

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

Energy Minerals and Natural Resources

**HOBBS OCD**

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Permit

JUL 16 2013

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> API Number <b>30-025-41372</b>
<sup>4</sup> Property Code <b>40031</b>	<sup>5</sup> Property Name Leyte Gulf State Com	<sup>6</sup> Well No. 1H

<sup>7</sup> Surface Location

UL - Lot A	Section 35	Township 17S	Range 36E	Lot Idn	Feet from 195	N/S Line North	Feet From 3610	E/W Line East	County Lea
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<sup>8</sup> Pool Information

Midway; Bone Spring	46310
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Additional Well Information

<sup>9</sup> Work Type New Well	<sup>10</sup> Well Type Oil	<sup>11</sup> Cable/Rotary Rotary	<sup>12</sup> Lease Type State	<sup>13</sup> Ground Level Elevation 3813'
<sup>14</sup> Multiple No	<sup>15</sup> Proposed Depth TVD: 9800' / MD: 14,800'	<sup>16</sup> Formation Bone Spring	<sup>17</sup> Contractor TBD	<sup>18</sup> Spud Date TBD
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#	1800'	1400	0'
Intermediate	12 1/4"	9 5/8"	36#	3300'	1000	0'
Production	7 7/8"	5 1/2"	17#	14,800'	2300	2300'

Casing/Cement Program: Additional Comments

This will be a horizontal well w/BHL Unit A, Sec. 26, T-17S, R-36E, 240' FNL & 360' FEL in Lea County.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram Annular	3000#	2000#	Hvdrill/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 NMOCD 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: 07/12/13

Phone: 432-684-9696

OIL CONSERVATION DIVISION

Approved By:

*[Signature]*  
Title: Petroleum Engineer

Approved Date: *09/05/13*

Expiration Date: *08/05/15*

CONDITION OF APPROVAL: Approval for Drilling ONLY. CANNOT produce without the OCD Santa Fe approval for Non-Standard Location.

*2/14*

SEP 09 2013