Litul of		11) 6	11/18/08	1	DU1000000000000000000000000000000000000
DATEUN	SUSPENSE	W Somes		TYPE	PKUR0832350369
		ABOVE	THIS LINE FOR DIVISION USE ON	(HOT	
	NEV	W MEXICO OIL CON	NSERVATION ng Bureau -	DIVISION	
		1220 South St. Francis Dr	•	87505	WESS S
	AD	MINISTRATIVE	APPLICAT	ION CHEC	KLIST
THIS CHECKL	IST IS MANDA	TORY FOR ALL ADMINISTRATIV WHICH REQUIRE PROCES			VISION RULES AND REGULATIONS
(DH	on-Standard C-Downhole [PC-Pool Co [WF)	d Location] [NSP-Non-St • Commingling] [CTB-I	andard Proration Lease Commingli [-Lease Storage] [PMX-Pressure sal] [IPI-Injectio	Unit] [SD-Simulang] [PLC-Pool/I [OLM-Off-Lease Maintenance Ex n Pressure Incre	taneous Dedication] Lease Commingling] e Measurement] kpansion] ase]
[1] TYPE	OF APPLI	CATION - Check Those	Which Apply for	[A]	
.]		cation - Spacing Unit - Si NSL NSP			
		Only for [B] or [C] miningling - Storage - Mo DHC CTB	easurement PLC PC	OLS 🗌	OLM
	[C] Inj	ection - Disposal - Pressu WFX PMX	_		y PPR
	[D] Oth	her: Specify			
[2] . NOTIF		BEQUIRED TO: - Chec Working, Royalty or O			Not Apply
	[B]	Offset Operators, Lease	cholders or Surface	e Owner	
	[C]	Application is One Wh	ich Requires Publ	ished Legal Notic	e
	[D]	Notification and/or Con U.S. Bureau of Land Management -			
	[E]	For all of the above, Pro	oof of Notification	or Publication is	Attached, and/or,
	[F]	Waivers are Attached			
		ATE AND COMPLETI		ON REQUIRED	TO PROCESS THE TYPE

1

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Staten	ent must be completed by an individual wi	th managerial and/or supe	rvisory capacity.	
Pam Botkin	Pam Bottin	Engineer	ing Jech	11-12-08
Print or Type Name	Signature	Title	-0	Date
			@ blackoa	Kres.com
		e-mail Address		

BC OPERATING, INC.

P.O. Box 50820 Midland, Texas 79710

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 303 Veterans Air Park Lane, Suite 600

 2008 NOU 14

 Midladd, 167as 79705

 (432) 684-9696

 Fax (432) 686-0600

and at the states

November 12, 2008

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

RE: Downhole Commingle Angell #2 Sec 11, T17S, R 36E Lea County, NM

BC Operating respectfully requests approval for downhole commingle of production for the Angell #2.

BC Operating proposes to commingle Lovington; Grayburg-San Andres (40580) with the Undesignated Lovington; Paddock (40660) in the above mentioned well. Production from both pools will be measured at the tank battery. This well has common interest in both pools. Notification of our intent has been made to all parties owning an interest in this well.

The allocation percentages for this #2 well are based on our offset well, the Angell #1 (30-025-37902) with an approved DHC-3919. I have included a copy of the order.

Please notify me of any other information you might need.

Sincerely,

ampothin

Pam Botkin Engineering Tech

Cc: District Office – Donna Mull Well file District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

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State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised October 12, 2005 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1	r		² Pool Code		³ Pool Name						
30	30-025-39076 40660 Lovington;Graybur							rg-Paddock	-Paddock		
⁴ Property (Code				⁵ Property N	Name		6 V	/ell Number		
35729					Angel	ł			2		
⁷ OGRID	No.				⁸ Operator N	Name		9	⁹ Elevation		
160825	5				BC OPERATI	NG, INC.			3833'		
	¹⁰ Surface Location										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
В	11	175	36E		330'	North	1650'	East	Lea		
		·	¹¹ Bc	ottom Hole	Location If	Different From	1 Surface	1			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
¹² Dedicated Acres	s ¹³ Joint o	r Infill ¹⁴ Co	nsolidation	Code ¹⁵ Order	· No.						
L											

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.

	330'	1620	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Hom Bothow II-IO-08 Signature Date Pan Botkin Printed Name
			¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision. and that the same is true and correct to the best of my belief. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

