

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
4. Property Code 38632		3. API Number 30-05-29189
5. Property Name HOPTOIT STATE COM		6. Well No. 002

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
L	23	15S	31E	L	1650	S	330	W	CHAVES

8. Pool Information

WILDCAT G-05 S1531110;ABO-WOLFCAMP	97715
------------------------------------	-------

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 4383
14. Multiple N	15. Proposed Depth 13450	16. Formation Wolfcamp	17. Contractor	18. Spud Date 5/18/2012
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mls 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	17.5	13.375	48	400	400	0
Int1	12.25	9.625	40	4000	1000	0
Int2	8.75	5.5	17	8500	0	0
Prod	7.875	5.5	17	13450	1100	8500

Casing/Cement Program: Additional Comments

--

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	Cameron

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"/> . Printed Name: Electronically filed by Pam Botkin Title: Engineering Tech Email Address: pbotkin@blackoakres.com Date: 5/18/2011 Phone: 432-684-9696	OIL CONSERVATION DIVISION Approved By: Paul Kautz Title: Geologist Approved Date: 6/22/2011 Expiration Date: 6/22/2013 Conditions of Approval Attached
---	--

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

District II
1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 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-102
Permit 131982

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-05-29189	2. Pool Code 97715	3. Pool Name WILDCAT G-05 S153111O;ABO-WOLFCAMP
4. Property Code 38632	5. Property Name HOPTOIT STATE COM	6. Well No. 002
7. OGRID No. 160825	8. Operator Name BC OPERATING, INC.	9. Elevation 4383

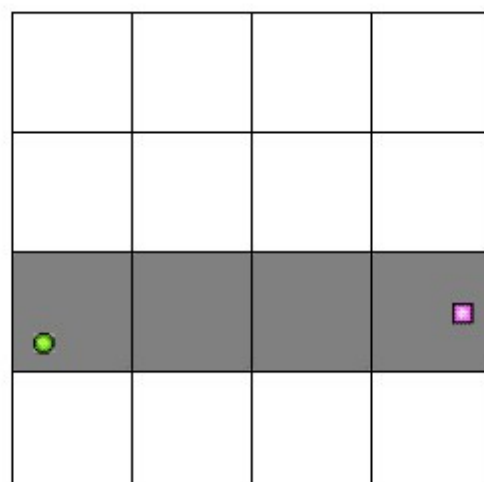
10. Surface Location

UL - Lot L	Section 23	Township 15S	Range 31E	Lot Idn L	Feet From 1650	N/S Line S	Feet From 330	E/W Line W	County CHAVES
---------------	---------------	-----------------	--------------	--------------	-------------------	---------------	------------------	---------------	------------------

11. Bottom Hole Location If Different From Surface

11. Bottom Hole Location If Different From Surface									
UL - Lot I	Section 23	Township 15S	Range 31E	Lot Idn I	Feet From 1980	N/S Line S	Feet From 330	E/W Line E	County CHAVES
12. Dedicated Acres 160.00		13. Joint or Infill		14. Consolidation Code			15. Order No.		

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



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(s) 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.

E-Signed By: Pam Botkin
Title: Engineering Tech
Date: 5/18/2011

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.

Surveyed By: Ronald Eidson
Date of Survey: 11/27/2007
Certificate Number: 3239

Permit Comments

Operator: BC OPERATING, INC. , 160825

Well: HOPTOIT STATE COM #002

API: 30-05-29189

Created By	Comment	Comment Date
tparker	BC Operating, Inc. will be using a closed loop system with fresh water pits.	5/18/2011
pkautz	Land S/S	5/19/2011
DMULL	OCD Hobbs office has received form C-144CLEZ. OCD Permit Number P1-03390.	6/22/2011

Permit Conditions of Approval

Operator: BC OPERATING, INC. , 160825

Well: HOPTOIT STATE COM #002

API: 30-05-29189

OCD Reviewer	Condition
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