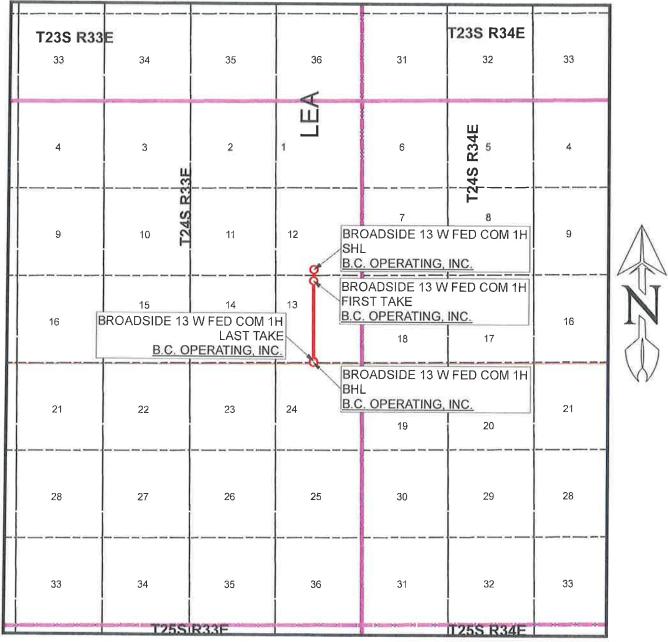
SEC. 12 TWP. 24-S RGE. 33-E SURVEY: N.M.P.M. COUNTY: LEA OPERATOR: B.C. OPERATING, INC. DESCRIPTION: 350' FSL & 2330' FWL ELEVATION: 3595' LEASE: BROADSIDE 13 FED COM U.S.G.S. TOPOGRAPHIC MAP: BELL LAKE, NM.

1 " = 2,000 ' CONTOUR INTERVAL = 20'



SHEET 2 OF 3 PREPARED BY: R-SQUARED GLOBAL, LLC 1309 LOUISVILLE AVENUE, MONROE, LA 71201 318-323-6900 OFFICE JOB No. R3785_004A

VICINITY MAP



SEC. 12 TWP. 24-S RGE. 33-E SURVEY: N.M.P.M. COUNTY: LEA OPERATOR: B.C. OPERATING, INC. DESCRIPTION: 350' FSL & 2330' FWL ELEVATION: 3595' LEASE: BROADSIDE 13 FED COM U.S.G.S. TOPOGRAPHIC MAP: BELL LAKE, NM.

1 " = 1 MILE



PREPARED BY: R-SQUARED GLOBAL, LLC 1309 LOUISVILLE AVENUE, MONROE, LA 71201 318-323-6900 OFFICE JOB No. R3785_004A



4000 N Big Spring, Suite 310

Midland, Texas 79705

Fax (432) 686-0600

P.O. Box 50820 Midland, Texas 79710 Phone (432) 684-9696

August 26, 2019

Devon Energy Corporation Attn: Andy Bennett 333 W. Sheridan Avenue Oklahoma City, OK 73102

Re: Well Proposal – Broadside 13 Fed Com 1H SHL: 350' FSL, and 2,330' FWL of Section 12 FTP: 330' FNL and 2310' FWL of Section 13 LTP: 100' FSL and 2310' FWL of Section 13 BHL: 20' FSL and 2,310' FWL of Section 13 Both in T24S, R33E, NMPM Lea County, New Mexico

Dear Mr. Bennett,

AS we have discussed B.C. Operating, Inc. ("BC") as Operator has proposed to drill and complete the Broadside 13 Fed Com 1H, from an off lease in location in Section 12 and with first and last take points in Section 13, footages as captioned above (herein the "Well" as a horizontal well, to test the Wolfcamp Formation (herein the "Operation").

B.C. has scheduled a compulsory hearing for November 14, 2019, with the anticipated time of three months to obtain an order, B.C. respectfully requests that Devon grant B.C. access and the ability to drill into Devon's leasehold in the South Half (S/2) of Section 12, with no obligation to pay any monies or any liability from Devon for B.C.s operations in Section 12, until either Devon voluntarily agrees to participate under a mutually agreeable form of Operating Agreement or the OCD has issued a Compulsory Pooling Order for this well. B.C. agrees to provide well information to Devon, while BC is drilling.

BC has begun the permitting process and anticipates obtaining a permit to drill in early 4th quarter of 2019, and pending this, BC plans to spud the Well in 4th quarter of 2019. As we have previously discussed, BC anticipates the drilling of two additional Wolfcamp wells within the proposed contract area, being the East 480 acres of Section 13, T24S, R33E, Lea Co., NM. Also attached is the proposed form of Operating Agreement for your review and execution, please note that any election to participate in this well is not valid until a mutually agreed upon form of Operating Agreement has been executed.

Please respond to this proposal within 30 days of receipt, indicate your election to this well proposal by signing in the space provided and returning an original executed copy of this proposal to the undersigned. If we are unable to reach a voluntary agreement, we will be forced to file an application with the Oil Conservation Division, 30 days from the date of this letter, to force pool any interest owners who have not agreed to voluntary participation.

If you should have any questions concerning this proposal, please contact Phil Hammond either via telephone 432-253-4323 or by email <u>phammond@bcoperating.com</u>.

Respectfully,

Accepted and Agreed to this ____ day of August, 2019

Phil Hammond Land Manager

By:	
Name:	
Company:	





AUTHORITY FOR EXPENDITURE DRILLING AND COMPLETION PROJECT

Operator: Lease:	BC Operating Broadside 13 W Fed Com 1H	State: New Mexico API: <pending></pending>	County: Lea	
Field:	Bell Lake, NM	Permit: <pending></pending>	Estimated Day	s
Projected TD:	17,513 feet	ronnit, ponding	Drilling	25.00
Objective:	Wolfcamp		BCP Days	22.00
Drilling Type:	Horizontal	DAYWORK	ACP Days	25,00
Location:	350' FSL & 2330' FWL Sec. 12, T24S R33E		Completion	8.00
Starting Date:	Q4 2019	(or depending or rig	availability)	

DRILL - COMPLI	ΓΕ - EQUIP COST SUMMARY	Drilling	Completion	Production
Ι	TANGIBLE	2,499,514	3,721,500	76,890
TANGIBLE		1,185,093	80,000	536,804
ADMINISTRATIVE & CONTINGENCES		184,200	380,200	0
	TOTAL THIS AFE	3,868,807	8,050,507	8,664,201

TOTAL THIS AUTHORIZATION		8,664,201
Previously Authorized	0	0
PROJECT TOTAL	0	8,664,201

WORKING INTEREST OWNER

Company:

Working Interest: 0.0000%

Approved By:

Date:

Net: \$0

Costs shown on this form are estimates only and approval of this AFE shall extend to the actual cost incurred in conducting the work authorized, whether more or less than herein setout.

Department		Signature	Date
Drilling	1		
Completion	\checkmark		
Expl. / Geol.	1		
Resvr/Planning	\checkmark		
Land	\checkmark		
Management 1	1		
Management 2	1		

Prepared By:

T. Wolfmueller

Date:

July 25, 2019

WELL:

CTG. SUB	A. INTANGIBLE DRILLING	BCP	ACP
181	Survey	10,000	10,00
143	Lease & Road Restoration	50,000	50.0
143	Lease Construction	90,000	100,0
143	Pit Liner	0	
179	Surface Damages	15,000	15,0
142	Surface Lease Acquisition, Legal Fees, Title Opinion	5,000	5,0
149	Permit	15,000	15,0
105	Directional Drilling & Survey Costs 9500 \$/day	224,000	224,0
132	Rental - Katch Kan / Super Vac 500 \$/day	5,500	5,5
132	Rental - Surface Tank (Water & OBM) 350 \$/day	10,200	10,9
132	Rental - Surface (PVT, Choke, EDR, etc.) 400 \$/day	8,800	9,6
132	Rental - Misc Surf Rental 2500 \$/day	55,000	60,0
132	Rental - Centrifuge & Solids Control 2250 \$/day	56,500	61,0
137	Rental - Agitator 3000 \$/day	37,000	37.0
132	Rental - Rotating Head 400 \$/DAY	12,600	12,6
137	Rental - Misc Sub Surf Rental 700 \$/day	20,700	22,1
137	Rental - Drill String Rental 3000 \$/day	27,000	27,0
139	Drill string inspection & repail 1.00 \$/ft	17,500	17,5
191	Welding - Crew Work - Repair	15,000	15,0
176	Supplies Misc	1,000	1,0
190	Water, Rights & Transportation Fresh & Brine	64,868	64.8
190	Water well, pump & lines 0 \$/day + well	0	
115	Bits / Reamers	72,000	72,0
146	Drilling Mud & Chemicals	170,000	170,0
108	Diesel for OBM 12500 Gal @ 2.75	34,375	34,3
147	Mud Logging 1300 \$/day	28.596	28.5
132	Safety / H2S 250 \$/day	5,500	5,5
134	OBM Solids Disposal, incl roll off bins 4700 \$/day + disp	103,400	112,8
106	Drilling Supervisor 3400 \$/day	88,400	95.2
120	Camp - Wellsite Trailers, Sewage, Hotel 1500 \$/day	48,000	51,0
120	Communications, Intercom & Satellite 300 \$/day	9,600	9,6
144	Logging Gyro	3,000	3.0
134	End of Well OBM Rig Clean Up	12,500	12,5
125	Drilling - Turnkey 0 \$/day	0	12,0
124	Drilling - Footage - \$/ft	90,000	90,0
104	Drilling - Daywork 23000 \$/day	552,000	552.0
104	Drilling Labor - RU,RD	46,000	46.0
104	Drilling Equipment - Slider & OBM Pay 500 \$/day	14.475	14,4
167	Rig Move Mob / DeMob Move in cost only	50,000	50,0
108	Fuel & Power 4125 \$/day	90,750	99.0
102	Insurance	5,400	5,4
118	Cement, Surface	24,000	24.0
118	Cement, Inter	45,000	30.0
131	Water Disposal 1000 \$/day	9,000	30,0
118	Cement, Prod & Inter II	40,000	9,0
117		20,000	35,0
131	Casing Handling (tongs, I/d, etc.) & Casing Inspection		
131	Salt water Disposal	32,000	32,0
144	Serv- Wellhead/ Tubulars/ Casing cleaning/ roustabout	30,000	
	Logging	0	
132	Coring & Core Analysis	0	
112	BOP Testing & Nipple Up	30,000	30,0
187	Trucking	20,000	25,0
195	Miscellaneous	10,000	10.00

ACTG. SUB	B. TANGIBLE DRILLING			BCP	ACP
	CASING DESCRIPTION	ft	\$/ft		
202	Conductor (if surf not pre-set)	100 \$		0	(
204	Surf 13.375in, 54.5lb, J55, STC	1400 \$	41.40	58,000	58,000
206	Inter 10.75in, 45.5lb, J55, BTC-SC	5230 \$	36.49	190,800	190,800
210	Inter 7.625in, 29.7lb, P110, BTC	12278 \$	28 17	380,400	380,400
408	Prod Liner 5.5in, 23.lb, HCP110, T-L Wed	ge 17513 \$	25.31	0	487,500
204	Surface Casing Accessories			3,000	3,000
206	Inter/Liner Casing Accessories			2,500	2,500
408	Production Casing Accessories			0	25,000
293	Casing flange & Valves	Multi-Bowl Head		30,000	37,893
206	Liner Hanger			0	
206	Casing Coating	Wryt-Wrap		0	C
	SUB TOTAL TANGIBLE	664,700	1,185,093		
	TOTAL DRI	LLING COSTS		3.089.364	3.684.607

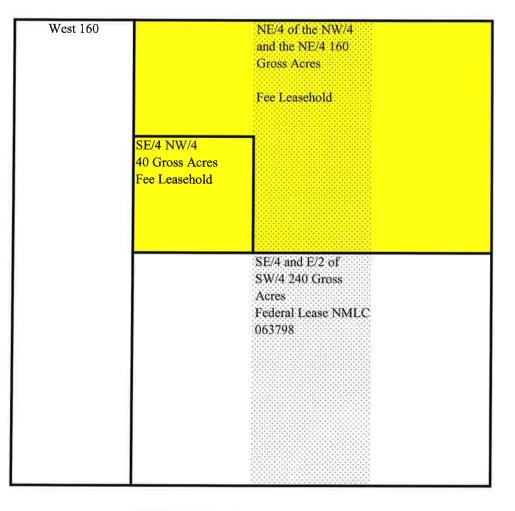
306	E. INTANGIBLE COMPLETION	BCP	ACP
	Supervison	0	87.00
320	Communication	0	22,4
308	Fuel	0	198.00
315	Bits	0	349.3
332	Equipment rental 0		
334	Frac/ Stimulation 0		
343	Location 0		5,50
350	Perforating 0		148,10
369	Roustabout 0		22,50
387	Trucking 0		80,00
346	Mud & Chemicals 0		38,30
341	Water Transfer 0		303,50
342	Frac plugs 0		27,3
338	Coil Tubing/ N2 0		237,0
339	Flowback Equipment 0		2,50
340	Flowback SWD	0	292,50
392	Water	0	25,0
337	Subsurface Rental	0	37,0
395	Misc	0	
336	Kill / Vacuum Truck	0	80,5
331	Safety / Enviro	0	5,0
	ouldy / Enviro		0,0
	SUB TOTAL Completion Intangibl	e 01	3,721,50
ACTG. SUB	F. TANGIBLE COMPLETION		ACP 80,0
403	Frac pit		00,0
403			
403			
	SUB TOTAL Completion Tangible TOTAL COMPLETION		80,00 3,801,50
	- A second s	00010	0,00,000
ACTG. SUB	G. INTANGIBLE PRODUCTION		ACP
319	Pulling Unit 2 days	5	9,2
306			
	Supervision		4,2
369	Roustabout		4,2 39,2
			4,2 39,2
369	Roustabout		4,2 39,2
369	Roustabout		4,2 39,2 24,2
369 387	Roustabout Trucking SUB TOTAL Production Intangible		4,2 39,2 24,2 76,89
369 387	Roustabout Trucking SUB TOTAL Production Intangible H. TANGIBLE PRODUCTION	9	4,2 39,2 24,2 76,89 ACP
369 387 ACTG. SUB 412	Roustabout Trucking SUB TOTAL Production Intangible H. TANGIBLE PRODUCTION Tubing 2-7/8"		4,2 39,2 24,2 76,89 ACP 50,6
369 387 ACTG. SUB 412 428	Roustabout Trucking SUB TOTAL Production Intangible H. TANGIBLE PRODUCTION Tubing 2-7/8" Electrical Panel	9	4,2 39,2 24,2 76,89 ACP 50,6
369 387 ACTG. SUB 412 428 465	Roustabout Trucking SUB TOTAL Production Intangible H. TANGIBLE PRODUCTION Tubing 2-7/8" Electrical Panel Pumping Unit	9	4,2 39,2 24,2 76,89 ACP 60,6 2,5
369 387 ACTG. SUB 412 428 465 470	Roustabout Trucking SUB TOTAL Production Intangible H. TANGIBLE PRODUCTION Tubing 2-7/8" Electrical Panel Pumping Unit Downhole Equipment	9	4,2 39,2 24,2 76,89 76,89 80,60 2,50 25,50
369 387 ACTG. SUB 412 428 465 470 478	Roustabout Trucking SUB TOTAL Production Intangible H. TANGIBLE PRODUCTION Tubing 2-7/8" Electrical Panel Pumping Unit Downhole Equipment Tanks & Battery	9	4,2 39,2 24,2 76,89 76,89 80,6 2,5 350,6 350,6
369 387 ACTG. SUB 412 428 465 470 478 493	Roustabout Trucking SUB TOTAL Production Intangible [SUB TOTAL Production Intangible] [SUB TOTAL Production In	9	4,2 39,2 24,2 76,89 76,89 80,6 2,5 350,6 350,6 30,0
369 387 ACTG. SUB 412 428 465 470 478 493 434	Roustabout Trucking Image: Sub Total Production Intangible Image: Subtal Production Inta	9	4,2 39,2 24,2 76,89 ACP 80,6 2,5 350,6 350,6 350,0 55,0
369 387 ACTG. SUB 412 428 465 470 478 493	Roustabout Trucking SUB TOTAL Production Intangible [SUB TOTAL Production Intangible] [SUB TOTAL Production In	9	4,2 39,2 24,2 76,89 76,89 60,6 2,5 25,5 350,6 30,0 55,0
369 387 ACTG. SUB 412 428 465 470 478 493 434	Roustabout Trucking Image: Sub Total Production Intangible Image: Subtal Production Inta	9	4,2 39,2 24,2 76,85 ACP 60,6 2,5 25,5 350,6 30,0 55,0 12,5
369 387 ACTG. SUB 412 428 465 470 478 493 434	Roustabout Trucking Image: Sub Total Production Intangible Image: Subtal Production Inta	9 6.5# J-55	4,2 39,2 24,2 76,89 ACP 60,6 2,5 350,6 30,0 55,0 12,5 536,80
369 387 387 412 428 465 470 478 493 434 454	Roustabout Trucking SUB TOTAL Production Intangible H. TANGIBLE PRODUCTION Tubing 2-7/8" Electrical Panel Pumping Unit Downhole Equipment Tanks & Battery Weilhead Flowline Packer SUB TOTAL Production Tangible TOTAL PRODUCTION	9 6.5# J-55 COSTS	4,2 39,2 24,2 24,2 26,5 50,6 350,6 350,6 350,0 12,5 12,5 5,0 12,5 5,0 613,69
369 387 ACTG. SUB 412 428 465 470 478 493 434	Roustabout Trucking SUB TOTAL Production Intangible H. TANGIBLE PRODUCTION Tubing 2-7/8" Electrical Panel Pumping Unit Downhole Equipment Tanks & Battery Wellhead Fiowline Packer	9 6.5# J-55	4,2(39,2) 24,2) 76,89

154.500

564,400

SUB TOTAL ADMINISTRATIVE

Broadside Fed Com 2H All of the West Half of the East Half of Section 13, T24S, R33E, Lea Co., NM, containing 160 acres, more or less



Crown VI and Crump III Leasehold
Proposed Horizontal Spacing Unit



Summary of Interests Case No. 20838 Broadside Fed Com 2H West Half of the West Half of Section 13, T24S, R33E, Lea Co., NM

Committed Working Interest:	Working Interest
Crown Energy Partners VI, LLC	21.7057%
Crump Energy Partners III, LLC	21.7057%
Uncommitted Interests	
Concho Oil and Gas	0.3125%
Devon Energy Partners	50.00%
Franklin Mountain Energy 2, LLC	6.276%

Overriding Royalty Interest Owners Concho Oil & Gas LLC COG Operating LLC Katherine Koiliker McIntyre, separate property Roger John Allen and Nancy Edge Jennings Allen, Trustees under Allen Family Trust dated 5/19/2000 Susan J. Croft, marital status unknown Jamie E. Jennings, marital status unknown Sid R. Bass Panther City Investment Company Trustee RMB O&G NM, LLC EPB O&G Multi-State LLC Thru-Line O&G Multi State, LLC SRBI O&G Multi-State, LLC LMBI O&G Multi State, LLC Ewell H. Muse Ill Keystone O&G Multi-State LLC TD Minerals, LLC Fortis Minerals III, LLC Santa Elena Minerals IV, LP **CCJR** Properties, LLC Madison M. Hinkle and wife, Susan M. Hinkle Marc A. Lilley and wife, Lisa M. Lilley Timothy D. Lilley Rolla R. Hinkle III and wife, Rosemary H. Hinkle Trevor Turmelle



District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District II</u> 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u> 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

		W	ELL LO	DCATION	AND ACR	EAGE DEDIC	CATION PLA	Т		
1	API Number	r		² Pool Code			³ Pool Na	me		
				98135		WC-025 G-09 S243310P; UPPER WOLFCAMP			FCAMP	
⁴ Property C	Code				⁵ Property Name			⁶ Well Number		
			BROADSID			W FED COM				2H
⁷ OGRID I	No.				⁸ Operator	Name				⁹ Elevation
16082	.5			В.	C. OPERAT	'ING, INC.				3602'
					¹⁰ Surface I	Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East	t/West line	County
0	12	24S	33E		350	SOUTH	1803	EAS	ST	LEA
			¹¹ Во	ttom Hole	e Location If	Different Fron	n Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East	t/West line	County
0	13	24S	33E		20	SOUTH	1651	EAS	ST	LEA
¹² Dedicated Acres	¹³ Joint of	r Infill 14 Co	nsolidation	Code 15 Ord	ler No.					
160.0										

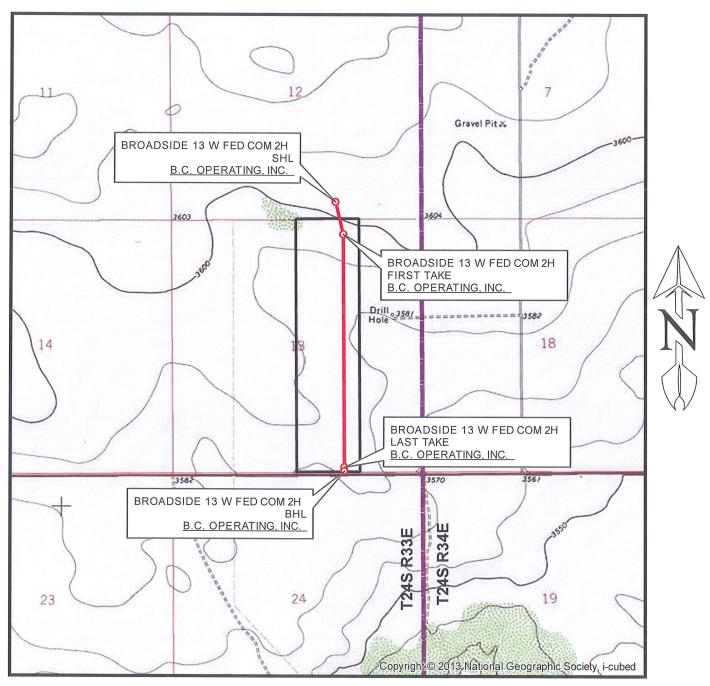
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

DEFINING WE	330. 320.	NAD 8 A - X: 7909 B - X: 7922 C - X: 792	ER COORDINAT 8, SPCS NM EA 774.35' / Y: 4464 295.44' / Y: 4464 36.16' / Y: 4411 015.23' / Y: 4411 1803'	ST NAD 27, SPCS NM EAST .67.75' A - X: 749790.09' / Y: 446408.96' .74.58' B - X: 751111.18' / Y: 446415.79' .71.5' C - X: 751151.64' / Y: 441138.50'	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
	FIRST TAKE	330'	1651'	SECTION 18 SURFACE HOLE LOCATION 350' FSL 1803' FEL, SECTION 12 NAD 83, SPCS NM EAST X:791810.62' / Y:446822.17' LAT:32.22579504N / LON:103.52334485W	order heretofore entered by the division. Signature Date
		SECTION 13	NOI	NAD 27, SPCS NM EAST X:750626.38' / Y:446763.38' LAT:32.22567103N / LON:103.52286774W FIRST TAKE POINT 330' FNL 1651' FEL, SECTION 13	Printed Name E-mail Address
		T24S R33E	T24S R34E	NAD 83, SPCS NM EAST X:791967.99' / Y:446142.88' LAT:32.22392466N / LON:103.52285254W NAD 27, SPCS NM EAST X:750783.71' / Y:446084.10' LAT:32.22380063N / LON:103.52237557W	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
	LAST TAKE	330'	1651'	LAST TAKE POINT 100' FSL 1651' FEL, SECTION 13 NAD 83, SPCS NM EAST X:792005.39' / Y:441295.54' LAT:32.21060032N / LON:103.52284982W NAD 27, SPCS NM EAST X:750820.87' / Y:441236.89' LAT:32.21047621N / LON:103.52237369W	same is true and correct to the best of my billef. My MAY 20, 2019 Date of Survey Signature and Seal of Professional Ourvey (11403)
SHEET 1 C JOB No. R378 REV 2 JCS 5	OF 3 5_005A	C 330' 70		BOTTOM HOLE LOCATION 20' FSL 1651' FEL, SECTION 13 NAD 83, SPCS NM EAST X:792006.01' / Y:441215.55' LAT:32.21038042N / LON:103.52284977W NAD 27, SPCS NM EAST X:750821.49' / Y:441156.89' LAT:32.21025631N / LON:103.52237366W	Certificate Number DAVID W. MYERS 11403

Distances/areas relative to NAD 83 Combined Scale Factor: 0.99981187 Convergence: 0°26'05.64126"

EXHIBIT 3-B

LOCATION VERIFICATION MAP



SEC. 12 TWP. 24-S RGE. 33-E SURVEY: N.M.P.M. COUNTY: LEA OPERATOR: B.C. OPERATING, INC. DESCRIPTION: 350' FSL & 1803' FEL ELEVATION: 3602' LEASE: BROADSIDE 13 FED COM U.S.G.S. TOPOGRAPHIC MAP: BELL LAKE, NM.

1 " = 2,000 ' CONTOUR INTERVAL = 10'



SHEET 2 OF 3 PREPARED BY: R-SQUARED GLOBAL, LLC 1309 LOUISVILLE AVENUE, MONROE, LA 71201 318-323-6900 OFFICE JOB No. R3785_005A

VICINITY MAP

33	34			Ш	끤			
		³⁵ T23S R33E	36	T23S R33E	T23S R34E	³² T23S R34E	33	34
4	3	T24S R33E	1		6	T24S R34E	4	3
9		11 E 13 W FED CC <u>C. OPERATING</u>	SHL		7	8	9	10
16		E 13 W FED CC FIRST <u>C. OPERATING</u> 14	TAKE		LAST TAKE	17 DE 13 W FED CC E ATING, INC.	DM 2H	15
21		13 W FED CON OPERATING, 23	BHL		19	20	21	22
28	27	26	25	T24S R33E	T24S R34E	29	28	27
³³ T24S R33E	34	35	36		31	³² T24S R34E	33	34

SEC. 12 TWP. 24-S RGE. 33-E SURVEY: N.M.P.M. COUNTY: LEA OPERATOR: B.C. OPERATING, INC. DESCRIPTION: 350' FSL & 1803' FEL ELEVATION: 3602' LEASE: BROADSIDE 13 FED COM U.S.G.S. TOPOGRAPHIC MAP: BELL LAKE, NM.

1 " = 1 MILE



PREPARED BY: R-SQUARED GLOBAL, LLC 1309 LOUISVILLE AVENUE, MONROE, LA 71201 318-323-6900 OFFICE

JOB No. R3785_005A



P.O. Box 50820 Midland, Texas 79710 Phone (432) 684-9696

August 26, 2019

Devon Energy Corporation Attn: Andy Bennett 333 W. Sheridan Avenue Oklahoma City, OK 73102

Re: Well Proposal – Broadside 13 Fed Com 2H SHL: 374' FSL, and 1803' FEL of Section 12 FTP: 330' FNL and 1651' FWL of Section 13 LTP: 100' FSL and 1651' FWL of Section 13 BHL: 20' FSL and 1651' FWL of Section 13 Both in T24S, R33E, NMPM Lea County, New Mexico

Dear Mr. Bennett,

AS we have discussed B.C. Operating, Inc. ("BC") as Operator has proposed to drill and complete the Broadside 13 Fed Com 2H, from an off lease in location in Section 12 and with first and last take points in Section 13, footages as captioned above (herein the "Well" as a horizontal well, to test the Wolfcamp Formation (herein the "Operation").

BC has begun the permitting process and anticipates obtaining a permit to drill in early 4th quarter of 2019, and pending this, BC plans to spud the Well in 2020. Also attached is the proposed form of Operating Agreement for your review and execution, please note that any election to participate in this well is not valid until a mutually agreed upon form of Operating Agreement has been executed.

Please respond to this proposal within 30 days of receipt, indicate your election to this well proposal by signing in the space provided and returning an original executed copy of this proposal to the undersigned. If we are unable to reach a voluntary agreement, we will be forced to file an application with the Oil Conservation Division, 30 days from the date of this letter, to force pool any interest owners who have not agreed to voluntary participation.

If you should have any questions concerning this proposal, please contact Phil Hammond either via telephone 432-253-4323 or by email <u>phammond@bcoperating.com</u>.

Respectfully,

Phil Hammond Land Manager

Accepted and Agreed to this ____ day of August, 2019

4000 N Big Spring, Suite 310

Midland, Texas 79705

Fax (432) 686-0600

By:______Name:______Company:______





AUTHORITY FOR EXPENDITURE DRILLING AND COMPLETION PROJECT

Operator:	BC Operating	State: New Mexico	County:	Lea
Lease:	Broadside 13 W Fed Com 2H	API: <pending></pending>		
Field:	Bell Lake, NM	Permit: <pending></pending>	Estima	ted Days
Projected TD:	17,513 feet		Drilling	25.00
Objective:	Wolfcamp		BCP Days	22.00
Drilling Type:	Horizontal	DAYWORK	ACP Days	25.00
Location:	350' FSL &1803' FEL Sec. 12, T24S R33E		Completion	8.00
Starting Date:	Q4 2019	(or depending or rig	availability)	

DRILL ·	COMPLETE - EQ	UIP COST SUMMARY	Drilling	Completion	Production
1	INTANGI	BLE	2,499,514	3,721,500	76,890
	TANGIBL	Е	1,185,093	80,000	536,804
	ADMINIS	TRATIVE & CONTINGENCES	184,200	380,200	0
		TOTAL THIS AFE	3,868,807	8,050,507	8,664,201

TOTAL THIS AUTHORIZATION		8,664,201
Previously Authorized	0	0
PROJECT TOTAL	0	8,664,201

WORKING INTEREST OWNER		
Company:	Working Interest:	0.0000%
Approved By:	Net:	\$0
Date:		

Costs shown on this form are estimates only and approval of this AFE shall extend to the actual cost incurred in conducting the work authorized, whether more or less than herein setout.

