

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

Form C-101
Revised December 16, 2011

HOBBS OCE Energy Minerals and Natural Resources

Oil Conservation Division

Permit

APR 26 2013

1220 South St. Francis Dr.

Santa Fe, NM 87505

RECEIVED

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

¹ Operator Name and Address BC Operating, Inc. P.O. Box 50820 Midland, Texas 79710		² OGRID Number 160825
⁴ Property Code 39661		³ API Number 30025-41169
³ Property Name South Lynch		⁶ Well No. 2H

7 Surface Location

UL - Lot D	Section 28	Township 20S	Range 34E	Lot Idn	Feet from 360	N/S Line North	Feet From 160	E/W Line West	County Lea
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8 Pool Information

Lea; Bone Spring, South	37580
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Additional Well Information

⁹ Work Type New Well	¹⁰ Well Type Oil	¹¹ Cable/Rotary Rotary	¹² Lease Type Fee	¹³ Ground Level Elevation 3677'
¹⁴ Multiple No	¹⁵ Proposed Depth 11,100' TVD/15,500' MD	¹⁶ Formation Bone Spring	¹⁷ Contractor TBD	¹⁸ Spud Date TBD
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

19 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#	1700'	1650	0'
Intermediate	12 1/4"	9 5/8"	40#	5300'	1650	1000'
Production	8 3/4"	5 1/2"	17#	15,500'	2800	0'

Casing/Cement Program: Additional Comments

This will be a horizontal well w/BHL Unit A, Sec. 28, T-20S, R-34E, 360' FNL & 240' FEL in Lea County.

Proposed Blowout Prevention Program

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

Permit Expires 2 Years From Approval
Unless Casing Underway

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 OGD-approved plan .

Signature: *Pam Stevens*
Printed name: Pam Stevens
Title: Regulatory Analyst
E-mail Address: pstevens@bcoperating.com
Date: 04/24/13 Phone: 432-684-9696

OIL CONSERVATION DIVISION
Approved By: *[Signature]*
Title: Petroleum Engineer
Approved Date: MAY 10 2013 Expiration Date: _____

MAY 20 2013

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-8181 Fax: (575) 393-0720

State of New Mexico
Energy, Minerals & Natural Resources Department.

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-0720

HOBBS OCD OIL CONSERVATION DIVISION
1220 South St. Frances Dr.
Santa Fe, NM 87505

DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410
Phone: (505) 334-8178 Fax: (505) 334-8170

APR 26 2013

DISTRICT IV
1625 N. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 478-3480 Fax: (505) 478-3482

AMENDED REPORT

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-41169	Pool Code 37580	Pool Name Lea; Bone Spring, South
Property Code 39661	Property Name South Lynch	Well Number 2H
OGRID No. 160825	Operator Name BC Operating, Inc.	Elevation 3677'

Surface Location

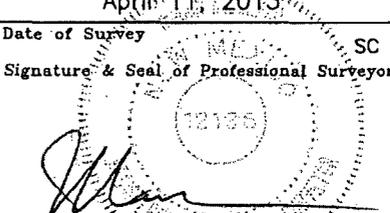
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	28	20-S	34-E		360	NORTH	160	WEST	LEA

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
A	28	20-S	34-E		360	NORTH	240	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	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

360' 160' #2H (SL) Plane Coordinate X = 734,332.8 Y = 564,740.0	N 89°44'30" E - 4897.2'	360' (BHL) 240'	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 Signature Date 4/24/13 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.			April 11, 2013 Date of Survey Signature & Seal of Professional Surveyor  W.O. Num, 2013-0640 Certificate No. MACON McDONALD 12185
NOTE: 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.			