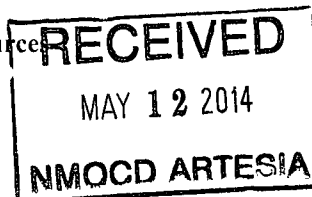


District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy Minerals and Natural Resources  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-101  
Revised December 16, 2011

Permit



**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 313247	<sup>3</sup> Property Name Cavegirl State	<sup>5</sup> API Number 30-015-42388
		<sup>6</sup> Well No. 1

**<sup>7</sup> Surface Location**

UL - Lot 0	Section 31	Township 23S	Range 25E	Lot Idn	Feet from 660	N/S Line South	Feet From 1980	E/W Line East	County Eddy
---------------	---------------	-----------------	--------------	---------	------------------	-------------------	-------------------	------------------	----------------

**<sup>8</sup> Pool Information**

Baldrige Canyon; Morrow (Gas)	71420
-------------------------------	-------

**Additional Well Information**

<sup>9</sup> Work Type New Well	<sup>10</sup> Well Type Gas	<sup>11</sup> Cable/Rotary Rotary	<sup>12</sup> Lease Type State	<sup>13</sup> Ground Level Elevation 3870'
<sup>14</sup> Multiple No	<sup>15</sup> Proposed Depth 11,000'	<sup>16</sup> Formation Morrow	<sup>17</sup> Contractor TBD	<sup>18</sup> Spud Date 07/30/14
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

**<sup>19</sup> Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	17 1/2"	13 3/8"	54.5#	1400'	1500	0'
Intermediate	12 1/4"	9 5/8"	36#	3350'	1000	0'
Production	7 7/8"	5 1/2"	17#	11,000'	2000	3000'

**Casing/Cement Program: Additional Comments**

--

**Proposed Blowout Prevention Program**

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

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 NMOC D guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☒.

Signature: Pam Stevens

Printed name: Pam Stevens

Title: Regulatory Analyst

E-mail Address: pstevens@bcoperating.com

Date: 05/09/14

Phone: 432-684-9696

**OIL CONSERVATION DIVISION**

Approved By:

Title:

Approved Date:

Expiration Date:

**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 30-015-42388		<sup>2</sup> Pool Code 71420	<sup>3</sup> Pool Name BALDRIDGE CANYON; MORROW (GAS)
<sup>4</sup> Property Code 3/3247	<sup>5</sup> Property Name CAVEGIRL STATE		<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 160825	<sup>8</sup> Operator Name B.C. OPERATING, INC.		<sup>9</sup> Elevation 3870

<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
0	31	T23S	R25E		660'	SOUTH	1980'	EAST	EDDY

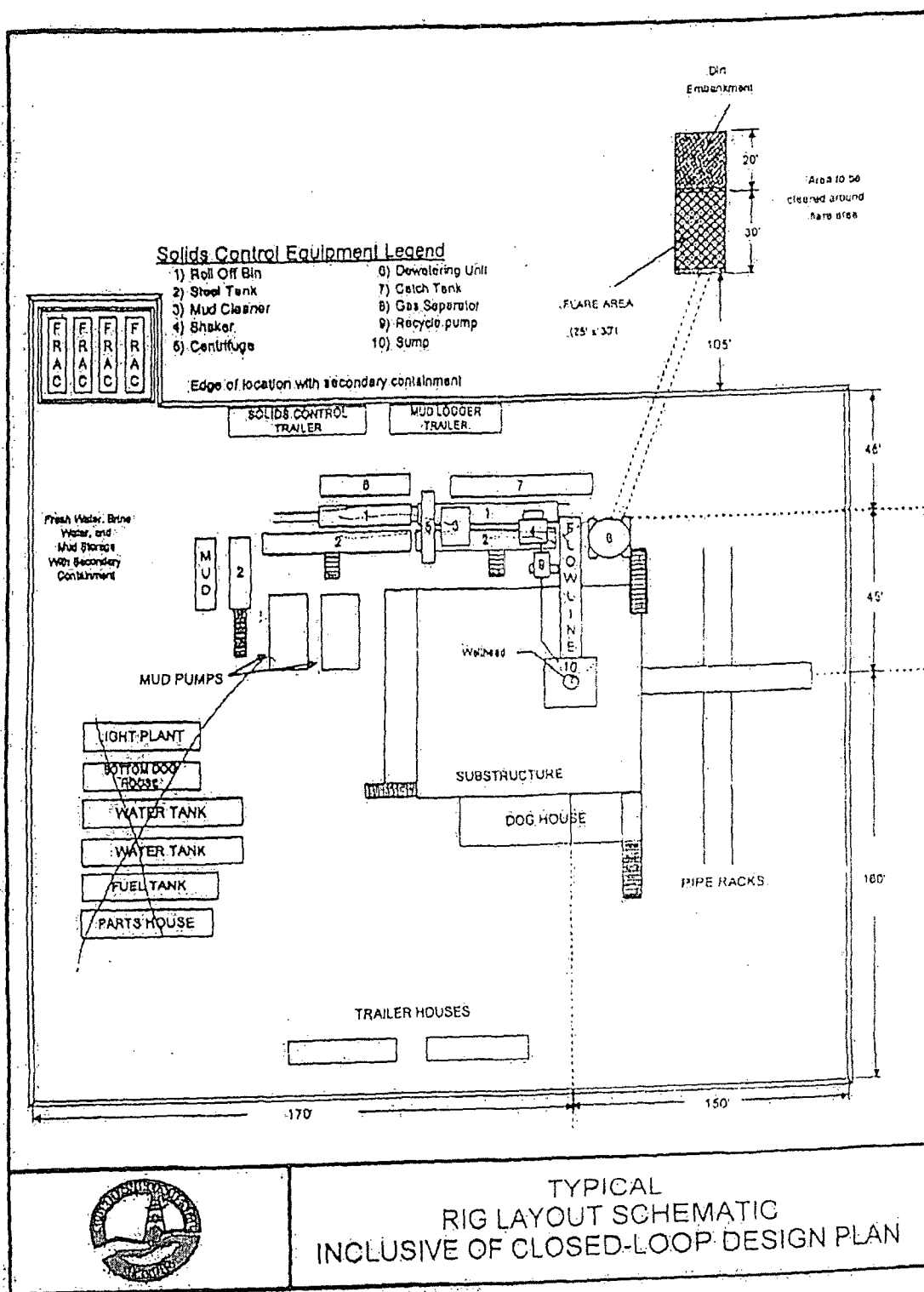
<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 320.09	<sup>13</sup> Joint or Infill	<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.

	<b><sup>17</sup> OPERATOR CERTIFICATION</b>	
	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 leased 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.	
	<i>Lam Stevens</i> Signature	5/6/14 Date
	<i>Lam Stevens</i> Printed Name  <i>lstevens@bcoperating.com</i> E-mail Address	
	<b><sup>18</sup> SURVEYOR CERTIFICATION</b>	
	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 05, 2014 Date of Survey	
	<i>Lloyd P. Short</i> Signature and Seal of Professional Surveyor  Certificate Number LLOYD P. SHORT 21653	



## 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.