OCD Artesia **UNITED STATES** FORM APPROVED OM B No 1004-0137 Expires: March 31, 2007 DEPARTMENT OF THE INTERIOR REAU OF LAND MANAGEMENT 5 Lease Serial No NMOCD AND BYANOTICES AND REPORTS ON WELLS BH- NM02952B, SH - NM89052 Do not use this form for proposals to drill or to re-enter an 6. If Indian, Allottee or Tribe Name abandoned well. Use Form 3160-3 (APD) for such proposals. 7 If Unit or CA/Agreement, Name and/or No SUBMIT IN TRIPLICATE- Other instructions on reverse side. James Ranch NMNM 70965X ☐ Gas Well□□ T Other Well Name and No James Ranch Unit #139H 2 Name of Operator BOPCO, L. P. 3a Address 3b. Phone No (include area code) P. O. Box 2760 Midland, TX 79702 432-683-2277 10. Field and Pool, or Exploratory Area Quahada Ridge, SE (Delaware) 4 Location of Well (Footage, Sec., T., R., M., or Survey Description) County or Parish, State NESW, UL K, 2365' FSL, 2050' FWL, Sec 25, T22S-R30E, Lat; N32, 362247, Long; W103, 835789 NWSW, UL L, 660' FSL, 330' FWL, Sec 27, T22S-R30E, Lat; N32.357636, Long: W103.876042 Eddy, New Mexico 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Water Shut-Off Production (Start/Resume) Deepen Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Casing Repair New Construction Recomplete ☐ Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back 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 recomplete 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.) BOPCO, L.P. plans to drill this well in conjunction with the JRU #138H utilizing rig skidding operations. 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 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. The Latshaw Rig #18 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 second intermediate and 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 and had the completions system installed. Notify the BLM if procedure must Accepted for record deviate from planned sequence. **NMOCD** I hereby certify that the foregoing is true and correct Name (Printed/Typed) Charles Warne Title Drilling Engineer Signature THIS SPACE FOR FEDERAL OR STATE OFFICE USE FEB 22 2012 Date Title 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 Office which would entitle the applicant to conduct operations thereon. 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 of agency for the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction