

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 232241

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 317455		3. API Number 30-015-44070
5. Property Name BLACK RIVER 15-10 STATE COM B1		6. Well No. 005H

7. Surface Location

UL - Lot	M	Section	15	Township	24S	Range	27E	Lot Idn	Feet From	170	N/S Line	S	Feet From	330	E/W Line	W	County	Eddy
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8. Proposed Bottom Hole Location

UL - Lot	D	Section	10	Township	24S	Range	27E	Lot Idn	D	Feet From	240	N/S Line	N	Feet From	330	E/W Line	W	County	Eddy
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9. Pool Information

PURPLE SAGE;WOLFCAMP (GAS)	98220
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Additional Well Information

11. Work Type New Well	12. Well Type GAS	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3219
16. Multiple N	17. Proposed Depth 19100	18. Formation Wolfcamp	19. Contractor	20. Spud Date 8/7/2017
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	20	16	75	440	700	0
Int1	13.5	10.75	45.5	2300	800	0
Int2	9.875	7.625	29	9500	1450	0
Prod	6.75	5.5	20	9400	300	0
Liner1	6.75	5	18	19100	1000	9400

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	10000	10000	CAMERON

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: Electronically filed by Sarah Presley Title: Regulatory Analyst Email Address: spresley@bcoperating.com Date: 2/24/2017	Approved By: Raymond Podany Title: Geologist Approved Date: 2/24/2017 Conditions of Approval Attached
Phone: 432-684-9696	Expiration Date: 2/24/2019

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 98220	³ Pool Name PURPLE SAGE, WOLFCAMP (GAS)
⁴ Property Code	⁵ Property Name BLACK RIVER 15-10 STATE COM B1	⁶ Well Number 5H
⁷ OGRID No. 160825	⁸ Operator Name B.C. OPERATING, INC.	⁹ Elevation 3219'

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	15	T24S	R27E		170'	SOUTH	330'	WEST	EDDY

¹¹ 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
D	10	T24S	R27E		240'	NORTH	330'	WEST	EDDY
¹² Dedicated Acres 640.00	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.

<p>SECTION 4</p> <p>SECTION 9</p> <p>BOTTOM HOLE LOCATION 240' FNL 330' FWL NAD 83, SPCS NM EAST Y450550.86' / X586924.67' LAT32.23855420N / LON104.18588934W NAD 27, SPCS NM EAST Y450492.58' / X545741.98' LAT32.23843454N / LON104.18539201W</p> <p>LAST TAKE POINT 330' FNL 330' FWL NAD 83, SPCS NM EAST Y450460.85' / X586923.82' LAT32.23830679N / LON104.18589247W NAD 27, SPCS NM EAST Y450402.57' / X545741.13' LAT32.23818713N / LON104.18539514W</p> <p>SECTION 16</p> <p>FIRST TAKE POINT 330' FSL 330' FWL NAD 83, SPCS NM EAST Y440495.63' / X586861.95' LAT32.21090595N / LON104.18613207W NAD 27, SPCS NM EAST Y440437.54' / X545679.08' LAT32.21078956N / LON104.18563545W</p> <p>SURFACE HOLE LOCATION 170' FSL 330' FWL NAD 83, SPCS NM EAST Y440334.18' / X586866.77' LAT32.21046986N / LON104.18613393W NAD 27, SPCS NM EAST Y440276.09' / X545683.90' LAT32.21034983N / LON104.18563732W</p> <p>SECTION 21</p> <p>CORNER COORDINATES NAD 83, SPCS NM EAST A - Y: 450797.74' / X: 586596.97' B - Y: 450743.64' / X: 589192.43' C - Y: 440159.23' / X: 589132.63' D - Y: 440164.88' / X: 586532.61'</p>				<p>SECTION 3</p> <p>SECTION 10</p> <p>SECTION 15</p> <p>SECTION 22</p> <p>CORNER COORDINATES NAD 27, SPCS NM EAST A - Y: 450739.46' / X: 545414.29' B - Y: 450685.32' / X: 548009.70' C - Y: 440101.12' / X: 547949.72' D - Y: 440106.80' / X: 545349.75'</p>				<p>SECTION 2</p> <p>SECTION 11</p> <p>SECTION 14</p> <p>SECTION 23</p>			
<p>17 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 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>Sarah Presley</i> 2.21.17 Signature Date</p> <p>SARAH PRESLEY Printed Name</p> <p>SPRESLEY@BCOPERATING.COM E-mail Address</p>				<p>18 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.</p> <p>JANUARY 18, 2017 Date of Survey</p> <p><i>Lloyd P. Short</i> Signature and Seal of Professional Surveyor</p> <p>LLOYD P. SHORT 21653 PROFESSIONAL SURVEYOR NEW MEXICO</p> <p>Certificate Number LLOYD P. SHORT 21653</p>							

