

**APPLICATION FOR AUTHORIZATION TO INJECT**

- I. PURPOSE: ☒ Secondary Recovery ☐ Pressure Maintenance ☐ Disposal ☐ Storage  
Application qualifies for administrative approval? ☒ Yes ☐ No
- II. OPERATOR: B C Operating  
ADDRESS: P.O. Box 50820 Midland, TX 79710  
CONTACT PARTY: Star Harrell PHONE: 432-684-9696 X 253
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.  
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? ☐ Yes ☒ No  
If yes, give the Division order number authorizing the project: \_\_\_\_\_
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
  2. Whether the system is open or closed;
  3. Proposed average and maximum injection pressure;
  4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
  5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- \*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- \*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- \*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: Star L. Harrell TITLE: Regulatory Analyst  
SIGNATURE: [Signature] DATE: 8/17/10  
E-MAIL ADDRESS: sharrell@blackoakres.com
- \* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: \_\_\_\_\_

### III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

### XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

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NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

**New Mexico Oil Conservation Division – Form C-108**

**I. Purpose :** Water Injection Well (Secondary Recovery)

**II. Operator :** BC Operating, Inc.  
**Address :** 303 Veterans Airpark Lane, Midland, Texas 79705  
**Contact Party :** Star Harrell (432) 684-9696

**III. Salt Water Injection Well Data**

Angell #3

Unit Letter H, 1650' FNL, 660' FEL, Section 11, T-17-S, R-36-E

Lee County, New Mexico

The above mentioned was drilled to the San Andres formation as a dry hole and will be converted for use as a secondary recovery injection well in the same formation. The proposed injection zone is to the San Andres formation.

**IV.** This is not an expansion of an existing project.

**V. Subject Area Maps and Area of Review**

A map of the subject area, Lovington field, including all wells within a 2 mile radius is attached. Also attached is a map showing the subject well's area of review (or half mile radius circle).

**VI.** There are six well within the area of review that penetrated the proposed injection interval. Attached is the list of wells and pertinent information. A wellbore diagram of the one well that is P&A'd is attached.

**VII. Proposed Operation**

1. Average Injection Rate = 400 BWPD  
Maximum Injection Rate = 500 BWPD
2. The system will be closed.
3. Average Injection Pressure = 900 psig at surface  
Maximum Injection Pressure = 960 psig at surface
4. Injection fluid will be San Andres formation water from offset San Andres wells (same formation).
5. Not applicable.

**VIII.** Injection zone: San Andres (Guadalupean, Permian Age) Dolomite lithology  
Top San Andres: 4756'  
Base San Andres: 6150' appox  
Injection Interval: 4802'-5432'

Fresh Water Aquifer: Ogallala formation (Quaternary Age) near surface to 300'

**IX.** Acidize San Andres perms from 4802' – 5432' with 4000 gal 15%NEFE HCl.

- X.** Appropriate well logs have been filed with the BLM/NMOCD when the well was drilled.
- XI.** Freshwater Wells within one mile: There is one active water well within 1 mile. Its water analysis is attached.
- XII.** After examining available geologic and engineering data, BC Operating, Inc. finds no evidence of open faults, or other hydrologic connection, between the disposal zone and any underground source of drinking water.
- XIII.** “Proof of Notice”
- XIV.** Certification

# Angell #3

LEASE & WELL NO. Angell #3  
FIELD NAME San Andres (Guadalupean, Permian Age)  
LOCATION 1650' FNL & 660 FEL Sec 11, T-17S, R-36E

FORMER NAME \_\_\_\_\_  
COUNTY & STATE Lea County, New Mexico  
API NO. 30-025-39690

K.B. ELEV. \_\_\_\_\_  
D.F. ELEV. \_\_\_\_\_  
GROUND LEVEL 3827'

SURFACE CASING  
SIZE 8-5/8" WEIGHT 32# DEPTH 1974'  
GRADE \_\_\_\_\_ SX. CMT. 700 sx TOC @ Surf.

