

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-6162

**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

**NM OIL CONSERVATION**  
ARTESIA DISTRICT  
JUN 8 2015  
RECEIVED

State of New Mexico

Form C-101  
Revised July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division

AMENDED REPORT

1220 South St. Francis Dr.

Santa Fe, NM 87505

**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>4</sup> Property Code 315017		<sup>3</sup> Property Name Wild Toad 36 State
		<sup>5</sup> API Number 30-015-93203
		<sup>6</sup> Well No. 2H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
B	1	25S	29E		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	36	24S	29E		240	North	1680	East	Eddy

**9. Pool Information**

<sup>7</sup> Pool Name Owen Mesa; Wolfcamp (Gas)	<sup>8</sup> Pool Code 97405
---	---------------------------------

**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 3132'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 11,000' TVD / 16,040' MD	<sup>18</sup> Formation Wolfcamp	<sup>19</sup> Contractor TBD	<sup>20</sup> Spud Date 01/01/2016
<sup>21</sup> Depth to Groundwater	<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/lft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	16"	13 3/8"	54.5#	725'	510	0'
Intermediate	12 1/4"	9 5/8"	40#	3260'	1290	0'
Production	8 1/2"	5 1/2"	17#	16,040'	2050	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		<b>OIL CONSERVATION DIVISION</b>	
Printed name: Pam Stevens		Approved By: <i>[Signature]</i>	
Title: Regulatory Analyst		Title: Dist. Supervisor	
E-mail Address: pstevens@bcoperating.com		Approved Date: 7-8-2015      Expiration Date: 7-8-2017	
Date: 06/03/2015      Phone: 432-684-9696		Conditions of Approval Attached	

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 30-015-43203		<sup>2</sup> Pool Code 97045		<sup>3</sup> Pool Name OWEN MESA; WOLFCAMP (GAS)	
<sup>4</sup> Property Code 315014		<sup>5</sup> Property Name WILD TOAD 36 STATE			<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 3132'

<sup>10</sup> Surface Location

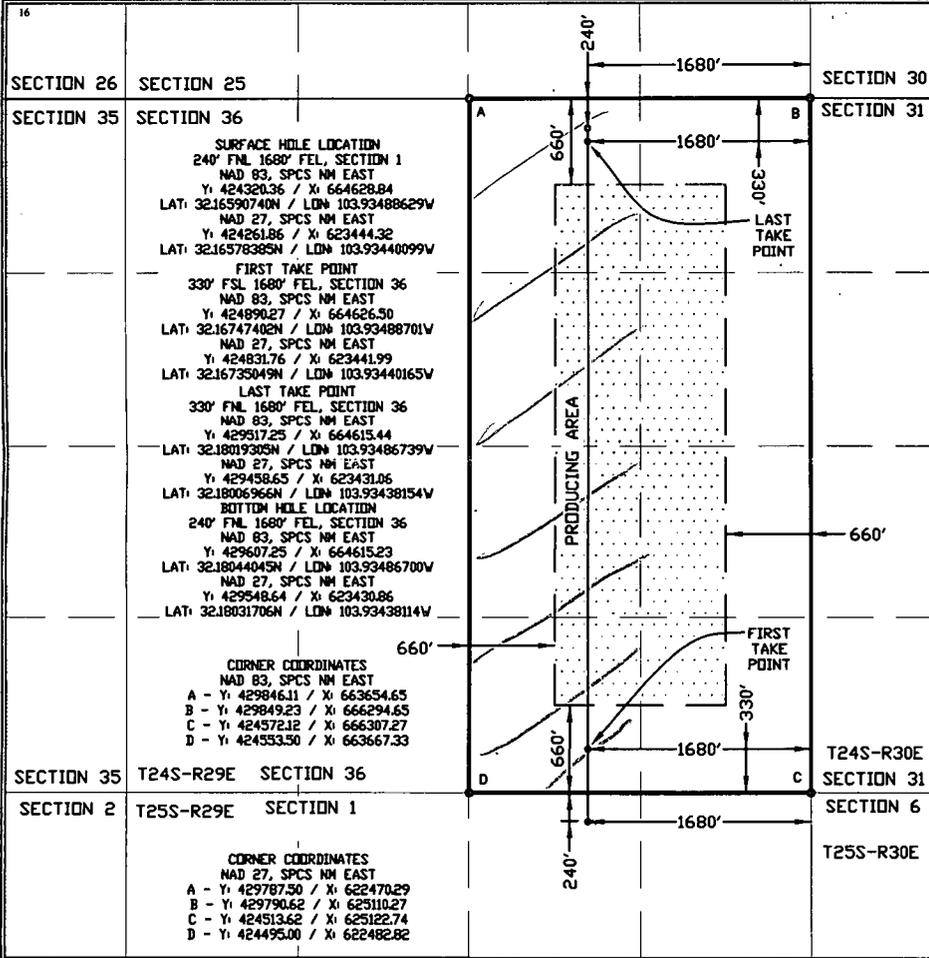
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	1	T25S	R29E		240'	NORTH	1680'	EAST	EDDY

<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	36	T24S	R29E		240'	NORTH	1680'	EAST	EDDY

<sup>12</sup> Dedicated Acres 320.00	<sup>13</sup> Joint or Infill 160	<sup>14</sup> Consolidation Code	<sup>15</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.



