

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-8161 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 Rd., Aztec, NM 87410  
Phone:(505) 334-8178 Fax:(505) 334-8170  
**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3482

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

Form C-101  
August 1, 2011  
Permit 230891

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

1. Operator Name and Address BLACK MOUNTAIN OPERATING LLC 500 Main Street Fort Worth, TX 76102		2. OGRID Number 371127
4. Property Code 316265		3. API Number 30-025-43610
5. Property Name GRAMA RIDGE 8 STATE		6. Well No. 005H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O	8	22S	34E	O	250	S	1995	E	Lea

**8. Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	8	22S	34E	B	330	N	2240	E	Lea

**9. Pool Information**

GRAMA RIDGE;BONE SPRINGS, WEST	28432
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**Additional Well Information**

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3536
16. Multiple N	17. Proposed Depth 15300	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date 4/3/2017
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

**21. Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	1725	1500	0
Int1	12.25	9.65	40	7300	1740	0
Prod	8.75	5.5	20	15300	1015	6800

**Casing/Cement Program: Additional Comments**

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**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	
Annular	3500	3500	

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable.  Signature:	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Michael McCracken	Approved By: Paul Kautz
Title: COO	Title: Geologist
Email Address: michael.mccracken@blackmtn.com	Approved Date: 2/17/2017      Expiration Date: 2/17/2019
Date: 2/17/2017      Phone: 817-698-9901	Conditions of Approval Attached

<b>GENERAL INFORMATION</b> Name: _____ Address: _____ City: _____ State: _____ Zip: _____ Phone: _____	<b>STANDARD INFORMATION</b> Name: _____ Address: _____ City: _____ State: _____ Zip: _____ Phone: _____	<b>STANDARD INFORMATION</b> Name: _____ Address: _____ City: _____ State: _____ Zip: _____ Phone: _____
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Form APD Comments

Permit 230691

**PERMIT COMMENTS**

Operator Name and Address: BLACK MOUNTAIN OPERATING LLC [371127] 500 Main Street Fort Worth, TX 76102	API Number: 30-025-43610
	Well: GRAMA RIDGE 8 STATE #005H

Created By	Comment	Comment Date
pkautz	REJECTED May resubmit when back in compliance with number of inactive wells.	2/15/2017
pkautz	REJECTED May resubmit when back in compliance with number of inactive wells.	2/15/2017

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Form APD Conditions

Permit 230691

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: BLACK MOUNTAIN OPERATING LLC [371127] 500 Main Street Fort Worth, TX 76102	API Number: 30-025-43610
	Well: GRAMA RIDGE 8 STATE #005H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
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
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing --
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
pkautz	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
pkautz	Operator shall notify appropriate District office when setting conductor pipe.
pkautz	The Operator is to notify NMOC by sundry (Form C-103) within ten (10) days of spudding a well.
pkautz	It is the operator's responsibility to monitor cancellation dates of approved APDs. APD's are good for 2 years and may be extended for one year. Only one 1 year extension will be granted if submitted by C-103 before expiration date. After expiration date or after a 1 year extension must submit new APD.
pkautz	If an APD expires and if site construction has occurred, site remediation is required.
pkautz	Submit Gas Capture Plan form prior to spudding or initiating recompletion operations
pkautz	Only Fresh Water and Air are Valid Drilling Fluids for Surface Casing