

# Affidavit of Publication

State of New Mexico,  
County of Eddy, ss.

Danny Fletcher, being first duly  
sworn, on oath says:

That he is the Publisher of the  
Carlsbad Current-Argus, a  
newspaper published daily at the  
City of Carlsbad, in said county of  
Eddy, state of New Mexico and of  
general paid circulation in said  
county; that the same is a duly  
qualified newspaper under the laws  
of the State wherein legal notices  
and advertisements may be  
published; that the printed notice  
attached hereto was published in the  
regular and entire edition of said  
newspaper and not in supplement  
thereof on the date as follows, to wit:

July 31 2016

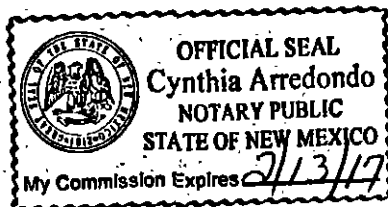
That the cost of publication is  
\$253.46 and that payment thereof  
has been made and will be  
assessed as court costs.

Subscribed and sworn to before me  
this 4 day of August  
2016

Cynthia Arredondo

My commission Expires  
2/13/17

Notary Public



July 31, 2016  
STATE OF  
NEW MEXICO  
ENERGY, MINERALS  
AND NATURAL  
RESOURCES  
DEPARTMENT  
OIL CONSERVATION  
DIVISION  
SANTA FE,  
NEW MEXICO

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on August 18, 2016, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by August 8, 2016. Public documents including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible

form is needed.

STATE OF  
NEW MEXICO TO:  
All named parties  
and persons having  
any right, title,  
interest or claim in  
the following cases  
and notice to  
the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: Crown Oil Partners V, LP, Crump Energy Partners II, LLC, Nadel and Gussman Permian, LLC, CL&F Resources LP, LOGO Energy, LLC, ROGO LOGO, LLC, Ozark Exploration, Inc., J.Cleo Thompson & James Cleo Thompson, Jr., LP, Black Stone Natural Resources III-B, LP, Black Stone Energy Company, LLC, Eastland Resources, Inc., Richard Gillham, his heirs and

devises, Cactus Energy, Inc., Thomas Smith, his heirs and devisees, Magnum Hunter Production, Inc., Vanguard Permian, LLC, Newfield Exploration Mid-Continent, Inc., Troporo Oil and Gas Company, Ruth S. Bell, her heirs and devisees, C. Kirk Greene, his heirs and devisees, George D. Gould, his heirs and devisees, Landmark Gas Corporation, Karen V. and William H. Martin Energy, Ltd., Searls-Collier, Ltd., Searls Properties, LLC, Judson Operations, Ltd., Permian Holdings, Inc., Merit Management Partners I, LP, Merit Management Partners II, LP, Merit Management Partners III, LP, Merit Energy Partners III, LP, Merit Energy Partners E-III, LP, Merit Energy Partners F-III, LP, Chevron U.S.A., Inc., Exxon Mobil, XTO Energy Inc., Nearburg Exploration Company, LLC, Timothy R. MacDonald, his heirs and devisees, Mewbourne Oil Company, Newfield Exploration Mid-Continent Inc., George Soros, his heirs and devisees, Roy Niederhoffer, his heirs and devisees, Susan Cole Niederhoffer, her heirs and devisees, Gretchen B. Nearburg, her heirs and devisees, Menpart Associates, Holsum, Inc., AAR Limited Partnership, Gene Reischman, his heirs and devisees, Marc Reischman and Michael Reischman, their heirs and devisees, Personal Representatives of the Estate of Gene Reischman, LJR Resources Ltd. Co., R-N Limited Partnership, Duane A. Davis, his heirs and devisees, Timothy R. MacDonald, his heirs and devisees, Dean A. Horning, his heirs and devisees, Maverick Oil & Gas Corp., Wright Family Living Trust, JKS Resources, LLC, JB III Partners LP, Lucie Investments, LP, LDH Holdings, LLC, and LJS Resources, LLC.

Case No.15528: Application of BC Operating, Inc. for a non-standard spacing and proration unit, unorthodox well location,

and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 480-acre, more or less, spacing and proration unit comprised of the E/2 of Section 27 and the NE/4 of Section 34, Township 23 South, Range 26 East, Eddy County, New Mexico; (2) approving an unorthodox well location; and (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Red Light 27-34 State Com No. 1H Well, which will be drilled horizontally from the NW/4 NE/4 (Unit B) of Section 27 to a non-standard bottomhole location in the SW/4 NE/4 (Unit G) of Section 34. The completed interval is unorthodox because it will be closer than 660 feet to the outer boundary. The completed interval for this well will commence 330 feet from the North line and 1,650 feet from the East line (Unit B) of Section 27 to a location 2,310 feet from the North line, 1,650 feet from the East line (Unit G) of Section 34. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of BC Operating, Inc., as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 10 miles southwest of Carlsbad, New Mexico.

