

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**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 reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit or CA/Agreement, Name and/or No. 891000558X
2. Name of Operator BOPCO LP Contact: COURTNEY LOCKHART E-Mail: cjlockhart@basspet.com		8. Well Name and No. JAMES RANCH UNIT 144H
3a. Address MIDLAND, TX 79702	3b. Phone No. (include area code) Ph: 432-221-7307	9. API Well No. 30-015-41424-00-X1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 36 T22S R30E SWNE 2315FNL 2594FEL 32.205765 N Lat, 103.500070 W Lon		10. Field and Pool, or Exploratory LOS MEDANOS
		11. County or Parish, and State EDDY COUNTY, NM

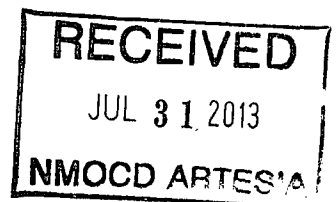
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

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 shall 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 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., respectfully requests permission to amend the casing program for the James Ranch Unit #144H. This will be accomplished by drilling a 17-1/2" surface hole and setting 13-3/8", 54.5 ppf, J-55, 8rd, ST&C surface string at approximately 350'. The 13-3/8" surface casing will be cemented to surface. The salt string will be drilled with an 11" hole drilled to approximately 3,825' and then cased using an 8-5/8", 32 ppf, J-55, LTC intermediate string that will be cemented to surface. The production hole will be a 7-7/8" hole drilled to TD (16,455' MD/9,290' TVD). The production hole will be cased with 5-1/2", 17 ppf, HCP-110, BTC casing and cemented back to surface in two stages.

BOPCO, L.P., also respectfully requests to change plans for BOP testing due to the utilization of the Cameron MBS wellhead. BOPCO, L.P. requests to nipple up and test BOPE on surface casing to 3,000 psi high and 250 psi low, which will cover testing requirements for the duration of the well.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. Electronic Submission #213428 verified by the BLM Well Information System For BOPCO LP, sent to the Carlsbad Committed to AFMSS for processing by JOHNNY DICKERSON on 07/18/2013 (13JLD0980SE)		Accepted <u>07/26/2013</u> NMOCD	
Name (Printed/Typed) CHRISTOPHER VOLEK	Title DRILLING ENGINEER		
Signature (Electronic Submission)	Date 07/12/2013		
THIS SPACE FOR FEDERAL OR STATE OFFICE USE			
Approved By (BLM Approver Not Specified)		Date 07/26/2013	
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.		JUL 26 2013 /s/ Chris Walls BUREAU OF LAND MANAGEMENT CARLSBAD FIELD 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.			

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #213428 that would not fit on the form

32. Additional remarks, continued

The field report from the Cameron representative and the BOP test information will be provided in a subsequent report at the end of the well.

Revised casing program and Cameron wellhead schematic are attached.

Tail Slurry: Class "C" Cement: 0.2% Retarder
Tail Volume: 143 sacks
Tail Details: 14.8 ppg, 1.33 ft³/sk yield, H₂O 6.300 gal/sk
Tail Length: 500'

TOC: Surface

5-1/2" Production (caliper volume + 50% excess)

1st Stage

Lead Slurry: 65/35 Class "H"; Poz Cement: 5% Salt + 6% Bentonite + 0.6% Retarder + 0.125 lb/sk Cellophane + 0.25 lb/sk Antifoam + 3 lb/sk Kol-Seal LCM
Lead Volume: 491 sacks
Lead Details: 12.9 ppg, 1.92 ft³/sk yield, H₂O 9.922 gal/sk
Top of Lead: DV Tool

Tail Slurry: PVL Cement: 1.3% Salt + 5% Expanding Cement + 0.5% Gel Suppressing Agent + 0.1% Antisettling agent + 0.6% Retarder + 0.25 pps Antifoam
Tail Volume: 1,375 sacks
Tail Details: 13.0 ppg, 1.48 ft³/sk yield, H₂O 7.566 gal/sk
Top of Tail: KOP (8,627')

TOC: +/- 5,000' (DV Tool)

2nd Stage

Lead Slurry: 65/35 Class "C": Poz Cement: 5% Salt + 6% Bentonite + 0.6% Retarder + 0.125 lb/sk Cellophane + 0.25 lb/sk Antifoam + 3 lb/sk Kol-Seal LCM
Lead Volume: 625 sacks
Lead Details: 12.9 ppg, 1.91 ft³/sk yield, H₂O 9.922 gal/sk
Top of Lead: Surface

Tail Slurry: Class "C" Cement: 0.2% Retarder
Tail Volume: 110 sacks
Tail Details: 14.8 ppg, 1.33 ft³/sk yield, 6.320 gal/sk
Tail Length: 500'
TOC: Surface

