

SEP 29 2014

NM OIL CONSERVATION  
ARTESIA DISTRICT

Oil Conservation Division

RECEIVED

AMENDED REPORT

1220 South St. Francis Dr.

Santa Fe, NM 87505

SEP 29 2014

RECEIVED

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

<sup>1</sup> Operator Name and Address BC Operating, Inc. P.O. Box 50820 Midland, Texas 79710		<sup>2</sup> OGRID Number 160825
<sup>3</sup> Property Name Black River 10 State Com		<sup>4</sup> APL Number 30-015-72728
<sup>5</sup> Property Code 313 729	<sup>6</sup> Well No. 2H	s/s

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
B	15	24S	27E		240	North	1680	East	Eddy

**\* Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
B	10	24S	27E		240	North	1680	East	Eddy

**9. Pool Information**

<sup>9</sup> Pool Name Black River; Wolfcamp (Gas)	<sup>10</sup> Pool Code 97442
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**Additional Well Information**

<sup>11</sup> Work Type New Well	<sup>12</sup> Well Type Gas	<sup>13</sup> Cable/Rotary Rotary	<sup>14</sup> Lease Type State	<sup>15</sup> Ground Level Elevation 3209'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 8900' TVD/14,044' MD	<sup>18</sup> Formation Wolfcamp	<sup>19</sup> Contractor TBD	<sup>20</sup> Spud Date 12/01/2014
<sup>21</sup> Depth to Ground water	<sup>22</sup> Distance from nearest fresh water well	<sup>23</sup> Distance to nearest surface water		

We will be using a closed-loop system in lieu of lined pits

**21. Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	16"	13 3/8"	48#	630'	400	0'
Intermediate	12 1/4"	9 5/8"	40#	3100'	1135	0'
Production	8 1/2"	5 1/2"	17#	14,044'	2500	0'

**Casing/Cement Program: Additional Comments**

**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram Annular	3000#	2000#	Hydrill/Shaeffer

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. Signature: Pam Stevens	OIL CONSERVATION DIVISION Approved By: T. C. Shepard Title: Geologist
Printed name: Pam Stevens Title: Regulatory Analyst E-mail Address: pstevens@bcooperating.com Date: 09/25/2014 Phone: 432-684-9696	Approved Date: 10-14-2014 Expiration Date: 10-14-2016 Conditions of Approval Attached: NSL Required

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 30-015-42728	<sup>2</sup> Pool Code 97442	<sup>3</sup> Pool Name BLACK RIVER; WOLFCAMP (GAS)
<sup>4</sup> Property Code 313739	<sup>5</sup> Property Name BLACK RIVER 10 STATE COM	<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 3192'

<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
B	15	T24S	R27E		240'	NORTH	1680'	EAST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

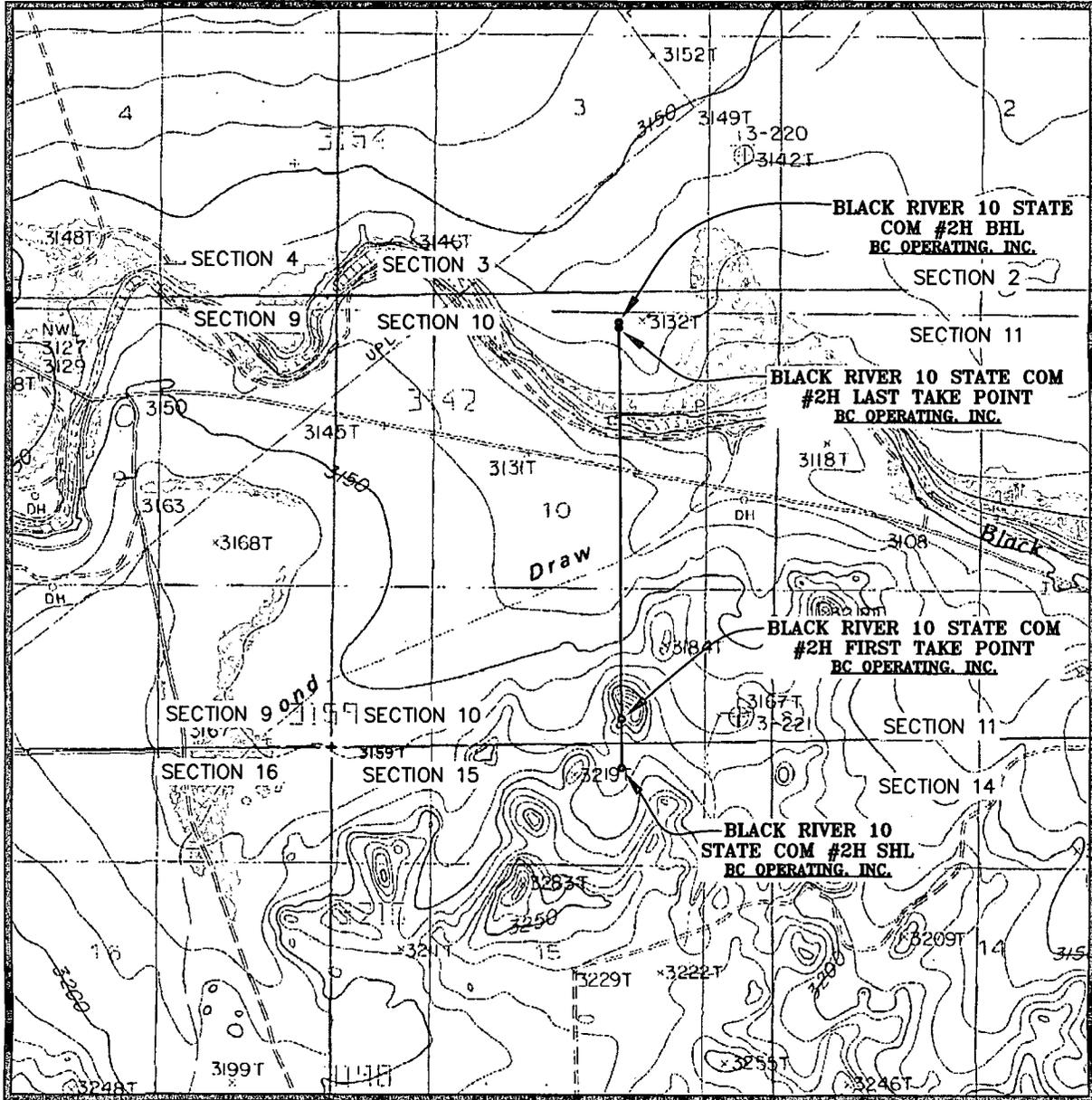
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	10	T24S	R27E		240'	NORTH	1680'	EAST	EDDY

