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2015 JUL 10 P 1:46

June 10, 2015

Mr. David Catanach, Director
NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87501

Hand-Delivered

Re: NMOCD Case No. 15358: Application of BC Operating, Inc. for
Authorization to Conduct Injection Operations, Eddy County, New Mexico

Dear Mr. Catanach:

On behalf of BC Operating, Inc., enclosed is an original and one copy of an Application in the above-referenced case. Please set this matter for hearing on the August 20, 2015 examiner docket. Also enclosed is a proposed advertisement for the case.

Very truly yours,

J. Scott Hall

JSH:js
Encls.

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**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

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2015 JUL 10 P 1:46

**IN THE MATTER OF THE APPLICATION
OF BC OPERATING, INC. FOR
AUTHORIZATION TO INJECT,
EDDY COUNTY, NEW MEXICO.**

Case No. 15358

APPLICATION

BC Operating, Inc. ("BC" or "Applicant"), through its undersigned counsel, Montgomery and Andrews, P.A. (J. Scott Hall, Esq.), applies pursuant to 19.15.26.8 NMAC for an order authorizing the injection of water for disposal into the Cherry Canyon member of the Delaware Mountain Group formation, Cherry Canyon SWD pool (97003), in Eddy County, New Mexico. In support of its Application, BC states:

1. Applicant is the operator of the following well:

Black River 15 State SWD No. 1
2334' FSL & 1914' FWL (Unit K)
Section 15
T-24-S, R-27-E, NMPM
Eddy County, New Mexico

2. The Black River 15 State SWD No. 1 well is to be drilled to a total depth of approximately 4,400'. Applicant proposes to complete the well for injection of water into the Cherry Canyon member of the Delaware Mountain Group through perforations from 3,115' to 4,290'.

3. Injection operations through the well will be conducted at an anticipated average daily injection pressure of 500 psi and maximum pressure of 623 psi. Applicant proposes injection of water at average daily rates of approximately 7,500 bbls and at maximum daily rates of approximately 10,000 bbls. The source of the injected fluids will be formation water from

Bone Spring and Wolfcamp production wells that have been drilled and are scheduled to be drilled in the area.

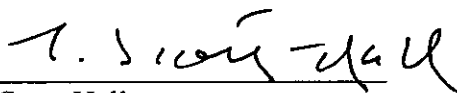
4. Applicant's proposed injection operation can be conducted in a safe and responsible manner without causing waste, impairing correlative rights or endangering fresh water, public health or the environment.

5. Applicant's original request for administrative approval was filed with the Division on May 4, 2015. Written objection was received and consequently, the matter must be set for hearing pursuant to NMAC §19.15.26.8 D, with notice to be given by the Division.

WHEREFORE, Applicant requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division on August 20, 2015 and that after notice and hearing as required by law, the Division enter its Order approving the utilization of the Black River 15 State SWD No. 1 well for the injection of water into the Cherry Canyon member at the intervals and at the pressures, volumes and rates indicated, and making such other and further provisions as the Division determines appropriate.

Respectfully submitted,

MONTGOMERY & ANDREWS, P. A.

By: 

J. Scott Hall

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Attorneys for BC Operating, Inc.

Case No. 15358 *Application of BC Operating, Inc. for Authorization to Inject, Eddy County, New Mexico.* Applicant seeks an order authorizing the injection of water for disposal into the Cherry Canyon member of the Delaware Mountain Group formation, Cherry Canyon SWD Pool (97003) in Eddy County, New Mexico in the following well:

Black River 15 State SWD No. 1
2,334' FSL & 1,914' FWL (Unit K)
Section 15
T-24-S, R-27-E, NMPM
Eddy County, New Mexico

Applicant proposes to drill the well at the above location and utilize it for injection of produced water at depths of 3,115' to 4,290' subsurface. The well is located approximately 6 miles West of Malaga, New Mexico.