

15-774

OCD Hobbs

Form 3160-3
(March 2012)

HOBBS OCD

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MAR 09 2017

RECEIVED

APPLICATION FOR PERMIT TO DRILL OR REENTER

| | | |
|---|---|---|
| 1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 7. If Unit or CA Agreement, Name and No. |
| 1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone | | 8. Lease Name and Well No. (317457) Blue Quail 7 Federal Com #4H |
| 2. Name of Operator BC Operating, Inc. (160825) | | 9. API Well No. 30-025-43668 |
| 3a. Address P.O. Box 50820 Midland, Texas 79710 | 3b. Phone No. (include area code) 432-684-9696 | 10. Field and Pool, or Exploratory (57800) Sand Dunes; Bone Spring |
| 4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 40' FSL & 435' FWL of Unit Letter 'M', Section 6, T-23S, R-32E At proposed prod. zone 240' FSL & 435' FWL of Unit Letter 'M', Section 7, T-23S, R-32E | | 11. Sec., T. R. M. or Blk. and Survey or Area Section 6, T-23S, R-32E Section 7, T-23S, R-32E |
| 14. Distance in miles and direction from nearest town or post office* 22.5 miles East of Loving | | 12. County or Parish Lea |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 240' | | 13. State NM |
| 16. No. of acres in lease 423.92 | 17. Spacing Unit dedicated to this well 183.92 | |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1261' | 19. Proposed Depth 16,632' MD / 11,800' TVD | 20. BLM/BIA Bond No. on file NM2572 |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3513' GL | 22. Approximate date work will start* 04/01/2017 | 23. Estimated duration 45 days |

UNORTHODOX LOCATION

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

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|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

| | | |
|---|-------------------------------------|--|
| 25. Signature <i>Pam Stevens</i> | Name (Printed/Typed) Pam Stevens | Date 04/15/2015 |
| Title Regulatory Analyst | | |
| Approved by (Signature) James A. Amos | Name (Printed/Typed) | Date MAR 8 - 2017 |
| Title FIELD MANAGER | | Office CARLSBAD FIELD OFFICE |

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached. **APPROVAL FOR TWO YEARS**

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

*(Instructions on page 2)

Carlsbad Controlled Water Basin

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03/10/17

COPY

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Approval Subject to General Requirements
& Special Stipulations Attached