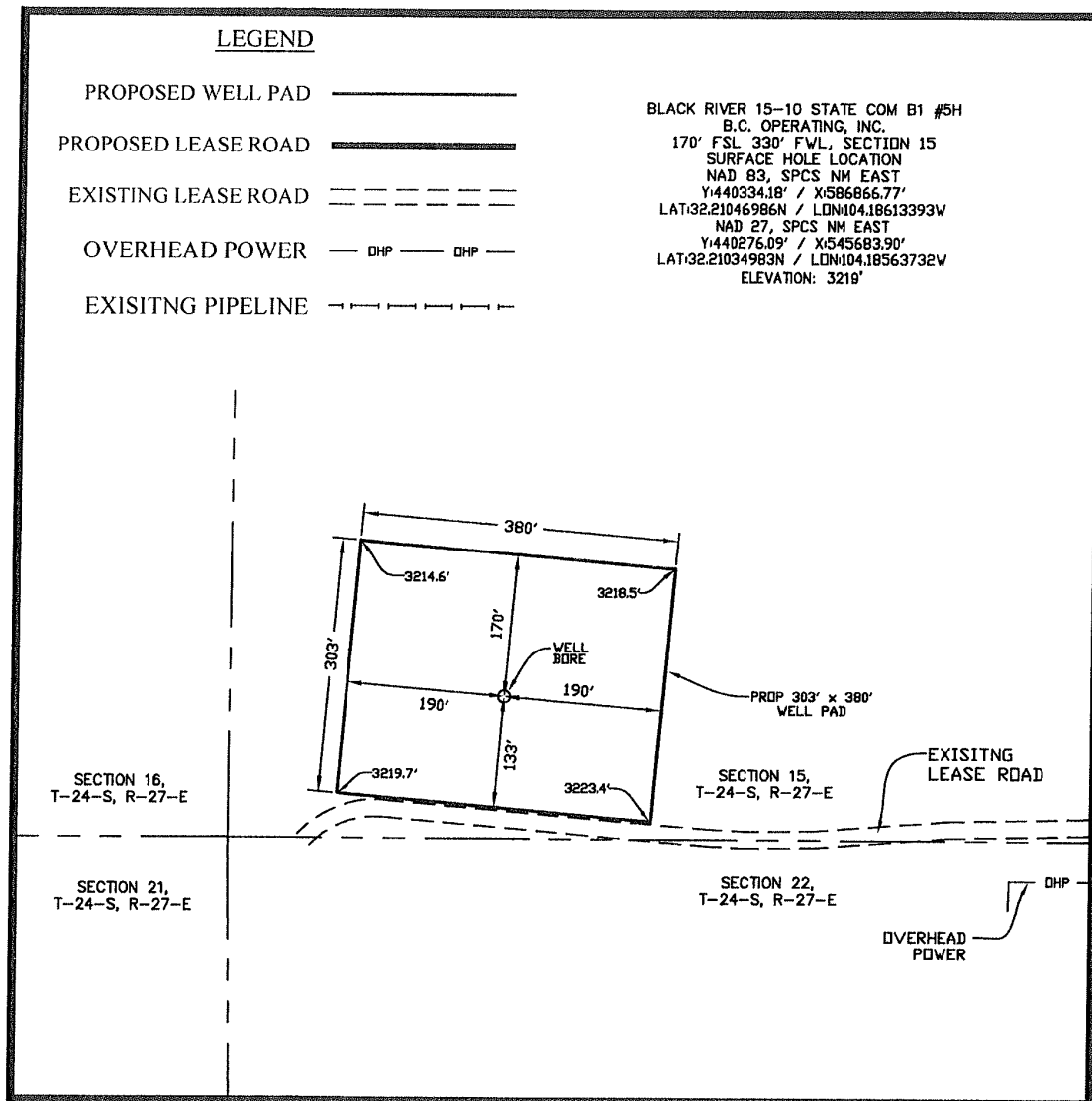
WELL PAD TOPO

SEC. 15 TWP. 24-S RGE. 27-E

SURVEY: N.M.P.M.

