

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) 334-8178 Fax:(505) 334-8170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3482

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

Form C-101
August 1, 2011
Permit 232807

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address BLACK MOUNTAIN OPERATING LLC 500 Main Street Fort Worth, TX 76102		2. OGRID Number 371127
4. Property Code 317498		3. API Number 30-025-43661
5. Property Name BLACK PEARL STATE 4		6. Well No. 001H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	4	20S	35E	B	211	N	2162	E	Lea

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O	4	20S	35E	O	330	S	2247	E	Lea

9. Pool Information

PEARL BONE SPRING	49680
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3686
16. Multiple N	17. Proposed Depth 15400	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date 6/1/2017
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	1750	1500	0
Int1	12.25	9.65	40	7300	1740	0
Prod	8.75	5.5	20	15400	1100	6800

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3500	3500	
Double Ram	5000	5000	

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☒ if applicable. Signature:	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Michael McCracken	Approved By: Paul Kautz
Title: COO	Title: Geologist
Email Address: michael.mccracken@blackmtn.com	Approved Date: 3/7/2017 Expiration Date: 3/7/2019
Date: 3/7/2017 Phone: 817-698-9901	Conditions of Approval Attached

Form 1042-E
U.S. Income Tax Return for Foreign Entities
 (For the year 2002)

Design, Install & Natural Resources Preparation, Inc.
 1000 South St., Room 100
 Seattle, WA 98101
 Telephone: (206) 123-4567

Entity's EIN 12-3456789
Entity's address 1000 South St., Room 100, Seattle, WA 98101
Entity's telephone number (206) 123-4567

Preparer's name John Doe
Preparer's address 1000 South St., Room 100, Seattle, WA 98101
Preparer's telephone number (206) 123-4567

W-2, 1099, and other information
 (See instructions for filing this return)

Income
 (See instructions for filing this return)

Expenses
 (See instructions for filing this return)

Tax
 (See instructions for filing this return)

Signature of President John Doe
Date 02/15/03

RECEIVED
 02/15/03

U.S. DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE

Form 1042-E (2002)

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1220 S. St Francis Dr.
Santa Fe, NM 87505

Form APD Comments

Permit 232607

PERMIT COMMENTS

Operator Name and Address: BLACK MOUNTAIN OPERATING LLC [371127] 500 Main Street Fort Worth, TX 76102	API Number: 30-025-43661
	Well: BLACK PEARL STATE 4 #001H

Created By	Comment	Comment Date
d.white	BMOG intends to drill a vertical pilot to 12,200' to evaluate the Wolfcamp formation. BMOG will then plug back and kickoff to drill horizontal in the 2nd BS sand.	3/7/2017

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Form APD Conditions

Permit 232607

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: BLACK MOUNTAIN OPERATING LLC [371127] 500 Main Street Fort Worth, TX 76102	API Number: 30-025-43661
	Well: BLACK PEARL STATE 4 #001H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing --
pkautz	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
pkautz	Only Fresh Water and Air are Valid Drilling Fluids for Surface Casing
pkautz	Operator shall notify appropriate District office when setting conductor pipe.
pkautz	The Operator is to notify NMOCDD by sundry (Form C-103) within ten (10) days of spudding a well.
pkautz	It is the operator's responsibility to monitor cancellation dates of approved APDs. APD's are good for 2 years and may be extended for one year. Only one 1 year extension will be granted if submitted by C-103 before expiration date. After expiration date or after a 1 year extension must submit new APD.
pkautz	If an APD expires and if site construction has occurred, site remediation is required.
pkautz	Must notify OCD Hobbs Office of any water flows in the Salado Formation at 575-370-3186. Report depth and flow rate
pkautz	Stage Tool 1) Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.
pkautz	Submit Gas Capture Plan form prior to spud