<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.

<sup>16</sup> SECTION 4 SECTION 9 SECTION 10 SECTION 11 SECTION 14 SECTION 15	SECTION 3 BOTTOM HOLE LOCATION 240' FNL 1680' FEL NAD 83, SPCS NM EAST X:590144.83' / Y:450483.74' LAT:32.23835712N / LDN:104.17547461W NAD 27, SPCS NM EAST X:548962.08' / Y:450425.42' LAT:32.23823730N / LDN:104.17497771W  LAST TAKE POINT 330' FNL 1680' FEL NAD 83, SPCS NM EAST X:590145.34' / Y:450393.71' LAT:32.23810964N / LDN:104.17547341W NAD 27, SPCS NM EAST X:548962.59' / Y:450335.39' LAT:32.23798981N / LDN:104.17497631W  FIRST TAKE POINT 330' FSL 1680' FEL NAD 83, SPCS NM EAST X:590168.84' / Y:445741.88' LAT:32.22532215N / LDN:104.17541949W NAD 27, SPCS NM EAST X:548986.01' / Y:445683.65' LAT:32.22520215N / LDN:104.17492293W  SURFACE HOLE LOCATION 240' FNL 1680' FEL NAD 83, SPCS NM EAST X:590174.68' / Y:445171.78' LAT:32.22375498N / LDN:104.17540334W NAD 27, SPCS NM EAST X:548991.83' / Y:445113.56' LAT:32.22363496N / LDN:104.17490683W	SECTION 2 SECTION 11 SECTION 14 SECTION 15 	<sup>17</sup> OPERATOR CERTIFICATION 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. Pam Stevens 9/22/14 Signature Date Pam Stevens Printed Name pstevens@bcoperating.com E-mail Address
	<sup>18</sup> SURVEYOR CERTIFICATION 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. SEPTEMBER 22, 2014 Date of Survey Signature and Seal of Professional Surveyor LLOYD P. SHORT Certificate Number LLOYD P. SHORT 21653	SECTION 11 SECTION 14 SECTION 15 	

