

BC Operating, Inc. Closed Loop System

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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.

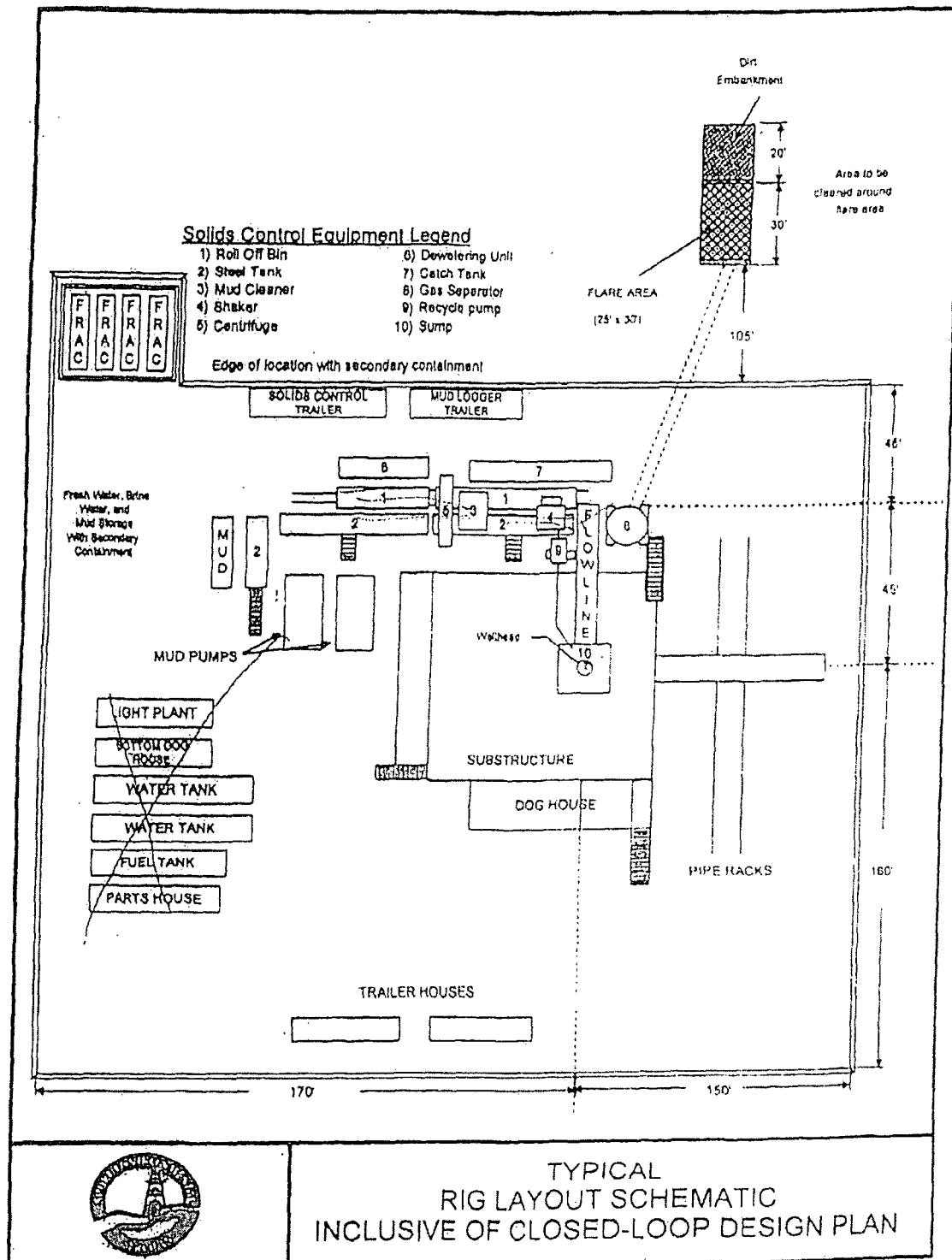
Closure Plan

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

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TYPICAL
RIG LAYOUT SCHEMATIC
INCLUSIVE OF CLOSED-LOOP DESIGN PLAN

BC Operating, Inc.

H2S Well Site Orientation - Drill Rig Orientation
Chili Parlor 17 Fed Com #2H

SHL: 240' FSL & 660' FEL, Sec 8, T-22S-R33E

2x721 Copy

Flare

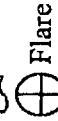


Flat Terrain, with
Sand dunes & Native
Plants

300'



Wind Sock

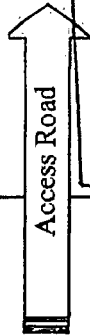


Flare



Briefing Area

300'



Access Road

H₂S Condition
sign

Primary
Briefing
Area

TANK

TANK

TANK

TANK

Pump 1

Pump 2

Close Loop System

Mud Pit System



Sub Structure



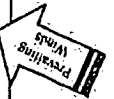
Housing

Housing

Housing

Secondary Egress

Secondary Briefing Area



Prevailing
Winds

TOP SOIL

• H₂S monitor:

