

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

Submit to appropriate District Office

☐ AMENDED REPORT

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

¹ Operator Name and Address B.C. OPERATING, INC., P.O. Box 50820, Midland, TX 79710		² OGRID Number 160825
		³ API Number 30 - 025-36898
⁴ Property Code 34282 36051	⁵ Property Name Lawrence	⁶ Well No. 1
⁹ Proposed Pool 1 Knowles, North Devonian		¹⁰ Proposed Pool 2

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	14	16S	38E		2531	North	630	East	Lea

8 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
H	14	16S	38E		2531	North	660	East	Lea

Additional Well Information

¹¹ Work Type Code E	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3,702'
¹⁶ Multiple No	¹⁷ Proposed Depth 13,300'	¹⁸ Formation Devonian	¹⁹ Contractor N/A	²⁰ Spud Date 9/1/06
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 14 miles thick Clay <input type="checkbox"/> Pit Volume: 12000 bbls Drilling Method:				
Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13-3/8"	48# H-40	310'	350	Circ Surface
12 1/4"	9-5/8"	40# J-55	5,000'	1800	Circ Surface
8 3/4"	5 1/2"	20#, 17# N-80	13,300'	1900	7,500'
Optional 7" if needed.					

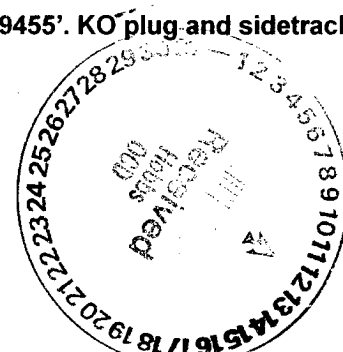
²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Drill out plugs at surface, 2500', 4875', 6235' and 7550'. Clean out to plug at 9455'. KO plug and sidetrack well. TD well at 13,300' and set 5 1/2" casing.

Blowout preventor and choke manifold diagram attached.

Permit Expires 1 Year From Approval.

Re-Entry



²³ 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 <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed name: Kenneth C. Dickeson		Approved by: Kenneth C. Dickeson	
Title: Authorized Agent		Title: OC FIELD REPRESENTATIVE II/STAFF MANAGER	
E-mail Address: kend@lavidenergy.com		Approval Date: OCT 05 2006 Expiration Date:	
Date: 5/25/06	Phone: (432) 682-4002	Conditions of Approval Attached <input type="checkbox"/> OCT 05 2006	

District I
PO Box 1989, Hobbs, NM 88241-1989
District II
811 South First, Artesia, NM 88210
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1680 Rio Brans Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-36898		2 Pool Code 36330		3 Pool Name Knowles North Devonian	
4 Property Code 36051 34282		5 Property Name Lawrence			6 Well Number 1
7 OGRID No.		8 Operator Name J. Cleo Thompson BC OPERATING, INC.			9 Elevation 3702'

10 Surface Location

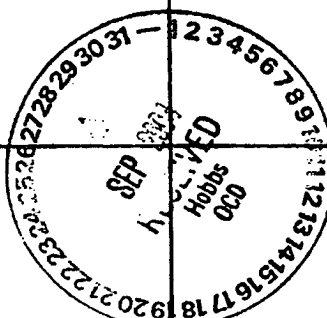
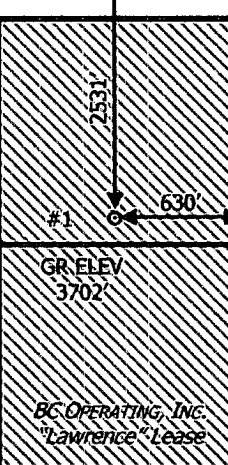
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	14	16-S	38-E		2531	North	630	East	Lea

