

MAR 28 2016

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BC Operating, Inc. Closed Loop System

Design PlanEquipment List

- 2 – 414 MI Swaco *Centrifuges*
- 2 – MI Swaco 4 screen *Moongoose Shale Shakers*
- 2 – double screen *Shakers* with rig inventory
- 2 – CRI *Haul off bins* with track system
- 2 – additional 500bbl *Frac tanks* for fresh and brine water
- 2 – 500bbl *water tanks* with rig inventory

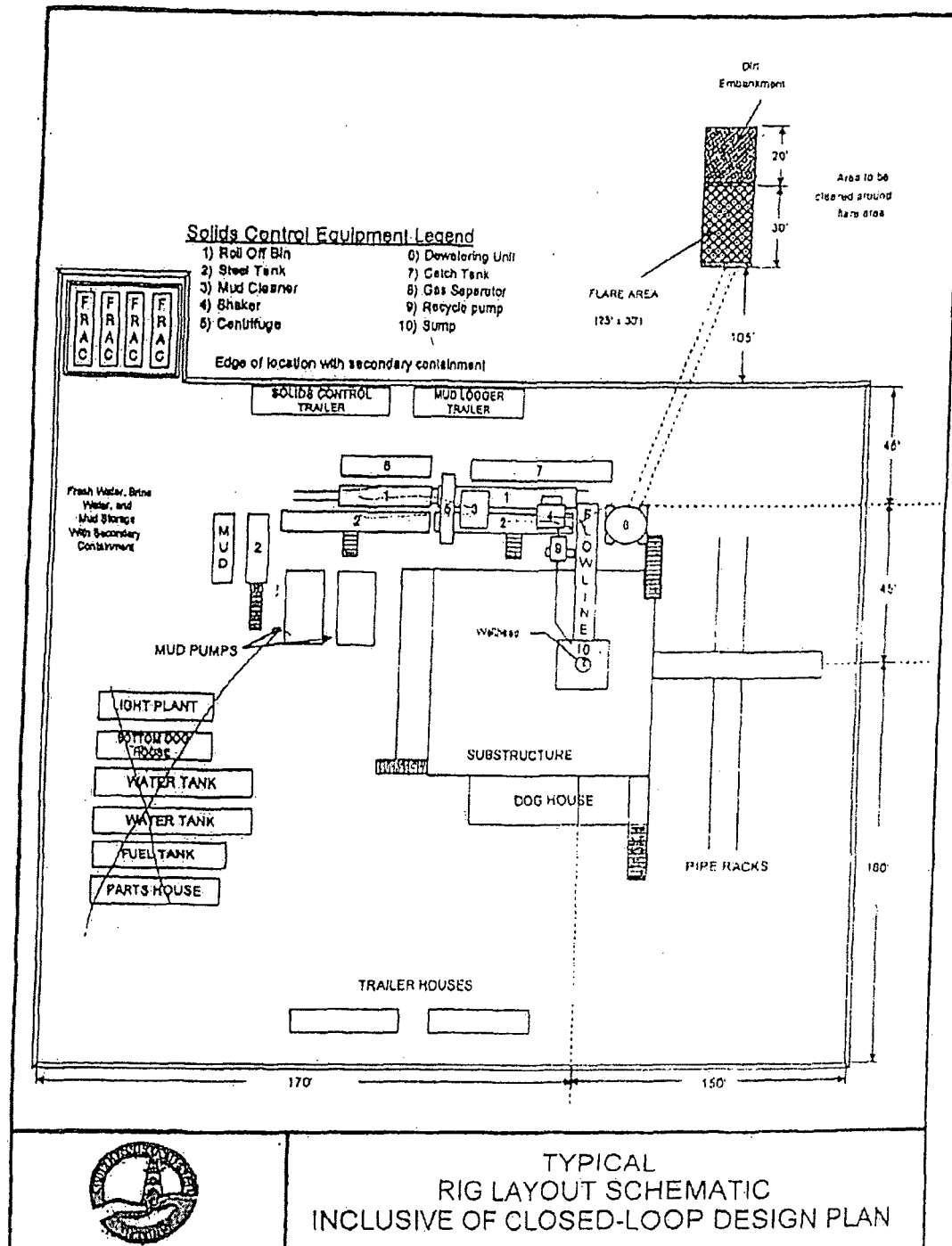
**Equipment manufactures may vary due to availability but components will not.*

Operation and Maintenance

The system along with equipment will be inspected numerous times a day by each tour to make sure all equipment is operating correctly. Routine maintenance will be done to keep system running properly. Any leak in system will be repaired and/or contained immediately and the OCD notified within 48 hours of the remediation process start.

Closure Plan

While drilling, all cuttings and fluids associated with drilling will be hauled off and disposed of via Controlled Recovery Incorporated Facilities Permit NM01-0006.



TYPICAL
RIG LAYOUT SCHEMATIC
INCLUSIVE OF CLOSED-LOOP DESIGN PLAN

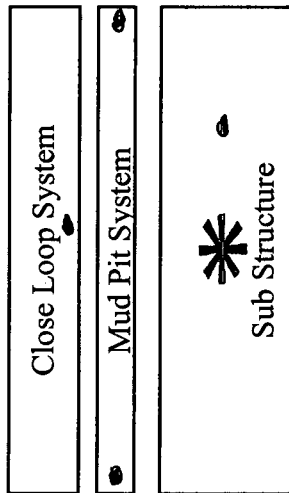
BC Operating, Inc.

Chili Parlor 17 Federal Com #3H

SHL: 240' FSL & 2200' FEL, Unit Letter 'O' Section 17, T-22S, R-33E

300'

Primary Briefing Area ★



H₂S Condition Sign, Per Operator

Access Road

Secondary Briefing Area ★

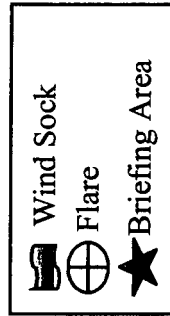
Secondary Egress

TOP SOIL

Prevailing Winds



H₂S Monitor:
Rig floor, shale
shaker, mud pits
close loops.
Per Operator



BC Operating, Inc.
Chili Parlor 17 Federal Com #3H
SHL: 240' FSL & 2200' FEL, Unit Letter 'O'
Section 17, T-22S, R-33E
Battery Diagram

HOBBS

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