Form 3160-5 (August 2007)

NM OIL CONSERVATIONS ARTESIA DISTRICT

DEC 955 42014

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS ON WELLS

5.	Lease Serial No.
	NMLC061634B

Do not use thi	6. If Indian, Allottee or Tribe Name					
abandoned we	II. Use form 3160-3 (APL)) for such p	roposals.		6. If mulan, Another C	of Thoe Name
SUBMIT IN TRI		7. If Unit or CA/Agre 891000303X	ement, Name and/or No.			
Type of Well ☐ Gas Well ☐ Oth		8. Well Name and No. POKER LAKE UNIT CVX JV PB 007H				
2. Name of Operator BOPCO LP	Contact: E-Mail: lbames@ba		9. API Well No. 30-015-42639-0	00-X1		
3a. Address P O BOX 2760 MIDLAND, TX 79702		(include area code 1-7341	e)	10. Field and Pool, or UNDESIGNATE		
4. Location of Well (Footage, Sec., T	., R., M., or Survey Description)		11. County or Parish, and State			
Sec 20 T25S R31E NWNW 53 32.071767 N Lat, 103.482268		EDDY COUNTY	Y, NM			
12. CHECK APPE	ROPRIATE BOX(ES) TO	INDICATE	NATURE OF	NOTICE, RE	PORT, OR OTHE	R DATA
TYPE OF SUBMISSION	F ACTION					
Notice of Intent	☐ Acidize	☐ Deep	en	☐ Production	on (Start/Resume)	☐ Water Shut-Off
_	□ Alter Casing	☐ Frac	ture Treat	□ Reclama	tion	■ Well Integrity
☐ Subsequent Report	□ Casing Repair	□ New	Construction	☐ Recomp!	ete	⊠ .Other
☐ Final Abandonment Notice	Change Plans	☐ Plug	and Abandon	□ Tempora	rily Abandon	Change to Original A PD
•	☐ Convert to Injection	🗖 Plug	ig Back ☐ Water Disposal		sposal	
If the proposal is to deepen directions Attach the Bond under which the wor following completion of the involved testing has been completed. Final At determined that the site is ready for f BOPCO, L.P. respectfully required to a 7-7/8? Interest to a 7-7/8? lateral to accommon We will also change our wellth Addition of a variance to the a operations Requirements, which casing is set. The request is to sequentially. 5-1/2?, 17 ppf, HCP- 110, But Cement volumes- Stage 1: Le gal/sk), Tail- 1,530 sack (Tail)	rk will be performed or provide loperations. If the operation resonation ment Notices shall be file inal inspection.) Lests to amend the 8 pt. dead of the approved 4-1/2 casing. The lateral hole so date casing changes. ead set up from a Camero pproved APD for item #2 ch states the rig shall not be allow the rig to skid in betteress. Set Depth- 0?-16,9 ad- 450 sacks (Lead Deta Details: 14.5 ppg, 1.21 ft3,	the Bond No. on aults in a multiple donly after all r rilling prograr? open hole cosize will also con MBS syste under VII, Dri be moved offetween wellbounders. 11.9 ppg, /sk yield, H2C	file with BLM/BI a completion or recequirements, inclusion to include the completions system to a Camerolling Section A. of the hole untres and drill bo 2.26 ft3/sk yiel 5.30 gal/sk)	A. Required subscompletion in a nedding reclamation, a following: stem. We will result of the subscript of t	Requent reports shall be two interval, a Form 316, have been completed, RE ATTACHE CONDITIONS	filed within 30 days 60-4 shall be filed once and the operator has ED FOR OF APPROVAL J. S.
Co	For B mimitted to AFMSS for prod	OPCOLP, second	nt to the Carlsb FERNANDEZ o	ad n 12/05/2014 (1	54F00155FFAU OF	LAND FIELD OFFIS
Name (Printed/Typed) BRIAN BF	Title DRILLI	NG ENGINEE	R CARLO			
Signature (Electronic S	Submission)	-	Date 11/12/2	2014		
`	THIS SPACE FO	R FEDERA	L OR STATE	OFFICE US	E	
Approved By EDWARD FERNAN Conditions of approval, if any, are attache	d. Approval of this notice does	not warrant or	TitlePETROLI	EUM ENGINE	ER COPPED 16	Date 12/05/2014
certify that the applicant holds legal or equivile would entitle the applicant to condu	uitable title to those rights in the	subject lease	Office Carlsha	ad (AND NMOK	D DIALICE

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.

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Additional data for EC transaction #278681 that would not fit on the form

32. Additional remarks, continued

Stage 2: Lead- 250 sacks (Lead Details: 11.9 ppg, 2.25 ft3/sk yield, H2O 12.8 gal/sk), Tail- 50 sacks (Tail Details: 14.8 ppg, 1.33 ft3/sk yield, 6.34 gal/sk) TOC @ 3,207?