**" 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* 5/15/15  
Signature Date

*Pam Stevens*  
Printed Name

*pstevens@bcoperating.com*  
E-mail Address

**"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.

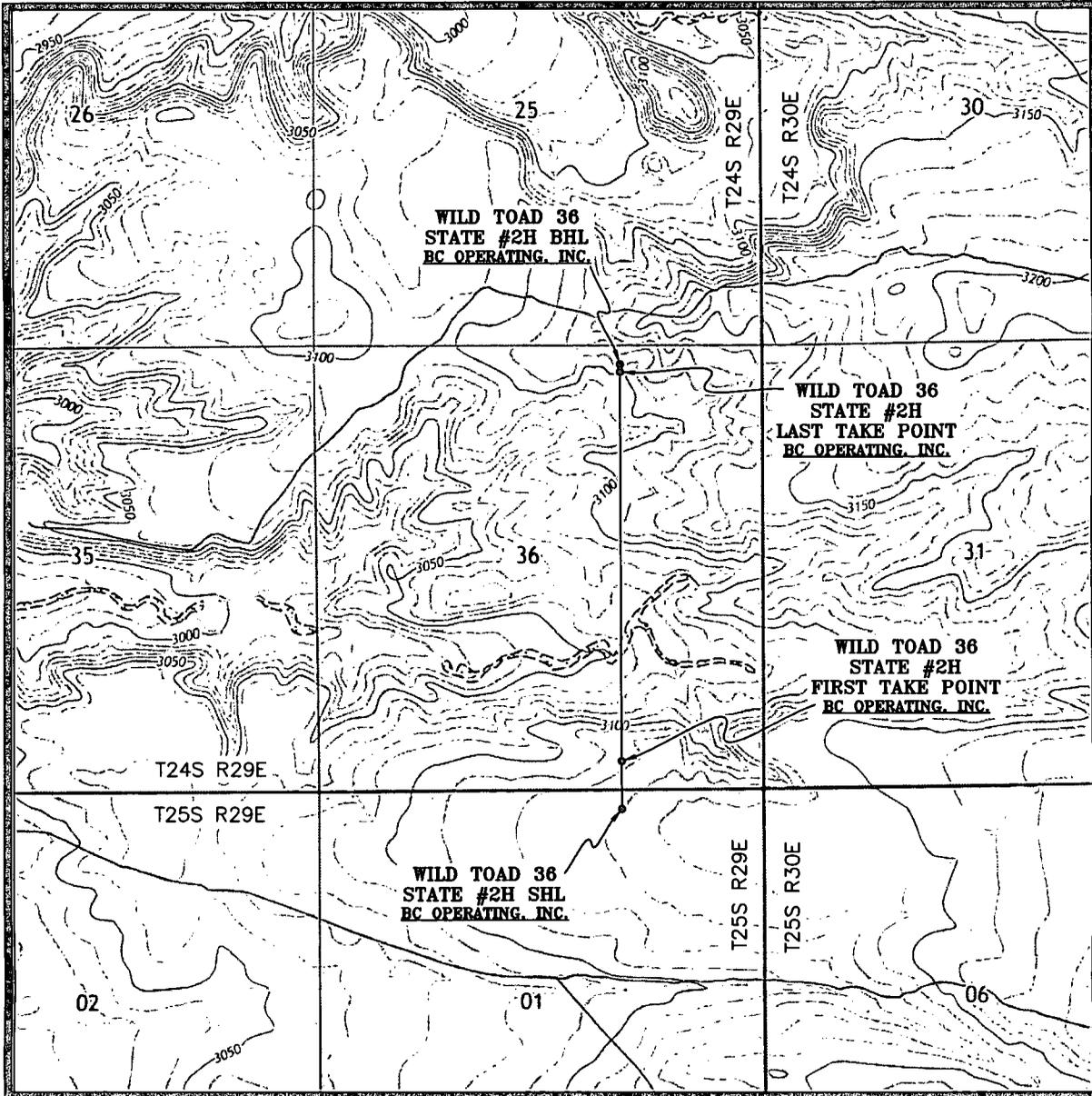
MAY 07, 2015  
Date of Survey

*Lloyd P. Short*  
Signature and Seal of Professional Surveyor

**LLOYD P. SHORT**  
NEW MEXICO  