Department		Signature	Date
Drilling	1		
Completion	1		
Expl. / Geol.	1		
Resvr/Planning	1		
Land	1		
Management 1	1		
Management 2	1		

Prepared By:

T. Wolfmueller

Date:

July 25, 2019

WELL:

CTG. SUB	A. INTANGIBLE DRILLING	BCP	ACP
181	Survey	10,000	10,00
143	Lease & Road Restoration	50,000	50,00
143	Lease Construction	90,000	100,00
143	Pit Liner	0	
179	Surface Damages	15,000	15,00
142	Surface Lease Acquisition, Legal Fees, Title Opinion	5,000	5,00
149	Permit	15,000	15,00
105	Directional Drilling & Survey Costs 9500 \$/day	224,000	224,00
132	Rental - Katch Kan / Super Vac 500 \$/day	5,500	5,50
132	Rental - Surface Tank (Water & OBM) 350 \$/day	10,200	10,90
132	Rental - Surface (PVT, Choke, EDR, etc.) 400 \$/day	8,800	9,60
132	Rental - Misc Surf Rental 2500 \$/day	55,000	60,00
132	Rental - Centrifuge & Solids Control 2250 \$/day	56.500	61,00
137	Rental - Agitator 3000 \$/day	37,000	37.00
132	Rental - Rotating Head 400 \$/DAY	12,600	12,60
137	Rental - Misc Sub Surf Rental 700 \$/day	20,700	22,10
137	Rental - Drill String Rental 3000 \$/day	27,000	27,00
139	Drill string inspection & repail 1.00 \$/ft	17,500	17,50
191	Welding - Crew Work - Repair	15,000	15.00
176	Supplies Misc	1,000	1.00
190	Water, Rights & Transportation Fresh & Brine	64,868	64,86
190	Water well, pump & lines 0 \$/day + well	04,000	04,00
115	Bits / Reamers	72,000	72,00
146	Drilling Mud & Chemicals	170.000	170.00
108	Diesel for OBM 12500 Gal @ 2.75	34,375	34,37
147	Mud Logging 1300 \$/day	28,596	28.59
132	Safety / H2S 250 \$/day	5,500	5,50
134	OBM Solids Disposal, incl roll off bins 4700 \$/day + disp		
106		103,400	112,80
120		88,400	95,20
120	Camp - Wellsite Trailers, Sewage, Hotel 1500 \$/day	48,000	51,00
144	Communications, Intercom & Satellite 300 \$/day	9,600	9,60
	Logging Gyro	3,000	3,00
134	End of Well OBM Rig Clean Up	12,500	12,50
125	Drilling - Turnkey 0 \$/day	0	
124	Drilling - Footage - \$/ft	90,000	90.00
104	Drilling - Daywork 23000 \$/day	552,000	552,00
104	Drilling Labor - RU,RD	46,000	46,00
104	Drilling Equipment - Slider & OBM Pay 500 \$/day	14,475	14,47
167	Rig Move Mob / DeMob Move in cost only	50,000	50,00
108	Fuel & Power 4125 \$/day	90,750	99,00
102	insurance	5,400	5,40
118	Cement, Surface	24,000	24,00
118	Cement, Inter	45,000	30,00
131	Water Disposal 1000 \$/day	9,000	9,00
118	Cement, Prod & Inter II	40,000	90,00
117	Casing Handling (tongs, I/d, etc.) & Casing Inspection	20,000	35,00
131	Salt water Disposal	32,000	32,00
169	Serv- Wellhead/ Tubulars/ Casing cleaning/ roustabout	30.000	
144	Logging	0	
132	Coring & Core Analysis	0	
112	BOP Testing & Nipple Up	30,000	30,00
187	Trucking	20,000	25,00
195	Miscellaneous	10.000	10.00
	SUB TOTAL INTANGIBLE DRILLING	2,424,664	2,499,514

ACTG. SUB	B. TANGIBL	E DRILLING			-31	BCP	ACP
	CASING	DESCRIPTION	ft		\$/ft		
202	Conductor	(if surf not pre-set)	100	\$	•	0	0
204	Surf	13.375in, 54.5lb, J55, STC	1400	\$	41.40	58,000	58,000
206	Inter	10.75in, 45.5lb, J55, BTC-SC	5230	\$	36.49	190,800	190,800
210	Inter	7.625in, 29.7lb, P110, BTC	12278	\$	28.17	380,400	380,400
408	Prod Liner	5.5in, 23.lb, HCP110, T-L Wedge	17513	\$	25.31	0	487,500
204	Surface Cas	sing Accessories				3,000	3,000
206	Inter/Liner C	Casing Accessories				2,500	2,500
408	Production	Casing Accessories				0	25,000
293	Casing flang	je & Valves	Multi-Bow	Head		30,000	37,893
206	Liner Hange)r				0	
206	Casing Coa	ting	Wryt-Wrap)		0	C
		SUB TOTAL TANGIBLE DR	ILLING			664,700	1,185,093
		TOTAL DRILL	NG COS	STS		3,089,364	3,684,607

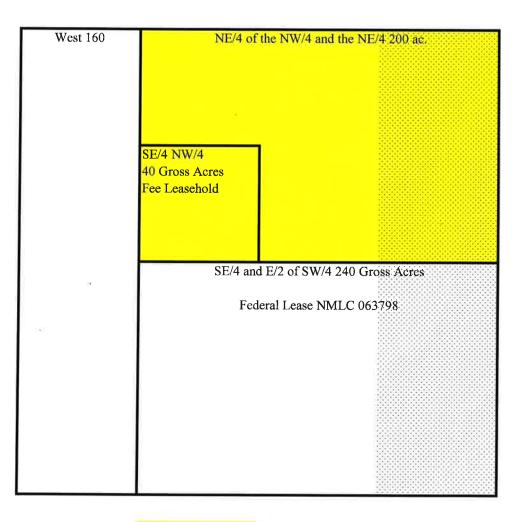
ACTG. SUB	E. INTANGIBLE COMPLETIC	ON BCP	
306	Supervison		0 87,0
320	Communication		0 22,4
308	Fuel		0 198,0
315	Bits		0
332	Equipment rental		0 349,3
334	Frac/ Stimulation		0 1,760,00
343	Location		0 5,5
350	Perforating		0 148,10
369	Roustabout		0 22,50
387	Trucking		0 80,00
346	Mud & Chemicals		0 38,3
341	Water Transfer		0 303,50
342	Frac plugs		0 27,3
338	Coil Tubing/ N2		0 237,0
339	Flowback Equipment		0 2,5
340	Flowback SWD		0 292,5
392	Water		0 25,0
337	Subsurface Rental		0 37,0
395	Misc		0
336	Kill / Vacuum Truck		0 80,5
331	Safety / Enviro		0 5,0
			-
	SUB TOTAL Co	ompletion Intangible	0 3,721,50
ACTG, SUB 403	F. TANGIBLE COMPLETION Frac pit		ACP 80,01
403	The pit		00,0
403			
		mpletion Tangible	80,00
	I TOTAL	COMPLETION COOTO	2 004 00
		COMPLETION COSTS	
	G. INTANGIBLE PRODUCTIO	N	ACP
319	G. INTANGIBLE PRODUCTIO Pulling Unit		ACP 9.20
319 306	G. INTANGIBLE PRODUCTIO Pulling Unit Supervision	N	ACP 9.20 4,20
319 306 369	G. INTANGIBLE PRODUCTIO Pulling Unit Supervision Roustabout	N	ACP 9,21 4,21 39,21
319 306	G. INTANGIBLE PRODUCTIO Pulling Unit Supervision	N	ACP 9,21 4,21 39,21
319 306 369	G. INTANGIBLE PRODUCTIO Pulling Unit Supervision Roustabout	N	ACP 9,21 4,21 39,21
319 306 369	G. INTANGIBLE PRODUCTIO Pulling Unit Supervision Roustabout Trucking	N	ACP 9,2(4,2) 39,2(24,2)
319 306 369 387 CTG. SUB	G. INTANGIBLE PRODUCTIO Pulling Unit Supervision Roustabout Trucking	2 days	ACP 9,21 4,21 39,21 24,21 24,21 76,89 76,89
319 306 369 387 <u></u> <u></u> <u></u> <u></u> <u></u> <u></u> <u></u> <u></u> <u></u> <u></u> <u></u> <u></u> <u></u> <u></u> 387 397 397 397 397 	G. INTANGIBLE PRODUCTIO Pulling Unit Supervision Roustabout Trucking SUB TOTAL Pro	2 days	ACP 9,2(4,2) 39,2(24,2) 24,2) 76,89 76,89 ACP 60,65
319 306 369 387 CTG. SUB	G. INTANGIBLE PRODUCTIO Pulling Unit Supervision Roustabout Trucking SUB TOTAL Pro H. TANGIBLE PRODUCTION	2 days	ACP 9,2(4,2) 39,2(24,2) 24,2) 76,89 76,89 ACP 60,65
319 306 369 387 CTG. SUB 412 428 465	G. INTANGIBLE PRODUCTIO Pulling Unit Supervision Roustabout Trucking ISUB TOTAL Pro H. TANGIBLE PRODUCTION Tubing Electrical Panel Pumping Unit	2 days	ACP 9,2(4,2) 39,2(24,2) 24,2) 76,89 76,89 ACP 60,6(2,5)
319 306 369 387 CTG. SUB 412 428 465 470	G. INTANGIBLE PRODUCTIO Pulling Unit Supervision Roustabout Trucking SUB TOTAL Pro H. TANGIBLE PRODUCTION Tubing Electrical Panel	2 days	ACP 9.2(4,2(39,2(24,2) 24,2) 76,89 76,89 ACP 60,65 2,50
319 306 369 387 CTG. SUB 412 428 465	G. INTANGIBLE PRODUCTIO Pulling Unit Supervision Roustabout Trucking ISUB TOTAL Pro H. TANGIBLE PRODUCTION Tubing Electrical Panel Pumping Unit	2 days	ACP 9.2(4,2(39,2(24,2) 24,2) 76,89 76,89 ACP 60,60 2,50 25,50
319 306 369 387	G. INTANGIBLE PRODUCTIO Pulling Unit Supervision Roustabout Trucking SUB TOTAL Pro H. TANGIBLE PRODUCTION Tubing Electrical Panel Pumping Unit Downhole Equipment Tanks & Battery Wellhead	2 days	ACP 9.2(4,2(39,22 24,25 24,25 76,89 76,89 ACP 60,65 2,50 25,50 350,64 30,000
319 306 369 387 CTG. SUB 412 428 465 470 478	G. INTANGIBLE PRODUCTIO Pulling Unit Supervision Roustabout Trucking EUB TOTAL Pro H. TANGIBLE PRODUCTION Tubing Electrical Panel Pumping Unit Downhole Equipment Tanks & Battery Wellhead Flowline	2 days	ACP 9.2(4,2(39,22 24,25 24,25 76,89 76,89 ACP 60,65 2,50 25,50 350,64 30,000
319 306 369 387	G. INTANGIBLE PRODUCTIO Pulling Unit Supervision Roustabout Trucking SUB TOTAL Pro H. TANGIBLE PRODUCTION Tubing Electrical Panel Pumping Unit Downhole Equipment Tanks & Battery Wellhead	2 days	ACP 9,2(4,2) 39,2(24,2) 24,2) 76,89 76,89 ACP 60,60 2,50 25,50 350,64 30,00 55,00
319 306 369 387 387 412 428 465 470 478 493 434	G. INTANGIBLE PRODUCTIO Pulling Unit Supervision Roustabout Trucking EUB TOTAL Pro H. TANGIBLE PRODUCTION Tubing Electrical Panel Pumping Unit Downhole Equipment Tanks & Battery Wellhead Flowline	2 days	ACP 9,21 4,21 39,2 24,21 76,89 76,89 ACP 60,65 2,50 25,55 350,64 30,00 55,00
319 306 369 387	G. INTANGIBLE PRODUCTIO Pulling Unit Supervision Roustabout Trucking ISUB TOTAL Pro H. TANGIBLE PRODUCTION Tubing Electrical Panel Pumping Unit Downhole Equipment Tanks & Battery Wellhead Flowline Packer SUB TOTAL Pro	2 days 2	ACP 9.2(4.2(39,2(24,2) 24,2) 76,89 76,89 ACP 80,65 2,50 25,50 350,64 30,00 55,00 12,50 12,50 536,80
319 306 369 387 387 412 428 465 470 478 493 434 454	G. INTANGIBLE PRODUCTIO Pulling Unit Supervision Roustabout Trucking ISUB TOTAL Pro H. TANGIBLE PRODUCTION Tubing Electrical Panel Pumping Unit Downhole Equipment Tanks & Battery Wellhead Flowline Packer SUB TOTAL Pro	2 days Deduction Intangible 2-7/8" 6.5# J-55	ACP 9.2(4.2(39,2(24,2) 24,2) 76,89 76,89 ACP 80,65 2,50 25,50 350,64 30,00 55,00 12,50 12,50 536,80
306 369 387	G. INTANGIBLE PRODUCTIO Pulling Unit Supervision Roustabout Trucking Electrical Panel Pumping Unit Downhole Equipment Tanks & Battery Wellhead Flowline Packer SUB TOTAL Pro TOTAL G. ADMINISTRATIVE & CONT	2 days 2 days 2 days 2-7/8* 6.5# J-55	9.2(4,2(39,2(24,25) 76,89 76,89 76,89 25,50 350,64 30,00 55,00 12,50 12,50 536,80 613,69
319 306 369 387 387 387 412 428 465 470 478 493 434 454	G. INTANGIBLE PRODUCTIO Pulling Unit Supervision Roustabout Trucking ISUB TOTAL Pro H. TANGIBLE PRODUCTION Tubing Electrical Panel Pumping Unit Downhole Equipment Tanks & Battery Wellhead Flowline Packer SUB TOTAL Pro TOTAL	2 days 2	ACP 9.2(4,2(39,2(24,2) 9.2(9.2(9.2) 9.2(9.2(9.2) 9.2(9.2(9.2) 9.2(9.2(9.2) 9.2(

154,500

564,400

SUB TOTAL ADMINISTRATIVE

Broadside Fed Com 3H All of the East Half of the East Half of Section 13, T24S, R33E, Lea Co., NM, containing 160 acres, more or less



Crown VI and Crump III Leasehold
Proposed Horizontal Spacing Unit

	EXHIBIT	
tabbles*	1-C	

Summary of Interests Case No. 20839 Broadside Fed Com 3H East Half of the East Half of Section 13, T24S, R33E, Lea Co., NM

Committed Working Interest: Crown Energy Partners VI, LLC Crump Energy Partners III, LLC	<u>Working Interest</u> 21.7057% 21.7057%
<u>Uncommitted Interests</u> Concho Oil and Gas Devon Energy Partners Franklin Mountain Energy 2, LLC	0.3125% 50.00% 6.276%
Overriding Royalty Interest Owners Concho Oil & Gas LLC COG Operating LLC Katherine Koiliker McIntyre, separate property Roger John Allen and Nancy Edge Jennings Allen, Trustees under Allen Family Trust dated 5/19/2000 Susan J. Croft, marital status unknown Jamie E. Jennings, marital status unknown Sid R. Bass Panther City Investment Company Trustee RMB O&G NM, LLC EPB O&G Multi-State LLC	
Thru-Line O&G Multi State, LLC SRBI O&G Multi-State, LLC LMBI O&G Multi State, LLC Ewell H. Muse Ill	
Keystone O&G Multi-State LLC TD Minerals, LLC	
Fortis Minerals III, LLC Santa Elena Minerals IV, LP CCJR Properties, LLC	
Madison M. Hinkle and wife, Susan M. Hinkle Marc A. Lilley and wife, Lisa M. Lilley Timothy D. Lilley	
Rolla R. Hinkle III and wife, Rosemary H. Hinkle	

Trevor Turmelle



 District I

 1625 N French Dr, Hobbs, NM 88240

 Phone: (575) 393-6161 Fax: (575) 393-0700

 Djstrict II

 811 S First St, Artesia, NM 88210

 Phone: (575) 748-1283 Fax (575) 748-9720

 District IUI

 1000 Rio Brazos Road, Aztec, NM 87410

 Phone: (505) 334-6178 Fax: (505) 334-6170

 District IV

 1220 S LF Francis Dr, Santa Fe, NM 87505

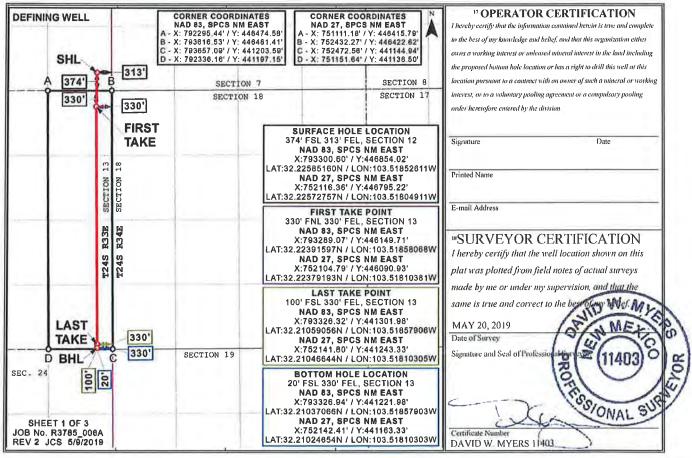
 Phone: (505) 476-3460 Fax: (505) 476-3462

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

		N	ELL LO	CATION	N AND ACR	EAGE DEDIC.	ATION PLA	Г		
· · · · · · · · · · · · · · · · · · ·	API Number	r		² Pool Code			³ Pool Nam			
			-	98135 WC-025 G-09 S243310P; UPPER V					FCAMP	
⁴ Property (Code			⁵ Property Name					Vell Number	
				BRO	ADSIDE 13	W FED COM			3H	
⁷ OGRID	No.				⁸ Operator 1				Elevation	
37209	8			В.	C. OPERAT	ERATING, INC. 3601'				
					Surface I	Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
Р	12	24S	33E		374	SOUTH	313	EAST	LEA	
			" Bott	om Hol	e 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	
Р	13	24S	33E	· · · · ·	20	SOUTH	330	EAST	LEA	
¹² Dedicated Acres 160.0	¹³ Joint or	Infill	onsolidation C	ode ¹⁵ Or	der No.					

