

NSL Initial Application

Received: 07/31/19

This application is placed in file for record. It MAY or MAY NOT have been reviewed to be determined Administratively Complete

Revised March 23, 2017

RECEIVED: 07/31/19	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL1921731636
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Black Exploration LLC **OGRID Number:** 371259
Well Name: Cerita Negro 1 **API:** 30-043-21327
Pool: WC Pennsylvanian **Pool Code:** WC 16N2E33 (98320)

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☒ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC☐ CTB☐ PLC☐ PC☐ OLS☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR2) **NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☒ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☒ Surface ownerG. ☐ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**

☐ Notice Complete
☐ Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Bruce A. Black Manager

Print or Type Name

Bruce A. Black
 Signature

7/18/2019

Date

505 486 3808

Phone Number

koko16@earthlink.net

e-mail Address

BLACK EXPLORATION LLC
206 W. 38th St.
Farmington, New Mexico 87401

July 18, 2019

New Mexico Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Attention: Leonard Lowe

Re: Application for Administrative Approval of Non-Standard Location Cerrito Negro #1,
Pool code: WC 16N2E33; Pennsylvanian (98320) on Zia Pueblo lease 7902171419 Sandoval
County, New Mexico

Dear Mr. Lowe:

Black Exploration LLC, respectfully requests administrative approval of a non-standard location on the Cerrito Negro #1 wildcat well location, API Number 30-043-21327, OGRID No. 371259, WC 16N2E33 Pennsylvanian (98320). The well is a vertical wildcat well on the Pueblo of Zia and is located at this non-standard location to avoid cultural or archeological site conflicts. Because this is a vertical well both the surface location and the bottom hole location are the same as follows:

Surface – SESW / 1104 FSL/ 1604 FWL / LAT - 35.5709 / LONG – 106.73757
BHL – SESW / 1104 FSL/ 1604 FWL / LAT - 35.5709 / LONG – 106.73757

The adjoining units are all on the same lease with the same Pueblo surface and mineral ownership and no offset locations are adversely affected. Approval of the unorthodox location to avoid cultural concerns will allow for efficient spacing in the event of a discovery and production from this vertical well, and will allow for the prevention of waste. We have consulted with the Aztec OCD office and they have given us the Pool Code: WC 16N2E33 Pennsylvanian (98320). We are seeking the 40 - acre spacing unit/lot N in section 33 T16N R2E. We are seeking oil on this prospect. Because this is a wildcat well in an area never drilled we may encounter oil and gas.

To support this request the following information has been submitted for your review:

1. Application for Permit to Drill that was approved by the BLM on May 5, 2019.
2. C-102 Plat for the well.
3. Well location plat showing the well location and the affected tract and showing no offsetting wells and no adversely affected spacing units.

4. List of affected persons and their addresses, namely the Pueblo of Zia, the United States Department of the Interior BIA, BLM and the NMOCD. Copies of the signed certified return receipts will be furnished upon request. There are no affected operators.
5. Letter from the Black Exploration Landman stating that as Operator Black Exploration LLC has 100% working interest within the affected tract.
6. Standard directional surveys will be used to keep the well vertical and straight.

If you need any additional information please call me at (505) 486 3808.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Bruce Black", with a stylized, flowing script.

Bruce Black, Manager

Attachments

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. 7902171419
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name ZIA PUEBLO
1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		7. If Unit or CA Agreement, Name and No.
2. Name of Operator BLACK EXPLORATION LLC		8. Lease Name and Well No. CERRITO NEGRO 1
3a. Address 206 W 38th Street Farmington NM 87401	3b. Phone No. (include area code) (505)325-7855	9. API Well No.
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SESW / 1104 FSL / 1604 FWL / LAT 35.5709 / LONG -106.73757 At proposed prod. zone SESW / 1104 FSL / 1604 FWL / LAT 35.5709 / LONG -106.73757		10. Field and Pool, or Exploratory Wildcat
11. Sec., T. R. M. or Blk. and Survey or Area SEC 33 / T16N / R2E / NMP		
14. Distance in miles and direction from nearest town or post office* 2 miles		12. County or Parish SANDOVAL
13. State NM		
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1536 feet	16. No of acres in lease 33840.13	17. Spacing Unit dedicated to this well 40
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 40498 feet	19. Proposed Depth 3450 feet / 3450 feet	20. BLM/BIA Bond No. in file IND: 46-2359774
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5621 feet	22. Approximate date work will start* 04/01/2019	23. Estimated duration 10 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be requested by the BLM. |

