

4/18/2016 DATE IN	SUSPENSE	LRL ENGINEER	4/21/2016 LOGGED IN	NSL TYPE	PMA 1611258201 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] - B C Operating, Inc  
160825  
NSL-7412
- [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, - Both is R4 Fed.  
#24  
30-015-Pending  
Pool  
- Funchand Ranch  
Wolfcamp (GAs)  
76780

- [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.

Jordan L. Kessler  
Print or Type Name

Signature

Attorney

Title

jlkessler@hollandhart.com

e-mail Address

Date

4/18/16

RECEIVED OGD  
2016 APR 18 P 4:37



Jordan L. Kessler  
Associate  
Phone (505) 988-4421  
Fax (505) 983-6043  
[jlkessler@hollandhart.com](mailto:jlkessler@hollandhart.com)

April 18, 2016

**VIA HAND DELIVERY**

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

RECEIVED COB  
2016 APR 18 P 4:37

**Re: Application of BC Operating, Inc. for administrative approval of an unorthodox well location for its Bettis 24 Federal #2H Well to be located in the N/2 of Section 24, Township 23 South, Range 26 East, N.M.P.M., Eddy County, New Mexico.**

Dear Mr. Catanach:

BC Operating, Inc. (OGRID No. 160825) seeks administrative approval of an unorthodox well location for its **Bettis 24 Federal No. #2H Well** to be completed within the Forehand Ranch Wolfcamp (Gas) Pool (Pool Code 76780) underlying the N/2 of Section 24, Township 23 South, Range 26 East, N.M.P.M., Eddy County, New Mexico. This well will be drilled from a surface location 1,680 feet from the North line, 240 feet from the West line of Section 19, Township 23 South, Range 27 East. The upper most perforation will be 1,680 feet from the North line and 330 feet from the East line of Section 24 (Unit H) and the lower most perforation will be 1680 feet from the North line and 330 feet from the West line of Section 24 (Unit E). 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 **Bettis 24 Federal No. #2H Well** encroaches on the spacing and proration units to the West and to the East.

**Exhibit B** is a Midland map showing an outline of the subject acreage and the surrounding sections.



**Exhibit C** is a land plat for Section 24 and the surrounding sections that shows the proposed **Bettis 24 Federal No. #2H Well** in relation to adjoining units and existing wells.

**Exhibit D** 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 copy of this application has also been provided to the Bureau of Land Management-Carlsbad Office.

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Jordan L. Kessler".

Jordan L. Kessler

**ATTORNEY FOR BC OPERATING, INC.**

cc: Bureau of Land Management—Carlsbad Office  
620 E. Green Street  
Carlsbad, New Mexico 88220

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 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 Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

<sup>1</sup> API Number		<sup>2</sup> Pool Code 76780		<sup>3</sup> Pool Name FOREHAND RANCH WOLFCAMP (GAS)	
<sup>4</sup> Property Code		<sup>5</sup> Property Name BETTIS 24 FEDERAL			<sup>6</sup> Well Number 2H
<sup>7</sup> OGRID No. 160825		<sup>8</sup> Operator Name B.C. OPERATING, INC.			<sup>9</sup> Elevation 3222'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	19	T23S	R27E		1680'	NORTH	240'	WEST	EDDY

<sup>11</sup> 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
E	24	T23S	R26E		1680'	NORTH	240'	WEST	EDDY

<sup>12</sup> Dedicated Acres 320.00	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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><sup>16</sup></p>				<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>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>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>	
<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>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>APRIL 14, 2016</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>Certificate Number _____</p>					



District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-9720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

<sup>1</sup> API Number	<sup>2</sup> Pool Code 76780	<sup>3</sup> Pool Name FOREHAND RANCH WOLFCAMP (GAS)
<sup>4</sup> Property Code	<sup>5</sup> Property Name BETTIS 24 FEDERAL	<sup>6</sup> Well Number 2H
<sup>7</sup> OGRID No. 160825	<sup>8</sup> Operator Name B.C. OPERATING, INC.	<sup>9</sup> Elevation 3222'

" Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	19	T23S	R27E		1680'	NORTH	240'	WEST	EDDY

" Bottom Hole Location If Different From Surface

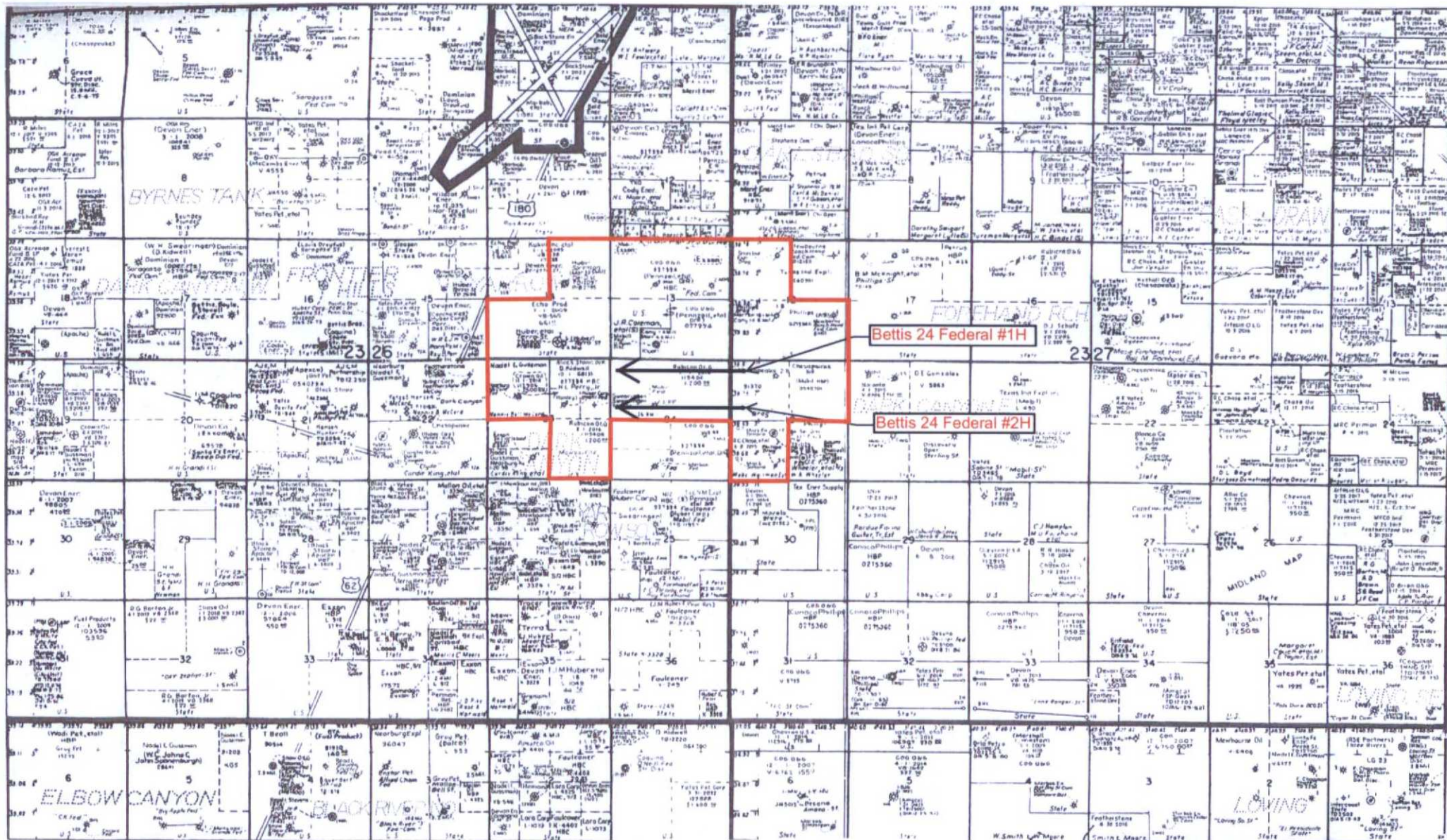
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	24	T23S	R26E		1680'	NORTH	240'	WEST	EDDY

