

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

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

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

RECEIVED

MAY 04 2006

Submit to appropriate District Office

UUN-AMTEAM

☐ AMENDED REPORT

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

Operator Name and Address B.C. OPERATING, INC., P.O. Box 50820, Midland, TX 79710		OGRID Number 160825
Property Code 35084		API Number 30-015-54839
Property Name Rustler Bluff		Well No. 1
Proposed Pool 1 Willow Lake (Delaware) 64453		Proposed Pool 2

Surface Location

UL or lot no. L	Section 6	Township 25S	Range 29E	Lot Idn	Feet from the 1980	North/South line South	Feet from the 1680'	East/West line East	County Eddy
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Proposed 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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Additional Well Information

Work Type Code N	Well Type Code O	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 4207'
Multiple N	Proposed Depth 5000'	Formation Delaware	Contractor Adobe	Spud Date 6/1/06
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 14 mils thick Clay <input type="checkbox"/> Pit Volume: 24000 bbls Drilling Method: Fresh Water <input type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				
Closed-Loop System <input type="checkbox"/>				

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8-5/8"	32# J-55	660'	600 "C"	Surface
7-7/8"	5 1/2"	15.5# J-55	5,000'	700 "C"	1,000'

Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

B.C. OPERATING, INC. proposes to drill/test the Delaware formation. Approximately 660' of surface casing will be set/cemented. If commercial, production casing will be run/cemented, perforate/stimulate as needed for production.

MUD PROGRAM: 0-660'
660-3500'
3500-TD

FW/Spud mud
Cut Brine
Gel/Starch

BOPE PROGRAM: A 5000# BOPE will be installed on the 8-5/8" casing and tested daily.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: **Kenneth C. Dickeson**
Title: **Authorized Agent**
E-mail Address: **kwidner@usaonline.net**

Date: **5/3/06** Phone: **(432) 682-4002**

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARRAÑT

DISTRICT II GEOLOGIST

Approval Date: **MAY 05 2006**

Expiration Date:

Conditions of Approval Attached ☐

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 64453	Pool Name Willow Lake; Delaware
Property Code	Property Name RUSTLER BLUFF	Well Number 1
OGRID No.	Operator Name BC OPERATING, INC.	Elevation 2885'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	6	25 S	29 E		1980	SOUTH	1680	EAST	EDDY

