Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB No 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

5 Lease Serial No.
LC 068905

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No
Poker Lake Unit NMNM71016X

1. Type of Well
☑ Oil Well ☐ ☐ Gas Well ☐☐ Other

8. Well Name and No.
Poker Lake Unit #340H

2. Name of Operator **BOPCO, L. P.**

9. API Well No.
30-015-39732

3a. Address
P. O. Box 2760, Midland, TX 79702

3b. Phone No *(include area code)*
432-683-2277

10. Field and Pool, or Exploratory Area
Poker Lake NW, (Delaware)

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*

Surface: SWSE, UL N, 895' FSL, 1410' FWL,Sec 14,T24S,R30E, Lat N32.212961, Long W103.855222
Bottom Hole: 835' FSL, 1440' FWL, Sec24, T24S, R30E, Lat: N32.198314, Long: W103.837875

11. County or Parish, State
Eddy County

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other **Certify armored flex hose.**
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

BOPCO, L.P. would like to utilize an armored, 3", 5000 psi WP flex hose for the choke line in the drilling of the well. This is rig equipment and will help quicken nipple up time thus saving money without a safety problem. The hose itself is rated to 5000 psi and has 5000 psi flanges on each end. This well is to be drilled to 15,078' MD (7,906' TVD) and max surface pressure should be +/- 1,739 psi as prescribed in onshore order #2 shown as 0.22 psi/ft. Thus, 2000 psi BOPE (for 12-1/4" hole) and 3000 psi BOPE (for 8-3/4" and 6-1/8" hole) is all that is needed for this well.

The Latshaw #4 BOPE diagram (5000 psi as specified within the approved APD) is attached along with the Midwest Hose internal hydrostatic test report, test report chart, and manufacturer's anchor requirements.

The included Latshaw #4 BOPE diagram is also meant to replace the original Diagram 2 included in the approved APD.