# LOCATION VERIFICATION MAP

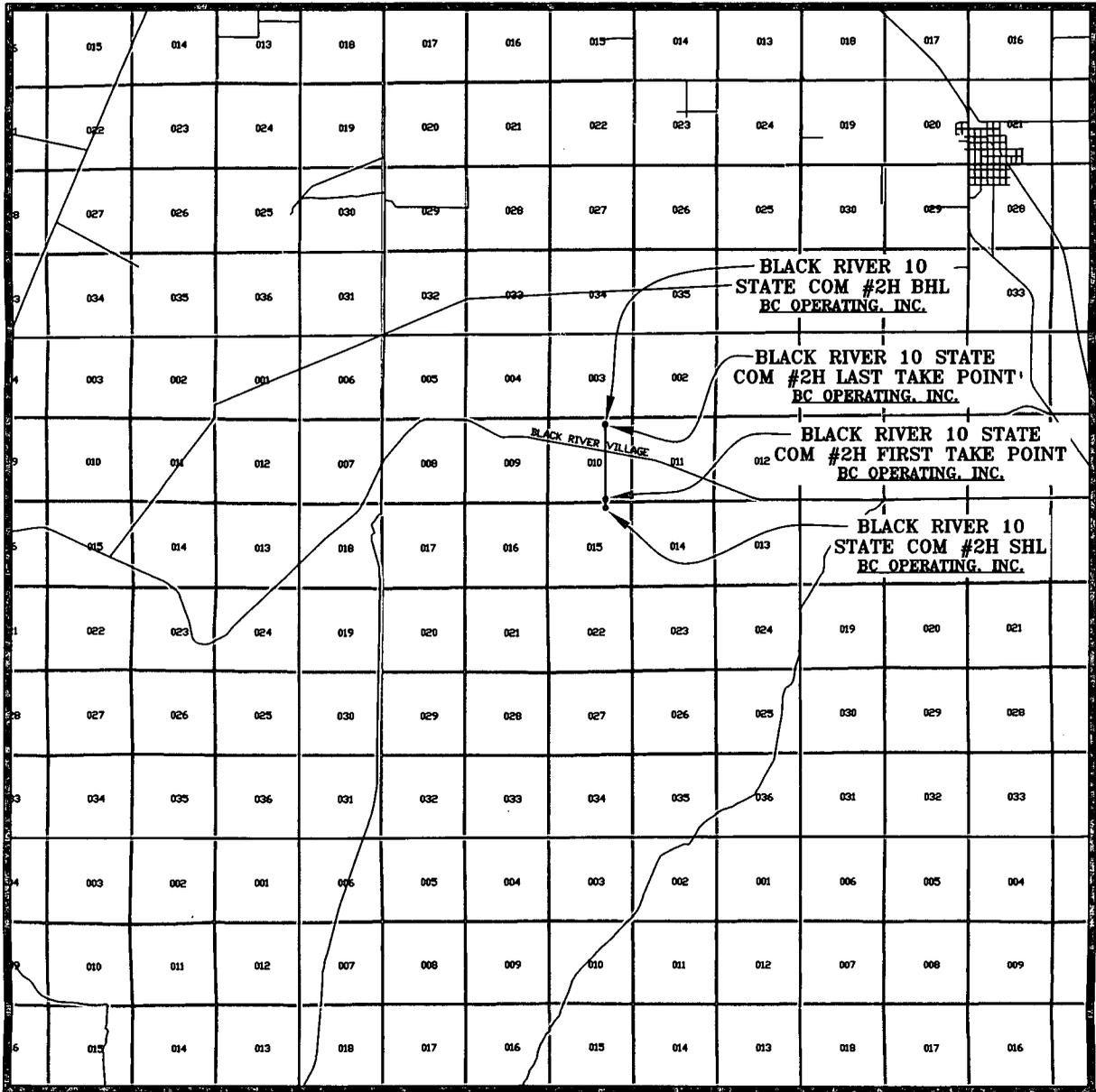


SEC. 15 TWP. 24-S RGE. 27-E  
 SURVEY: N.M.P.M.  
 COUNTY: EDDY  
 DESCRIPTION: 240' FNL & 1680' FEL  
 ELEVATION: 3192'  
 OPERATOR: B.C. OPERATING, INC.  
 EDDYSE: BLACK RIVER 10 STATE COM  
 U.S.G.S. TOPOGRAPHIC MAP: BOND DRAW, N.M.

SCALE: 1" = 2000'  
 CONTOUR INTERVAL = 10'

PREPARED BY:  
 R-SQUARED GLOBAL, LLC  
 1309 LOUISVILLE AVENUE, MONROE, LA 71201  
 318-323-8900 OFFICE  
 JOB No. R3421\_002

