

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
June 16, 2008

Oil Conservation Division

1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED
APR 12 2010
HOBBSDCD

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 BC OPERATING, INC P.O. BOX 50820 MIDLAND, TX 79710		² OGRID Number 160825
³ Property Code 38111	⁵ Property Name SOUTH DENTON "6" STATE	³ API Number 30 - 025 - 39734
⁹ Proposed Pool 1 SWD; SAN ANDRES		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
D	6	16S	38E	5	330	N	330	W	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
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Additional Well Information

¹¹ Work Type Code NEW WELL	¹² Well Type Code C02	¹³ Cable/Rotary	¹⁴ Lease Type Code STATE	¹⁵ Ground Level Elevation 3781'
¹⁶ Multiple N	¹⁷ Proposed Depth 6500'	¹⁸ Formation SAN ANDRES	¹⁹ Contractor	²⁰ Spud Date

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	32	2025'	600	Surface
7 7/8"	5 1/2"	15.5	6500'	900	Surface

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.

Permit Expires 2 Years From Approval Date Unless Drilling Underway

Per SH
Proposed Blowout Prevention Program
Type: Double Ram
Working Pressure: 5000
Test Pressure: 5000
Manufacturer: 3M

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name: STAR L. HARRELL

Title: REGULATORY ANALYST

E-mail Address: sharrell@blackoakres.com

Date: 4/9/10 Phone: 432-684-9696

OIL CONSERVATION DIVISION

Approved by:

Title: PETROLEUM ENGINEER

Approval Date: APR 15 2010 Expiration Date:

Condition of Approval: Notify OCD Hobbs office 24 hours prior to running MIT Test & Chart.

Condition of Approval: Approval to recomplete and Test each zone for injection, but cannot inject into wellbore until OCD Santa Fe approves injection order.

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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 15, 2009

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-025-39734	Pool Code 90121	Pool Name SWD; San Andres
Property Code 38111	Property Name SOUTH DENTON "6" STATE	Well Number 2 SWD
OGRID No. 160825	Operator Name BC OPERATING	Elevation 3781'

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	6	16 S	38 E		330	NORTH	330	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

Dedicated Acres	Joint or Infill	Consolidation Code	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

	<p>OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Star L Harrell</i> 4/13/10 Signature Date</p> <p>Star L Harrell Printed Name</p>	
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p>	
	<p>NOVEMBER 2010 Date Surveyed</p> <p><i>Gary L. Jones</i> Signature of Professional Surveyor</p> <p> Professional Surveyor</p>	
	<p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>	