SEE ATTACHED FOR CONDITIONS OF APPROVAL

RECEIVED
AUG 31 2012
NMOCD ARTESIA

APPROVED
AUG 15 2012
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

14 I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)* **Christopher Giese** Title **Drilling Engineer**

Signature Date 8/10/12

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Title Date

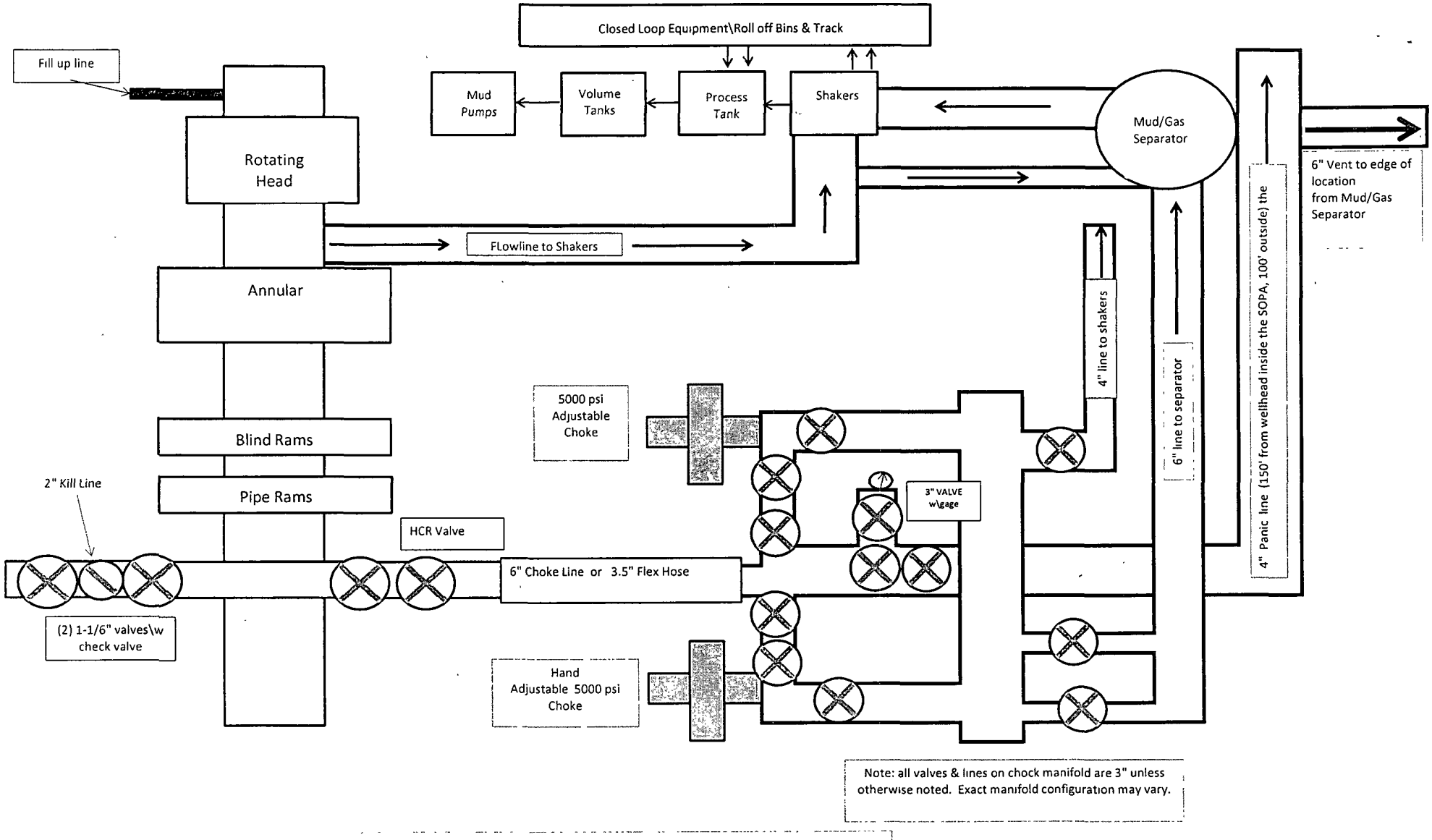
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon Office

Accepted for record
NMOCD

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.

(Instructions on page 2)

SEE ATTACHED FOR CONDITIONS OF APPROVAL



13-5/8" X 5-M BOPE (2 Rams and Rotating Head) & Closed Loop System Equipment Schematic
Diagram 2

MIDWEST

HOSE AND SPECIALTY INC.

INTERNAL HYDROSTATIC TEST REPORT

Customer: LATSHAW DRILLING	**P.O. Number:** RIG#4

HOSE SPECIFICATIONS

Type: CHOKE & KILL	**Length:** 30'
I.D. 3" *INCHES*	**O.D.** 6-1/2"

WORKING PRESSURE	TEST PRESSURE	BURST PRESSURE
5,000 *PSI*	10,000	

COUPLINGS

Stem Part No. D3.0X64WB	**Ferrule No.** D3.0X64WB
Type of Coupling: 4-1/16 5K FLANGE	**Die Size:**

PROCEDURE

Hose assembly pressure tested with water at ambient temperature.

TIME HELD AT TEST PRESSURE	ACTUAL BURST PRESSURE:
15 *MIN.*	0 *PSI*

COMMENTS:
SER#81610

Date:	Tested By:	Approved:
3/1/2011	DONNIE MCLEMORE	BRENT BURNETT

Midwest Hose & Specialty, Inc.