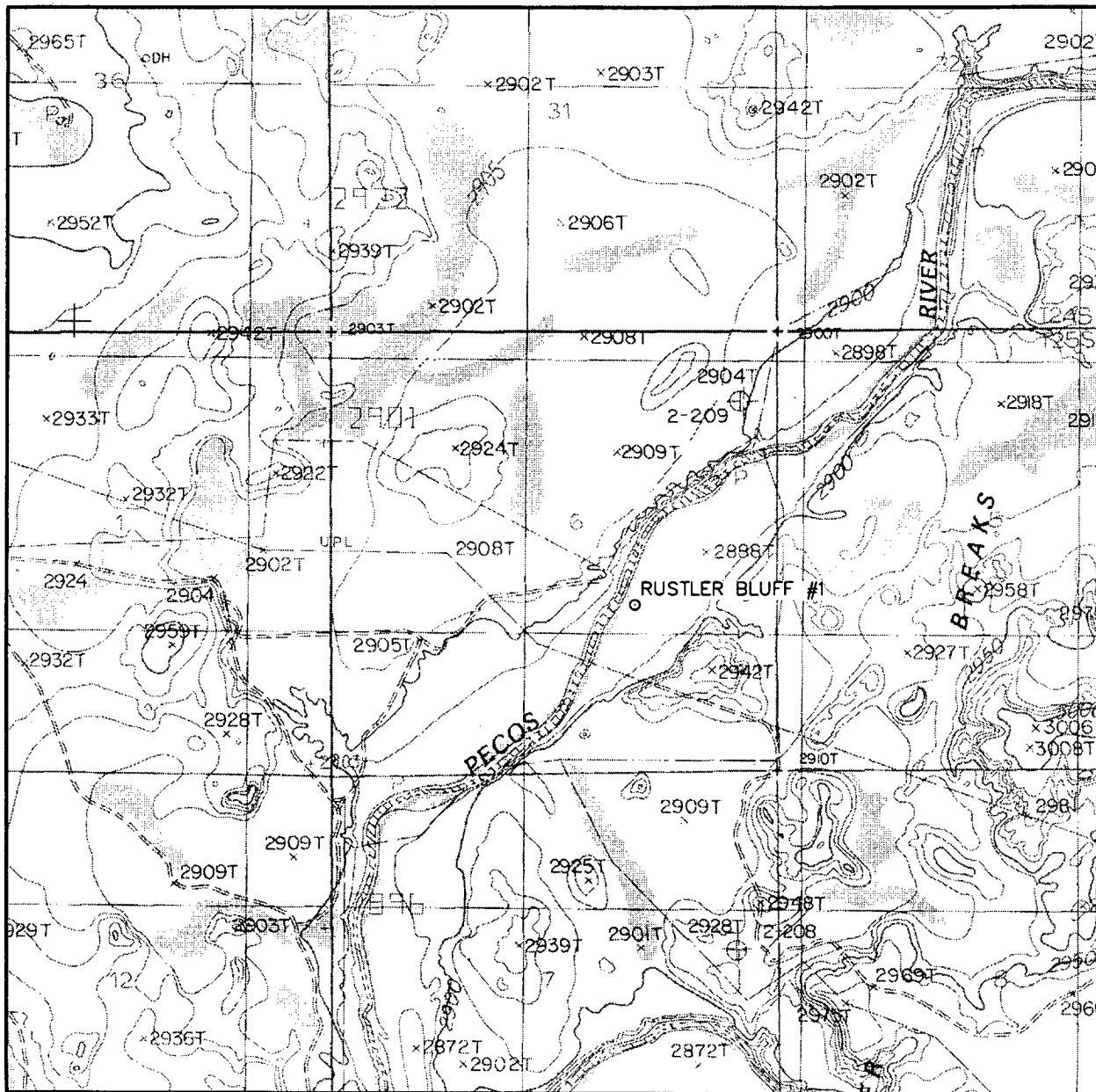
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	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

<p>NOTE:</p> <p>1) Plane Coordinates shown hereon are Transverse Mercator Grid and Conform to the "New Mexico Coordinate System", New Mexico East Zone, North American Datum of 1927. Distances shown hereon are mean horizontal surface values.</p>		<h3 style="text-align: center;">OPERATOR CERTIFICATION</h3> <p>I hereby certify the information contained herein to be 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.</p> <div style="text-align: right; margin-right: 50px;"> <p>5-3-06</p> </div> <div style="margin-bottom: 10px;"> <p><i>[Signature]</i></p> <p>_____ Signature Date</p> </div> <p>Kenneth C. Dickeson Printed Name</p> <hr/> <h3 style="text-align: center;">SURVEYOR CERTIFICATION</h3> <p>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.</p> <p style="text-align: right; font-weight: bold;">April 6, 2006</p> <p>Date of Survey LVA</p> <p>Signature & Seal of Professional Surveyor</p> <div style="text-align: center; margin-top: 20px;"> </div> <p style="text-align: center; font-weight: bold;">W.O. Num. 2006-0243</p> <p>Certificate No. MACON McDONALD 12185</p>
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LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
MALAGA - 10'

SEC. 6 TWP. 25-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1980' FSL & 1680' FEL

ELEVATION 2885'

OPERATOR BC OPERATING, INC.