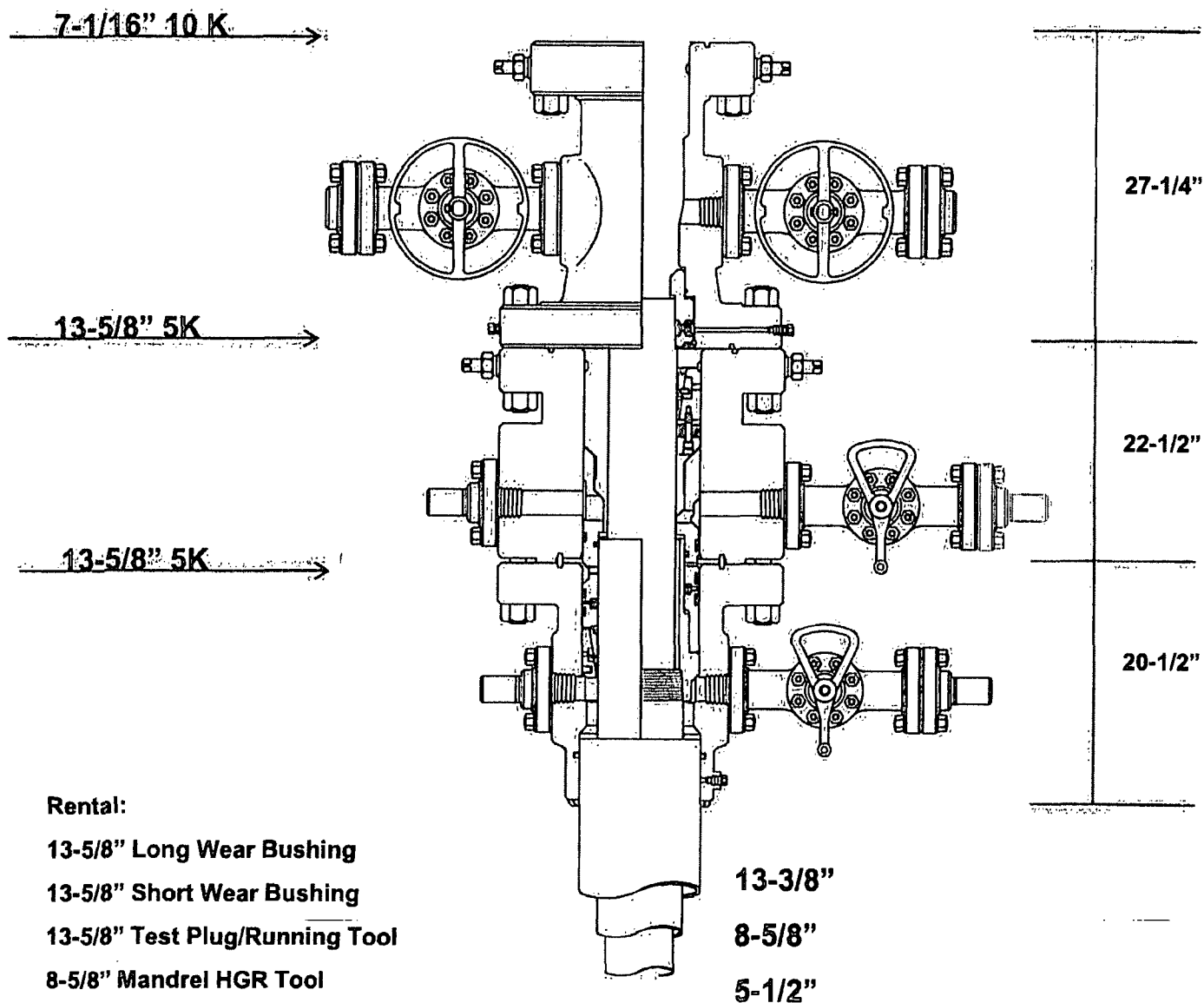


CUSTOMER: BOPCO

PROJECT: James Ranch Unit #144H

RIG: Latshaw #4

CASING PROGRAM: 13-3/8" x 8-5/8" x 5-1/2"



Rental:

13-5/8" Long Wear Bushing

13-5/8" Short Wear Bushing

13-5/8" Test Plug/Running Tool

8-5/8" Mandrel HGR Tool

Packoff Support Bushing Running Tool

Jetting/Wash Tool

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Revised Casing Program:

Type	Interval (MD)	Hole Size
20" (already set)	0-120'	24"
13-3/8", 48 ppf, H-40, STC	0-350'	17-1/2"
8-5/8", 32 ppf, J-55, LTC	0-3,825'	11"
5-1/2", 17 ppf, HCP-110, BTC	0 – 16,455	7-7/8"

Casing Program Safety Factors:

Type	Tension	Collapse	Burst
13-3/8", 48 ppf, H-40, STC	19.6	6.74	2.24
8-5/8", 32 ppf, J-55, LTC	3.62	1.24	2.1
5-1/2", 17 ppf, HCP-110, BTC	4.16	1.97	2.44