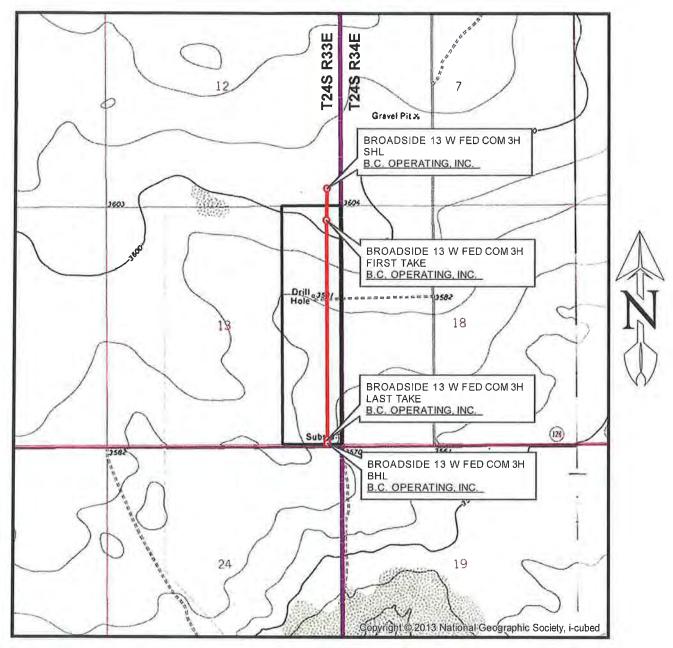
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99981187 Convergence: 0°26'05.64126"



LOCATION VERIFICATION MAP



SEC. 12 TWP. 24-S RGE. 33-E SURVEY: N.M.P.M. COUNTY: LEA OPERATOR: B.C. OPERATING, INC. DESCRIPTION: 374' FSL & 313' FEL ELEVATION: 3601' LEASE: BROADSIDE 13 FED COM U.S.G.S. TOPOGRAPHIC MAP: BELL LAKE, NM,

1 " = 2,000 ' CONTOUR INTERVAL = 10'



PREPARED BY: R-SQUARED GLOBAL, LLC 1309 LOUISVILLE AVENUE, MONROE, LA 71201 318-323-6900 OFFICE JOB No. R3785_006A

VICINITY MAP

28	27	26	25	30	29		27	
33	34	³⁵ T23S R33E	⁹⁶ T23S R33E	T23S R34E	³² T23S R34E	33	34	
4	3	T24S R33E 2	1	6	T24S R34E	4	3	
9	10 BROAI	11 DSIDE 13 W FED B.C. OPERATI	SHL	7	8	9	10	
16	15 BROAI	14 DSIDE 13 W FED LA <u>B.C. OPERATI</u>	ST TAKE	FIRST TA	CE 13 W FED CON CE RATING, INC.	И ЗН 16	15	
21	22	23	24	BHL	DE 13 W FED CO RATING, INC.	M 3H 21	22	8
28	27	26	²⁵ 1248 R33E	T24S R34E	29	28	27	
33	34	³⁵ T24S R33E	36	31	³² T24S R34E	33	34	

SEC. 12 TWP. 24-S RGE. 33-E SURVEY: N.M.P.M. COUNTY: LEA OPERATOR: B.C. OPERATING, INC. DESCRIPTION: 374' FSL & 313' FEL ELEVATION: 3601' LEASE: BROADSIDE 13 FED COM U.S.G.S. TOPOGRAPHIC MAP: BELL LAKE, NM.

1 " = 1 MILE



PREPARED BY: R-SQUARED GLOBAL, LLC 1309 LOUISVILLE AVENUE, MONROE, LA 71201 318-323-6900 OFFICE JOB No. R3785_006A



P.O. Box 50820 Midland, Texas 79710 Phone (432) 684-9696

August 26, 2019

Devon Energy Corporation Attn: Andy Bennett 333 W. Sheridan Avenue Oklahoma City, OK 73102

Re: Well Proposal – Broadside 13 Fed Com 3H SHL: 374' FSL, and 313' FEL of Section 12 FTP: 330' FNL and 330' FWL of Section 13 LTP: 100' FSL and 330' FWL of Section 13 BHL: 20' FSL and 330' FWL of Section 13 Both in T24S, R33E, NMPM Lea County, New Mexico

Dear Mr. Bennett,

AS we have discussed B.C. Operating, Inc. ("BC") as Operator has proposed to drill and complete the Broadside 13 Fed Com 3H, from an off lease in location in Section 12 and with first and last take points in Section 13, footages as captioned above (herein the "Well" as a horizontal well, to test the Wolfcamp Formation (herein the "Operation").

BC has begun the permitting process and anticipates obtaining a permit to drill in early 4th quarter of 2019, and pending this, BC plans to spud the Well in 2020. Also attached is the proposed form of Operating Agreement for your review and execution, please note that any election to participate in this well is not valid until a mutually agreed upon form of Operating Agreement has been executed.

Please respond to this proposal within 30 days of receipt, indicate your election to this well proposal by signing in the space provided and returning an original executed copy of this proposal to the undersigned. If we are unable to reach a voluntary agreement, we will be forced to file an application with the Oil Conservation Division, 30 days from the date of this letter, to force pool any interest owners who have not agreed to voluntary participation.

If you should have any questions concerning this proposal, please contact Phil Hammond either via telephone 432-253-4323 or by email <u>phammond@bcoperating.com</u>.

Respectfully,

Phil Hammond Land Manager

Accepted and Agreed to this ____ day of August, 2019

4000 N Big Spring, Suite 310

Midland, Texas 79705 Fax (432) 686-0600

By:_____ Name:_____ Company:_____





AUTHORITY FOR EXPENDITURE DRILLING AND COMPLETION PROJECT

Operator:	BC Operating	State: New Mexico	County: Lea	
Lease:	Broadside 13 W Fed Com 3H	API: <pending></pending>		
Field:	Bell Lake, NM	Permit: <pending></pending>	Estimated Day	/S
Projected TD:	17,513 feet		Drilling	25.00
Objective:	Wolfcamp		BCP Days	22.00
Drilling Type:	Horizontal	DAYWORK	ACP Days	25.00
Location:	374' FSL & 313' FEL Sec. 12, T24S R33E		Completion	8.00
Starting Date:	Q4 2019	(or depending or rig	availability)	

DRILL - COMPLETE - EQ	UIP COST SUMMARY	Drilling	Completion	Production
INTANGIBLE TANGIBLE		2,499,514	3,721,500	76,890
TANGIB	1,185,093	80,000	536,804	
ADMINISTRATIVE & CONTINGENCES		184,200	380,200	0
	TOTAL THIS AFE	3,868,807	8,050,507	8,664,201
ТОТА	L THIS AUTHORIZATION		1	8,664,201

PROJECT TOTAL	0	8,664,201
Previously Authorized	0	0
TOTAL THIS AUTHORIZATION		8,664,201

WORKING INTEREST OWNER		
Company:	Working Interest:	0.0000%
Approved By:	Net:	\$0
Date:		

Costs shown on this form are estimates only and approval of this AFE shall extend to the actual cost incurred in conducting the work authorized, whether more or less than herein setout.

Department	Sig	gnature	Date
Drilling	1		
Completion	\checkmark		
Expl. / Geol.	1		
Resvr/Planning	V		
Land	\checkmark		
Management 1	\checkmark		
Management 2	V		

Prepared By:

T. Wolfmueller

Date:

July 25, 2019

WELL:

ACTG. SUB	A. INTANGIBLE DRILLING	BCP	ACP
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190	Water, Rights & Transportation Fresh & Brine	64,868	64,86
190	Water well, pump & lines 0 \$/day +		
115	Bits / Reamers	72,000	72,00
146	Drilling Mud & Chemicals	170,000	170.00
108	Diesel for OBM 12500 Gal @		34,37
147	Mud Logging 1300 \$/day	28,596	28,59
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124	Drilling - Footage - \$/ft	90,000	90,00
104	Drilling - Daywork 23000 \$/day	552,000	552,00
104	Drilling Labor - RU,RD	46,000	46.00
104	Drilling Equipment - Slider & OBM Pay 500 \$/day	14,475	14.47
167	Rig Move Mob / DeMob Move in cost only	50,000	50,00
108	Fuel & Power 4125 \$/day	90,750	99.00
102	Insurance 4125 s/day	5,400	5,40
118	Cement, Surface		
118		24,000	24,00
131	Cement, Inter	45,000	30,00
118	Water Disposal 1000 \$/day	9,000	9,00
	Cement, Prod & Inter II	40,000	90,00
117 131	Casing Handling (tongs, I/d, etc.) & Casing Inspection	20,000	35,00
-	Salt water Disposal	32,000	32,00
169	Serv- Wellhead/ Tubulars/ Casing cleaning/ roustabout	30,000	
144	Logging	0	
132	Coring & Core Analysis	0	
112	BOP Testing & Nipple Up	30,000	30,00
187	Trucking	20,000	25,00
195	Miscellaneous	10.000	10.00

ACTG. SUB	B. TANGIBL	E DRILLING	-			BCP	ACP
	CASING	DESCRIPTION	ft		\$/ft		
202	Conductor	(if surf not pre-set)	100	\$		0	0
204	Surf	13 375in, 54 5lb, J55, STC	1400	\$	41.40	58,000	58,000
206	Inter	10.75in, 45.5lb, J55, BTC-SC	5230	\$	36.49	190,800	190,800
210	Inter	7.625in, 29.7lb, P110, BTC	12278	\$	28.17	380,400	380,400
408	Prod Liner	5.5in, 23.lb, HCP110, T-L Wedge	17513	\$	25.31	0	487,500
204	Surface Ca	sing Accessories				3,000	3,000
206	Inter/Liner (Casing Accessories				2,500	2,500
408	Production	Casing Accessories	10.00		100	0	25,000
293	Casing flang	ge & Valves	Multi-Bowl	Head		30,000	37,893
206	Liner Hange	ar				0	
206	Casing Coa	ting	Wryt-Wrap)		0	0
		SUB TOTAL TANGIBLE DR	ILLING			664,700	1,185,093
		TOTAL DRILL	ING COS	STS		3,089,364	3,684,607

ACTG. SUB	E. INTANGIBLE COMPLETION	BCP	ACP
306	Supervison	0	87,00
320	Communication	0	22,45
308	Fuel	0	198,00
315	Bits	0	
332	Equipment rental	0	349,35
334	Frac/ Stimulation	0	1,760,00
343	Location	0	5,50
350	Perforating	0	148,10
369	Roustabout	0	22,50
387	Trucking	0	80,00
346	Mud & Chemicals	0	38,30
341	Water Transfer	0	303,50
342	Frac plugs	0	27,30
338	Coil Tubing/ N2	0	237,00
339	Flowback Equipment	0	2,50
340	Flowback SWD	0	292,50
392	Water	0	25,00
337	Subsurface Rental	0	37,00
395	Misc	0	
336	Kill / Vacuum Truck	0	80,50
331	Safety / Enviro	0	5,0
	SUB TOTAL Completion Intangible	e 0	3,721,50
ACTO SUD			
ACTG, SUB 403	F. TANGIBLE COMPLETION		ACP 80,00
403	r ido pit		00,00
403			
403			
	SUB TOTAL Completion Tangible		80,00
	TOTAL COMPLETION	COSTS	3,801,50
ACTG. SUB	G. INTANGIBLE PRODUCTION		ACP
319	Pulling Unit 2 days		9,20
306	Supervision		4,20
369	Roustabout		39,20
387	Trucking		24.29
-			
1			
	SUB TOTAL Production Intangible		76,89
CTG. SUB	H. TANGIBLE PRODUCTION		ACP
412		6.5# J-55	60,60
428	Electrical Panel		2,50
465	Pumping Unit		2
470	Downhole Equipment		25,50
478	Tanks & Battery		350,64
493	Wellhead		30,00
434	Flowline		55,00
454	Packer		12,50
-	SUB TOTAL Production Tangible		536,80
	TOTAL PRODUCTION	COSTS	613,69
CTG. SUB	G. ADMINISTRATIVE & CONTINGENCES	DRY	CASED
102	Contingences (Drilling)	5 % 154,500	184,20
307	Contingences (Completion)	10 % 0	380.20

-		SUB TOTAL ADMINIST	RATIVE		154,500	564,400
	307	Contingences (Completion)	10	%	0	380,200
	102	Conungences (Drining)	3	70	104,000	184,200





SHARON T. SHAHEEN Direct: (505) 986-2678 Email: <u>sshaheen@montand.com</u> www.montand.com

October 23, 2019

Via U.S. Certified Mail, return receipt requested

TO: ALL INTEREST OWNERS ON ATTACHED LIST

Re: Case No. 20837 - Applications of B.C. Operating, Inc., for Compulsory Pooling, Lea County, New Mexico – Broadside 13 W Fed Com 1H

Case No. **20838** – Application of B.C. Operating, Inc., for Compulsory Pooling, Lea County, New Mexico – **Broadside 13 W Fed Com 2H**

Case No. **20839** – Application of B.C. Operating, Inc., for Compulsory Pooling, Lea County, New Mexico – **Broadside 13 W Fed Com 3H**

Dear Interest Owner:

This will advise that pursuant to NMSA 1978, § 70-2-17, B.C. Operating, Inc. ("B.C.") has filed three (3) Applications with the New Mexico Oil Conservation Division for orders regarding the proposed wells described below. You are receiving this notice because you may have an interest in one or more of these wells.

<u>Case No. 20837</u>: Application of B.C. Operating, Inc. for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S243310P [98135]) in a 160-acre spacing unit comprised of the E/2 W/2 of Section 13, Township 24 South, Range 33 East, Lea County, New Mexico. Said horizontal spacing unit is to be dedicated to the proposed **Broadside 13 W Fed Com** 1H well, to be horizontally drilled from an approximate surface hole location 350' FSL and 2330' FWL of Section 12-T24S-R33E, to an approximate bottom hole location 20' FSL and 2310' FWL of Section 13-T24S-R33E. The Broadside 13 W Fed Com 1H well will be the defining well for this unit. The completed intervals and first and last take points for this well will meet statewide setback requirements for horizontal wells. Also to be considered will be the cost of drilling and completing the well and the allocation of

REPLY TO:

325 Paseo de Peralta Santa Fe, New Mexico 87501 Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307 Santa Fe, New Mexico 87504-2307



All Interest Owners October 23, 2019 Page 2

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the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 22 miles northwest of Jal, New Mexico.