11 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

12 Dedicated Acres 80	13 Joint or Infill	14 Consolidation Code	15 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

16 		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <u>J.E. Stevens</u> Printed Name: <u>J.E. STEVENS</u> Title: <u>OPERATIONS MANAGER</u> Date: <u>SEPT 24, 2004</u>
		18 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. Date of Survey: <u>August 5, 2004</u> Signature and Seal of Professional Surveyor: <u>Max A. Schumann, Jr.</u> Certificate Number: <u>1510</u>

Job No. 68,859

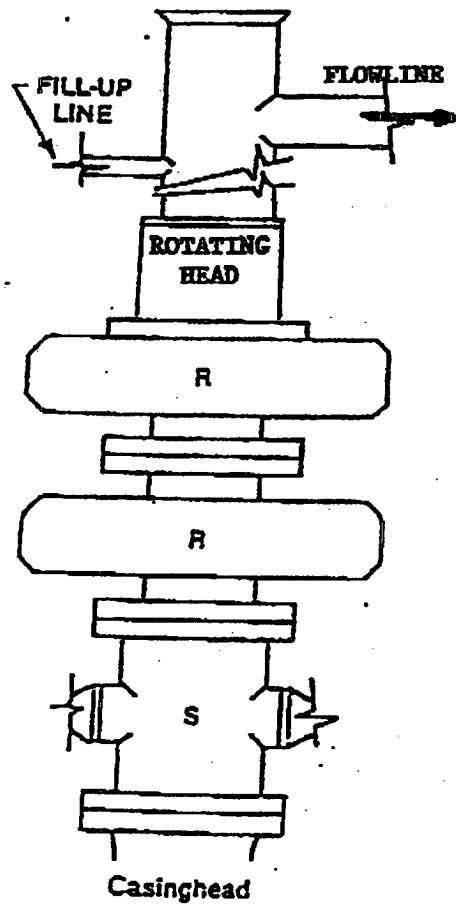
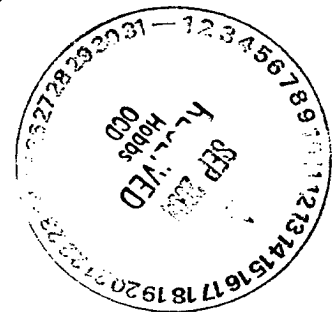


FIGURE K1-1. Recommended IADC Class 2 BOP stack, 2000 psi WP. Either SRd (left) or SA (right) arrangement is acceptable and drilling spool is optional.



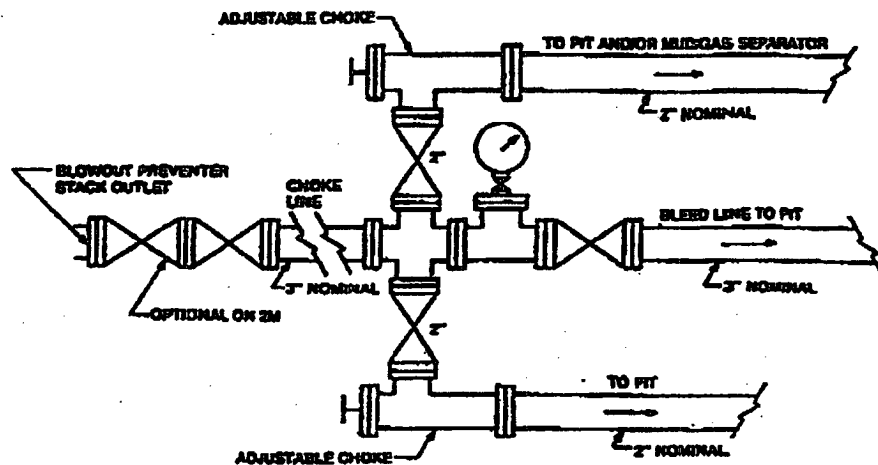


FIGURE K4-1. Typical choke manifold assembly for 2M and 3M rated working pressure service — surface installation.