Cementing Program: Please see below for updates to cement program

13-3/8" Surface (gauge hole + 100% excess)

Primary Volume: 365 sacks

Primary Details: 14.8 ppg, 1.33 ft³/sk yield, H₂O 9.14 gal/sk

Top of Primary: Surface

Primary Slurry: Class "C" Cement + 2% PF1

8-5/8" Intermediate salt string (fluid caliper + 50% excess)

Lead Slurry: Class "C" Cement: 6% Bentonite Gel + 0.2% Retarder + 5 lb/sk Kol Seal + 0.25 lb/sk Antifoam + 5% Salt

Lead Volume: 660 sacks

Lead Details: 12.9 ppg, 1.92 ft³/sk yield, H₂O 9.805 gal/sk

CONDITIONS OF APPROVAL

OPERATOR'S NAME:	BOPCO, L.P.
LEASE NO.:	NM02953
WELL NAME & NO.:	144H-JAMES RANCH UNIT
SURFACE HOLE FOOTAGE:	2315' FNL & 2594' FEL
BOTTOM HOLE FOOTAGE:	2240' FNL & 390' FEL (Sec. 31, T. 22 E., R. 31 S.)
LOCATION:	Section 36, T. 22 S., R 30 E., NMPM
COUNTY:	Eddy County, New Mexico

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)

☒ **Eddy County**

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(575) 361-2822

1. **Hydrogen Sulfide (H₂S) monitors shall be installed prior to drilling out the surface shoe. If H₂S is encountered in quantities greater than 10 PPM the well shall be shut in and H₂S equipment shall be installed and flare line must be extended pursuant to Onshore Oil and Gas Order #6. After detection, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items.**
2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval. **If the drilling rig is removed without approval – an Incident of Non-Compliance will be written and will be a “Major” violation.**
3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works is located, this does not include the dog house or stairway area.

4. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

B. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#).

Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.).

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. IF OPERATOR DOES NOT HAVE THE WELL SPECIFIC CEMENT DETAILS ONSITE PRIOR TO PUMPING THE CEMENT FOR EACH CASING STRING, THE WOC WILL BE 30 HOURS. See individual casing strings for details regarding lead cement slurry requirements.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

R-111-P Potash/WIPP

HIGH CAVE/KARST

Possible water and brine flows in the Rustler, Salado and Castile formations.

Possible lost circulation within the Rustler, Delaware and Bone Spring.

1. The 13-3/8 inch surface casing shall be set at approximately **350** feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - 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.
2. The minimum required fill of cement behind the **8-5/8** inch intermediate casing is: **(Set casing within the Lamar at approximately 3825')**
 - ☒ Cement to surface. If cement does not circulate see B.1.a, c-d above. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst and potash.**
3. The minimum required fill of cement behind the 5-1/2 inch production casing is:
 - a. First stage to DV tool, cement shall:
 - ☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.
 - b. Second stage above DV tool, cement shall:
 - ☒ Cement to surface. If cement does not circulate, contact the appropriate BLM office.
4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
5. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

2. Variance approved to use flex line from BOP to choke manifold. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. **Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.** If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).
3. **Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 3000 (3M) psi.**
 - a. **Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.**
 - b. **If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.**
 - c. **Manufacturer representative shall install the test plug for the initial BOP test.**
 - d. **Operator shall perform the intermediate casing integrity test to 70% of the casing burst. This will test the multi-bowl seals.**
 - e. **If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.**
4. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time.
 - b. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (18 hours) or potash (24 hours) or 500 pounds compressive strength,

whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).

- c. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock.
- d. The results of the test shall be reported to the appropriate BLM office.
- e. All tests are required to be recorded on a calibrated test chart. **A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.**
- f. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

E. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

F. WIPP Requirements

The proposed well is located over 330' but within a mile of the WIPP Land Withdrawal Area boundary. As a result, BOPCO, L.P. is requested, but not required to submit daily drilling reports, logs and deviation survey information to the Bureau of Land Management and the Department of Energy per requirements of the Joint Powers Agreement until a total vertical depth of 7,000 feet is reached. These reports will have at a minimum the rate of penetration and a clearly marked section showing the deviation for each 500 foot interval. Operator may be required to do more frequent deviation surveys based on the daily information submitted and

may be required to take other corrective measures. Information from this well will be included in the Quarterly Drilling Report. Information will also be provided to the New Mexico Oil Conservation Division after drilling activities have been completed. Upon completion of the well, the operator shall submit a complete directional survey. Any future entry into the well for purposes of completing additional drilling will require supplemental information.

BOPCO, L.P. can email the required information to Mr. Melvin Balderrama at Melvin.Balderama@wipp.ws or Mr. J. Neatherlin at Jimmy.Neatherlin@wipp.ws fax to his attention at 575-234-6062.

CRW 072613