<u>Case No. 20838</u>: Application of B.C. Operating, Inc. for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S243310P [98135]) in a 160-acre spacing unit comprised of the W/2 E/2 of Section 13, Township 24 South, Range 33 East, Lea County, New Mexico. Said horizontal spacing unit is to be dedicated to the proposed **Broadside 13 W Fed Com 2H** well, to be horizontally drilled from an approximate surface hole location 350' FSL and 1803' FEL of Section 12-T24S-R33E, to an approximate bottom hole location 20' FSL and 1651' FEL of Section 13-T24S-R33E. The Broadside 13 W Fed Com 2H well will be the defining well for this unit. The completed intervals and first and last take points for this well will meet statewide setback requirements for horizontal wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 22 miles northwest of Jal, New Mexico.

Case No. 20839: Application of B.C. Operating, Inc. for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S243310P [98135]) in a 160-acre spacing unit comprised of the E/2 E/2 of Section 13, Township 24 South, Range 33 East, Lea County, New Mexico. Said horizontal spacing unit is to be dedicated to the proposed **Broadside 13 W Fed Com 3H** well, to be horizontally drilled from an approximate surface hole location 374' FSL and 313' FEL of Section 12-T24S-R33E, to an approximate bottom hole location 20' FSL and 330' FEL of Section 13-T24S-R33E. The Broadside 13 W Fed Com 3H well will be the defining well for this unit. The completed intervals and first and last take points for this well will meet statewide setback requirements for horizontal wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The wells and lands are located approximately 22 miles northwest of Jal, New Mexico. All Interest Owners October 23, 2019 Page 3

The attached Applications will be set for hearing before a Division Examiner on **November 14, 2019, at 8:15 a.m.** at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement by **November 7, 2019**, in accordance with Division Rule 19.15.4.13 NMAC.

Please feel free to contact me if you have any questions about these Applications.

Very truly yours,

Shann A Shaheen

Sharon T. Shaheen

STS/It Enclosures cc: B.C. Operating, Inc., *via email*

EXHIBIT A INTEREST OWNERS

Broadside Sec. 13, T24S, R33E-Upper Wolfcamp, Lea County, NM

Working Interest Parties:

Concho Oil & Gas, LLC One Concho Center 600 W. Illinois Avenue Midland, TX 79701

Franklin Mountain Energy 2, LLC 2401 E. 2nd Ave. Suite 300 Denver, CO 80206 COG Operating, LLC One Concho Center 600 W. Illinois Avenue Midland, TX 79701 Devon Energy Production Company LP 20 North Broadway Suite 1500 Oklahoma City, OK 73102

Overriding Royalty Interest Parties:

Concho Oil & Gas, LLC One Concho Center 600 W. Illinois Avenue Midland, TX 79701

Roger John Allen and Nancy Edge Jennings Allen, Trustees under Allen Family Trust dated 5/19/2000 PO Box 670326 Dallas, TX 75367-0326

Sid R. Bass 201 Main Street Fort Worth, TX 76102

EPB O&G Multi-State LLC 201 Main Street Fort Worth, TX 76102

LMBI O&G Multi State LLC 201 Main Street Fort Worth, TX 76102

TD Minerals, LLC 1999 Bryan St. Dallas, TX 75201

CCJR Properties, LLC PO Box 1451 Keller, TX 76244 COG Operating, LLC One Concho Center 600 W. Illinois Avenue Midland, TX 79701

Susan J. Croft 6713 Deep Valley Lane Fort Worth, TX 76132

Panther City Investment Company Trustee 201 Main Street Fort Worth, TX 76102

Thru-Line O&G Multi State LLC 201 Main Street Fort Worth, TX 76102

Ewell H. Muse III 167 Northwood Hill Drive Fredericksburg, TX 78264

Fortis Minerals III, LLC 1111 Bagby St. Suite 2150 Houston, TX 77002

Madison M. Hinkle and wife, Susan M. Hinkle P.O. Box 2292 Roswell, NM 88202 Katherine Koiliker McIntyre separate property 512 Thunder Crest Lane El Paso, TX 79912

Jamie E. Jennings P.O. Box 670326 Dallas, TX 75367-0326

RMB O&G NM, LLC 201 Main Street Fort Worth, TX 76102

SRBI O&G Multi State LLC 201 Main Street Fort Worth, TX 76102

Keystone O&G Multi-State LLC 201 Main Street Fort Worth, TX 76102

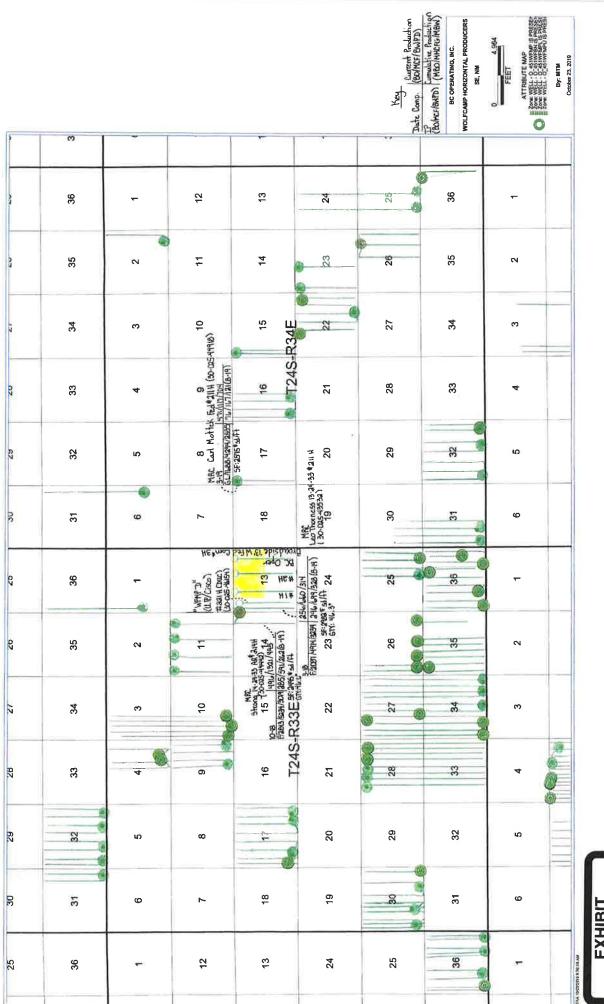
Santa Elena Minerals IV, LP PO Box 2063 Midland, TX 79702

Marc A. Lilley and wife, Lisa M. Lilley 4425 98th St. Suite 200 Lubbock, TX 79424

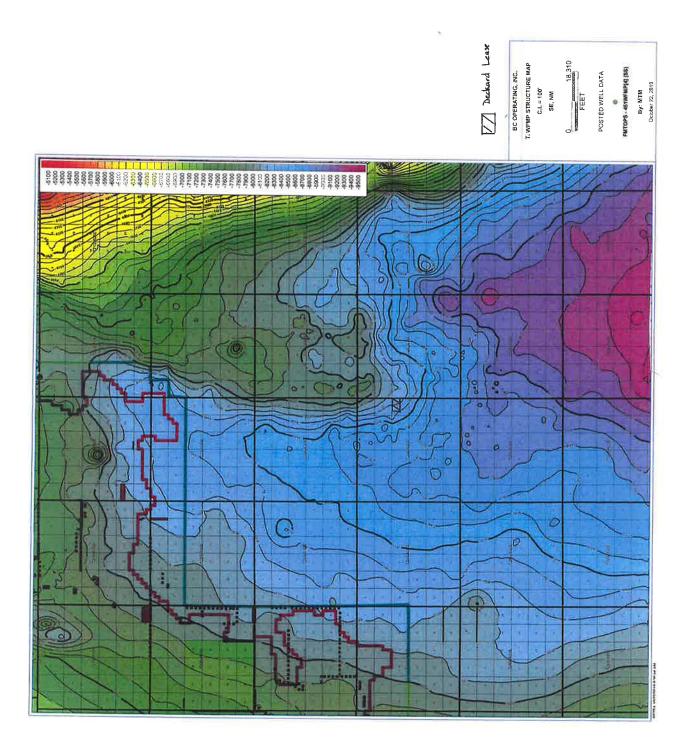
EXHIBIT 5

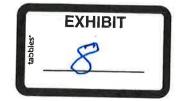
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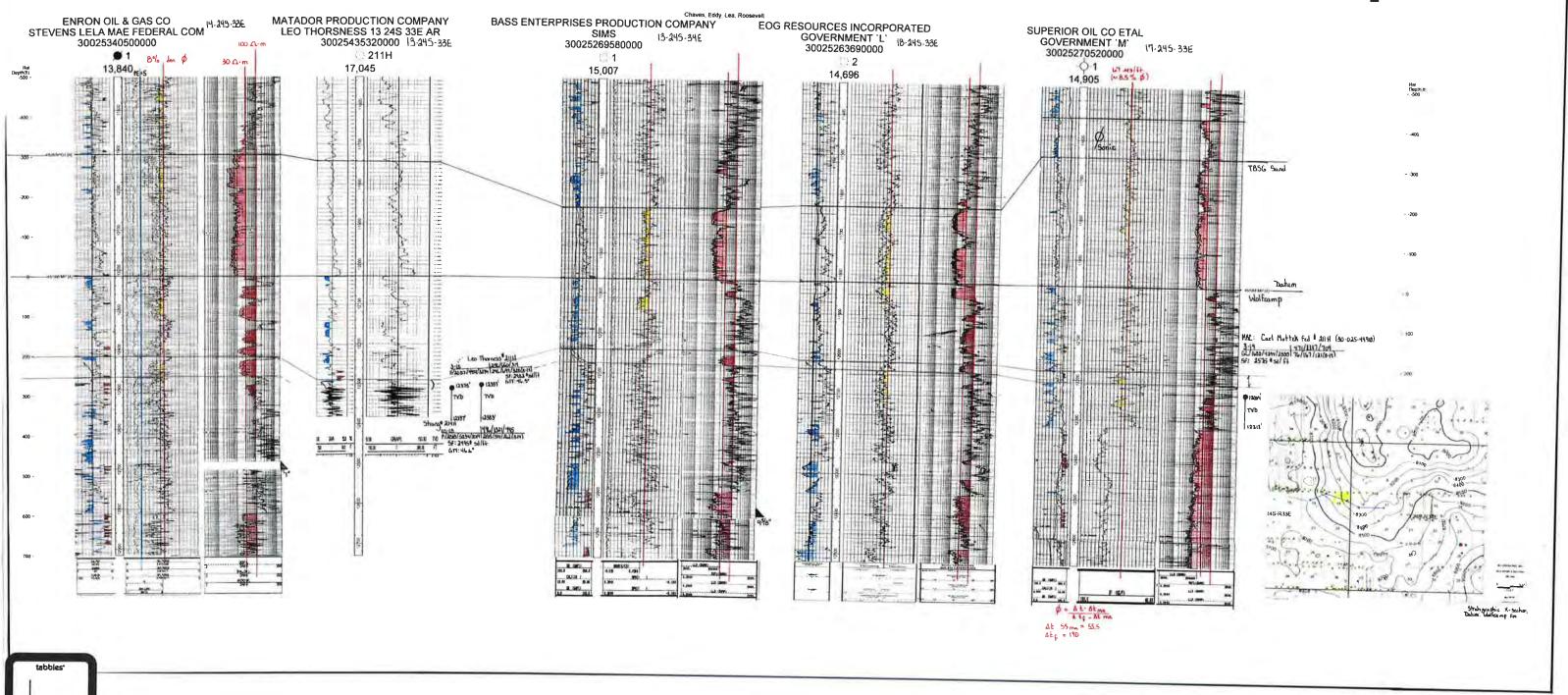
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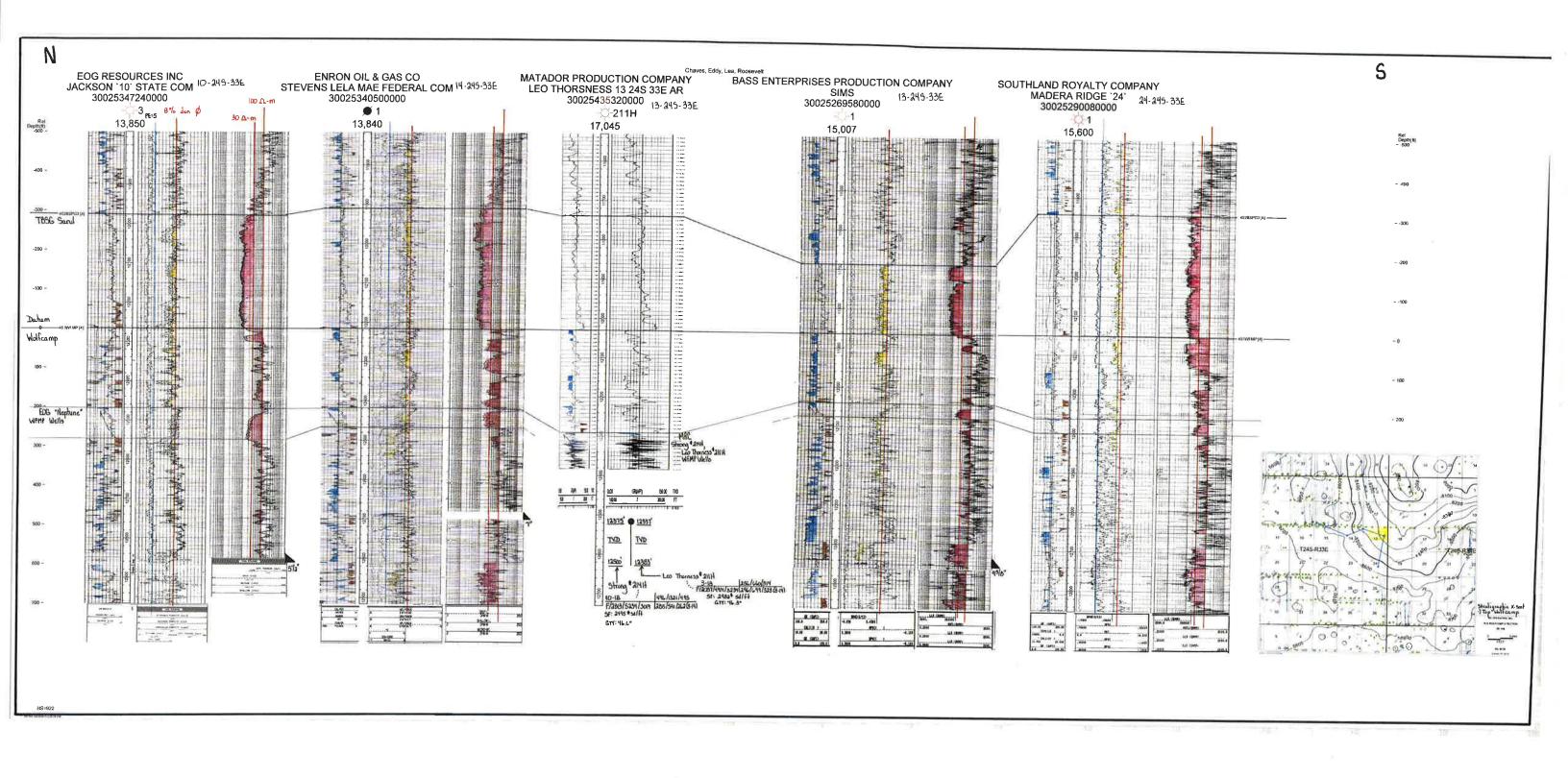




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STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF B.C. OPERATING, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 20837

APPLICATION OF B.C. OPERATING, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

APPLICATION OF B.C. OPERATING, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 20838

Case No. 20839

AFFIDAVIT OF NOTICE

STATE OF NEW MEXICO)) ss. COUNTY OF SANTA FE)

I, Sharon T. Shaheen, attorney for B.C. OPERATING, INC., ("B.C."), the Applicant in the above-captioned matters, being first duly sworn, upon oath and state the following:

2. I caused notice of the applications to be sent by certified mail through the United States Postal Service ("USPS") on October 23, 2019, to all uncommitted interest owners sought to be pooled in this proceeding. Evidence of mailing to all parties and proof of receipt to all of the parties is attached hereto as Exhibit A. Notice by publication was directed to any party who did not receive personal notice in the Hobbs News-Sun on October 31, 2019, which is reflected in the Affidavit of Publication attached hereto as Exhibit B. Exhibit B demonstrates to my satisfaction that those owners who did not receive personal notice through the certified mailing were properly served by publication.