<sup>10</sup> Dedicated Acres 320.00	<sup>11</sup> Joint or Infill	<sup>12</sup> Consolidation Code	<sup>13</sup> 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><b>SECTION 14</b></p> <p><b>SECTION 23</b></p> <p><b>SECTION 13</b></p> <p><b>SECTION 24</b></p> <p><b>SECTION 18</b></p> <p><b>SECTION 19</b></p> <p><b>SECTION 26</b></p> <p><b>SECTION 25</b></p> <p><b>SECTION 19</b></p> <p><b>SECTION 30</b></p>		<p><b>" OPERATOR CERTIFICATION</b></p> <p>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>Signature: <i>Chad Hopson</i> Date: 5/12/16</p> <p>Printed Name: Chad Hopson</p> <p>E-mail Address: chadhopson@bcooperating.com</p> <p><b>" SURVEYOR CERTIFICATION</b></p> <p>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>Date of Survey: APRIL 14, 2016</p> <p>Signature and Seal of Professional Surveyor: <i>Lloyd P. Short</i></p> <p>Certificate Number: 21653</p> <p>LLOYD P. SHORT NEW MEXICO 21653 PROFESSIONAL SURVEYOR</p>
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EXHIBIT

B



**Exhibit D**

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

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

BC Operating, Inc.  
4000 N. Big Spring, Suite 310  
Midland, Texas 79705

O'Neill Properties Ltd.  
410 W. Ohio  
Midland, Texas 79701

Bureau of Land Management  
301 Dinosaur Trail  
Santa Fe, NM 87508

Echo Production Inc.  
P.O. Box 1210  
Graham, Texas 76450

O'Neill Properties Ltd.  
410 W. Ohio  
Midland, Texas 79701

Nearburg Producing Company  
3300 North A Street  
Suite #2-120  
Midland, Texas 79705

Nadel and Gussman Permian, LLC  
15 E. 5th Street  
Suite 3200  
Tulsa, Oklahoma 74103

Mobil Producing TX & NM Inc.  
12450 Greenspoint Drive  
Houston, Texas 77060

Offset Tracts That Need  
Notification

BC Operating, Inc. Tract

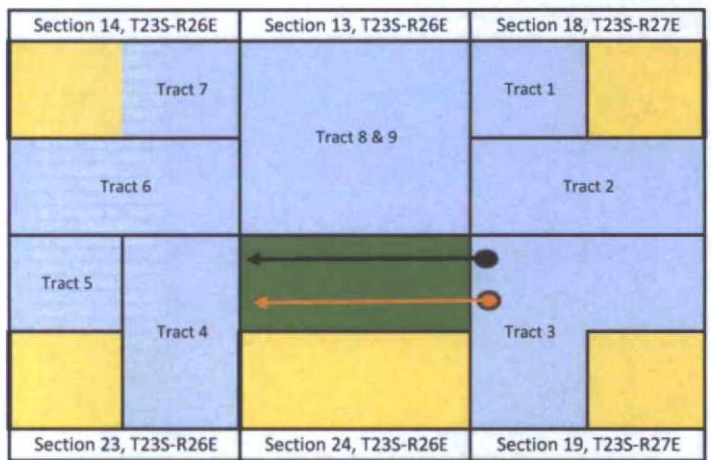
Unaffected Tracts

Bettis 24 Federal #1H

SHL: 360' FNL & 240' FWL, 19-23S-27E  
BHL: 360' FNL 240' FWL, 24-23S-26E  
First Take Point: 360' FNL & 330' FEL, 24-23S-26E

Bettis 24 Federal #2H

SHL: 1680' FNL & 240' FWL, 19-23S-27E  
BHL: 1680' FNL 240' FWL, 24-23S-26E  
First Take Point: 1680' FNL & 330' FEL, 24-23S-26E