21653  
PROFESSIONAL SURVEYOR

Certificate Number LLOYD P. SHORT 21653

# LOCATION VERIFICATION MAP

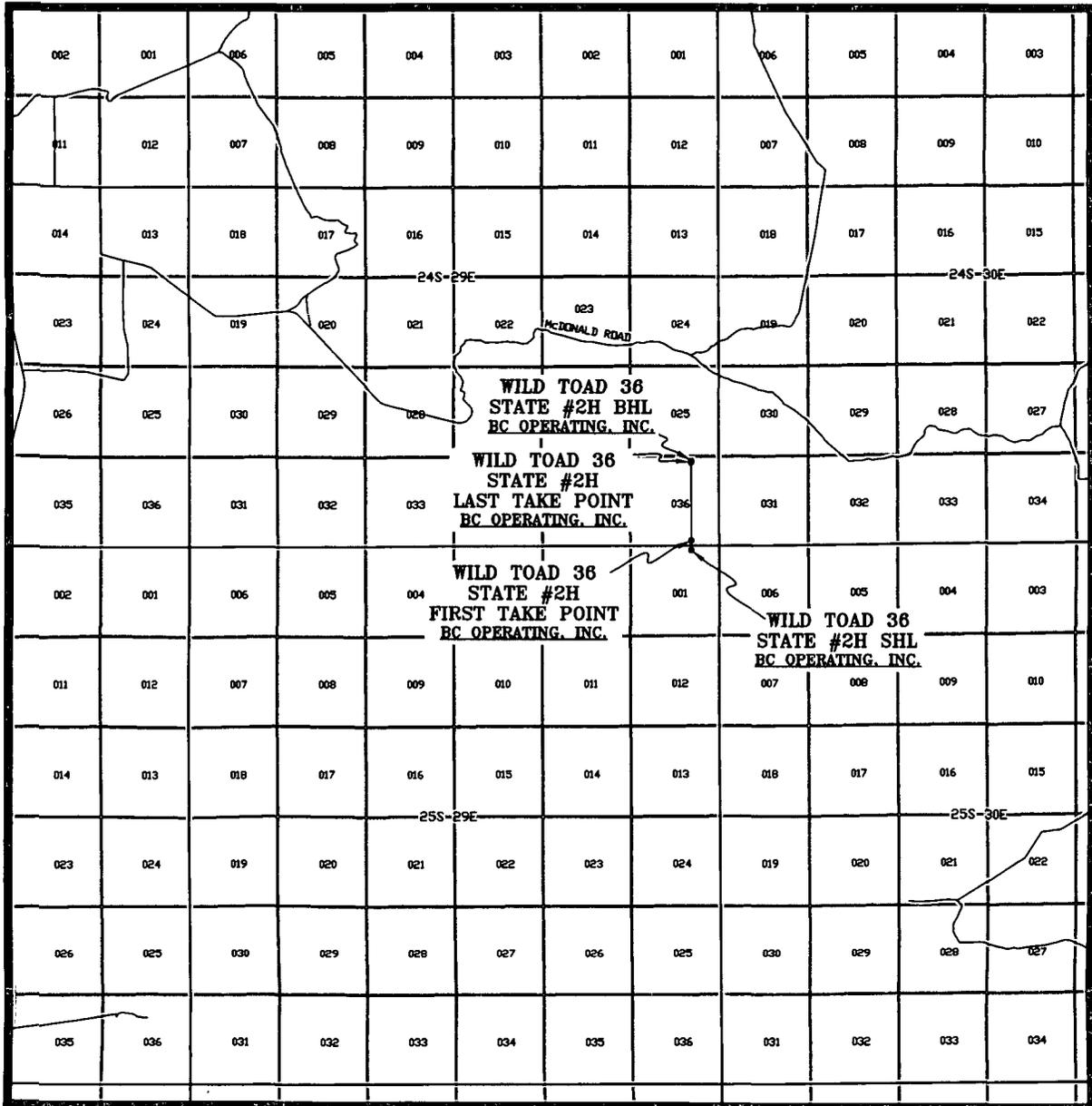


SEC. 1 TWP. 25-S RGE. 29-E  
SURVEY: N.M.P.M.  
COUNTY: EDDY  
DESCRIPTION: 240' FNL & 1680' FEL  
ELEVATION: 3132'  
OPERATOR: B.C. OPERATING, INC.  
LEASE: WILD TOAD 36 STATE  
U.S.G.S. TOPOGRAPHIC MAP: PIERCE CANYON, N.M.