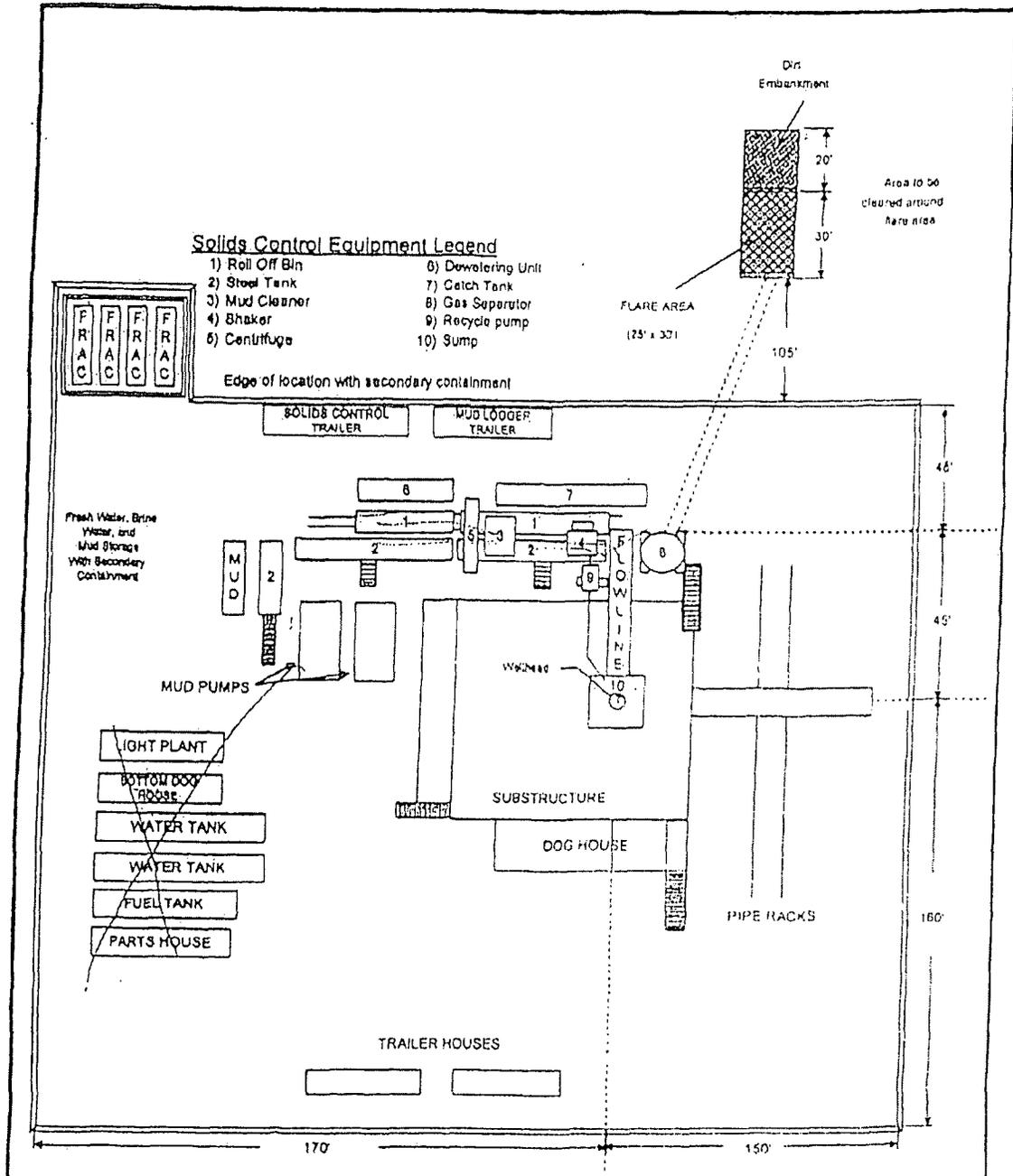
# VICINITY MAP



SEC. 15 TWP. 24-S RGE. 27-E  
 SURVEY: N.M.P.M.  
 COUNTY: EDDY  
 DESCRIPTION: 240' FNL & 1680' FEL  
 ELEVATION: 3192'  
 OPERATOR: B.C. OPERATING, INC.  
 EDDYSE: BLACK RIVER 10 STATE COM  
 U.S.G.S. TOPOGRAPHIC MAP: BOND DRAW, N.M.

SCALE: 1" = 2 MILES

PREPARED BY:  
 R-SQUARED GLOBAL, LLC  
 1309 LOUISVILLE AVENUE, MONROE, LA 71201  
 318-323-6900 OFFICE  
 JOB No. R3421\_002



TYPICAL RIG LAYOUT SCHEMATIC INCLUSIVE OF CLOSED-LOOP DESIGN PLAN

## BC Operating, Inc. Closed Loop System

### Design Plan

#### *Equipment List*

- 2 – 414 MI Swaco *Centrifuges*
- 2 – MI Swaco 4 screen *Moongoose Shale Shakers*
- 2 – double screen *Shakers* with rig inventory
- 2 – CRI *Haul off bins* with track system
- 2 – additional 500bbl *Frac tanks* for fresh and brine water
- 2 – 500bbl *water tanks* with rig inventory

*\*Equipment manufactures may vary due to availability but components will not.*

### Operation and Maintenance

The system along with equipment will be inspected numerous times a day by each tour to make sure all equipment is operating correctly. Routine maintenance will be done to keep system running properly. Any leak in system will be repaired and/or contained immediately and the OCD notified within 48 hours of the remediation process start.

### Closure Plan

While drilling, all cuttings and fluids associated with drilling will be hauled off and disposed of via Controlled Recovery Incorporated Facilities Permit NM01-0006.