LEASE RUSTLER BLUFF

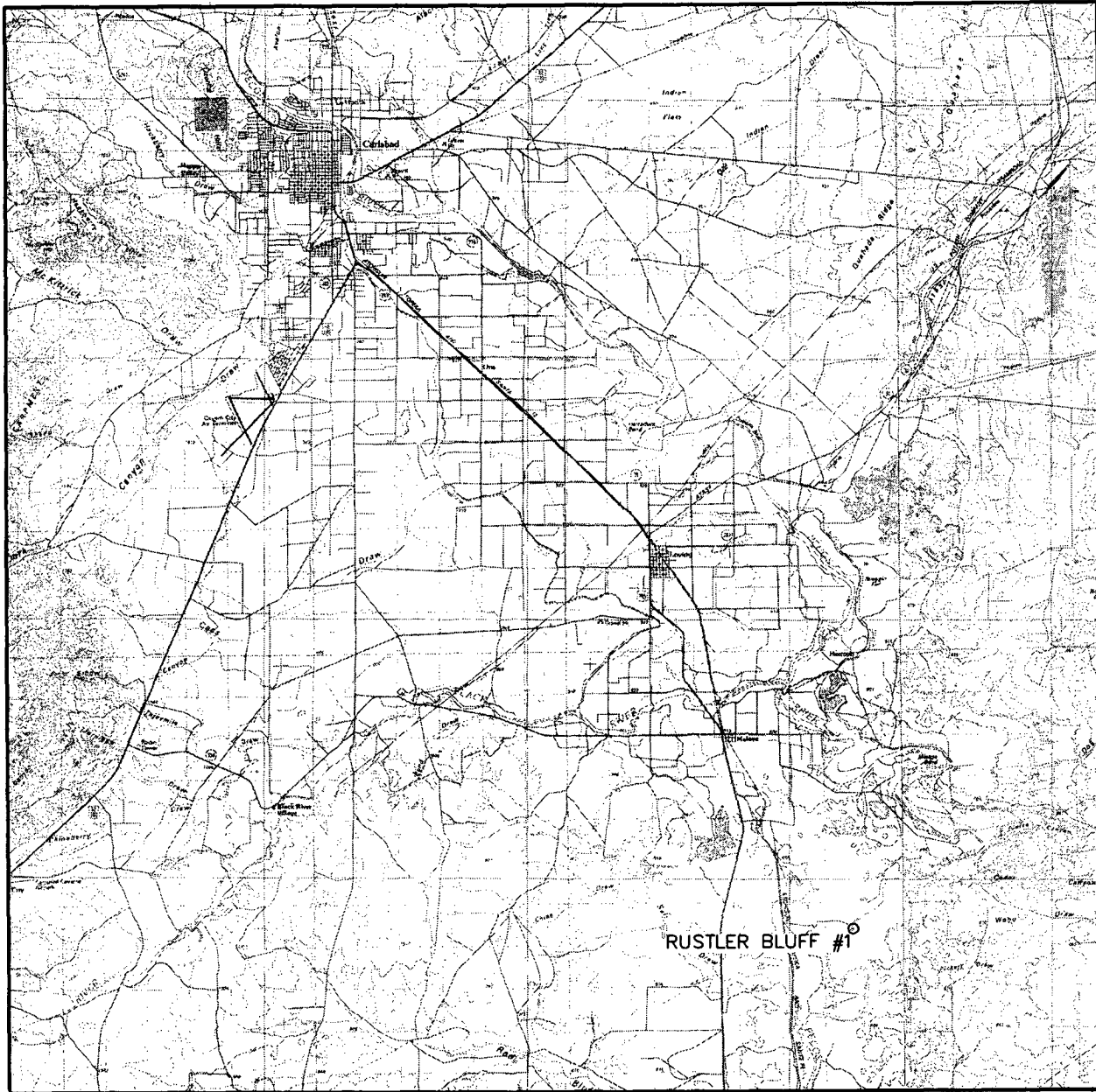
U.S.G.S. TOPOGRAPHIC MAP
MALAGA



**WEST
COMPANY**
of Midland, Inc.

110 W. LOUISIANA, STE. 110
MIDLAND TEXAS, 79701
(432) 687-0865 - (432) 687-0868 FAX

VICINITY MAP



SCALE: 1" = 4 MILES

SEC. 6 TWP. 25-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1980' FSL & 1680' FEL

ELEVATION 2885'

OPERATOR BC OPERATING, INC.

LEASE RUSTLER BLUFF



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