

**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 232840

**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 317504		3. API Number 30-025-43667
5. Property Name FLOWMASTER		6. Well No. 002H

**7. Surface Location**

UL - Lot	D	Section	15	Township	24S	Range	34E	Lot Idn	D	Feet From	311	N/S Line	N	Feet From	1255	E/W Line	W	County	Lea
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**8. Proposed Bottom Hole Location**

UL - Lot	N	Section	15	Township	24S	Range	34E	Lot Idn	N	Feet From	330	N/S Line	S	Feet From	1972	E/W Line	W	County	Lea
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**9. Pool Information**

ANTELOPE RIDGE;WOLFCAMP	2220
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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 3521
16. Multiple N	17. Proposed Depth 17000	18. Formation Wolfcamp	19. Contractor	20. Spud Date 6/1/2017
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	9.65	40	7300	1740	0
Prod	8.75	5.5	20	17000	1820	6800

**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:	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Michael McCracken Title: COO Email Address: michael.mccracken@blackmtn.com Date: 3/7/2017	Approved By: Paul Kautz Title: Geologist Approved Date: 3/7/2017      Expiration Date: 3/7/2019 Conditions of Approval Attached

WATER SUPPLY AND SEWERAGE DEPARTMENT									
PROJECT NO.		DATE		SHEET NO.		SHEET TOTAL		PROJECT TOTAL	
1. PROJECT NAME									
2. PROJECT LOCATION									
3. PROJECT DESCRIPTION									
4. PROJECT OWNER									
5. PROJECT ENGINEER									
6. PROJECT DATE									
7. PROJECT STATUS									
8. PROJECT BUDGET									
9. PROJECT COST									
10. PROJECT REVENUE									
11. PROJECT PROFIT									
12. PROJECT RISK									
13. PROJECT IMPACT									
14. PROJECT BENEFIT									
15. PROJECT SUSTAINABILITY									
16. PROJECT LEGALITY									
17. PROJECT ETHICS									
18. PROJECT SOCIAL RESPONSIBILITY									
19. PROJECT ENVIRONMENTAL RESPONSIBILITY									
20. PROJECT ECONOMIC RESPONSIBILITY									
21. PROJECT CULTURAL RESPONSIBILITY									
22. PROJECT POLITICAL RESPONSIBILITY									
23. PROJECT RELIGIOUS RESPONSIBILITY									
24. PROJECT PHILOSOPHICAL RESPONSIBILITY									
25. PROJECT AESTHETIC RESPONSIBILITY									
26. PROJECT SCIENTIFIC RESPONSIBILITY									
27. PROJECT TECHNICAL RESPONSIBILITY									
28. PROJECT MANAGER RESPONSIBILITY									
29. PROJECT TEAM RESPONSIBILITY									
30. PROJECT CLIENT RESPONSIBILITY									
31. PROJECT SUPPLIER RESPONSIBILITY									
32. PROJECT CONTRACTOR RESPONSIBILITY									
33. PROJECT SUBCONTRACTOR RESPONSIBILITY									
34. PROJECT VENDOR RESPONSIBILITY									
35. PROJECT DISTRIBUTOR RESPONSIBILITY									
36. PROJECT RETAILER RESPONSIBILITY									
37. PROJECT END USER RESPONSIBILITY									
38. PROJECT SOCIETY RESPONSIBILITY									
39. PROJECT NATION RESPONSIBILITY									
40. PROJECT WORLD RESPONSIBILITY									
41. PROJECT HUMANITY RESPONSIBILITY									
42. PROJECT GOD RESPONSIBILITY									
43. PROJECT UNIVERSE RESPONSIBILITY									
44. PROJECT COSMOS RESPONSIBILITY									
45. PROJECT REALITY RESPONSIBILITY									
46. PROJECT TRUTH RESPONSIBILITY									
47. PROJECT JUSTICE RESPONSIBILITY									
48. PROJECT FREEDOM RESPONSIBILITY									
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50. PROJECT LIFE RESPONSIBILITY									
51. PROJECT DEATH RESPONSIBILITY									
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53. PROJECT ENLIGHTENMENT RESPONSIBILITY									
54. PROJECT NIBBANA RESPONSIBILITY									
55. PROJECT PARADISE RESPONSIBILITY									
56. PROJECT HEAVEN RESPONSIBILITY									
57. PROJECT EARTH RESPONSIBILITY									
58. PROJECT WATER RESPONSIBILITY									
59. PROJECT AIR RESPONSIBILITY									
60. PROJECT FIRE RESPONSIBILITY									
61. PROJECT EARTHQUAKE RESPONSIBILITY									
62. PROJECT TSUNAMI RESPONSIBILITY									
63. PROJECT VOLCANO RESPONSIBILITY									
64. PROJECT COMET RESPONSIBILITY									
65. PROJECT METEOR RESPONSIBILITY									
66. PROJECT ASTEROID RESPONSIBILITY									
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68. PROJECT SUN RESPONSIBILITY									
69. PROJECT MOON RESPONSIBILITY									
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**Santa Fe, NM 87505**

Form APD Comments

Permit 232840

**PERMIT COMMENTS**

Operator Name and Address: BLACK MOUNTAIN OPERATING LLC [371127] 500 Main Street Fort Worth, TX 76102	API Number: 30-025-43667
	Well: FLOWMASTER #002H

Created By	Comment	Comment Date
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Form APD Conditions

Permit 232840

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: BLACK MOUNTAIN OPERATING LLC [371127] 500 Main Street Fort Worth, TX 76102	API Number: 30-025-43667
	Well: FLOWMASTER #002H

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 & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate 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	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	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 spud