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

PREPARED BY:  
R-SQUARED GLOBAL, LLC  
1309 LOUISVILLE AVENUE, MONROE, LA 71201  
318-323-8900 OFFICE  
JOB No. R3456\_002

# VICINITY MAP



SEC. 1 TWP. 25-S RGE. 29-E  
 SURVEY: N.M.P.M.  
 COUNTY: EDDY  
 DESCRIPTION: 240' FNL & 1680' FEL  
 ELEVATION: 3132'  
 OPERATOR: B.C. OPERATING, INC.  
 LEASE: WILD TOAD 36 STATE  
 U.S.G.S. TOPOGRAPHIC MAP: PIERCE CANYON, N.M.

SCALE: 1" = 2 MILES

PREPARED BY:  
 R-SQUARED GLOBAL, LLC  
 1309 LOUISVILLE AVENUE, MONROE, LA 71201  
 318-323-8900 OFFICE  
 JOB No. R3456\_002

## 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

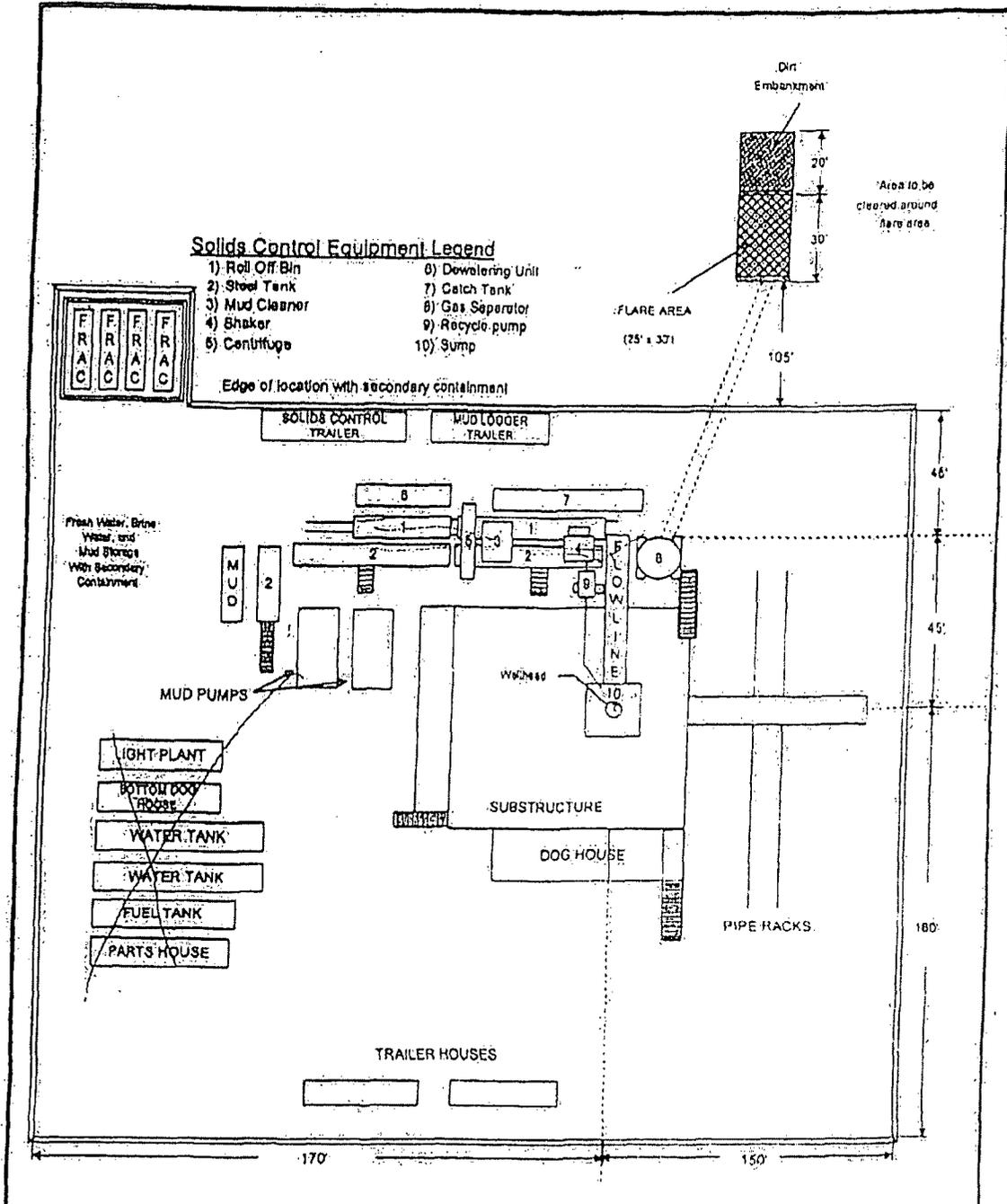
*\*Equipment manufactures may vary due to availability but components will not.*

### 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.



TYPICAL RIG LAYOUT SCHEMATIC INCLUSIVE OF CLOSED-LOOP DESIGN PLAN