Internal Hydrostatic Test Graph

April 4, 2012

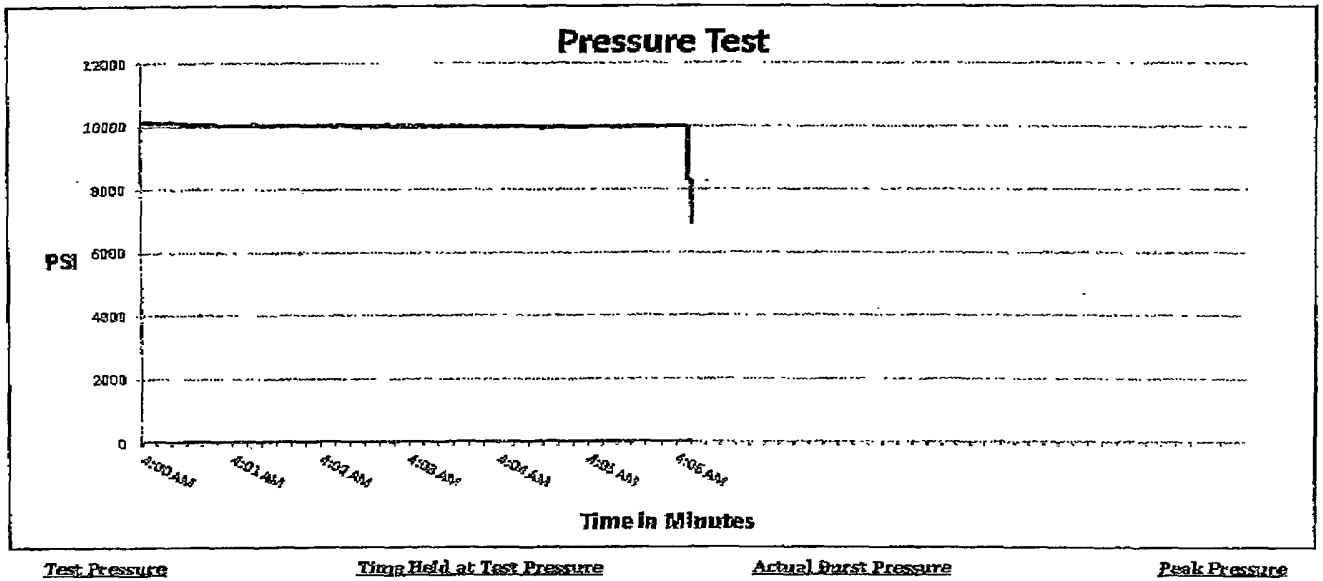
Customer: Latshaw

Pick Ticket #: 81610

Hose Specifications

Hose Type	Length	Type of Fitting	Coupling Method
D	30'	41/16 5K	Swage
I.D.	**O.D.**	**Die Size**	**Final O.D.**
3"	4 15/32	5.12"	5.16"
Working Pressure	**Burst Pressure**	**Hose Serial #**	**Hose Assembly Serial #**
5000 PSI	Standard Safety Multiplier Applies	6884	81610

Verification



Test Pressure	Time Held at Test Pressure	Actual Burst Pressure	Peak Pressure
10000 PSI	6 1/4 Minutes		10195 PSI

Comments: Hose assembly pressure tested with water at ambient temperature.

Tested By: *Donnie Mclemore*

Approved By: *Bobby Fink*

Flex line anchor requirements

The recommendation for anchoring this assembly is to attach a safety clamp on the mid-section of the hose and anchor to the sub-floor on the rig.

If any further information is needed, please feel free to contact me at 1-800-375-2358.

Best Regards,

W. Harvey Sparkman
President

CONDITIONS OF APPROVAL

OPERATOR'S NAME:	BOPCP
LEASE NO.:	NM030453
WELL NAME & NO.:	Poker Lake Unit 340H
SURFACE HOLE FOOTAGE:	895' FSL & 1410' FWL
BOTTOM HOLE FOOTAGE	835' FSL & 1440' FWL
LOCATION:	Section 14, T.24S., R.30E., NMPM
COUNTY:	Eddy County, New Mexico

ORIGINAL COA still applies with the following changes:

A. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

2. Variance approved to use flex line from BOP to choke manifold. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. **Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review.** If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).

   Operator shall keep copies of all Hose Specification and documentation on the drilling rig.

3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M)** psi. **Operator installing a 5M but testing as a 2M system.**

   a. **For surface casing only:** If the BOP/BOPE is to be tested against casing, the wait on cement (WOC) time for that casing is to be met (see WOC statement at start of casing section). Independent service company required.

4. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **9-5/8** intermediate casing shoe shall be **3000 (3M)** psi. **Operator installing a 5M but testing as a 3M system.**

5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.

    a. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time.

    b. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (18 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).

    c. The results of the test shall be reported to the appropriate BLM office.

    d. All tests are required to be recorded on a calibrated test chart. **A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.**

    e. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

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