

10/28/2014 DATE IN	SUSPENSE	MAN ENGINEER	10/29/2014 LOGGED IN	NSL TYPE	PMAM143022926 APP NO
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- 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

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners

- [B] ☒ Offset Operators, Leaseholders or Surface Owner

- [C] ☐ Application is One Which Requires Published Legal Notice

- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

- [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **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.

MICHAEL H. FELDEWERT

Print or Type Name

Signature

ATTORNEY

Title

mfeldewert@hollandhart.com

Date

e-mail Address

- NSL 7193
 - 13C operating
 160825

RECEIVED OGD
 2014 OCT 28 PM 14:26

Well
 - BLACK RIVER 10
 State Com 14
 30-015-42689
 Pool
 - BLACK RIVER 2;
 WOLF CAMP, EAST
 (G)
 97442



October 28, 2014

VIA HAND DELIVERY

Jami Bailey
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RECEIVED OGD
26th OCT 28 PM 4:26

Re: Application of BC Operating, Inc. for administrative approval of an unorthodox well location for its Black River 10 State Com #1H Well to be located in the E/2 of Section 10, Township 24 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

Dear Ms. Bailey:

BC Operating, Inc. (OGRID No. 160825) seeks administrative approval of an unorthodox well location for its **Black River 10 State Com #1H Well** to be completed within the Black River; Wolfcamp, East (Gas) Pool (Pool Code 97442) underlying the E/2 of Section 10, Township 24 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. This well will be drilled from a surface location 240 feet from the North line and 360 feet from the East line of Section 15, Township 24 South, Range 27 East but completed wholly within Section 10. The upper most perforation will be 330 feet from the South line and 360 feet from the East line of Section 10 (Unit P) and the lower most perforation will be 330 feet from the North line and 360 feet from the east line of Section 10 (Unit A). Since this acreage is governed by the Division Rule 19.15.15.10.B which provides for wells in defined gas pools in Eddy County to be spaced on 320 acres and located no closer than 660 feet to the outer boundary of the spacing unit, the completed interval for this well will be unorthodox. Approval of the unorthodox completed interval will allow for efficient well spacing and prevent waste of a productive reservoir.

Exhibit A is the Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Black River 10 State Com #1H Well** encroaches on the spacing and proration units to the North, Northwest, West, Southwest and South.

Exhibit B is a land plat for Section 10 and the surrounding sections that shows the proposed **Black River 10 State Com #1H Well** in relation to adjoining units and existing wells.



Exhibit C is a list of the parties affected by the encroachment. A copy of this application with all attachments has been sent by certified mail to each affected party advising them that if they have an objection it must be filed in writing with the division within 20 days from the date the division receives this application. A courtesy a copy of this application has also been provided to the New Mexico State Land Office.

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael H. Feldewert".

Michael H. Feldewert
ATTORNEY FOR BC OPERATING, INC.