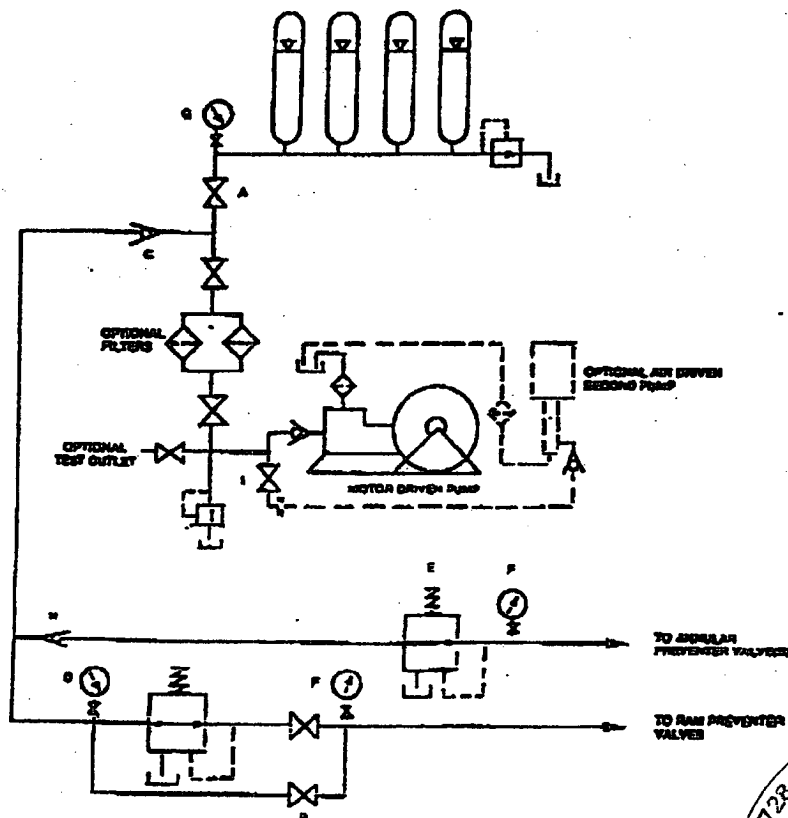
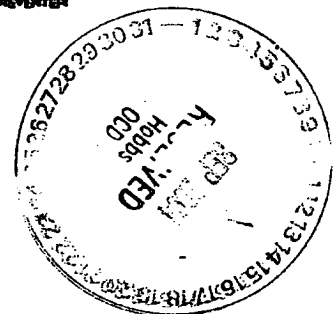


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.



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State of New Mexico
Energy Minerals and Natural Resources

Form C-144
June 1, 2004

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

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: B.C. OPERATING, INC. Telephone: (432) 683-2950 e-mail address: kwidner@usaonline.net		
Address: P.O. Box 50820, Midland, TX 79710		
Facility or well name: Lawrence #1	API #: 30-025-36898	U/L or Qtr/Qtr H Sec 14 T 16S R 38E
County: Lea	Latitude	Longitude NAD: 1927 <input type="checkbox"/> 1983 <input type="checkbox"/>
Surface Owner: Federal <input type="checkbox"/> State <input type="checkbox"/> Private <input checked="" type="checkbox"/> Indian <input type="checkbox"/>		
Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness 12 mil Clay <input type="checkbox"/> Pit Volume 11,000 bbl	Below-grade tank Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet	(20 points)
	50 feet or more, but less than 100 feet	(10 points)
	100 feet or more	(0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes	(20 points)
	No	(0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet	(20 points)
	200 feet or more, but less than 1000 feet	(10 points)
	1000 feet or more	(0 points)
Ranking Score (Total Points)		0 points

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility _____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

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

Date: **5/30/06**

Printed Name/Title **Kenneth C. Dickeson, Authorized Agent** Signature _____

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Printed Name/Title **GARY W. WINK**

Signature _____

Date:

OCT 05 2006

OCD FIELD REPRESENTATIVE II/STAFF MANAGER