

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) 334-6170
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 232178

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
		3. API Number 30-025-43619
4. Property Code 317441	5. Property Name GRAMA RIDGE STATE COM	6. Well No. 008H

7. Surface Location

UL - Lot P	Section 2	Township 22S	Range 34E	Lot Idn P	Feet From 150	N/S Line S	Feet From 728	E/W Line E	County Lea
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8. Proposed Bottom Hole Location

UL - Lot A	Section 35	Township 21S	Range 34E	Lot Idn A	Feet From 330	N/S Line N	Feet From 384	E/W Line E	County Lea
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9. Pool Information

GRAMA RIDGE;BONE SPRING, NE	28435
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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 3572
16. Multiple N	17. Proposed Depth 21200	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date 5/29/2017
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	1750	1850	0
Int1	12.25	9.625	40	5280	1200	0
Int2	8.75	7	29	9100	860	0
Prod	6	4.5	13.5	21200	1230	8850

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

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

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:	OIL CONSERVATION DIVISION
Printed Name: Michael McCracken	Approved By: Paul Kautz
Title: COO	Title: Geologist
Email Address: michael.mccracken@blackmtn.com	Approved Date: 2/21/2017 Expiration Date: 2/21/2019
Date: 2/21/2017 Phone: 817-698-9901	Conditions of Approval Attached

EXPORTER'S INFORMATION Name: <u>ABC COMPANY</u> Address: <u>123 MAIN ST</u> City: <u>NEW YORK</u> State: <u>NY</u> Zip: <u>10001</u> Country: <u>USA</u> Phone: <u>(212) 555-1234</u> Fax: <u>(212) 555-5678</u> Email: <u>ABC@ABC.COM</u> Website: <u>WWW.ABC.COM</u> Date: <u>01/01/00</u> Signature: <u>[Signature]</u> Title: <u>President</u>		SHIPPER'S INFORMATION Name: <u>DEF COMPANY</u> Address: <u>456 MAIN ST</u> City: <u>NEW YORK</u> State: <u>NY</u> Zip: <u>10001</u> Country: <u>USA</u> Phone: <u>(212) 555-9876</u> Fax: <u>(212) 555-4321</u> Email: <u>DEF@DEF.COM</u> Website: <u>WWW.DEF.COM</u> Date: <u>01/01/00</u> Signature: <u>[Signature]</u> Title: <u>President</u>	
TRANSHIPMENT INFORMATION Name: <u>GHI COMPANY</u> Address: <u>789 MAIN ST</u> City: <u>NEW YORK</u> State: <u>NY</u> Zip: <u>10001</u> Country: <u>USA</u> Phone: <u>(212) 555-2345</u> Fax: <u>(212) 555-6789</u> Email: <u>GHI@GHI.COM</u> Website: <u>WWW.GHI.COM</u> Date: <u>01/01/00</u> Signature: <u>[Signature]</u> Title: <u>President</u>		DECLARATION OF EXPORTER I hereby declare that the information provided on this form is true and correct to the best of my knowledge and belief. I am authorized to sign this form on behalf of the exporter. Signature: <u>[Signature]</u> Title: <u>President</u> Date: <u>01/01/00</u>	
DECLARATION OF SHIPPER I hereby declare that the information provided on this form is true and correct to the best of my knowledge and belief. I am authorized to sign this form on behalf of the shipper. Signature: <u>[Signature]</u> Title: <u>President</u> Date: <u>01/01/00</u>		DECLARATION OF CONSIGNEE I hereby declare that the information provided on this form is true and correct to the best of my knowledge and belief. I am authorized to sign this form on behalf of the consignee. Signature: <u>[Signature]</u> Title: <u>President</u> Date: <u>01/01/00</u>	

U.S. CUSTOMS AND BORDER PROTECTION
DEPARTMENT OF HOMELAND SECURITY

100

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Form APD Comments

Permit 232178

PERMIT COMMENTS

Operator Name and Address: BLACK MOUNTAIN OPERATING LLC [371127] 500 Main Street Fort Worth, TX 76102	API Number: 30-025-43619
	Well: GRAMA RIDGE STATE COM #008H

Created By	Comment	Comment Date
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Form APD Conditions

Permit 232178

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: BLACK MOUNTAIN OPERATING LLC [371127] 500 Main Street Fort Worth, TX 76102	API Number: 30-025-43619
	Well: GRAMA RIDGE STATE COM #008H

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	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.
pkautz	1) SURFACE & INTERMEDIATE1 CASING - Cement must circulate to surface -- 2) INTERMEDIATE2 CASING - Cement must tie back into intermediate1 casing -- 3) PRODUCTION CASING - Cement must tie back into intermediate2 casing --
pkautz	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
pkautz	Only Fresh Water and Air are Valid Drilling Fluids for Surface Casing
pkautz	Operator shall notify appropriate District office when setting conductor pipe.
pkautz	The Operator is to notify NMOCDD by sundry (Form C-103) within ten (10) days of spudding a well.
pkautz	Stage Tool 1) Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.
pkautz	Submit Gas Capture Plan form prior to spudding or initiating recompletion operations