DV tool @ approx. 5,000?
BOPCO, L.P. plans to drill both the PLU CVX JV BS #034H and the PLU CVX JV PB #007H 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.

Please see attached.

BOPCO, L.P. respectfully requests to amend the 8 pt. drilling program to include the following: 5-1/2" production casing, instead of the approved 4-1/2" open hole completions system. We will no longer run 7" casing or 4-1/2" casing. The lateral hole size will also change from a 6-1/8" lateral to a 7-7/8" lateral to accommodate casing changes.

We will also change our wellhead set up from a Cameron MBS system to a Cameron MB-ND system.

Addition of 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 of the hole until production casing is set. The request is to allow the rig to skid in between wellbores and drill both wells sequentially.

5-1/2", 17 ppf, HCP- 110, Buttress. Set Depth- 0'-16,968'.

Cement volumes- Stage 1: Lead- 450 sacks (Lead Details: 11.9 ppg, 2.26 ft3/sk yield, H2O 12.89 gal/sk), Tail- 1,530 sack (Tail Details: 14.5 ppg, 1.21 ft3/sk yield, H2O 5.30 gal/sk)

Stage 2: Lead- 250 sacks (Lead Details: 11.9 ppg, 2.25 ft3/sk yield, H2O 12.8 gal/sk), Tail- 50 sacks (Tail Details: 14.8 ppg, 1.33 ft3/sk yield, 6.34 gal/sk)

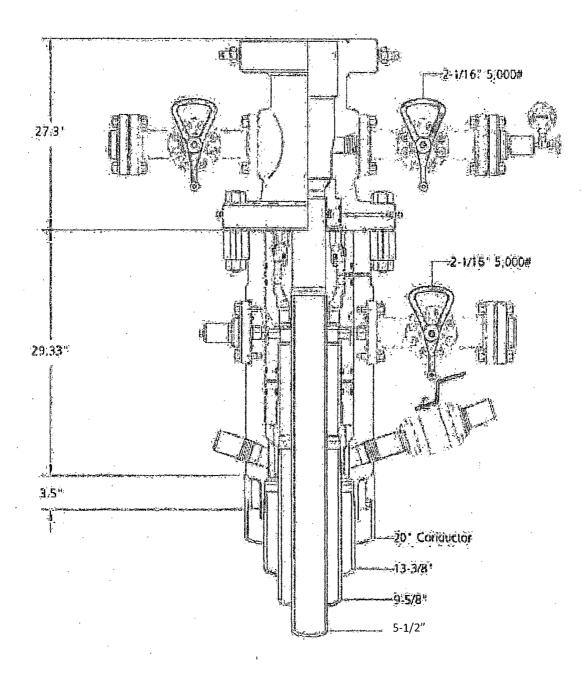
TOC @ 3,207'

DV tool @ approx. 5,000'

BOPCO, L.P. plans to drill both the PLU CVX JV BS #034H and the PLU CVX JV PB #007H 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.

Note: Dimensional information reflected on this drawing are estimated measurements only.



BOPCO Project: South East New Mexico



Jeanette

7-22-13

A STANTON

21077904

CONDITIONS OF APPROVAL

SUNDRY dated 11/12/2014

OPERATOR'S NAME: | **BOPCO**, L.P.

LEASE NO.: NMLC-061634B

WELL NAME & NO.: | PLU CVX JV PB 007H 30-015-42639

SURFACE HOLE FOOTAGE: | 0531' FNL & 0597' FWL

BOTTOM HOLE FOOTAGE | 2310' FNL & 0660' FWL Sec. 29, T. 25 S., R 31 E.

LOCATION: Section 20, T. 25 S., R 31 E., NMPM

COUNTY: | Eddy County, New Mexico

The original COAs still stand with the following drilling modifications:

I. DRILLING

A. 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. The operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well.
- 2. 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.

- 3. Variance Approved as written on utilizing a walking rig operation to drill both the PLU CVX JV BS #034H and the PLU CVX JV BS #007H
- 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.

B. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. 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.). The initial wellhead installed on the well will remain on the well with spools used as needed.

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 Rustler, Red Beds, and Delaware.

- 1. The 13-3/8 inch surface casing shall be set at approximately 1100 feet (in a competent bed below the Magenta Dolomite, which is a Member of the Rustler, and if salt is encountered, set casing at least 25 feet above the salt) and cemented to the surface. Fresh water mud to be used to setting depth.
 - 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', but will adjust cement proportionately if moved. DV tool shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe. Operator shall submit sundry if DV tool depth cannot be set in this range.

a.	First	stage t	o DV	tool:
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- Ement 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 as proposed by operator. 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.

C. 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.
 - f. 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.

D. DRILL STEM TEST.

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

E. 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.

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