Form 3160-5		NM OIL CONSERV	CT	
(Aagust 2007) DE	UNITED STATES PARTMENT OF THE INT JREAU OF LAND MANAGE	ERIOR : JUN 1620	Artesia O	ORM APPROVED MB NO. 1004-0135 (pires: July'31, 2010
	NOTICES AND REPORT		5. Lease Serial NMNM028	
Do not use the abandoned we	s form for proposals to dri II. Use form 3160-3 (APD) i	ll or to re-enter an for such proposals.	6. If Indian, All	ottee or Tribe Name
SUBMIT IN TRI	PLICATE - Other instructio	ns on reverse side.	7. If Unit or CA 891000303	/Agreement, Name and/or N 3X
1. Type of Well Gas Well Dth			8. Well Name as POKER LAI	nd No. KE UNIT CVX JV BS 028H
2. Name of Operator BOPCO LP		HITNEY MCKEE sspet.com	9. API Well No 30-015-42	
3a. Address P O BOX 2760		<ul> <li>p. Phone No. (include area code)</li> <li>h: 432-683-2277</li> </ul>	LINDESIG	ool, or Exploratory
MIDLAND, TX 79702 4. Location of Well (Footage, Sec., T	. R. M. or Survey Description)		11. County or F	T G-06 52430. Parish, and State
Sec 23 T24S R30E NENE 059 32.208892 N Lat, 103.845917	OFNL 1060FEL		EDDY CO	<b>し</b> らうつ
12. CHECK APPF	ROPRIATE BOX(ES) TO IN	NDICATE NATURE OF N	NOTICE, REPORT, OR O	THER DATA
TYPE OF SUBMISSION		TYPE OF ACTION		
🛛 Notice of Intent	☐ Acidize	Deepen	Production (Start/Resum	· <u> </u>
☐ Subsequent Report	□ Alter Casing	Fracture Treat	Reclamation	U Well Integrity
☐ Final Abandonment Notice	Casing Repair Change Plans	New Construction Plug and Abandon	<ul> <li>Recomplete</li> <li>Temporarily Abandon</li> </ul>	Change to Origin
	Convert to Injection	Plug Back	U Water Disposal	PD
BOPCO, L.P. respectfully requ 5-1/2" production casing, inste Cameron MB-ND wellhead ins Addition of a variance to the a Operations Requirements, wh casing is set. The request is t sequentially.	tead of the approved MBS s pproved APD for Item #2 un ich states the rig shall not be	ystem. der VII. Drilling, Section A. emoved off of the hole unti	Drilling AC	cepted for rec
5-1/2?, 17 ppf, HCP- 110, But sacks (Lead Details: 11.9 ppg 14.5 ppg, 1.21 ft3/sk yield, H2 Stage 2: Lead- 875 sacks (Lea	, 2.26 ft3/sk yield, H2O 12.89 O 5.30 gal/sk)	9 gal/sk), Tail- 1250 sack (	Tail Details: Per	Brian Brawn Brian Brawn 10/11/14
14. I hereby certify that the foregoing is	Electronic Submission #248	700 verified by the BLM We	II Informeran	HED FOR
	For BOP mmitted to AFMSS for proces EY LOCKHART	Sing by CATHY QUEEN on the carlsba	d	
Signature (Electronic S	ubmission)	Date 06/06/2	014 APPR	OVED
	THIS SPACE FOR	FEDERAL OR STATE	OFFICE USE	
A revenued Dr.		T'al-	// JUN 1	1 2014 21
_Approved By	itable title to those rights in the sub	warrant or ject lease Office	PUREAU OF LA	D MANAGEMENT IELD OFFICE
certify that the applicant holds legal or equ	ct operations thereon.			
certify that the applicant holds legal or equ which would entitle the applicant to condu	U.S.C. Section 1212, make it a crin	ne for any person knowingly and ny matter within its jurisdiction.		
	U.S.C. Section 1212, make it a crin	ny matter within its jurisdiction.	willfully o make to any departm	ent or agency of the United

