

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

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

1. Operator Name and Address BC OPERATING, INC. P. O. BOX 50820 MIDLAND, TX 79710		2. OGRID Number 160825
		3. API Number 30-015-37629
4. Property Code 35684	5. Property Name RUSTLER BLUFF	6. Well No. 004

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	1	25S	28E	I	1982	S	660	E	EDDY

8. Pool Information

WILLOW LAKE;DELAWARE	64453
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 2903
14. Multiple N	15. Proposed Depth 5500	16. Formation Delaware	17. Contractor	18. Spud Date 3/1/2010
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mils thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	32	660	600	0
Prod	7.875	5.5	15.5	5500	700	1000

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	5000	3M

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Jacqueta Reeves	
	Title: District Geologist	
	Approved Date: 3/3/2010	Expiration Date: 3/3/2012
	Printed Name: Electronically filed by Pam Botkin Title: Engineering Tech Email Address: pbotkin@blackoakres.com Date: 1/26/2010 Phone: 432-684-9696	

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico

Form C-102

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

Energy, Minerals, and Natural Resources Department

Revised October 12, 2005

OIL CONSERVATION DIVISION

Submit to Appropriate District Office

State Lease - 4 copies

Fee Lease - 3 copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

1220 South St. Francis Dr.

Santa Fe, New Mexico 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name Willow Lake; Delaware	
⁴ Property Code 35684		⁵ Property Name RUSTLER BLUFF			⁶ Well Number 4
⁷ GRID No. 160825		⁸ Operator Name BC OPERATING, INC.			⁹ Elevation 2903'

¹⁰Surface Location

UL or lot no. I	Section 1	Township 25 SOUTH	Range 28 EAST, N.M.P.M.	Lot Idn	Feet from the 1982'	North/South line SOUTH	Feet from the 660'	East/West line EAST	County EDDY
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Bottom Hole Location If Different From Surface

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 40									
¹³ Joint or Infill									
¹⁴ Consolidation Code									
¹⁵ Order No.									

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div><p>¹⁶</p><p>NAD 27 NME ZONE X = 592661 Y = 421040 LAT.: N 32°09'25.93\" LONG.: W 104°02'02.07\"</p><p>660'</p><p>1982'</p></div>	<p>¹⁷OPERATOR CERTIFICATION</p> <p>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 released 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.</p> <p><i>Tami Parker</i> 11/8/10 Signature Date Tami Parker Printed Name</p>
	<p>¹⁸SURVEYOR CERTIFICATION</p> <p>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.</p> <p>18329 OCTOBER 28, 2009</p> <p>Date of Survey Signature and Seal of Professional Surveyor</p> <p><i>[Signature]</i> Certificate Number Micheal Blake Brown P.S. #18329 JOB #150432 / 24 NE / E.U.O.</p>