25. Signature (Electronic Submission)	Name (Printed/Typed) Jim Lovato / Ph: (505)320-7378	Date 01/30/2019
Title Consultant		
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) Richard Fields / Ph: (505)564-7612	Date 05/23/2019
Title Field Manager		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



(Continued on page 2)

*(Instructions on page 2)

Bureau I
 1025 N. French Dr. Hobbs, NM 88249
 Phone: (575) 799-6161 Fax: (575) 799-0729
 Bureau II
 811 S. First St., Artesia, NM 88210
 Phone: (575) 739-1233 Fax: (575) 739-0920
 Bureau III
 1000 Rio Brazos Road, Aztec, NM 87410
 Phone: (505) 314-6178 Fax: (505) 314-6170
 Bureau IV
 1220 S. St. Francis Dr. Santa Fe, NM 87505
 Phone: (505) 476-1840 Fax: (505) 476-1462

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

API Number		Pool Code	Pool Name
Property Code	Property Name CERRITO NEGRO		Well Number #1
GRID No.	Operator Name Black Exploration, LLC		Elevation 5621'

"Surface Location

U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	33	T16N	R2E		1536'	GRANT	1604'	WEST	SANDOVAL

"Bottom Hole Location If Different From Surface

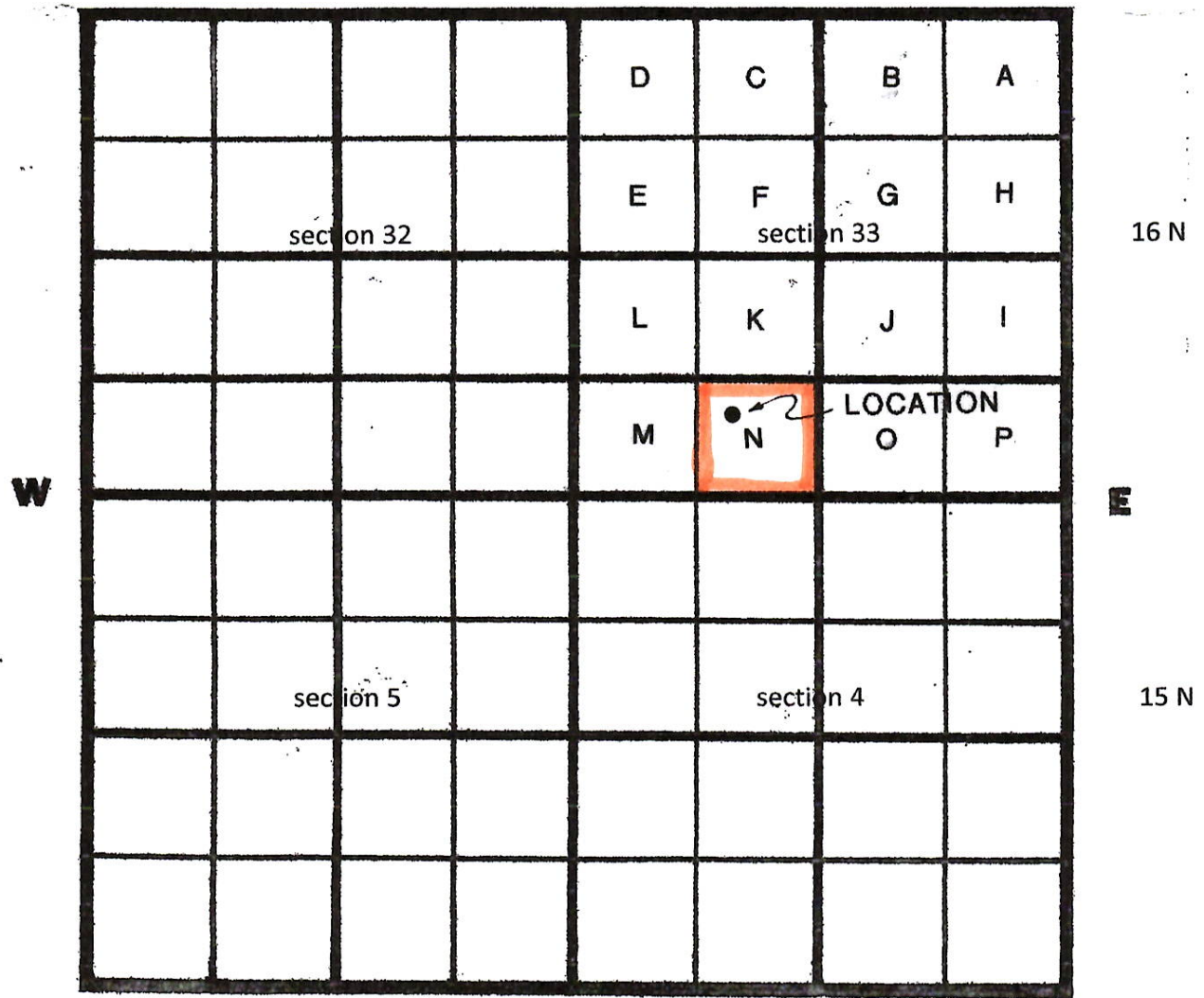
U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
"Dedicated Acres "Joint or Infill "Consolidation Code "Order No.									