cc: New Mexico State Land Office
P.O. Box 1148
Santa Fe, NM 87501

EXHIBIT
A

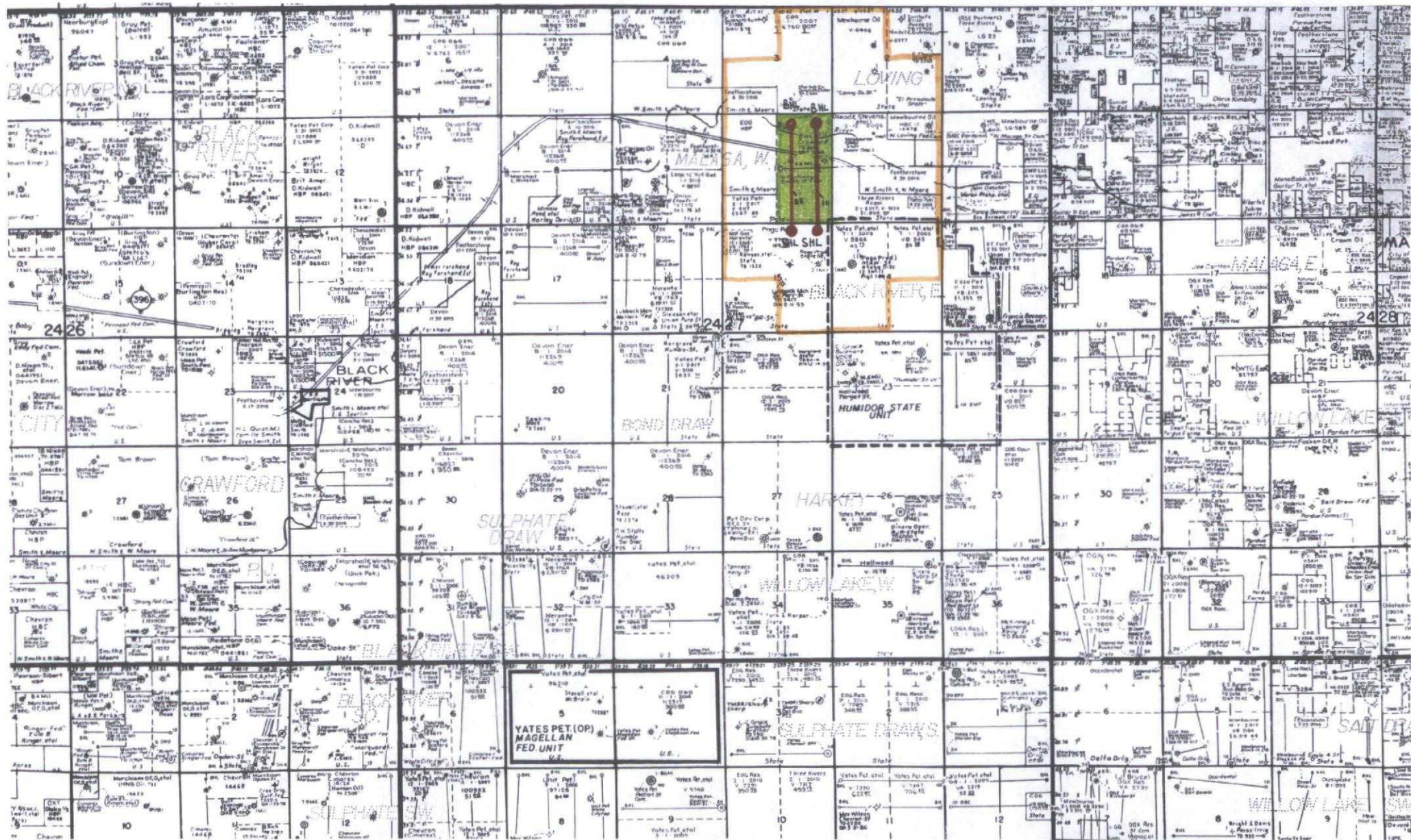


Exhibit C

COG Operating LLC
600 W. Illinois Avenue
Midland, Texas 79701

Nadel and Gussman Permian, LLC
601 N. Marienfield, Suite 508
Midland, Texas 79701

ConocoPhillips Company
P.O. Box 7500
Bartlesville, Oklahoma 74005

First Century Oil, Inc.
P.O. Box 1518
Roswell, New Mexico 88202

CLM Production Company
P.O. Box 1518
Roswell, New Mexico 88202

Vrooman Energy, LLC
10510 S. Kingston Avenue
Tulsa, Oklahoma 74137

James B. Read
P.O. Box 1518
Roswell, New Mexico 88202

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

EOG Resources, Inc.
5509 Champions Drive
Midland, Texas 79706

Crown Oil Partners V, LP
P.O. Box 50820
Midland, Texas 79705

Mewbourne Oil Company
500 W. Texas Avenue, Suite 1020
Midland, Texas 79701

MRC Permian Company
5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240

Read & Stevens, Inc.
400 N. Pennsylvania Avenue, Suite 1000
Roswell, New Mexico 88201

CBR Oil Properties LLC
P.O. Box 1518
Roswell, New Mexico 88202

Lincoln Oil & Gas L.L.C.
P.O. Box 1518
Roswell, New Mexico 88202

Watson Properties, LLC
3905 Futura Dr.
Roswell, New Mexico 88201

Betty R. Young
P.O. Box 1518
Roswell, New Mexico 88202

Oxy USA Inc.
P.O. Box 27570
Houston, Texas 77227

Fredonia Resources, Inc.
P.O. Box 1788
Longview, Texas 75606

HOLLAND & HART LLP



Michael H. Feldewert
Recognized Specialist in the Area of Natural
Resources - oil and gas law - New Mexico
Board of Legal Specialization
mfeldewert@hollandhart.com

October 28, 2014

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: Affected Parties

Re: Application of BC Operating, Inc. for administrative approval of an unorthodox well location for its Black River 10 State Com #1H Well to be located in the E/2 of Section 10, Township 24 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

To Land Manager:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Caleb Hopson
BC Operating, Inc.
T 432-684-9696 ext. 762
F 432-686-0600
chopson@bcoperating.com

Sincerely,

Michael H. Feldewert
ATTORNEY FOR BC OPERATING, INC.

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ☞