Big floor, shale shaker,
mud pits, Close loop

HOBBS OCD

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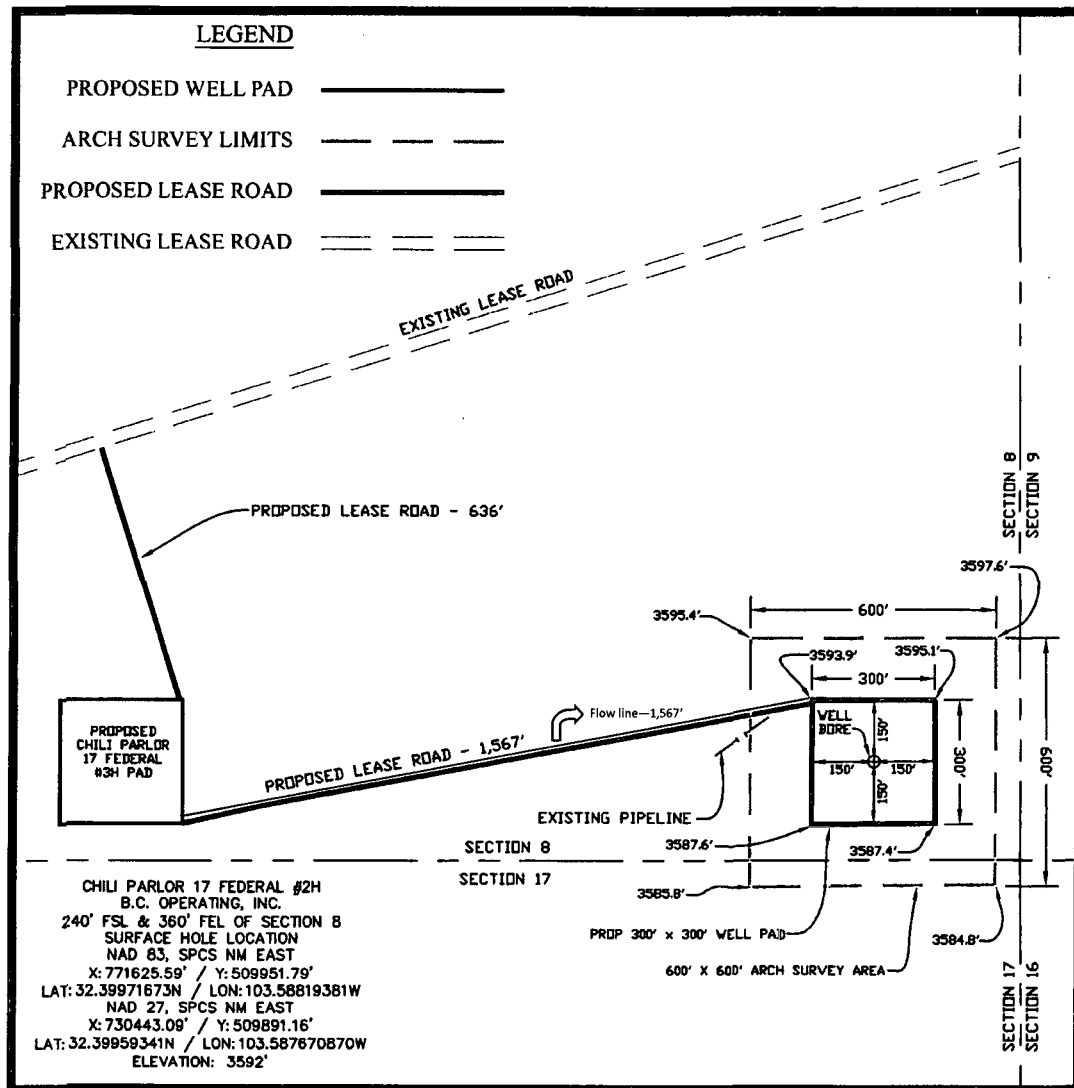
WELL PAD TOPO

SEC. 8 TWP. 22-S RGE. 33-E

SURVEY: N.M.P.M.

COUNTY: LEA

U.S.G.S. TOPOGRAPHIC MAP: GRAMA RIDGE, N.M.



DIRECTIONS TO LOCATION:

FROM THE INTERSECTION OF WEST CARLSBAD HIGHWAY AND HIGHWAY 176 TRAVEL SOUTHEAST ON HIGHWAY 176 FOR 6.4 MILES TO LEASE ROAD ON THE RIGHT. TRAVEL SOUTH ON LEASE ROAD FOR 10.8 MILES TO LEASE ROAD ON THE LEFT. TRAVEL EAST ON LEASE ROAD FOR 0.6 MILES TO LEASE ROAD ON THE LEFT. TRAVEL NORTH ON LEASE ROAD FOR 1.2 MILES TO LEASE ROAD ON THE RIGHT. TRAVEL EAST ON LEASE ROAD FOR 1.3 MILES TO PROPOSED WELL PAD 1,118 FEET ON THE RIGHT.

200' 0' 200' 400'
SCALE: 1" = 400'

PREPARED BY:
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