

District I 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-8161 Fax:(575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170 District IV 1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462	State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505	Form C-103 August 1, 2011 Permit 228546 WELL API NUMBER 30-015-42730 5. Indicate Type of Lease F 6. State Oil & Gas Lease No. 7. Lease Name or Unit Agreement Name CASS 16 STATE																																																																																
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)																																																																																		
1. Type of Well: O		8. Well Number 001H																																																																																
2. Name of Operator BC OPERATING, INC.		9. OGRID Number 160825																																																																																
3. Address of Operator P O Box 50820, Midland, TX 79710		10. Pool name or Wildcat																																																																																
4. Well Location Unit Letter <u>A</u> : <u>330</u> feet from the <u>N</u> line and feet <u>240</u> from the <u>E</u> line Section <u>17</u> Township <u>23S</u> Range <u>27E</u> NMPM _____ County <u>Eddy</u>																																																																																		
11. Elevation (Show whether DR, KB, BT, GR, etc.) 3159 GR																																																																																		
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____																																																																																		
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data <table style="width:100%;"> <tr> <td colspan="2">NOTICE OF INTENTION TO:</td> <td colspan="2">SUBSEQUENT REPORT OF:</td> </tr> <tr> <td>PERFORM REMEDIAL WORK <input type="checkbox"/></td> <td>PLUG AND ABANDON <input type="checkbox"/></td> <td>REMEDIAL WORK <input type="checkbox"/></td> <td>ALTER CASING <input type="checkbox"/></td> </tr> <tr> <td>TEMPORARILY ABANDON <input type="checkbox"/></td> <td>CHANGE OF PLANS <input type="checkbox"/></td> <td>COMMENCE DRILLING OPNS. <input type="checkbox"/></td> <td>PLUG AND ABANDON <input type="checkbox"/></td> </tr> <tr> <td>PULL OR ALTER CASING <input type="checkbox"/></td> <td>MULTIPLE COMPL <input type="checkbox"/></td> <td>CASING/CEMENT JOB <input type="checkbox"/></td> <td></td> </tr> <tr> <td colspan="2">Other: _____</td> <td colspan="2">Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/></td> </tr> </table>			NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:		PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTER CASING <input type="checkbox"/>	TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE OF PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>		Other: _____		Other: <u>Drilling/Cement</u> <input checked="" type="checkbox"/>																																																													
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion. ***SEE ATTACHED DESCRIPTION OF WORK*** See Attached 8/19/2016 Spudded well.																																																																																		
Casing and Cement Program <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>String</th> <th>Fluid Type</th> <th>Hole Size</th> <th>Csg Size</th> <th>Weight lb/ft</th> <th>Grade</th> <th>Est TOC</th> <th>Dpth Set</th> <th>Sacks</th> <th>Yield</th> <th>Class</th> <th>1" Dpth</th> <th>Pres Held</th> <th>Pres Drop</th> <th>Open Hole</th> </tr> </thead> <tbody> <tr> <td>08/15/16</td> <td>Surf</td> <td>FreshWater</td> <td>17.5</td> <td>13.375</td> <td>48</td> <td>J55</td> <td>0</td> <td>430</td> <td>600</td> <td>1.33</td> <td>C</td> <td></td> <td>575</td> <td>0</td> <td>N</td> </tr> <tr> <td>08/21/16</td> <td>Int1</td> <td>Brine</td> <td>12.25</td> <td>9.625</td> <td>40</td> <td>J55</td> <td>0</td> <td>2124</td> <td>660</td> <td>1.6</td> <td>C</td> <td></td> <td>1350</td> <td>0</td> <td>N</td> </tr> <tr> <td>08/30/16</td> <td>Prod</td> <td>CutBrine</td> <td>8.75</td> <td>7</td> <td>26</td> <td>P110</td> <td>750</td> <td>9766</td> <td>910</td> <td>2.8</td> <td>C</td> <td></td> <td>1500</td> <td>0</td> <td>N</td> </tr> <tr> <td>11/10/16</td> <td>Liner1</td> <td>OilBasedMud</td> <td>6.125</td> <td>4.5</td> <td>13.5</td> <td>P110</td> <td>0</td> <td>14642</td> <td>440</td> <td>1.87</td> <td>H</td> <td></td> <td>9900</td> <td>0</td> <td>N</td> </tr> </tbody> </table>			Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole	08/15/16	Surf	FreshWater	17.5	13.375	48	J55	0	430	600	1.33	C		575	0	N	08/21/16	Int1	Brine	12.25	9.625	40	J55	0	2124	660	1.6	C		1350	0	N	08/30/16	Prod	CutBrine	8.75	7	26	P110	750	9766	910	2.8	C		1500	0	N	11/10/16	Liner1	OilBasedMud	6.125	4.5	13.5	P110	0	14642	440	1.87	H		9900	0	N
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I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .																																																																																		
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CASS 16 STATE #1H
30-015-42730