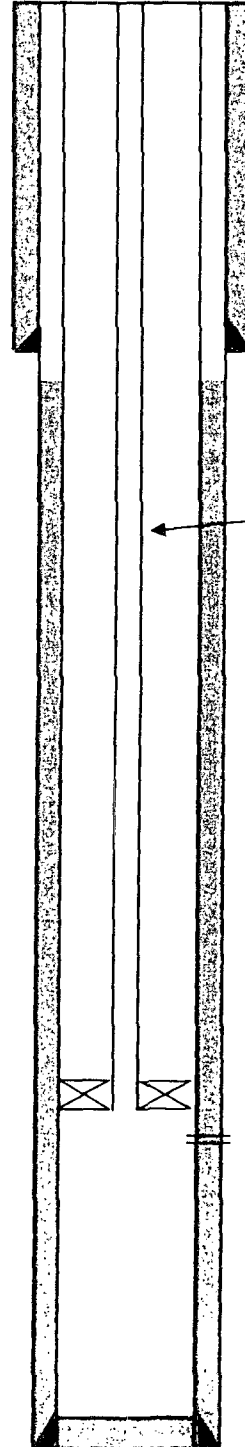
## WELL HISTORY

COMPLETION DATE: 5/22/2010

05/10 Perf 5418-5432' spf, 28 holes, 60 degree phasing  
168 jts 2 7/8" 6.5# SN set @ 5479',

PRODUCTION CASING  
SIZE 5-1/2" WEIGHT 15.5# DEPTH 5640'  
GRADE \_\_\_\_\_ SX. CMT. 350 sx TOC @ 2970'  
PBTD@ 5560'  
TD@ 5650'

## PROPOSED COMPLETION



Formation Tops MD

TOC @ 2970' by CBL

TUBING DETAIL  
2 7/8", 6.5# IPC

Packer @ 4750'

Perfs 4802'-5432'

## INJECTION WELL DATA SHEET

OPERATOR: \_\_\_\_\_ B C Operating, Inc \_\_\_\_\_

WELL NAME &amp; NUMBER: \_\_\_\_\_ Angell #3 \_\_\_\_\_

WELL LOCATION: \_\_\_\_\_ 1650 FNL & 660 FEL \_\_\_\_\_ H \_\_\_\_\_ 11 \_\_\_\_\_ 17S \_\_\_\_\_ 36E \_\_\_\_\_  
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGEWELLBORE SCHEMATICWELL CONSTRUCTION DATASurface Casing

Hole Size: \_\_\_\_\_ 17" \_\_\_\_\_ Casing Size: \_\_\_\_\_ 13.375" \_\_\_\_\_

Cemented with: \_\_\_\_\_ 500 \_\_\_\_\_ sx. \_\_\_\_\_ or \_\_\_\_\_ ft<sup>3</sup> \_\_\_\_\_

Top of Cement: \_\_\_\_\_ Surface \_\_\_\_\_ Method Determined: \_\_\_\_\_

Intermediate Casing

Hole Size: \_\_\_\_\_ 12.25" \_\_\_\_\_ Casing Size: \_\_\_\_\_ 8.625" \_\_\_\_\_

Cemented with: \_\_\_\_\_ 500 \_\_\_\_\_ sx. \_\_\_\_\_ or \_\_\_\_\_ ft<sup>3</sup> \_\_\_\_\_

Top of Cement: \_\_\_\_\_ Surface \_\_\_\_\_ Method Determined: \_\_\_\_\_

Production Casing

Hole Size: \_\_\_\_\_ 7.875" \_\_\_\_\_ Casing Size: \_\_\_\_\_ 5.5" \_\_\_\_\_

Cemented with: \_\_\_\_\_ 900 \_\_\_\_\_ sx. \_\_\_\_\_ or \_\_\_\_\_ ft<sup>3</sup> \_\_\_\_\_

Top of Cement: \_\_\_\_\_ Surface \_\_\_\_\_ Method Determined: \_\_\_\_\_

Total Depth: \_\_\_\_\_ 5650' \_\_\_\_\_

Injection Interval

\_\_\_\_\_ 4802' \_\_\_\_\_ feet to \_\_\_\_\_ 5432' \_\_\_\_\_

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEETTubing Size: 2 7/8" Lining Material: IPCType of Packer: Baker Lok-setPacker Setting Depth: 4750'

Other Type of Tubing/Casing Seal (if applicable): \_\_\_\_\_

Additional Data1. Is this a new well drilled for injection? \_\_\_\_\_ Yes X NoIf no, for what purpose was the well originally drilled? San Andres producer; completed  
as a dry hole2. Name of the Injection Formation: San Andres3. Name of Field or Pool (if applicable): Lovington (San Andres)4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. No5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: None

## List of Wells within the Area of Review

[illegible]



FORMER NAME \_\_\_\_\_  
COUNTY & STATE Lea Co., NM  
API NO. 30-025-03925

### Plugged & Abandoned

Plug #6: 25 sx 40' to Surface

15-1/2" Hole

Plug #5: 25 sx @ 1500'

2/24/52	Spud
9/8/52	Drilled & Abandoned

These plugs isolate the San Andres injection interval

Plug #4: 25 sx @ 4887'

Plug #3: 25 sx @5450'

Plug #2: 25 sx @ 9150'

Plug #1: 25 sx @ 9700'

7-7/8" Hole  
TD@ 11505'

709 W. INDIANA  
MIDLAND, TEXAS 79701  
FAX (432) 682-8819

# Affidavit of Publication

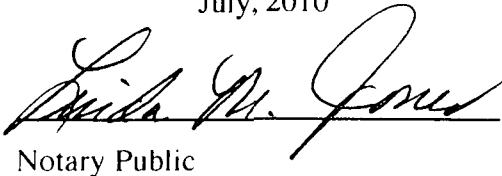
State of New Mexico,  
County of Lea.

