

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NMOCD

Hobbs

FORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018**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.****SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM0149957
2. Name of Operator BC OPERATING, INC.		6. If Indian, Allottee or Tribe Name
Contact: SARAH I PRESLEY E-Mail: spresley@bcoperating.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address P.O. BOX 50820 MIDLAND, TX 79710	3b. Phone No. (include area code) Ph: 432-684-9696	8. Well Name and No. RUSTY ANCHOR 7 FEDERAL COM 1H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 7 T20S R33E Mer NMP SWSW 420FSL 996FWL		9. API Well No. 30-025-43240
		10. Field and Pool or Exploratory Area GEM; BONE SPRING
		11. County or Parish, State LEA COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Drilling Operations
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recomple 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 recompletion 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.

**\*\*See attached casing and cement info\*\***

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #366652 verified by the BLM Well Information System For BC OPERATING, INC., sent to the Hobbs Committed to AFMSS for processing by DEBORAH MCKINNEY on 02/13/2017 ()</b>	
Name (Printed/Typed) SARAH I PRESLEY	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 02/09/2017

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

<b>ACCEPTED FOR RECORD</b> <b>(ORIG. SGD.) DAVID R. GLASS</b> <b>FEB 28 2017</b>		
Approved By	Title	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	

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.

(Instructions on page 2)

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***

KZ

Rusty Anchor 7 Federal Com #1H  
30-015-43917

12/25/2016 - SPUD

12/28/2016 - SURFACE CASING - DRILL 26" HOLE TO 1,158'. RUN 1,158' OF 20" 169# J-55 BTC. CEMENT WITH LEAD 1330 SACKS CLASS C, 12.8 PPG, 1.82 YIELD. TAIL WITH 670 SACKS CLASS C, 13.8 PPG, 1.60 YIELD. CIRCULATED 759 SACKS TO SURFACE. TESTED CASING TO 900 PSI FOR 30 MINS. HELD OK. ✓

12/31/2016 - 1<sup>st</sup> INTERMEDIATE CASING - DRILL 17.5" HOLE TO 2,776'. RUN 2,776' OF 13-3/8" 68# J-55 BTC. CEMENT WITH LEAD 1550 SACKS CLASS C, 12.8 PPG, 1.82 YIELD. TAIL WITH 480 SACKS CLASS C, 13.8 PPG, 1.60 YIELD. CIRCULATED 80 SACKS TO SURFACE. TESTED CASING TO 900 PSI FOR 30 MINS. HELD OK. ✓

1/3/2017 - 2<sup>nd</sup> INTERMEDIATE CASING - DRILL 12.5" HOLE TO 5,125'. RUN 5,125' OF 9-5/8" 40# L80 BTC. CEMENT WITH 1ST STAGE LEAD CEMENT 270 SX CLASS C, 11.6 PPG, 2.61 YEILD, TAIL CEMENT 202 SX CLASS C, 14.4 PPG, 1.25 YEILD. DROP PLUG AND DISPLACE WITH 385 BBLS FRESH WATER, LAND PLUG WITH 890 PSI, BUMP PLUG WITH 1,450 PSI INCREASE PRESSURE TO 2,400 TO INFLATE PACKER, DROP BOMB AND OPEN DV TOOL, CIRCULATE 108 SACKS OF CEMENT OFF OF TOOL. FULL RETURNS DURING JOB, FLOATS HELD. CIRCULATE 4 HOURS THROUGH DV TOOL. 2ND STATE LEAD CLASS C 450 SACKS 11.6 PPG, 2.61 YIELD, TAIL 120 SACKS CLASS C 14.8 PPG, 1.33 YIELD, DISPLACE WITH 232 BBLS FRESH WATER, LAND PLUG WITH 700 PSI, INCREASE TO 2,310 PSI, FULL RETURNS, DV TOOL HELD, CIRCULATED 90 SACKS OF CEMENT TO SURFACE. TEST CASING TO 1500 PSI FOR 15 MINUTES. HELD OK. ✓

1/24/2017 - PRODUCTION CASING - DRILL 8-3/4" HOLE TO 19,654'. RUN 19,654' OF 5.5" 23# P-110CY BK THREADS. BURST RUPTURE DISK AND CIRCULATE CASING FOR 2 HOURS AT 10 BPM. PUMP 170 BBLS 2% KCL SPACER, 60 BBLS 10.5 MUD FLUSH, LEAD: 820 SACKS OF 11.4 PPG LEAD, 2.81 YIELD, TAIL: 1,740 SACKS OF 13.5 PPG TAIL, 2.29 YIELD, 50% CACO3. FULL RETURNS DURING JOB, DISPLACED WITH 416 BBLS FRESH WATER (CALCULATED 416 BBLS), BUMPED PLUG AT 3,150 PSI, INCREASED TO 4,060 PSI, FLOATS HELD, RECOVERED ALL OIL BASED MUD. ✓

1/23/2017 - RIG RELEASE