3. B.C. has conducted a good faith, diligent effort to find the names and correct addresses for the interest owners entitled to receive notice of the Applications filed herein.

Araber

SHARON T. SHAHEEN

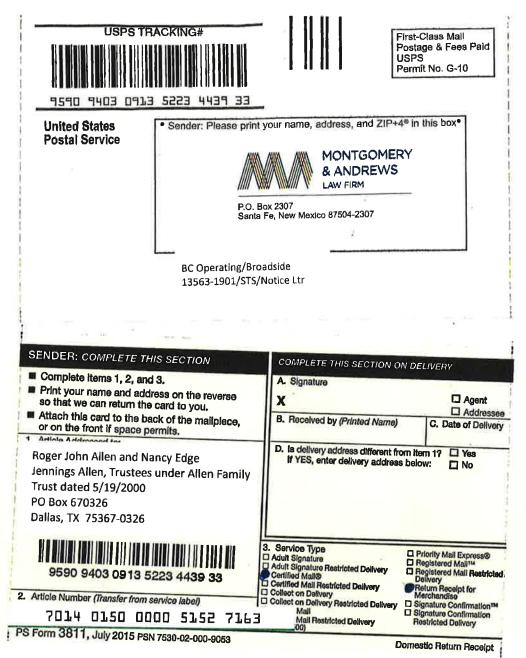
SUBSCRIBED AND SWORN to before me this 13^{H} day of November, 2019.



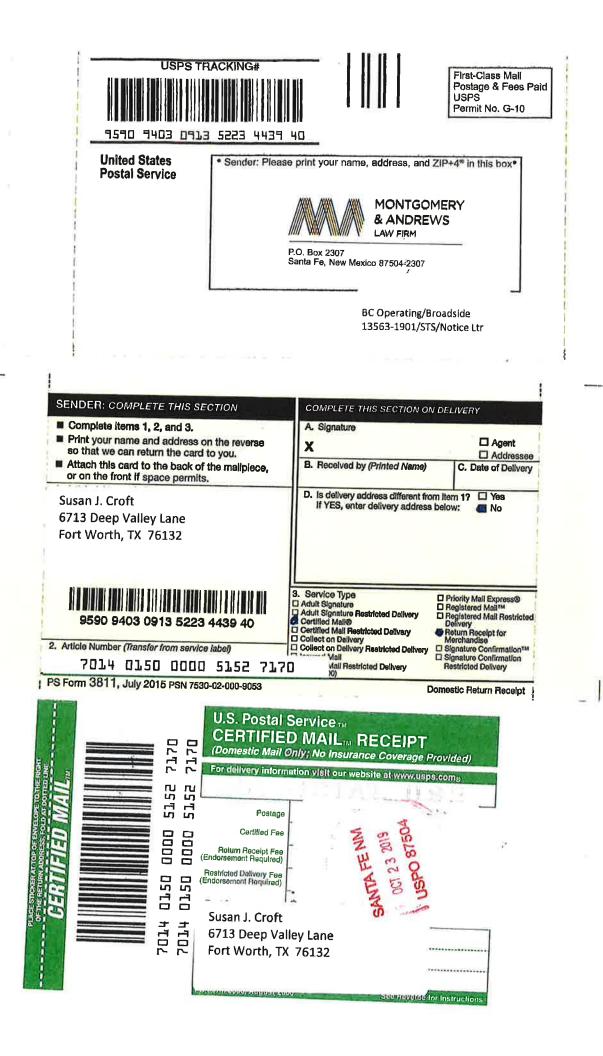
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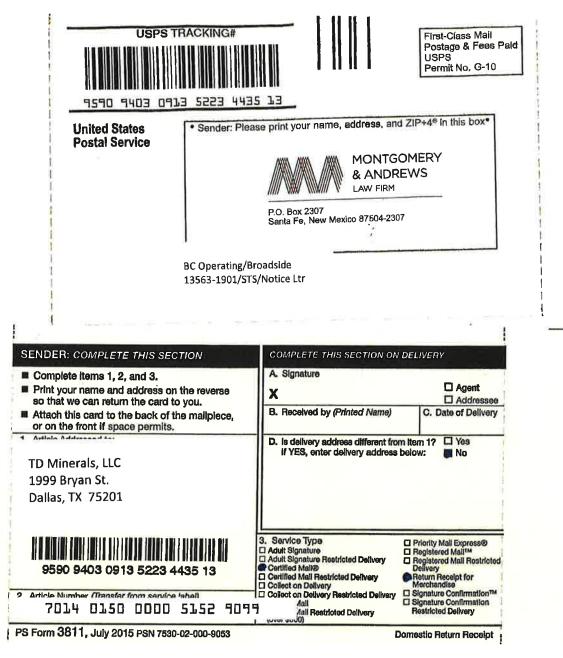
My Commission Expires:

04/30/2022

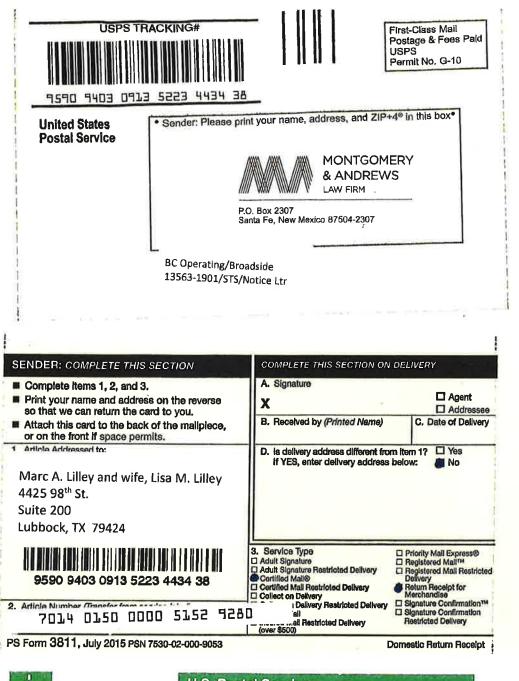




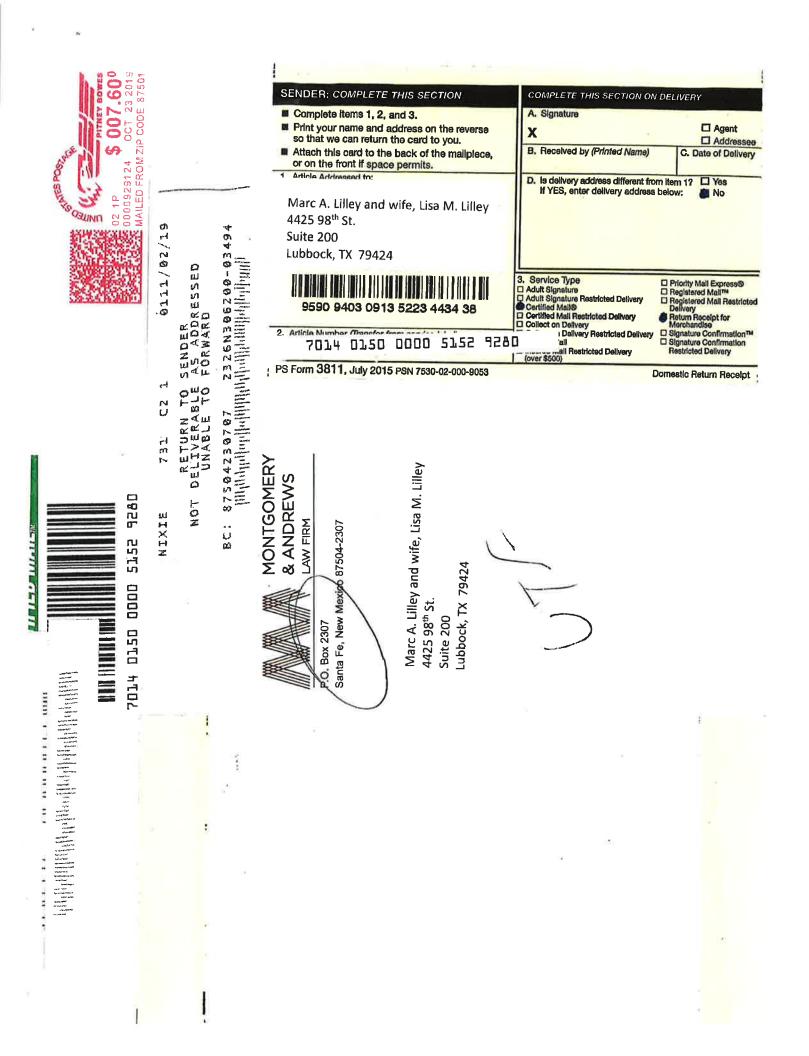


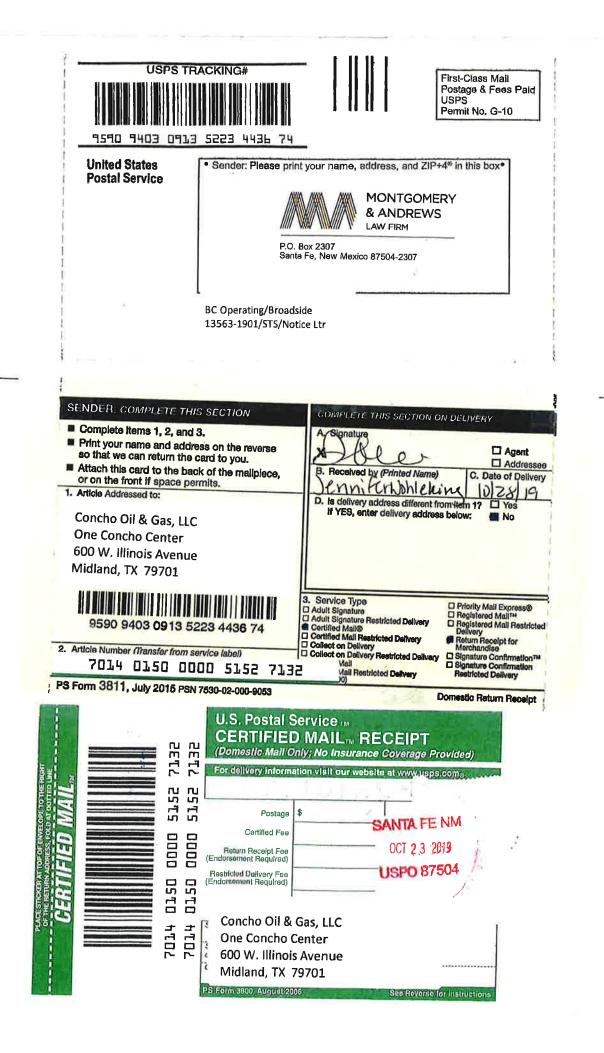


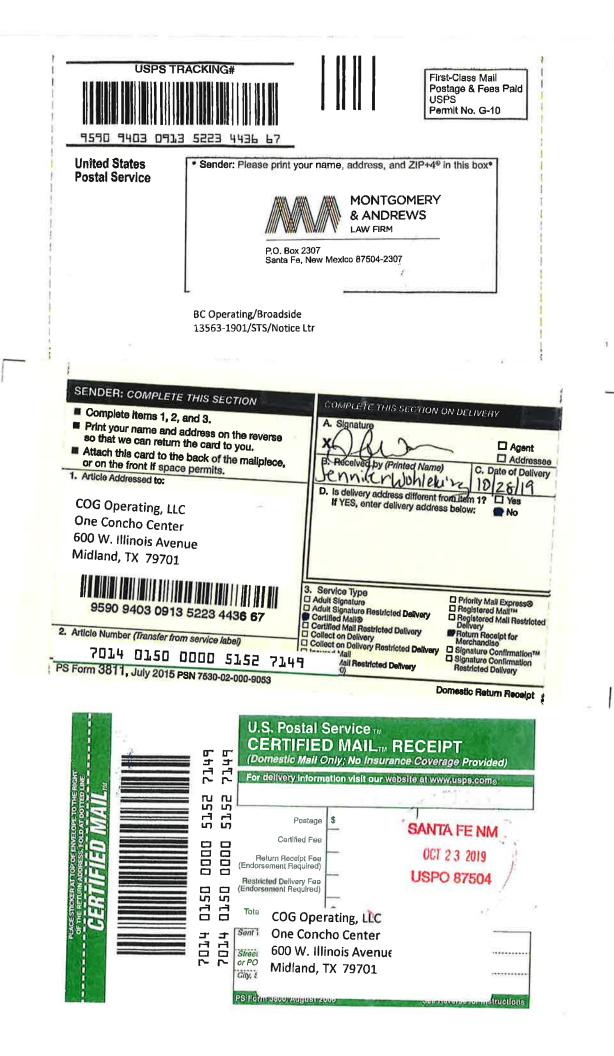


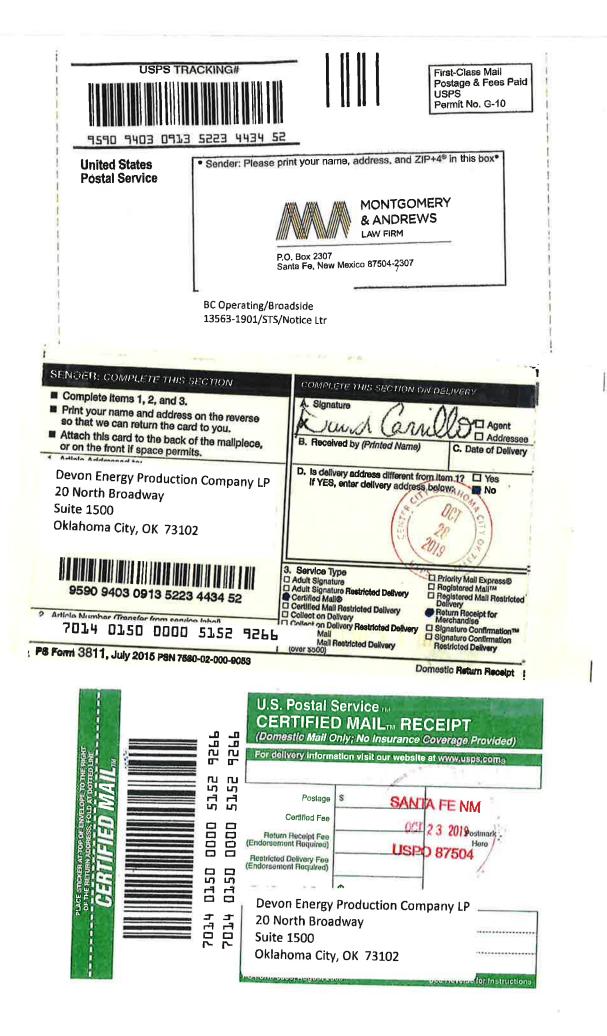


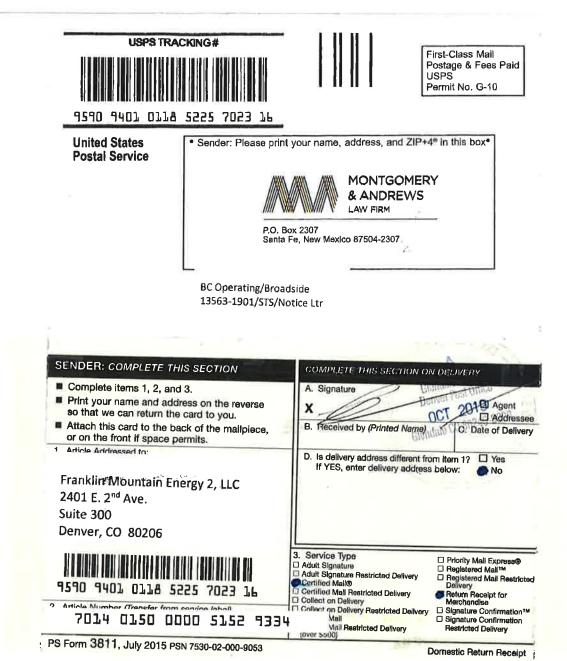




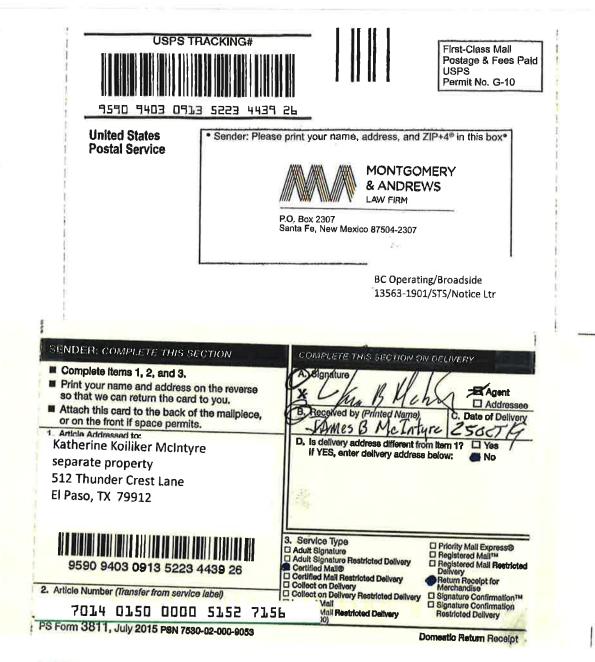






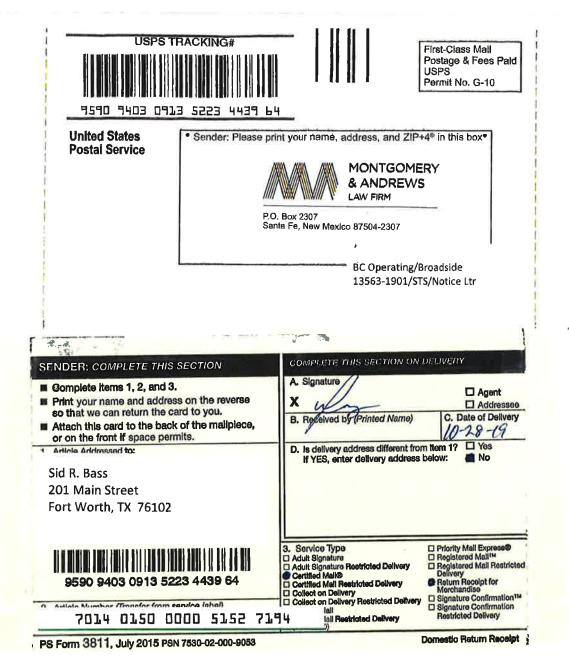




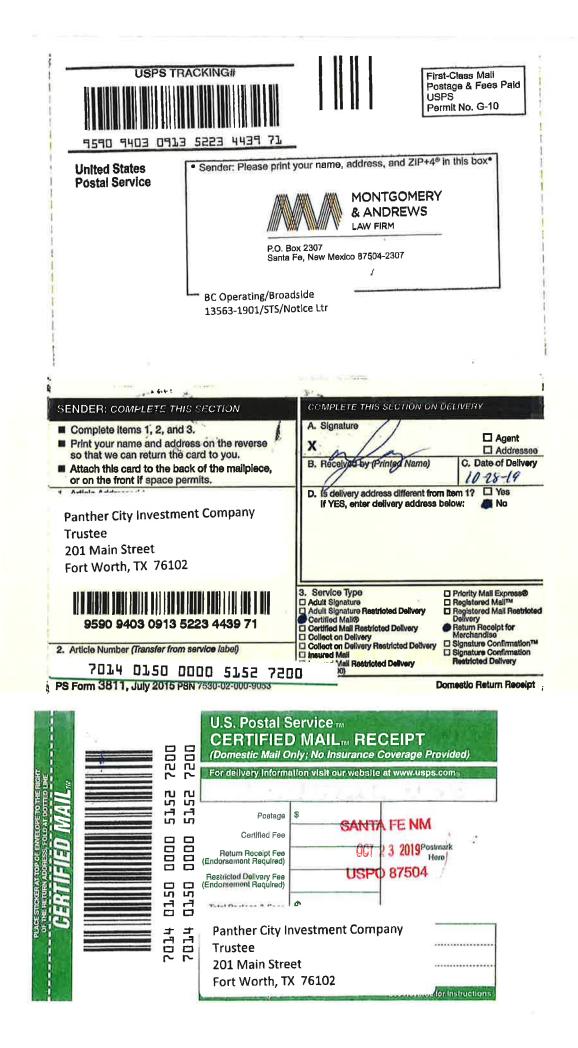


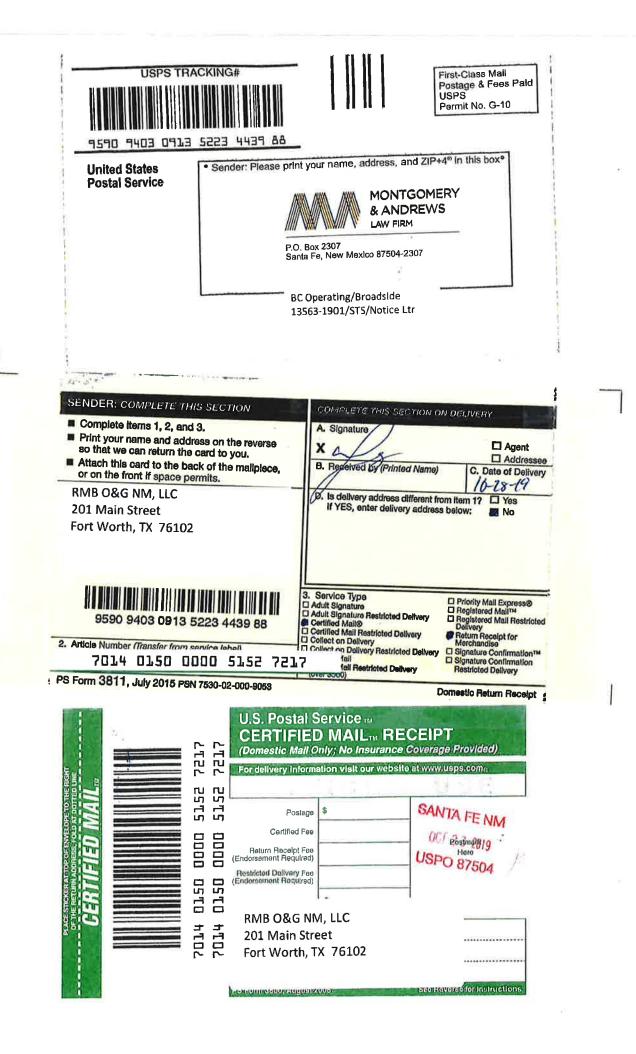


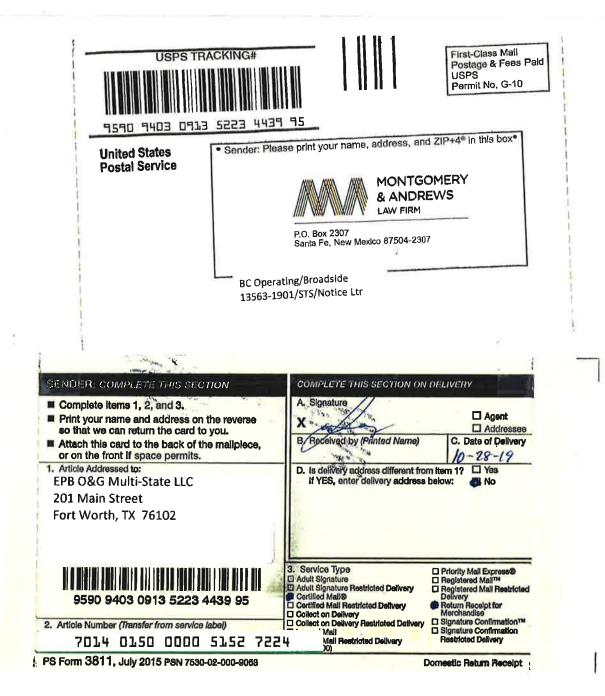


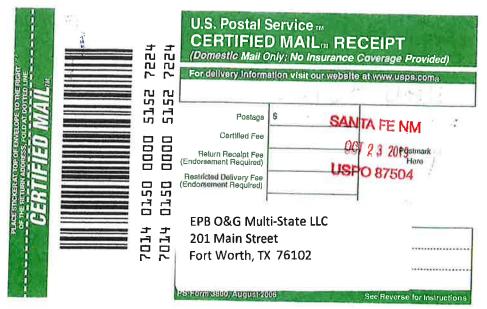


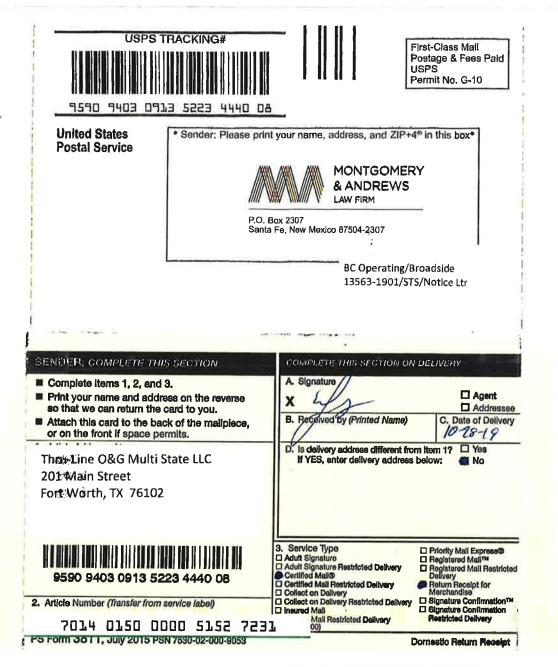




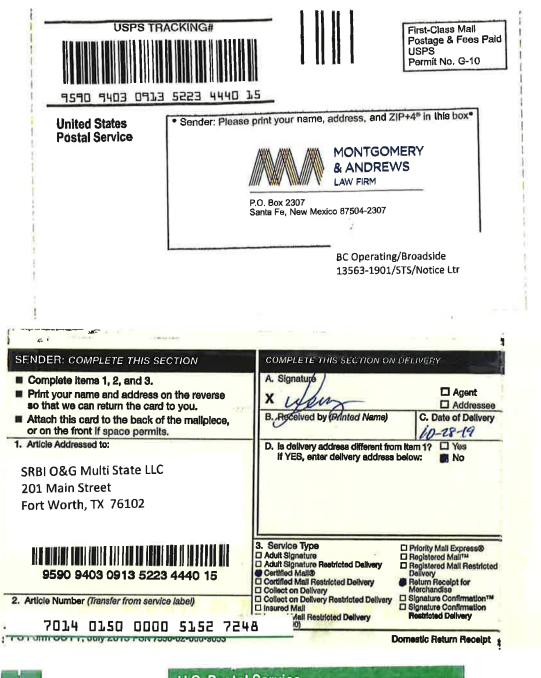




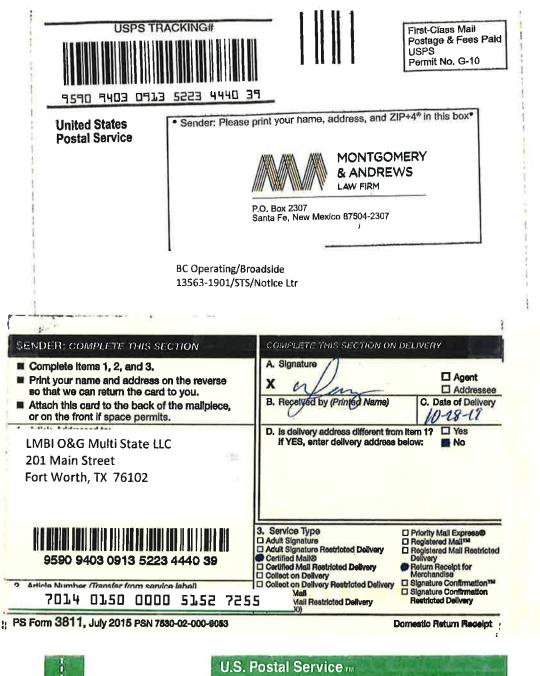






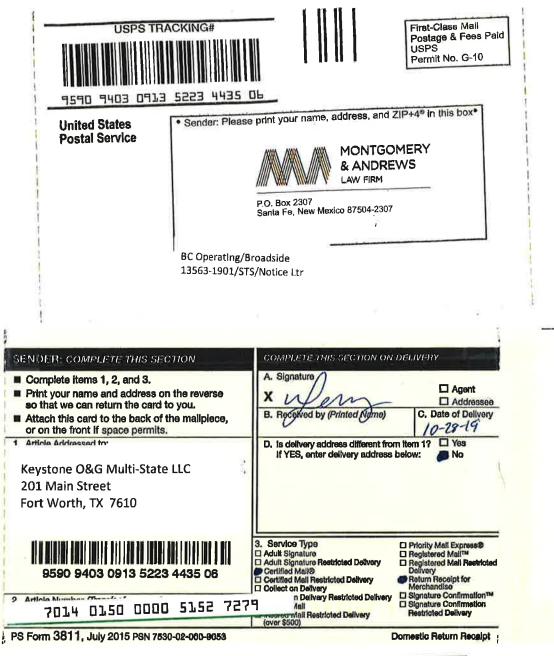




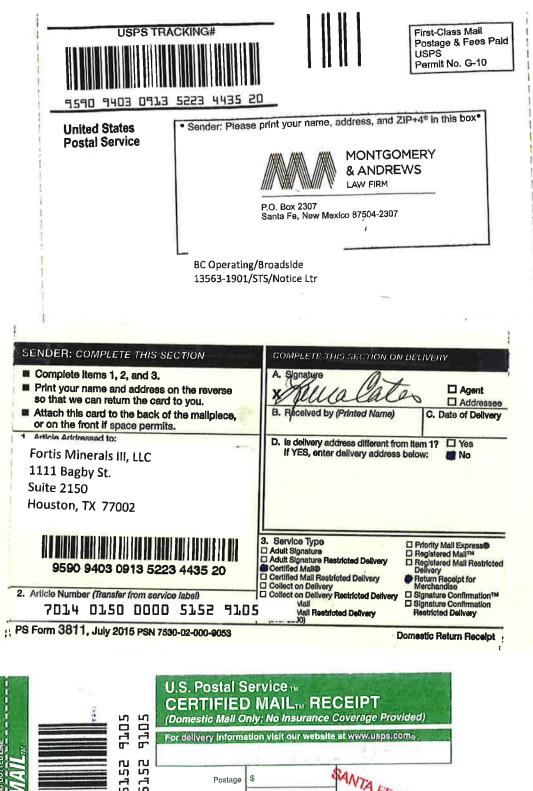




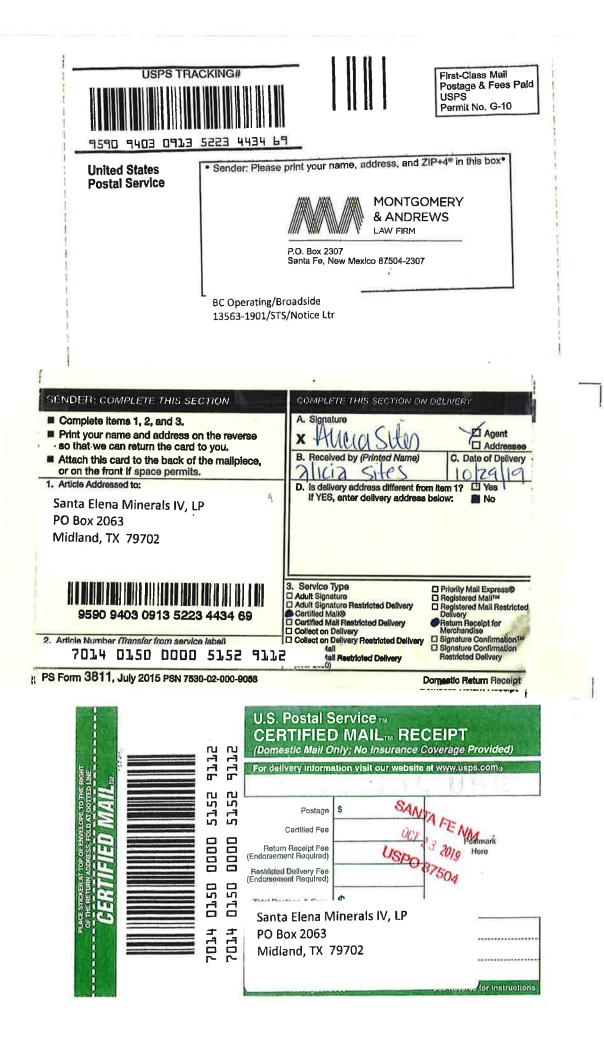




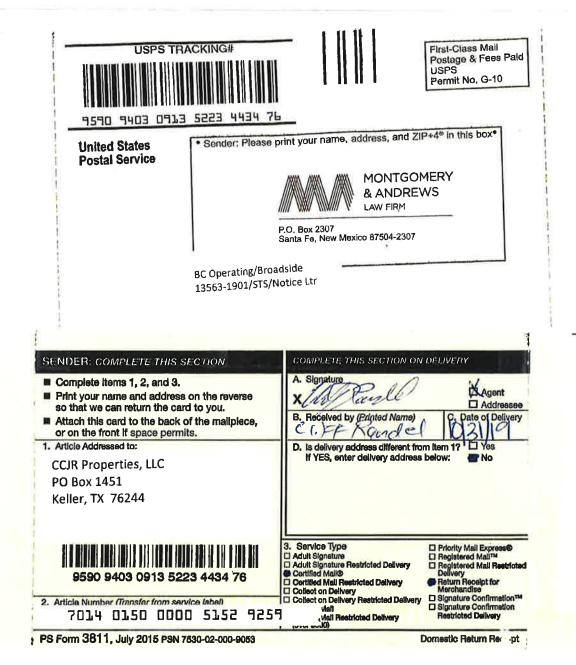




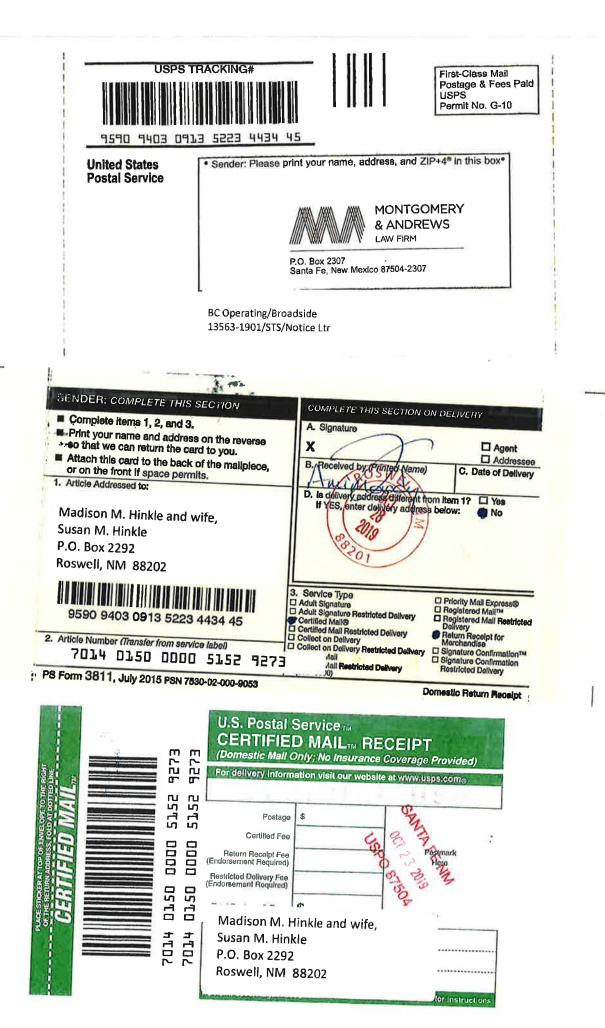


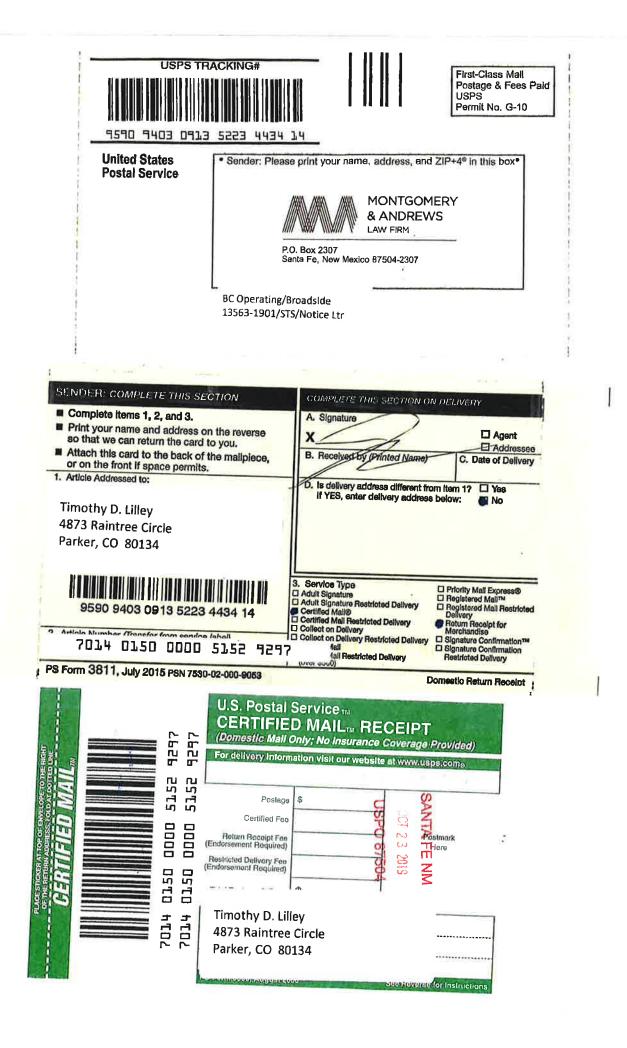


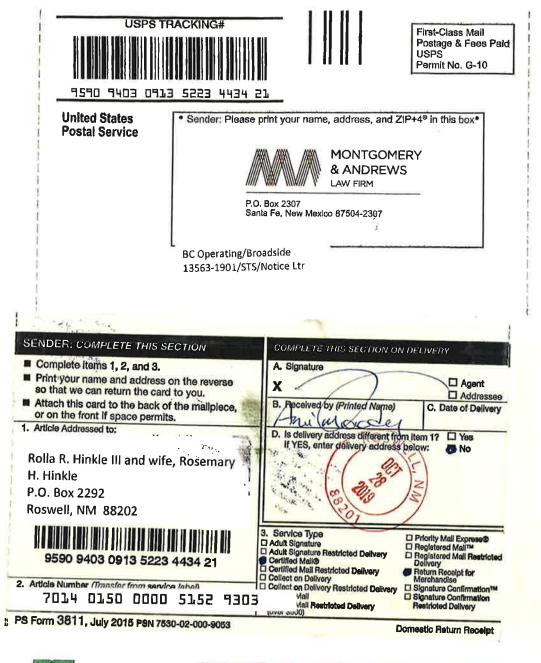
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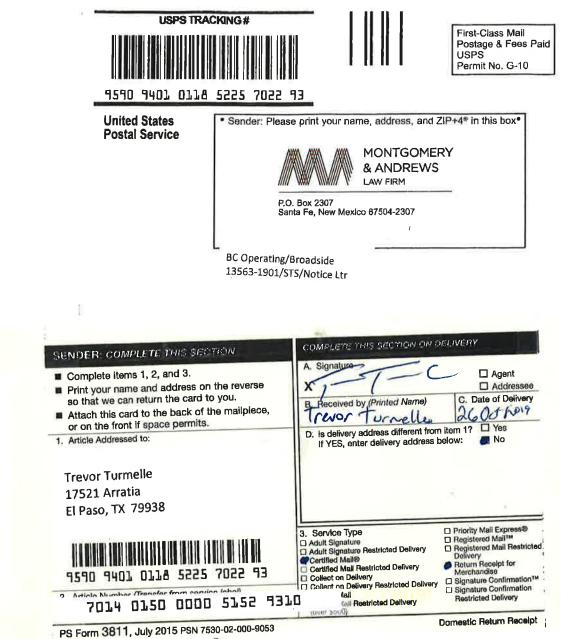




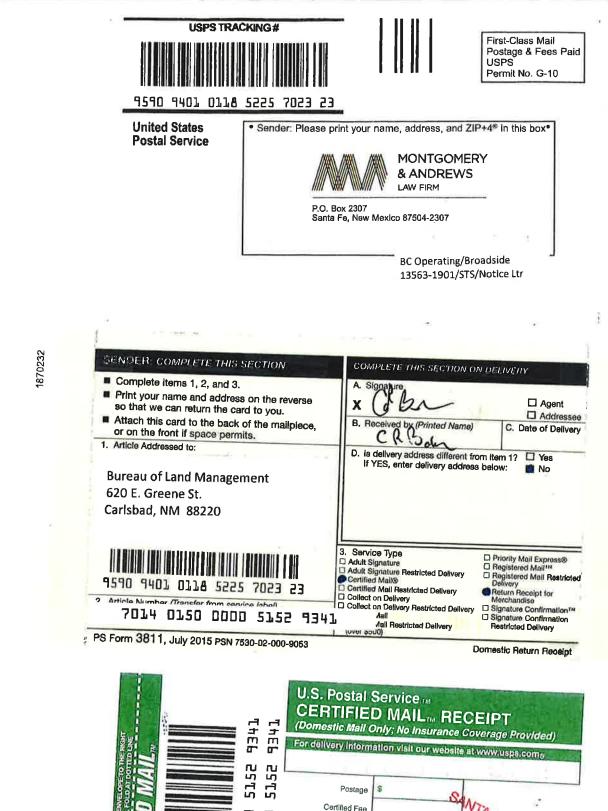














Sec neverse for Instruction.

A DESCRIPTION OF THE OWNER.

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated October 31, 2019 and ending with the issue dated October 31, 2019.

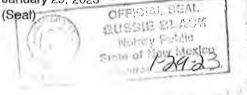
Publisher

Sworn and subscribed to before me this 31st day of October 2019.

Puck

Business Manager

My commission expires



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE OCTOBER 31, 2019

To the following entities, individuals, their neirs, personal representatives, trustees, successors or assigns and any other uncommitted interest owners

Concho Oil & Gas, LLC: COG Operating, LLC: Devon Energy Production Company LP: Franklin Mountain Energy 2, LLC: Katherine Kolliker McInitye, separate property; Roger John Allen and Nancy Edge Jennings Allen, Trustees under Allen Family Trust dated 5/19/2000. Susan J. Crolt, Jamie E. Jennings Sid R. Bass: Panther City Investment Company Trustee, RME 0&G NM, LLC EPB 0&G Multi-State, LLC: Thru-Line 0&G Multi State, LLC: SRBI 0&G Multi State, LLC; LMBI 0&G Multi State, LLC: Ewell H. Muse III; Keystone 0&G Multi State, LLC; TD Minerals, LLC; Portis Minerals III, LLC; Santa Elena Minerals IV LP: CCJR Properties, LLC: Madison M. Hinkle and wile, Susan M. Hinkle Marc A. Lilley and wife, Lisa M. Lilley, Timothy D. Lilley: Rolla R. Hinkle III and wife, Rosemary H, Hinkle; Trevor Turmelle; and Bureau of Land Management.

BC Operating, Inc., has filed three (3) applications with the New Mexico Oil Conservation Division as follows:

Case No. 20837: Application of B.C. Operating, Inc. for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Woltcemp formation (WC-025 G-09 S243310P [98135]) in a 160-acre spacing unit comprised of the E/2 W/2 of Section 13. Township 24 South, Range 33 East Lea County, New Mexico. Said honzontal spacing unit is to be dedicated to the proposed Broadside 13 W Fed Com 1H well, to be horizontally dilled from an approximate surface hole location 350 FSL and 2330 FWL of Section 12-T24S-R33E, to an approximate bottom hole location 20 FSL and 2310 FWL of Section 13-T24S-R33E. The Broadside 13 W Fed Com 1H well will be the defining well for this unit. The completed intervals and first and last take points for this well will meet statewide setback requirements for horizontal wolls. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well, and and lands are located approximately 22 miles northwest of Jal, New Mexico.

Case No. 20838: Application of B.C. Operating, Inc. for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Woltcamp formation (WC-025 G-09 S243310P [98135]) in a 160-acre spacing unit comprised of the W/2 E/2 of Section 13, Township 24 South, Range 33 East, Lea County, New Mexico. Said horizontal spacing unit is to be dedicated to the proposed Broadside 13 W Fed Com 2H well, to be horizontally dilled from an approximate surface hole location 350' FSL and 1803' FEL of Section 12-T245-R33E, to an approximate bottom hole location 20' FSL and 1651' FEL of Section 13-T24S-R33E. The Broadside 13 W Fed Com 2H well will be the defining well for this unit. The completed intervals and first and last take points for this well will meet statewide setback requirements for horizontal wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 22 miles northwest of Jal, New Mexico.

Case No. 20839: Application of B.C. Operating, Inc. for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (WC-025 G-09 S243310P [98135]) in a 160-acre spacing unit comprised of the E/2 E/2 of Section 13. Township 24 South, Range 33 East, Lea County, New Mexico. Said horizontal spacing unit is to be dedicated to the proposed Broadside 13 W Fed Com 3H well, to be horizontally dilled from an approximate surface hole location 374' FSL and 313' FEL of Section 12-T24S-R33E, to an approximate bottom hole location 20' FSL and 330' FEL of Section 13-T24S-R33E. The Broadside 13 W Fed Com 3H well will be the defining well for this unit. The completed intervals and first and last take points for this well will meet statewide setback requirements for horizontal wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The wells and lands are located approximately 22 miles northwest of Jai, New Mexico,

Hearing on these applications will proceed before a Division Examiner on November 14, 2019, at 8:15 a.m. at the New Mexico Oil Conservation Division. 1220 South St. Francis Drive, Santa Fe, New Mexico, For further information, contact the applicant's attorney. Sharon T. Shaheen, Montgomery & Andrews, P.A., 325 Paseo de Peralta, Santa Fe, New Mexico 87501, (505) 986-2678, #34814

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