<u>Tract 1 Ownership:</u>		
Mewbourne Oil Company		Operator
500 W. Texas Avenue, Suite 1020		
Midland, Texas 79701		
<u>Tract 2 Ownership:</u>		
Mewbourne Oil Company		Operator
500 W. Texas Avenue, Suite 1020		
Midland, Texas 79701		
<u>Tract 3 Ownership:</u>		
Mewbourne Oil Company		Operator
500 W. Texas Avenue, Suite 1020		
Midland, Texas 79701		
<u>Tract 4 Ownership:</u>		
O'Neill Properties Ltd.		Lessee of Record (E2NE, NWNE)
410 W. Ohio		BLM NMNM - 0 027994A
Midland, Texas 79701		
Bureau of Land Management		Unleased Mineral Owner (SWSE)
301 Dinosaur Trail		
Santa Fe, NM 87508		
BC Operating, Inc.		Operator
4000 N. Big Spring, Suite 310		
Midland, Texas 79705		
<u>Tract 5 Ownership:</u>		
Mewbourne Oil Company		Fee Leasehold/Operator
500 W. Texas Avenue, Suite 1020		
Midland, Texas 79701		
Nearburg Producing Company		Fee Leasehold/Operator
3300 North A Street		
Suite #2-120		
Midland, Texas 79705		
Nadel and Gussman Permian, LLC		Fee leasehold
15 E. 5th Street		
Suite 3200		
Tulsa, Oklahoma 74103		
<u>Tract 6 Ownership:</u>		
Echo Production Inc.		Lessee of Record - (S2)
P.O. Box 1210		VB - 0565-0001
Graham, Texas 76450		
<u>Tract 7 Ownership:</u>		
Echo Production Inc.		Lessee of Record - (NE)
P.O. Box 1210		VB - 0538-0001
Graham, Texas 76450		
<u>Tract 8 &amp; 9 Ownership:</u>		
O'Neill Properties Ltd.		Lessee of Record - (W2NW)
410 W. Ohio		BLM NMNM - 027994A
Midland, Texas 79701		
Mobil Producing TX & NM Inc.		Lessee of Record - (NE, E2NW, S2)
12450 Greenspoint Drive		BLM NMNM - 027994D
Houston, Texas 77060		





HOLLAND & HART<sup>LLP</sup>



**Jordan L. Kessler**  
**Associate**  
**Phone** (505) 988-4421  
**Fax** (505) 983-6043  
[jlkessler@hollandhart.com](mailto:jlkessler@hollandhart.com)

April 18, 2016

**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 Bettis 24 Federal #2H Well to be located in the N/2 of Section 24, Township 23 South, Range 26 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](mailto:chopson@bcoperating.com)

Sincerely,

Jordan L. Kessler  
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, New Mexico 87501 **Mailing Address** P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ☎

**From:** Lowe, Leonard, EMNRD  
**To:** ["Jordan L. Kessler"](#)  
**Subject:** NSL - 7411 & NSL - 7412; BETTIS 24 FEDERAL No. 1H & No. 2H, 24 23S 26E, EDDY COUNTY  
**Date:** Monday, May 16, 2016 10:29:00 AM  
**Importance:** High

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Ms. Jordan Kessler,

The following permits has been issued and will soon be available on the Division's web site:  
<http://ocdimage.emnrd.state.nm.us/imaging/WellFileCriteria.aspx>

**NSL-7411**

Matador Production Company

API: 30-015-PENDING

WELL: Bettis 24 Federal No 1H, Eddy County

**NSL-7412**

Matador Production Company

API: 30-015-PENDING

WELL: Bettis 24 Federal No 2H, Eddy County

**Leonard Lowe**

Engineering Bureau

**Oil Conservation Division**

**Energy Minerals and Natural Resources Department**

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492

Fax: 505-476-3462

E-mail: [leonard.lowe@state.nm.us](mailto:leonard.lowe@state.nm.us)

Website: <http://www.emnrd.state.nm.us/ocd/>