

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) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

Form C-101
Revised July 18, 2013

AMENDED REPORT

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

Operator Name and Address BC Operating, Inc. P.O. Box 50820 Midland, Texas 79710		OGRID Number 160825
Property Code 317390	Property Name Cavegirl 31 State	AP Number 30-015-43001
		Well No. 3H

Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
C	6	24S	25E		240	North	2280	West	Eddy

Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
C	31	23S	25E		240	North	1680	West	Eddy

Pool Information

Pool Name Crooked Creek; Wolfcamp East (Gas)	Pool Code 75460
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Additional Well Information

¹¹ Work Type New Well	¹² Well Type Gas	¹³ Cable/Rotary Rotary	¹⁴ Lease Type State	¹⁵ Ground Level Elevation 3947'
¹⁶ Multiple No	¹⁷ Proposed Depth 8600' TVD/13,685' MD	¹⁸ Formation Wolfcamp	¹⁹ Contractor TBD	²⁰ Spud Date 01/01/2016
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

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	16"	13 3/8"	48#	400'	300	0'
Intermediate	12 1/4"	9 5/8"	40#	3100'	1240	0'
Production	8 3/4"	5 1/2"	17#	13,685'	2250	0'

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram Annular	3000#	2000#	Hydrill/Shaeffer

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.
I further certify that I have complied with 19.15.14.9 (A) NMAC and/or 19.15.14.9 (B) NMAC , if applicable.

Signature: *Pam Stevens*

Printed name: Pam Stevens

Title: Regulatory Analyst

E-mail Address: pstevens@bcoperating.com

Date: 03/25/2015

Phone: 432-684-9696

OIL CONSERVATION DIVISION

Approved By:

AP Dado

Title:

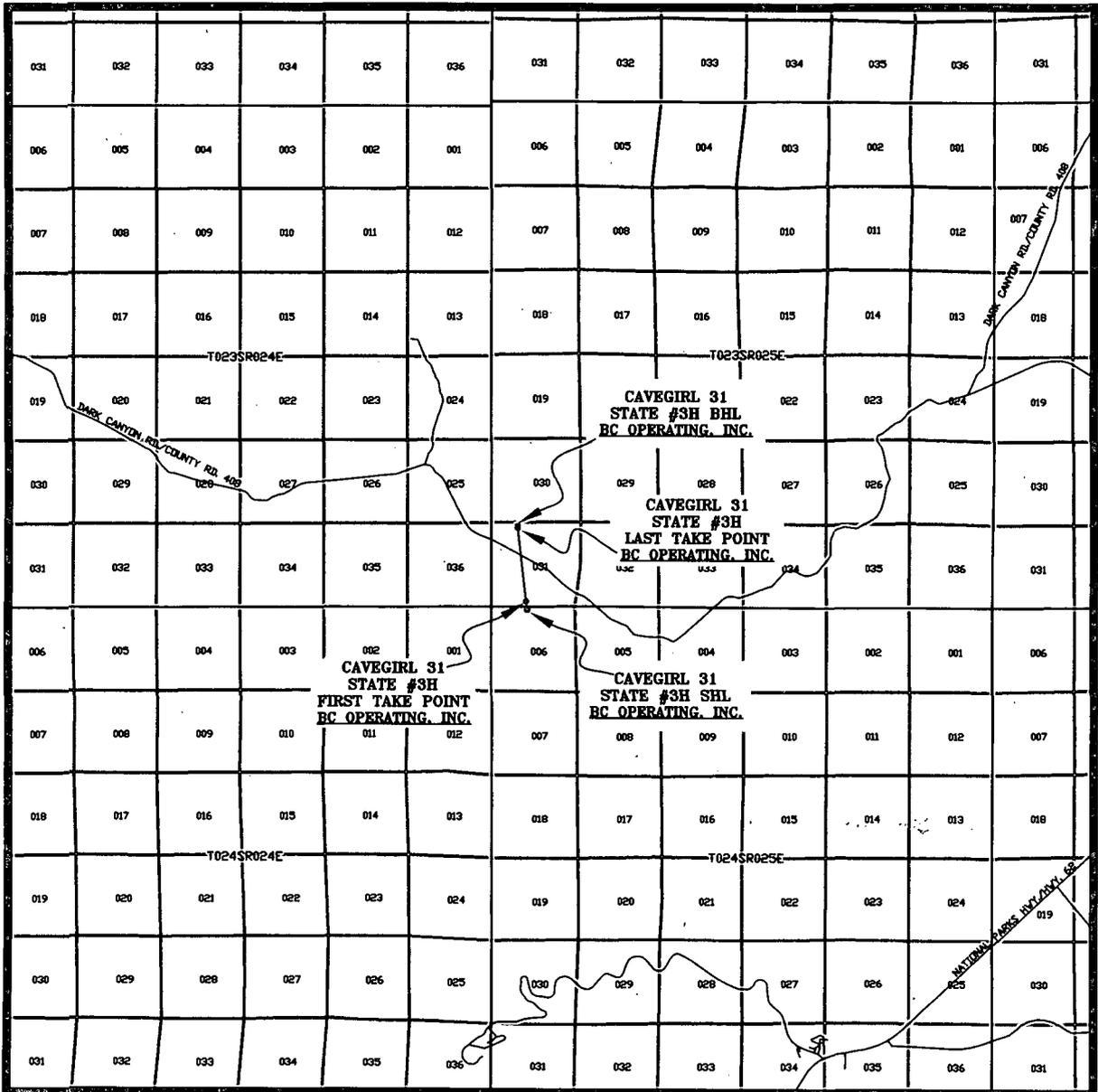
Dist. Reg. Supervisor

Approved Date: *3/25/2015*

Expiration Date: *3/25/2017*

Conditions of Approval Attached

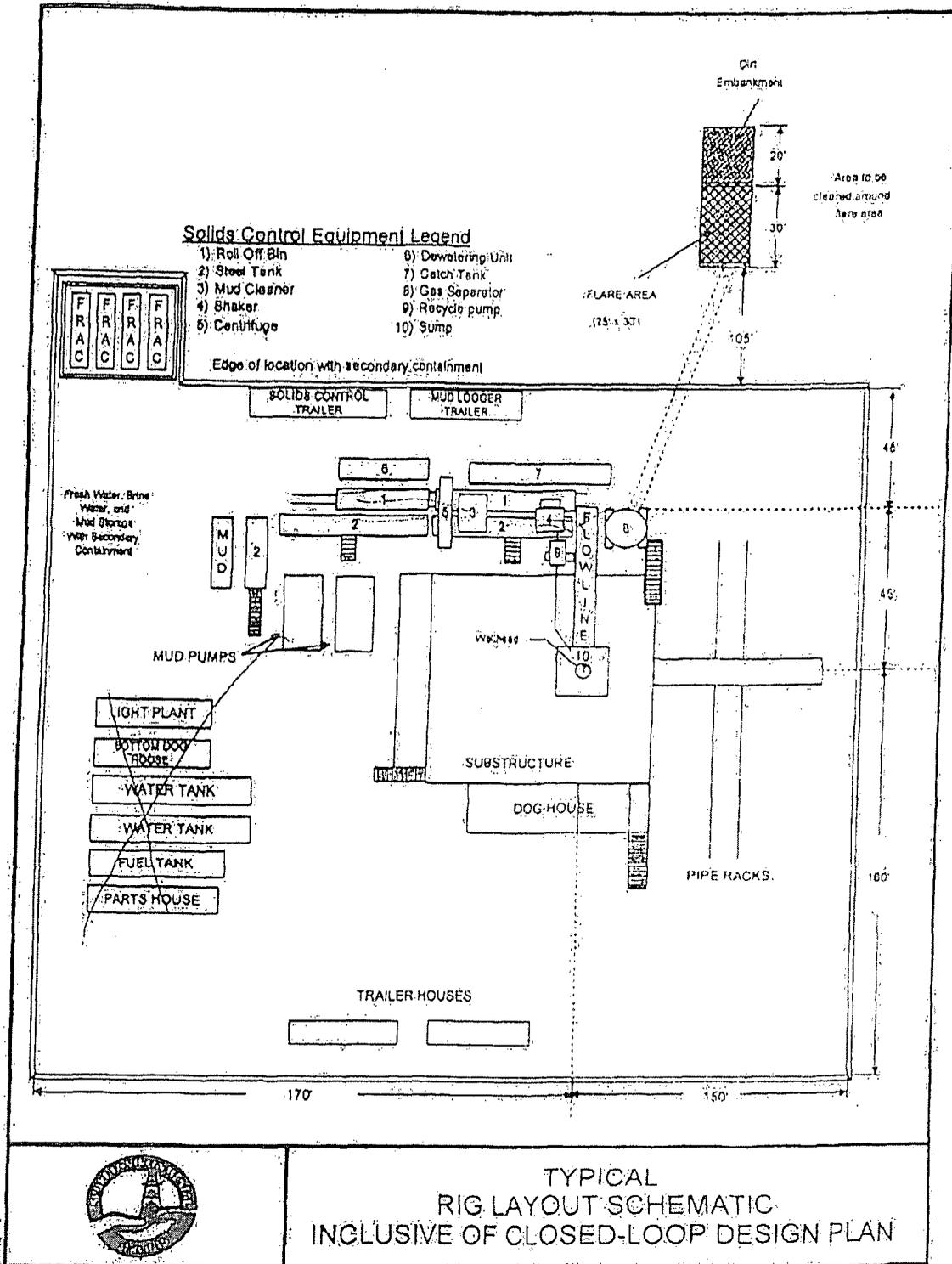
VICINITY MAP



SEC. 6 TWP. 24-S RGE. 25-E
 SURVEY: N.M.P.M.
 COUNTY: EDDY
 DESCRIPTION: 240' FNL & 2280' FWL
 ELEVATION: 3947'
 OPERATOR: B.C. OPERATING, INC.
 LEASE: CAVEGIRL 31 STATE
 U.S.G.S. TOPOGRAPHIC MAP: CARNERO PEAK, N.M.

SCALE: 1" = 2 MILES

PREPARED BY:
 R-SQUARED GLOBAL, LLC
 1309 LOUISVILLE AVENUE, MONROE, LA 71201
 318-323-6900 OFFICE
 JOB No. R3477_003



TYPICAL RIG LAYOUT SCHEMATIC INCLUSIVE OF CLOSED-LOOP DESIGN PLAN

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 NM01-0006.

Permit Conditions of Approval

API: 30-015-43001

Cavegirl 31 State # 3H

OCD Reviewer	Condition
RDADE	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