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 retained 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 as a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <u>Bruce A. Black</u> Date: _____ Printed Name: Bruce A. Black, Manager E-mail Address: <u>koko16@earthlink.net</u>
" 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. Date of Survey: 06/29/15 (REVISED 05/18) Signature and Seal: Certificate Number: N.M. PLS #9673		

BLACK EXPLORATION LLC
Cerrito Negro No. 1
Section 33 Township 16 North, Range 2 East
Sandoval County, New Mexico

R 2 E



Location of affected tract N within Section 33 of T16N, R2E. All adjacent tracts are the same surface and mineral ownership and in the same lease. All adjacent tracts have the same surface and mineral ownership. **BHL AND SHL ARE THE SAME.**

LIST OF AFFECTED PERSONS:

Pueblo of Zia
135 Capitol Square Drive
Zia Pueblo, New Mexico 87053

New Mexico Oil Conservation Division
1000 Rio Brazos Rd.
Aztec, New Mexico 87401

United States Department of the Interior
Bureau of Land Management
Rio Puerco Field Station
100 Sun Avenue NE
Albuquerque, New Mexico 87109

United States Department of the Interior
Bureau of Indian Affairs
Southern Pueblo Agency
1001 Indian School Road NW
Albuquerque, New Mexico 87104-2303

BLACK EXPLORATION LLC
206 W. 38th St.
Farmington, New Mexico 87401

July 18, 2019

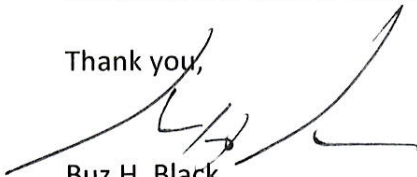
New Mexico Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Attention: Leonard Lowe

Dear Mr. Lowe,

This letter is to notify you that Black Exploration LLC is an "affected person", is the Operator and has a 100% working interest within the affected tract N of section 33, T16N, R2E in Sandoval County. Black Exploration LLC has a 33,840-acre lease # 7902171419 with the Pueblo of Zia and this tract is within this lease. If you need more information please advise.

Thank you,



Buz H. Black
Landman