

HOBBS OCD

UNITED STATES

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

SEP 28 2016

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.

Carlsbad Field Office
FORM APPROVED
OMB No. 1004-0137
Expires August 31, 2016
5. Lease Serial No. NMNM 114984
OCD Hobbs

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well

☐ Gas Well

☐ Other

2. Name of Operator

BC OPERATING, INC.

3a. Address

P.O. BOX 50820
MIDLAND, TX 79710

3b. Phone No. (include area code)

(432) 684-9696

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

240' FSL & 360' FEL, UNIT LETTER P, SEC. 8-T22S-R33E

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.

CHILI PARLOR 17 FEDERAL COM #2H

9. API Well No.

30-025-43137

10. Field and Pool or Exploratory Area

RED TANK; BONE SPRING, EAST

11. Country or Parish, State

LEA CO., NM

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

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☒ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Hydraulic Fracturing

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ Other

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 recompleat 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

BC OPERATING, INC. RESPECTFULLY REQUESTS TO CHANGE THE SURFACE CASING.

CURRENT SURFACE CASING: 16" HOLE, 13.375" CSG, 54.5 #, J55 STC. FROM 0' - 775'

PROPOSED SURFACE CASING: ~~24~~ HOLE, 20" CSG, 106.5#, J-55 BTC. FROM 0' - 775'

26"

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

SARAH PRESLEY

REGULATORY ANALYST

Title

Signature

Sarah Presley

Date

09/09/2016

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Teungku Muchlis Krueng

Title

PETROLEUM ENGINEER

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

APPROVED

SEP 16 2016

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.

**BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE**

(Instructions on page 2)

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	BC Operating
LEASE NO.:	NM114984
WELL NAME & NO.:	2H-Chili Parlor 17 Federal Com
SURFACE HOLE FOOTAGE:	240'/S & 660'/E
BOTTOM HOLE FOOTAGE	240'/S & 660'/E, sec. 17
LOCATION:	Section 8, T.22 S., R.33 E., NMPM
COUNTY:	Lea County, New Mexico

All previous COA still apply except for the surface casing:

The 20 inch surface casing shall be set at approximately 775 feet **(in a competent bed just below the base of the Magenta Dolomite , and if salt is encountered, set casing at least 25 feet above the salt)** and cemented to the surface.

Additional cement may be required – excess calculates to -16%.

- 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.

The intermediate casing shall be kept fluid filled to avoid approaching the minimum collapse pressure rating of the casing.

20	surface csg in a	26	inch hole.	Design Factors			SURFACE		
Segment	#/ft	Grade	Coupling	Body	Collapse	Burst	Length	Weight	
"A"	106.50	J 55	BUTT	10.33	3.19	0.99	775	82,538	
"B"							0	0	
w/8.4#/g mud, 30min Sfc Csg Test psig: 1,349			Tail Cmt	does not	circ to sfc.	Totals:	775	82,538	
Comparison of Proposed to Minimum Required Cement Volumes									
Hole	Annular	1 Stage	1 Stage	Min	1 Stage	Drilling	Calc	Req'd	Min Dist
Size	Volume	Cmt Sx	CuFt Cmt	Cu Ft	% Excess	Mud Wt	MASP	BOPE	Hole-Cplg
26	1.5053	700	1096	1299	-16	8.80	1425	2M	2.50

Burst Frac Gradient(s) for Segment(s) A, B = , b All > 0.70, OK.

9 5/8	casing inside the	20	Design Factors					INTERMEDIATE	
Segment	#/ft	Grade	Coupling	Joint	Collapse	Burst	Length	Weight	
"A"	40.00	J 55	LT&C	2.83	1.05	0.67	4,600	184,000	
"B"							0	0	
w/8.4#/g mud, 30min Sfc Csg Test psig:							Totals:	4,600	184,000
The cement volume(s) are intended to achieve a top of				0	ft from surface or a		775	overlap.	
Hole	Annular	1 Stage	1 Stage	Min	1 Stage	Drilling	Calc	Req'd	Min Dist
Size	Volume	Cmt Sx	CuFt Cmt	Cu Ft	% Excess	Mud Wt	MASP	BOPE	Hole-Cplg
12 1/4	0.3132	1350	2289	2351	-3	10.20	3197	5M	0.81
Class 'C' tail cmt yld > 1.35									
Burst Frac Gradient(s) for Segment(s): A, B, C, D = 0.86, b, c, d All > 0.70, OK.									

5 1/2	casing inside the		9 5/8	Design Factors			PRODUCTION		
Segment	#/ft	Grade	Coupling	Joint	Collapse	Burst	Length	Weight	
"A"	17.00	P 110	Tejas TTRs1	2.72	1.38	1.81	11,252	191,284	
"B"	17.00	P 110	Tejas TTRs1	7.95	1.21	1.81	5,612	95,404	
w/8.4#/g mud, 30min Sfc Csg Test psig: 2,475							Totals:	16,864	286,688
B	would be:			56.05	1.31	if it were a vertical wellbore.			
Pilot Hole Planned		MTD	Max VTD	Csg VD	Curve KOP	Dogleg°	Severity°	MEOC	
		16864	12150	11825	11252	90	10	12152	
The cement volume(s) are intended to achieve a top of				4100	ft from surface or a		500	overlap.	
Hole	Annular	1 Stage	1 Stage	Min	1 Stage	Drilling	Calc	Req'd	Min Dist
Size	Volume	Cmt Sx	CuFt Cmt	Cu Ft	% Excess	Mud Wt	MASP	BOPE	Hole-Cplg
8 1/2	0.2291	1820	3855	2945	31	9.30			1.23
Class 'H' tail cmt yld > 1.20									

0	5 1/2				<u>Design Factors</u>				
Segment	#/ft	Grade	Coupling	Joint	Collapse	Burst	Length	Weight	
"A"							0	0	
"B"							0	0	
w/8.4#/g mud, 30min Sfc Csg Test psig:							Totals:	0	0
Cmt vol calc below includes this csg, TOC intended					0	ft from surface or a		16864	overlap.
Hole	Annular	1 Stage	1 Stage	Min	1 Stage	Drilling	Calc	Req'd	Min Dist
Size	Volume	Cmt Sx	CuFt Cmt	Cu Ft	% Excess	Mud Wt	MASP	BOPE	Hole-Cplg
6 1/8			0	0					
Capitan Reef est top XXXX.									