

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720
District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 749-1283 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-101
 August 1, 2011
 Permit 232846

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
		3. API Number 30-025-43662
4. Property Code 317498	5. Property Name BLACK PEARL 4 STATE	6. Well No. 002H

7. Surface Location

UL - Lot B	Section 4	Township 20S	Range 35E	Lot Idn B	Feet From 211	N/S Line N	Feet From 2132	E/W Line E	County Lea
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8. Proposed Bottom Hole Location

UL - Lot O	Section 4	Township 20S	Range 35E	Lot Idn O	Feet From 330	N/S Line S	Feet From 1645	E/W Line E	County Lea
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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 15000	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	15000	1015	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 <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , 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

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Form APD Comments

Permit 232846

PERMIT COMMENTS

Operator Name and Address: BLACK MOUNTAIN OPERATING LLC [371127] 500 Main Street Fort Worth, TX 76102	API Number: 30-025-43662
	Well: BLACK PEARL 4 STATE #002H

Created By	Comment	Comment Date
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Form APD Conditions

Permit 232846

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: BLACK MOUNTAIN OPERATING LLC [371127] 500 Main Street Fort Worth, TX 76102	API Number: 30-025-43662
	Well: BLACK PEARL 4 STATE #002H

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 Castile 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 spudding or initiating recompletion operations