



# BC OPERATING, INC.

P.O. Box 50820  
Midland, Texas 79710

RECEIVED  
2008 NOV 14 AM 2:17  
303 Veterans Air Park Lane, Suite 600  
Midland, Texas 79705  
(432) 684-9696  
Fax (432) 686-0600

November 12, 2008

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

RE: Downhole Commingle  
Angell #2  
Sec 11, T17S, R 36E  
Lea County, NM

BC Operating respectfully requests approval for downhole commingle of production for the Angell #2.

BC Operating proposes to commingle Lovington; Grayburg-San Andres (40580) with the Undesignated Lovington; Paddock (40660) in the above mentioned well. Production from both pools will be measured at the tank battery. This well has common interest in both pools. Notification of our intent has been made to all parties owning an interest in this well.

The allocation percentages for this #2 well are based on our offset well, the Angell #1 (30-025-37902) with an approved DHC-3919. I have included a copy of the order.

Please notify me of any other information you might need.

Sincerely,



Pam Botkin  
Engineering Tech

Cc: District Office – Donna Mull  
Well file



**District I**  
1625 N. French Dr., Hobbs, NM 88240  
**District II**  
1301 W. Grand Avenue, Artesia, NM 88210  
**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-025-39076		<sup>2</sup> Pool Code 40580		<sup>3</sup> Pool Name Lovington;Grayburg-San Andres	
<sup>4</sup> Property Code 35729		<sup>5</sup> Property Name Angell			<sup>6</sup> Well Number 2
<sup>7</sup> OGRID No. 160825		<sup>8</sup> Operator Name BC OPERATING, INC.			<sup>9</sup> Elevation 3833'

<sup>10</sup> Surface Location

UL or lot no. B	Section 11	Township 17S	Range 36E	Lot Idn	Feet from the 330'	North/South line North	Feet from the 1650'	East/West line East	County Lea
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<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
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<sup>12</sup> Dedicated Acres	<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.

16					<sup>17</sup> <b>OPERATOR CERTIFICATION</b> <i>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.</i> Pam Botkin 11-10-08 Signature Date Pam Botkin Printed Name	
					<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> <i>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.</i>	
					Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number	

District I  
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

District II  
1301 W. Grand Avenue, Artesia, NM 88210

**Oil Conservation Division**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

APPLICATION TYPE  
 Single Well  
 Establish Pre-Approved Pools  
EXISTING WELLBORE  
 Yes  No

District III  
1000 Rio Brazos Road, Aztec, NM 87410

**APPLICATION FOR DOWNHOLE COMMINGLING**

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

BC Operating, Inc P. O. Box 50820 Midland, TX 79710

*MC-4122*

Operator \_\_\_\_\_ Address \_\_\_\_\_  
Angell \_\_\_\_\_ 2 \_\_\_\_\_ Unit Letter B Sec 11 T-17S R-36E \_\_\_\_\_ Lea \_\_\_\_\_  
Lease \_\_\_\_\_ Well No. \_\_\_\_\_ Unit Letter-Section-Township-Range \_\_\_\_\_ County \_\_\_\_\_

OGRID No. 160825 Property Code 35729 API No. 30-025-39076 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name		Lovington; Grayburg-San Andres	Lovington; Paddock
Pool Code		40580	40660
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)		5384'-5430'	6238-6318'
Method of Production (Flowing or Artificial Lift)		Artificial Lift	Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)		34.9	34.9
Producing, Shut-In or New Zone		New	New
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates:	Date: Rates:	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil _____ Gas _____ % %	Oil 117 Gas 46 92% 98%	Oil 10 Gas 1 8% <i>26%</i> <del>26%</del>

**ADDITIONAL DATA**

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes  No \_\_\_\_\_  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes \_\_\_\_\_ No \_\_\_\_\_

Are all produced fluids from all commingled zones compatible with each other? Yes  No \_\_\_\_\_

Will commingling decrease the value of production? Yes \_\_\_\_\_ No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes  No \_\_\_\_\_

NMOCD Reference Case No. applicable to this well: \_\_\_\_\_

- Attachments:
- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
  - Production curve for each zone for at least one year. (If not available, attach explanation.)
  - For zones with no production history, estimated production rates and supporting data.
  - Data to support allocation method or formula.
  - Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
  - Any additional statements, data or documents required to support commingling.

**PRE-APPROVED POOLS**

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Pam Botkin TITLE Engineering Tech DATE 11-12-08

TYPE OR PRINT NAME Pam Botkin TELEPHONE NO. (432) 684-9696 x 216

E-MAIL ADDRESS pbotkin@blackoakres.com