COUNTY: EDDY

U.S.G.S. TOPOGRAPHIC MAP: BOND DRAW, N.M.



DIRECTIONS TO LOCATION:

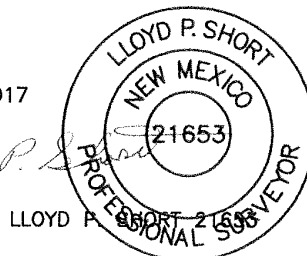
FROM THE INTERSECTION OF U.S. HIGHWAY 62/WEST GREENE STREET AND U.S. 180 W./U.S. 62 W./S. CANAL STREET IN CARLSBAD, NEW MEXICO, TRAVEL SOUTH ON U.S. 62 W./S. CANAL STREET FOR 2.0 MILES TO U.S. HIGHWAY 285 SOUTH ON THE LEFT. TRAVEL SOUTHEAST ON U.S. HIGHWAY 285 SOUTH FOR 0.2 MILES AND CONTINUE STRAIGHT ON U.S. HIGHWAY 285 SOUTH/S. CANAL ST. FOR 11.0 MILES TO HIGBY HOLE ROAD/COUNTY ROAD 716 ON THE RIGHT. TRAVEL SOUTH ON HIGBY HOLE ROAD FOR 3.3 MILES TO BLACK RIVER VILLAGE ROAD/COUNTY ROAD 720 ON THE RIGHT. TRAVEL WEST ON BLACK RIVER VILLAGE ROAD FOR 3.2 MILES TO A LEASE ROAD ON THE LEFT. TRAVEL SOUTHWEST ON LEASE ROAD FOR 2.6 MILES TO A LEASE ROAD ON THE RIGHT. TRAVEL NORTHWEST ON LEASE ROAD FOR 0.2 MILES TO PROPOSED WELL 180 FEET TO THE RIGHT.

NOTE:

THIS IS NOT A BOUNDARY SURVEY, APPARENT PROPERTY CORNERS AND PROPERTY LINES ARE SHOWN FOR INFORMATION ONLY. BOUNDARY DATA SHOWN IS FROM STATE OF NEW MEXICO OIL CONSERVATION DIVISION FORM C-102 INCLUDED IN THIS SUBMITTAL.

