OCD Artesia

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

5. Lease Serial No.
NMLC064827A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
891000558X

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
JAMES RANCH UNIT DI 1 162H

2. Name of Operator
BOPCO LP
Contact: LESLIE BARNES
E-Mail: lbarnes@basspet.com

9. API Well No.
30-015-42615-00-X1

3a. Address
P O BOX 2760
MIDLAND, TX 79702

3b. Phone No. (include area code)
Ph: 432-221-7341

10. Field and Pool, or Exploratory
UNDESIGNATED

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 21 T22S R30E SWNE 1433FNL 1432FEL
32.225136 N Lat, 103.525455 W Lon

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			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Change to Original APD
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ 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. respectfully requests to alter the casing design from the currently approved APD. After setting the 9-5/8?, 40#, J-55, LTC casing we will drill an 8-1/2? hole to TD at ~~18,168?~~ 18,168 MD (9,441? TVD). A full string of 5-1/2?, 20#, HCP-110, TXP-BTC casing will be ran to total depth and cemented to surface in two stages with a DV tool at ~5,000?. Cement will be adjusted proportionately for any depth change of the DV tool. The spec sheet for the 5-1/2? casing is attached for reference. Safety Factors: Collapse ? 2.10, Burst ? 4.73, Tensile ? 3.97

Please see attached table.

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Accepted for record
NMOCD 11-7-14

NM OIL CONSERVATION
ARTESIA DISTRICT
NOV 07 2014

RECEIVED

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #275155 verified by the BLM Well Information System
For BOPCO LP, sent to the Carlsbad
Committed to AFMSS for processing by CHRISTOPHER WALLS on 11/03/2014 (15CRW0023SE)

Name *(Printed/Typed)* CHRIS GIESE — Title DRILLING ENGINEER

Signature (Electronic Submission) — Date 10/31/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED

Approved By — Title — Date NOV 3 2014

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 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 ****

BOPCO, L.P. respectfully requests to alter the casing design from the currently approved APD. After setting the 9-5/8", 40#, J-55, LTC casing we will drill an 8-1/2" hole to TD at 18,174' MD (9,441' TVD). A full string of 5-1/2", 20#, HCP-110, TXP-BTC casing will be ran to total depth and cemented to surface in two stages with a DV tool at ~5,000'. Cement will be adjusted proportionately for any depth change of the DV tool. The spec sheet for the 5-1/2" casing is attached for reference. Safety Factors: Collapse – 2.10, Burst – 4.73, Tensile – 3.97

INTERVAL	AMOUNT SXS	FT of FILL	TYPE	GAL/SX	PPG	FT3/SX
PRODUCTION						
Stage 1						
Lead: 5,000'-8,240'	500	3,240	VersaCem + 10% Bentonite + 0.125 pps Poly-E-Flake + 0.5 pps D-Air + 0.1% HR-601	12.8	11.9	2.24
Tail:8,240'-18,174'	2,850	9,934	VersaCem + 0.5% LAP-1 + 0.3% CFR-3 + 0.1% FWCA + 0.125 pps Poly-E-Flake + 0.5 pps D-Air + 0.2% HR-601	5.32	14.5	1.21
DV TOOL AT 5,000'						
Stage 2						
Lead: 0'-4,500'	625	4,500	VersaCem + 10% Bentonite + 0.125 pps Poly-E-Flake + 0.5 pps D-Air	12.67	11.9	2.23
Tail: 4,500'-5,000'	100	500	Halcem "C" Neat	6.34	14.8	1.33

October 17 2014

Tenaris

Size: 5.500 in.
Wall: 0.361 in.
Weight: 20.00 lbs/ft
Grade: P110-IC
Min. Wall Thickness: 87.5 %

Connection: TenarisXP™ BTC
Casing/Tubing: CAS
Coupling Option: REGULAR

PIPE BODY DATA

GEOMETRY

Nominal OD	**5.500** in.	Nominal Weight	**20.00** lbs/ft	Standard Drift Diameter	**4.653** in.
Nominal ID	**4.778** in.	Wall Thickness	**0.361** in.	Special Drift Diameter	**N/A**
Plain End Weight	**19.83** lbs/ft				

PERFORMANCE

Body Yield Strength	**641** x 1000 lbs	Internal Yield	**12630** psi	SMYS	**110000** psi
Collapse	**12100** psi				

TENARISXP™ BTC CONNECTION DATA

GEOMETRY

Connection OD	**6.100** in.	Coupling Length	**9.450** in.	Connection ID	**4.766** in.
Critical Section Area	**5.828** sq. in.	Threads per in.	**5.00**	Make-Up Loss	**4.204** in.

PERFORMANCE

Tension Efficiency	**100** %	Joint Yield Strength	**641** x 1000 lbs	Internal Pressure Capacity(1)	**12630** psi
Structural Compression Efficiency	**100** %	Structural Compression Strength	**641** x 1000 lbs	Structural Bending(2)	**92** °/100 ft
External Pressure Capacity	**12100** psi				

ESTIMATED MAKE-UP TORQUES(3)

Minimum	**11270** ft-lbs	Target	**12520** ft-lbs	Maximum	**13770** ft-lbs

OPERATIONAL LIMIT TORQUES

Operating Torque	**21500** ft-lbs	Yield Torque	**23900** ft-lbs		

BLANKING DIMENSIONS

Blanking Dimensions

(1) Internal Pressure Capacity related to structural resistance only. Internal pressure leak resistance as per section 10.3 API 5C3 / ISO 10400 - 2007.

(2) Structural rating, pure bending to yield (i.e no other loads applied)

(3) Torque values calculated for API Modified thread compounds with Friction Factor=1. For other thread compounds please contact us at licensees@oilfield.tenaris.com. Torque values may be further reviewed.

For additional information, please contact us at contact-tenarishydril@tenaris.com

PECOS DISTRICT
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	BOPCO, L.P.
LEASE NO.:	NMLC-064827A
WELL NAME & NO.:	James Ranch Unit DI 1 162H
SURFACE HOLE FOOTAGE:	1433' FNL & 1432' FEL
BOTTOM HOLE FOOTAGE	0660' FNL & 2310' FWL Sec. 23, T. 22 S., R 30 E.
LOCATION:	Section 21, T. 22 S., R 30 E., NMPM
COUNTY:	Eddy County, New Mexico

The original COAs still stand with the following drilling modifications:

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. Report measured values and formation to the BLM. 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 or are Non-API. 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
High Cave/Karst
Possibility of water flows in the Salado and Castile.
Possibility of lost circulation in the Rustler and Delaware.

1. The **13-3/8** inch surface casing shall be set at approximately **545** feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. **If salt is encountered, set casing at least 25 feet above the salt.**

    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 **9-5/8** inch intermediate casing is:

☒ 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.**

Centralizers required on horizontal leg, must be type for horizontal service and a minimum of one every other joint.

3. The minimum required fill of cement behind the **5-1/2** inch production casing is:

Operator has proposed DV tool at depth of 5000', but will adjust cement proportionately if moved. DV tool shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe. Operator shall submit sundry if DV tool depth cannot be set in this range.

a. First stage to DV tool:

☒ 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 to surface. If cement does not circulate, contact the appropriate BLM office. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to potash. Excess calculates to 21% - Additional cement may be required.**

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**.

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. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two 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.

JAM 110314