I, JUDY HANNA  
PUBLISHER  
of the Hobbs News-Sun, a  
newspaper published at Hobbs, New  
Mexico, do 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

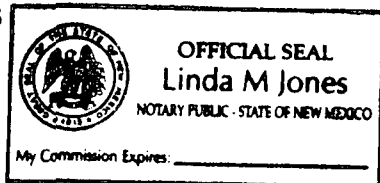
of 1 issue(s).  
Beginning with the issue dated  
July 17, 2010  
and ending with the issue dated  
July 17, 2010

  
PUBLISHER

Sworn and subscribed to before me  
this 22nd day of  
July, 2010

  
Notary Public

My commission expires  
June 16, 2013  
(Seal)



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  
publication has been made.



**NOTICE**  
**JULY 17, 2010**  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

STATE OF NEW MEXICO TO: All persons, owners,  
producers, operators, purchasers, and takers of oil and  
gas, and all other interested persons, particularly in Lea  
County, New Mexico:

NOTICE IS HEREBY GIVEN: That B.C. Operating, Inc.  
located at 303 Veterans Air Park Lane, Suite 6101, Mid-  
land, TX 79705, attention Jason Wacker (432) 684-9696  
is requesting that the Oil Conservation Commission, pursuant  
to NM Rule 19.15.26.8 administratively authorize the ap-  
proval of the injection of produced saltwater for enhanced  
recovery into the following well:

**Angell #3**  
**API #30-025-39690**  
Unit H, Section 11, Township 17-S, Range 36-E  
1650 FNL & 6600 FEL  
9 miles NW of Hobbs

Injection Zone and Interval: San Andres  
4802'-5432'

Injection Pressure and Rate: 960 psi and 500 BWPD

OBJECTIONS may be filed with the Oil Conservation Divi-  
sion within fifteen (15) days after the publication of this no-  
tice. Objections, if any, should be mailed to Oil Conserva-  
tion Division, 1220 South St Francis Dr., Santa Fe, New  
Mexico 87505:  
**#25977**

67106074                      00055850  
BC OPERATING INC.  
PO BOX 50820  
MIDLAND, TX 79710

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Signature  <div style="text-align: center;"> </div> <input type="checkbox"/> Agent  <input type="checkbox"/> Addressee </p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes  If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p style="font-size: 1.2em; font-family: cursive;">David Angell  P.O. Box 190  Burlington, NM  88260-0190</p>	<p>3. Service Type  <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. </p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) <span style="float: right;">7008 1830 0004 2589 2441</span></p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Signature  <div style="text-align: center;"> </div> <input type="checkbox"/> Agent  <input type="checkbox"/> Addressee </p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes  If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p style="font-size: 1.2em; font-family: cursive;">Chevron Midcontinent, LP  15 Smith Road  Midland TX 79705</p>	<p>3. Service Type  <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. </p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) <span style="float: right;">7008 1830 0004 2589 2434</span></p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

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<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Signature  <div style="text-align: center;"> </div> <input type="checkbox"/> Agent  <input type="checkbox"/> Addressee </p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes  If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p style="font-size: 1.2em; font-family: cursive;">New Mexico State Land  P.O. Box 1148  Santa Fe, NM  87504-1148</p>	<p>3. Service Type  <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. </p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) <span style="float: right;">7008 1830 0004 2589 2427</span></p>	
<p>JUL 27 2003</p>	


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## Track & Confirm

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Label/Receipt Number: **7008 1830 0004 2589 2458**Service(s): **Certified Mail™**Status: **Unclaimed**
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Enter Label/Receipt Number.

Your item was returned to the sender on August 14, 2010 because it was not claimed by the addressee.