8/19/2016 - SPUD

8/15/2016 – SURFACE CASING – DRILL WITH SPUDDER RIG - DRILL 17.5" HOLE TO 430'. RUN 430' OF 13-3/8" 48# J-55 STC. CEMENT WITH 450 SACKS CLASS C W/ 2% CACL, 14.8 PPG, 1.33 YIELD. NO CIRCULATION ON STAGE ONE, FLOATS HELD. WOC 10 HOURS, RIH WITH 1" TUBING TO 90' AND TAG, PUMP 150 SACKS, CIRCULATE CEMENT TO SURFACE. TESTED CASING TO 575 PSI FOR 30 MINS. HELD OK.

8/21/2016 – INTERMEDIATE CASING – DRILL 12.25" HOLE TO 2124'. RUN 2124' OF 9-5/8" 40# J-55 LTC. CEMENT WITH LEAD 500 SACKS CLASS C 12.8 PPG, 1.67 YIELD. TAIL WITH 160 SACKS CLASS C, 13.8 PPG, 1.33 YIELD. CIRCULATED 218 SACKS TO SURFACE. TESTED CASING TO 1350 PSI FOR 30 MINS. HELD OK.

8/30/2016 – PRODUCTION CASING – DRILL 8.75" HOLE TO 9,766'. RUN 9,766' OF 7" 26# P110 TTRS1. CEMENT WITH 50 BBLs WATER AHEAD WITH 40#/BBL CALCIUM CARBONATE AND GRAPHITE, 50 BBLs AHEAD WITH SODIUM METASILICATE, 50 SACK SCAVENGER SLURRY 10.5 PPG CEMENT. LEAD CEMENT: 710 SACKS 11.4 PPG, 2.8 YIELD. TAIL: 200 SACKS 13.2 PPG, 1.77 YIELD. FULL RETURNS UNTIL 295 BBLs PUMPED ON DISPLACEMENT OF 372 BBLs, DID NOT CIRCULATE. FLOATS HELD, MAX LIFT PRESSURE 1700PSI. TESTED CASING TO 1500 PSI FOR 30 MINUTES.

9/10/2016 – LINER – DRILL 6.125" HOLE TO 14,642'. RUN 14,642' OF 4.5" 13.5# P-110 TTRS1. CEMENT WITH 440 SACKS PRO-VALUE H 35:65, 14.8 PPG, 1.87 YIELD, 50% CaCO₃. 20 BBLs FRESH WATER AHEAD, 50 BBLs OF MUD FLUSH, 147 BBLs OF CEMENT. FULL RETURNS, FLOATS HELD, SET LINER SLIPS, SET PACKER AND TESTED TO 1000 PSI. CIRCULATE CEMENT TO SURFACE.

11/10/2016 – TESTED LINER TO 9,900 PSI FOR 15 MINS. GOOD TEST.

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Comments
Permit 228546

DRILLING COMMENTS

Operator: BC OPERATING, INC. P O Box 50820 Midland, TX 79710	OGRID:	160825
	Permit Number:	228546
	Permit Type:	Drilling

Comments

Created By	Comment	Comment Date
There are no Comments for this Permit		