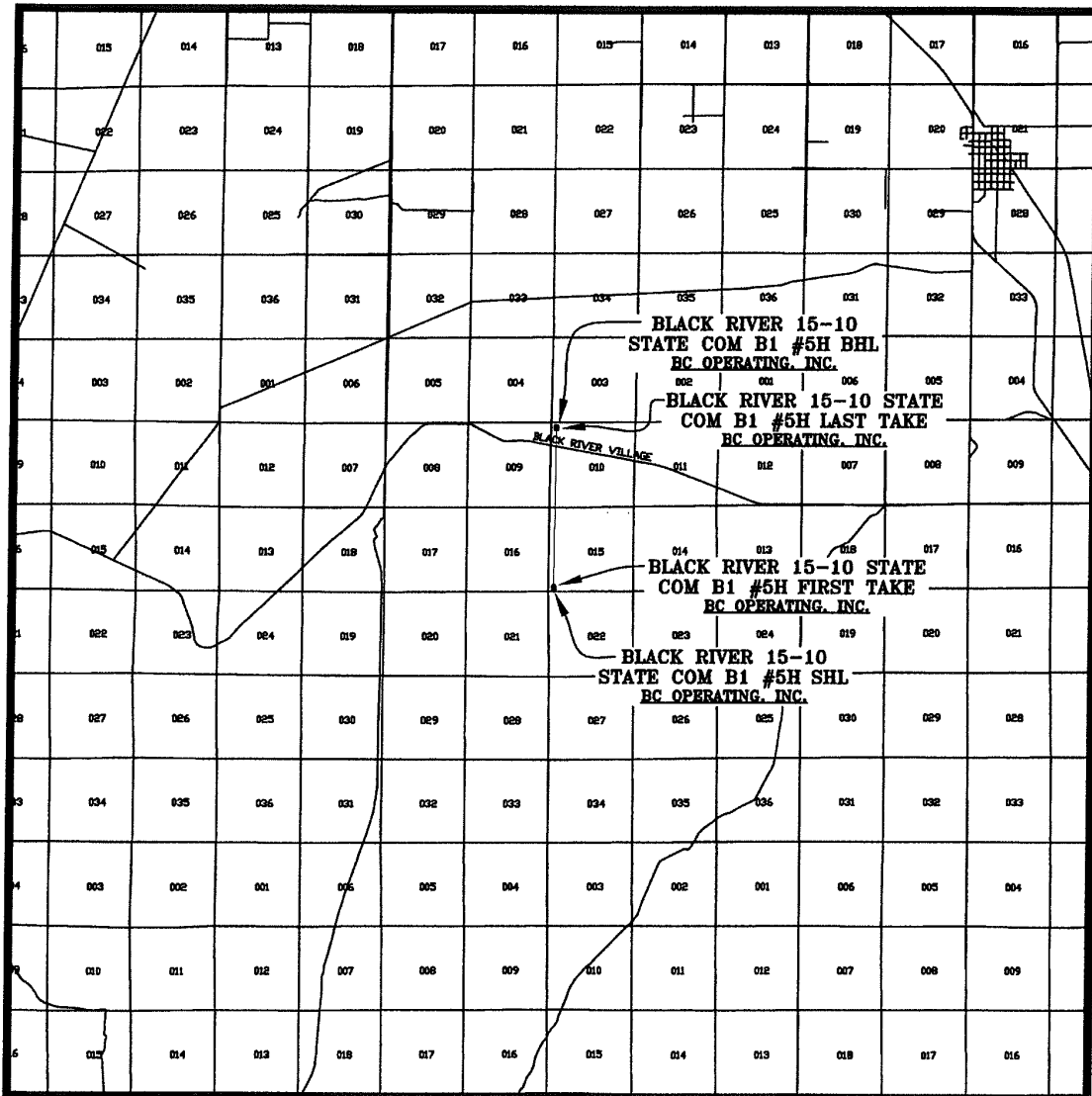
100' 0' 100' 200'
SCALE: 1" = 200'

JANUARY 18, 2017



PREPARED BY:
R-SQUARED GLOBAL, LLC
1309 LOUISVILLE AVENUE, MONROE, LA 71201
318-323-6900 OFFICE
JOB No. R3671_003

VICINITY MAP



SEC. 15 TWP. 24-S RGE. 27-E
 SURVEY: N.M.P.M.
 COUNTY: EDDY
 DESCRIPTION: 170' FSL & 330' FWL
 ELEVATION: 3219'
 OPERATOR: B.C. OPERATING, INC.
 LEASE: BLACK RIVER 15-10 STATE COM B1
 U.S.G.S. TOPOGRAPHIC MAP: BOND DRAW, N.M.

SCALE: 1" = 2 MILES

PREPARED BY:
 R-SQUARED GLOBAL, LLC
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 318-323-8900 OFFICE
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Form APD Comments

Permit 232241

PERMIT COMMENTS

Operator Name and Address: BC OPERATING, INC. [160825] P O Box 50820 Midland, TX 79710		API Number: 30-015-44070
		Well: BLACK RIVER 15-10 STATE COM B1 #005H
Created By	Comment	Comment Date
RPodany	C102 incomplete. BHL missing, plat with survey missing. If planning closed loop check box or file permit for pit on 101.	2/24/2017

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Form APD Conditions

Permit 232241

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: BC OPERATING, INC. [160825] P O Box 50820 Midland, TX 79710	API Number: 30-015-44070
	Well: BLACK RIVER 15-10 STATE COM B1 #005H

OCD Reviewer	Condition
RPodany	Will require a directional survey with the C-104
RPodany	Cement is required to circulate on both surface and intermediate1 strings of casing