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State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised October 12, 2005 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ APJ Number			² Pool Code		³ Pool Name					
30-025-39076					L	ovington;Grayburg	g-San Andres	San Andres		
Code		I		⁵ Property 1	Name		6 W	⁶ Well Number		
				Angel	1			2		
No.				8 Operator	Name		9	Elevation		
;				BC OPERATI	NG, INC.			3833'		
¹⁰ Surface Location										
Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
п	17S	36E		330'	North	1650'	East	Lea		
L		^{II} Bo	ttom Ho	le Location I	f Different From	n Surface	- <u></u>			
Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
s ¹³ Joint o	r Infill ¹⁴ Coi	solidation	Code ¹⁵ Or	der No.						
	0-025-39070 Code No. 5 Section 11	0-025-39076 Code No. 5 Section Township 11 17S	D-025-39076 Code No. 5 Section Township Range 11 17S 36E 11 Bo Section Township Range	0-025-39076 40580 Code No. 5 Section Township Range Lot Idn 11 17S 36E 11 Bottom Ho Section Township Range Lot Idn	0-025-39076 40580 Code Section Township Range Lot Idn Feet from the	0-025-39076 40580 La Code ⁵ Property Name Angell No. ⁸ Operator Name BC OPERATING, INC. 5 BC OPERATING, INC. 10 Surface Location Section Township Range Lot Idn Feet from the North/South line 11 17S 36E 330' North II Bottom Hole Location If Different From Section Township Range Lot Idn Feet from the North/South line	No. Section Township Range Lot Idn Feet from the North/South line Feet from the 11 17S 36E Lot Idn Feet from the North 1650'	0-025-39076 Lovington;Grayburg-San Andres Code * Property Name 6 W Code * Property Name 6 W No. * Operator Name * So BC OPERATING, INC. So ***********************************		

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.

16		770'1		¹⁷ OPERATOR CERTIFICATION
			1650	I hereby certify that the information contained herein is true and complete
		UL-		to the best of my knowledge and belief, and that this organization either
		Y /		owns a working interest or unleased mineral interest in the land including
				the proposed bottom hole location or has a right to drill this well at this
				location pursuant to a contract with an owner of such a mineral or working
		, ,		interest, or to a voluntary pooling agreement or a compulsory pooling
				order heretofore entered by the division.
				Pam Botkin 11-10-08
				Signature Date
				FOM BOLKIN Signature Date Pom Bolkin
				Printed Name
				¹⁸ SURVEYOR CERTIFICATION
				<i>I hereby certify that the well location shown on this</i>
				plat was plotted from field notes of actual surveys
		,		made by me or under my supervision, and that the
				same is true and correct to the best of my belief.
				- · · · ·
				Date of Survey
				Signature and Seal of Professional Surveyor:
				Signature and Seal OF Professional Surveyor:
		· · [
	1			Certificate Number
				Conneare runiter

<u>District I</u>

District I ive, Hobbs, NM 88240 1625 N. French D

District III

District IV

Operator

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District II

1301 W. Grand Avenue, Artesia, NM 88210

1000 Rio Brazos Road, Aztec, NM 87410

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

P. O. Box 50820

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State of New Mexico Energy, Minerals and Natural Resources Department

Form C-107A Revised June 10, 2003

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

APPLICATION TYPE _Single Well X Establish Pre-Approved Pools EXISTING WELLBORE ____ Yes ____No

APPLICATION FOR DOWNHOLE COMMINGLING

BC Operating, Inc

-4122

Angell	2	Unit Letter B Sec 11 T-17S R-36E	Lea
Lease	Well No.	Unit Letter-Section-Township-Range	County

OGRID No._160825___ Property Code__35729__ API No.__30-025-39076____ Lease Type: ____Federal ___X_State ____Fee

DATA ELEMENT	UPPER 2	LONE	INTERMEDIATE ZONE	LOWER ZONE		
Pool Name			Lovington; Grayburg-San Andres	Lovington; Paddock		
Pool Code			40580	40660		
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)			5384'-5430'	6238-6318'		
Method of Production (Flowing or Artificial Lift)			Artificial Lift	Artificial Lift		
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)						
Oil Gravity or Gas BTU (Degree API or Gas BTU)			34.9	34.9		
Producing, Shut-In or New Zone			New	New		
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates:		Date: Rates:	Date: Rates:		
Fixed Allocation Percentage (Note: If allocation is based upon something other	Oil	Gas	Oil 117 Gas 46	Oil 10 Gas I		
than current or past production, supporting data or explanation will be required.)	%	%	92% 98%	8%		

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?	YesX_ Yes	No No
Are all produced fluids from all commingled zones compatible with each other?	YesX	No
Will commingling decrease the value of production?	Yes	NoX
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?	YesX	No
NMOCD Reference Case No. applicable to this well:		
Attachments:		

C-102 for each zone to be commingled showing its spacing unit and acreage dedication.

Production curve for each zone for at least one year. (If not available, attach explanation.)

For zones with no production history, estimated production rates and supporting data.

Data to support allocation method or formula.

Notification list of working, royalty and overriding royalty interests for uncommon interest cases.

Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools

List of all operators within the proposed Pre-Approved Pools

Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application. Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. SIGNATURE TAM BOTTOM TITLE Engineering Tech DATE 11-12-08										
Lan Bath		•	0							
SIGNATURE TWM TWW	TITLE	Engineering Tech	DATE 1	1-12-08						

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___TITLE___Engineering Tech___ DATE 11-12-08

TYPE OR PRINT NAME_____Pam Botkin_____TELEPHONE NO. (_432___) _684-9696 x 216__

E-MAIL ADDRESS pbotkin@blackoakres.com

Midland, TX 79710 Address