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#### Detailed Results:

- Unclaimed, August 14, 2010, 5:29 pm, HOUSTON, TX
- Notice Left, July 28, 2010, 7:08 pm, HOUSTON, TX 77063
- Notice Left, July 27, 2010, 12:15 pm, HOUSTON, TX 77063
- Arrival at Unit, July 27, 2010, 7:25 am, HOUSTON, TX 77063

#### Notification Options

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No FEAR Act EEO Data

FOIA



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Street, Apt. No., or PO Box No. <i>Angel # 3 Ncty.</i>	
City, State, ZIP+4	
PS Form 3800, August 2008 See Reverse for Instructions	

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

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

Form C-144 C  
July 21,

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

**Closed-Loop System Permit or Closure Plan Application**

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Type of action: ☒ Permit ☐ Closure

**Instructions:** Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.  
Operator: BC OPERATING INC. OGRID #: 160825  
Address: PO BOX 50820  
Facility or well name: Angell #3  
API Number: 30-025-39690 OCD Permit Number: \_\_\_\_\_  
U/L or Qtr/Qtr H Section 11 Township 17S Range 36E County: Lea  
Center of Proposed Design: Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD: ☐ 1927 ☐ 1983  
Surface Owner: ☐ Federal ☐ State ☒ Private ☐ Tribal Trust or Indian Allotment

2.  
☒ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC  
Operation: ☐ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) ☒ P&A  
☐ Above Ground Steel Tanks or ☐ Haul-off Bins

3.  
**Signs:** Subsection C of 19.15.17.11 NMAC  
☒ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers  
☐ Signed in compliance with 19.15.3.103 NMAC

4.  
**Closed-loop Systems Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC  
**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.  
☒ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC  
☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC  
☐ Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC  
☒ Previously Approved Design (attach copy of design) API Number: 30-025-39076  
☒ Previously Approved Operating and Maintenance Plan API Number: 30-025-39076

5.  
**Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:** (19.15.17.13.D NMAC)  
**Instructions:** Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name: Controlled Recovery, Inc. Disposal Facility Permit Number: NM01-0006  
Disposal Facility Name: \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations?  
☐ Yes (If yes, please provide the information below) ☒ No

Required for impacted areas which will not be used for future service and operations:

- ☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC  
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC  
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6.  
**Operator Application Certification:**

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): Star Harrell Title: Regulatory Analyst

Signature: [Signature] Date: 8/17/2010

e-mail address: sharrell@blackoakres.com Telephone: 432-684-9696 x 253

7.  
**OCD Approval:** ☐ Permit Application (including closure plan) ☐ Closure Plan (only)

**OCD Representative Signature:** \_\_\_\_\_ **Approval Date:** \_\_\_\_\_

**Title:** \_\_\_\_\_ **OCD Permit Number:** \_\_\_\_\_

8.  
**Closure Report (required within 60 days of closure completion):** Subsection K of 19.15.17.13 NMAC  
*Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.*

☐ Closure Completion Date: \_\_\_\_\_

9.  
**Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:**  
*Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.*

Disposal Facility Name: \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_

Disposal Facility Name: \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

*Required for impacted areas which will not be used for future service and operations:*

☐ Site Reclamation (Photo Documentation)

☐ Soil Backfilling and Cover Installation

☐ Re-vegetation Application Rates and Seeding Technique

10.  
**Operator Closure Certification:**

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

e-mail address: \_\_\_\_\_ Telephone: \_\_\_\_\_

## BC Operating, Inc. Closed Loop System

### Design Plan

#### Equipment List

- 2 – 414 MI Swaco *Centrifuges*
  - 2 – MI Swaco 4 screen *Moongoose Shale Shakers*
  - 2 - double screen *Shakers* with rig inventory
  - 2 – CRI *Haul off bins* with track system
  - 2 - additional 500bbl *Frac tanks* for fresh and brine water
  - 2 - 500bbl *water tanks* with rig inventory
- \* *Equipment manufactures may vary due to availability but components will not.*

### Operation and Maintenance

The system along with equipment will be inspected numerous times a day by each tour to make sure all equipment is operating correctly. Routine maintenance will be done to keep system running properly. Any leak in system will be repaired and/or contained immediately and the OCD notified within 48 hours of the remediation process start.

### Closure Plan

While drilling all cuttings and fluids associated with drilling will be hauled off and disposed of via Controlled Recovery Incorporated facilities Permit ~~R-9166~~ *W-01-0006*



DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

**[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**  
**[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**  
**[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**  
**[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**  
**[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**  
**[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

**[1] TYPE OF APPLICATION - Check Those Which Apply for [A]**

[A] Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☒ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify \_\_\_\_\_

**[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply**

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☒ Offset Operators, Leaseholders or Surface Owner
- [C] ☒ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

**[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

**[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: Statement must be completed by an individual with managerial and/or supervisory capacity.**

Star L. Harrell

Print or Type Name

Signature

Regulatory Analyst

Title

8/17/10

Date

sharrell@blackoakres.com  
 e-mail Address