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County of Eddy, ss.

**Danny Fletcher**, being first duly  
sworn, on oath says:

That he is the Publisher of the  
Carlsbad Current-Argus, a  
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of the State wherein legal notices  
and advertisements may be  
published; that the printed notice  
attached hereto was published in the  
regular and entire edition of said  
newspaper and not in supplement  
thereof on the date as follows, to wit:

August 31 2016

That the cost of publication is  
**\$189.53** and that payment thereof  
has been made and will be  
assessed as court costs.

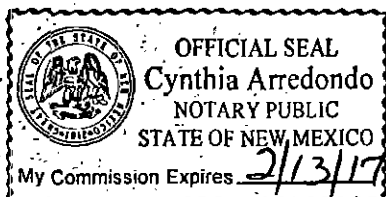
Subscribed and sworn to before me  
this 31 day of August,  
2016

Cynthia Arredondo

My commission Expires

2/13/17

Notary Public



August 31, 2016  
STATE OF  
NEW MEXICO  
ENERGY, MINERALS  
AND NATURAL  
RESOURCES  
DEPARTMENT  
OIL CONSERVATION  
DIVISION  
SANTA FE,  
NEW MEXICO

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on September 15, 2016, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by September 5, 2016. Public documents including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

STATE OF  
NEW MEXICO TO:  
All named parties  
and persons having  
any right, title,  
interest or claim in  
the following cases  
and notice to  
the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: Dorothy Cecile Scott, Trustee of the Wallace H. Scott, Unified Credit Trust, Ellen R. Matson, her heirs and devisees, Rowan Family Minerals, LLC, Dorothy E. Berry, her heirs and devisees, Estate of Sam H. Berry, KWCL Properties, Marks & Crane Rigging Company, BK Exploration, Carlsbad Association for Retarded Children, Inc., Glenna Sue Sloan, her heirs and devisees, Donna Lynn Moore, her heirs and devisees, Morgan Moore, her heirs and devisees, Kevin Moore, his heirs and devisees, and Arthene Jones, her heirs and devisees.

Application of BC Operating, Inc. for a non-standard spacing and proration unit, unorthodox well location, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 480-acre, more or less, spacing and proration unit comprised of the E/2 of Section 27 and the NE/4 of Section 34, Township 23 South, Range 26 East, Eddy County, New Mexico; (2) approving an unorthodox well location; and (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Red Light 27-34 State Com. No. 1H Well, which will be drilled horizontally from the NW/4 NE/4 (Unit B) of Section 27 to a non-standard bottomhole location in the SW/4 NE/4 (Unit G) of Section 34. The completed interval is unorthodox because it will be closer than 660 feet to the outer boundary. The completed interval for this well will commence 330 feet from the North line and 1,650 feet from the East line (Unit B) of Section 27 to a location 2,310 feet from the North line, 1,650 feet from the East line (Unit G) of Section 34. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of BC Operating, Inc., as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 10 miles southwest of Carlsbad, New Mexico.

**From:** "Allison M Gill" <[AGill@clf-co.com](mailto:AGill@clf-co.com)>  
**Date:** July 19, 2016 at 2:46:41 PM MDT  
**To:** Harmon Murphy <[hmurphy@bcoperating.com](mailto:hmurphy@bcoperating.com)>  
**Subject:** RE: Red Light Proposal

10-4 thanks.

**From:** Harmon Murphy [<mailto:hmurphy@bcoperating.com>]  
**Sent:** Tuesday, July 19, 2016 3:13 PM  
**To:** Allison M Gill  
**Subject:** RE: Red Light Proposal

nope

Harmon Murphy  
Senior Landman  
BC Operating, Inc.  
4000 North Big Spring  
Suite 310  
Midland, TX 79705  
Office: 432-684-9696  
Cell: 225-246-5127  
Fax: 432-686-0600  
[hmurphy@bcoperating.com](mailto:hmurphy@bcoperating.com)

**From:** Allison M Gill [<mailto:AGill@clf-co.com>]  
**Sent:** Tuesday, July 19, 2016 3:11 PM  
**To:** Harmon Murphy  
**Subject:** Red Light Proposal

One last question I should have asked...

If we do not want to sell our interest, but we want to hold off on deciding how to participate until the JOA/Order comes out... do we even need to return the participation election letter?

Allison

BC Operating Ex. 10-A