### Additional data for EC transaction #248700 that would not fit on the form

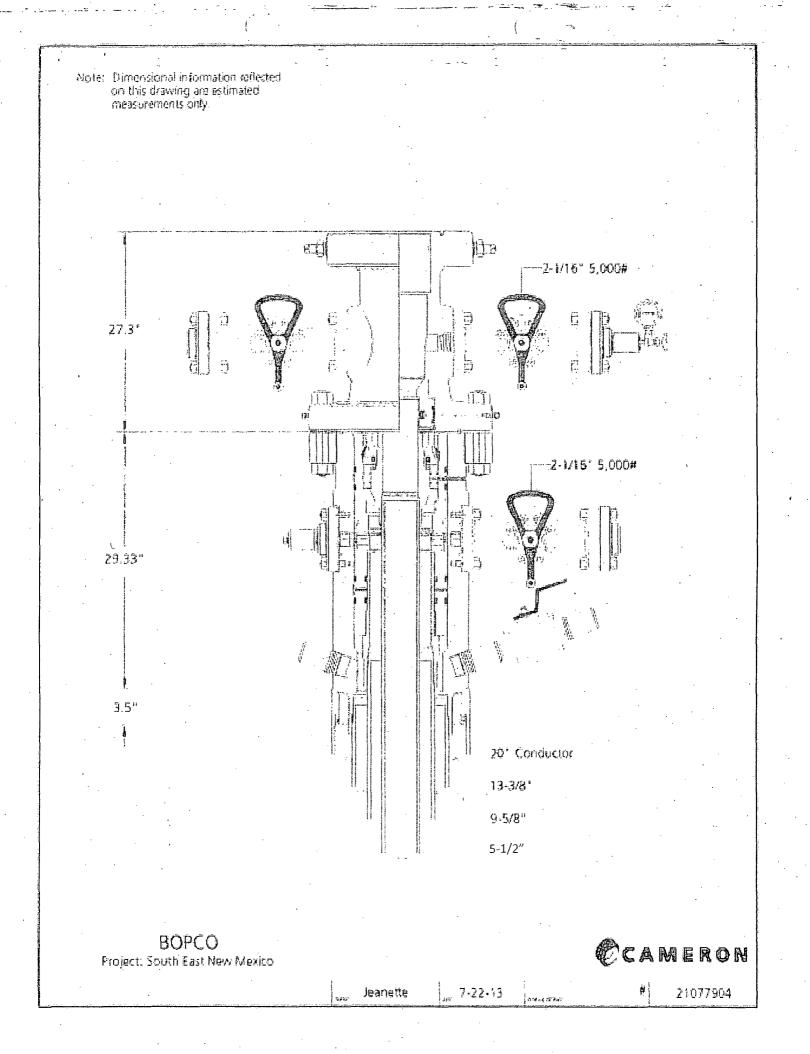
#### 32. Additional remarks, continued

500' ticback 9-5/8"

sacks (Tail Details: 14.8 ppg, 1.33 ft3/sk yield, 6.34 gal/sk) DV tool @ approx. 5,000?

BOPCO, L.P. plans to drill both the PLU CVX JV BS #026H and the PLU CVX JV BS #028H in conjunction of one another utilizing walking rig operation. BOPCO, L.P requests a variance to the approved APD for Item #2 under VII. Drilling, Section A. Drilling operations Requirements, which states the rig shall not be moved off the hole until production casing is set. The request is to allow the rig to walk in between wellbores and drill both wells sequentially.

The McVay Rig #1 will be used to drill the same hole interval on all of the wells in sequence by skidding between the wells. Once a hole section has been drilled, it will be cased and cemented according to all applicable rules and regulations. The wellhead will be nippled up and tested as soon as casing is cut off after the applicable WOC time has been reached. A blind flange of the same pressure rating as the wellhead will be utilized to seal the wellbore on all casing strings except the lateral well sections in which the tubing head will be utilized. Pressure will be monitored via wing valves on each wellhead section and a means for intervention will be maintained while rig is not over the well. The BOP stack will be nippled up and tested on the wellhead before drilling operations resume on each casing string. The rig will skid between the wells until each well has been drilled to TD.



# CONDITIONS OF APPROVAL

<b>OPERATOR'S NAME:</b>	BOPCO, L.P.
LEASE NO.:	NMNM-002862
WELL NAME & NO.:	PLU CVX JV BS 28H
SURFACE HOLE FOOTAGE:	590' FNL & 1060' FEL
BOTTOM HOLE FOOTAGE	2310' FNL & 660' FWL Sec. 26, T. 24 S., R 30 E.
LOCATION:	Section 23, T. 24 S., R 30 E., NMPM
COUNTY:	Eddy County, New Mexico
API:	30-015-42393

#### The original COAs still stand with the following drilling modifications:

### I. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)

**Eddy County** 

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

- 1. Operator has stated that Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. Operator has also stated that if H2S is encountered in quantities greater than 10 PPM the well shall be shut in and H2S equipment shall be installed and flare line must be extended pursuant to Onshore Oil and Gas Order #6. Report measured values and formation to the BLM. After detection, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items.
- 2. Approved for drilling/skidding operation in conjunction with the PLU CVX JV BS 26H. Operator shall properly secure well bore prior to skidding the rig so the environment is adequately protected and no hazardous conditions exist.
- 3. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval. If the drilling rig is removed without approval an Incident of Non-Compliance will be written and will be a "Major" violation.

- 4. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works is located, this does not include the dog house or stairway area.
- 5. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

#### A. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.).

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. IF OPERATOR DOES NOT HAVE THE WELL SPECIFIC CEMENT DETAILS ONSITE PRIOR TO PUMPING THE CEMENT FOR EACH CASING STRING, THE WOC WILL BE 30 HOURS. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

#### Medium Cave/Karst

Possibility of water flows in the Salado and Castile. Possibility of lost circulation in the Red Beds, Rustler, and Delaware.

- 1. The 13-3/8 inch surface casing shall be set at approximately 845 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. If salt is encountered, set casing at least 25 feet above the salt.
  - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
  - b. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.
  - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
  - d. If cement falls back, remedial cementing will be done prior to drilling out that string.

2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:

Cement to surface. If cement does not circulate see B.1.a, c-d above. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst.

If 75% or greater lost circulation occurs while drilling the intermediate casing hole, the cement on the production casing must come to surface.

Centralizers required on horizontal leg, must be type for horizontal service and a minimum of one every other joint.

3. The minimum required fill of cement behind the 5-1/2 inch production casing is:

Operator has proposed DV tool at depth of 5000'. Operator is to submit sundry if DV tool depth varies by more than 100' from approved depth.

- a. First stage to DV tool:
- Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve approved top of cement on the next stage.
- b. Second stage above DV tool:

Cement should tie-back at least 500 feet into previous casing string. Operator shall provide method of verification.

4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

### **B. 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. These documents shall be posted in the company man's trailer and on the rig floor. 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).

- 3. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 3000 (3M) psi.
  - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
  - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
  - c. Manufacturer representative shall install the test plug for the initial BOP test.
  - d. Operator shall perform the intermediate casing integrity test to 70% of the casing burst. This will test the multi-bowl seals.
  - e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
- 4. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
  - a. In a water basin, 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. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

b. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**.

- c. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
- d. The results of the test shall be reported to the appropriate BLM office.
- e. 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.

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. This test shall be performed prior to the test at full stack pressure.

## C. DRILL STEM TEST

f.

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

### D. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

# JAM 061114