Form 3160-5 (June 2015)

| UNITED STATES              |
|----------------------------|
| DEPARTMENT OF THE INTERIOR |
| RUREALLOF LAND MANAGEMENT  |

| BOILERO OF ERIND WITH AGENTERY                     |
|----------------------------------------------------|
| DRY NOTICES AND REPORTS ON WELLS                   |
| this form for proposals to drill or to re-enter an |

| FORM APPROVED             |
|---------------------------|
| OMB No. 1004-0137         |
| Expires: January 31, 2018 |

OCD Artesta

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| OMB No       | . 1004-0137    |
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| Expires: Ja: | nuary 31, 2018 |
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|-----------------------|---------------------------------------|----|---|
| 5. Lease Serial No.   | NMNM 0292                             | 21 |   |
| 6. If Indian, Allotte | e or Tribe Nam                        | e  |   |

| Do not use this f                                                                                                                 | OTICES AND REPO<br>form for proposals i                                | to drill or to  | re-enter an                             |         | 6. If Indian, Allot              | tee or Trit | e Name                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|-----------------|-----------------------------------------|---------|----------------------------------|-------------|-------------------------------------------------------------|
|                                                                                                                                   | Use Form 3160-3 (A                                                     |                 |                                         | 5.<br>  | 7 If Unit of CA/4                | oreemen     | t, Name and/or No.                                          |
|                                                                                                                                   | TRIPLICATE - Other instru                                              | uctions on page | 2                                       |         | - In omit of CAT                 | · igiccinen | i, ivalite and/or ivo.                                      |
| 1. Type of Well  Gas W                                                                                                            | Vell Other                                                             |                 |                                         |         | 8. Well Name and                 | No. CAE     | RRASCO 6 COM #1                                             |
| 2 N                                                                                                                               |                                                                        |                 | ,                                       |         | 9. API Well No. 3                |             | 10.15                                                       |
| BC OPERATING                                                                                                                      | 3, INC.                                                                | lat pt. N.      |                                         | - 1     | 10. Field and Poo                |             |                                                             |
| 3a. Address P.O. BOX 50820 MIDLAND, TX 79710                                                                                      |                                                                        | (432) 684-969   | include area cod<br>16                  | ?)      | 1                                | •           | KA, MORROW                                                  |
| 4. Location of Well (Footage, Sec., T., R<br>810' FSL & 1980' FEL, SEC. 6-T23                                                     |                                                                        |                 |                                         |         | 11. Country or Pa<br>EDDY CO., N |             |                                                             |
| 12. CHE                                                                                                                           | CK THE APPROPRIATE B                                                   | OX(ES) TO IND   | OICATE NATUR                            | E OF NO | TICE, REPORT OR                  | OTHER I     | DATA                                                        |
| TYPE OF SUBMISSION                                                                                                                |                                                                        |                 | TY                                      | PE OF A | CTION                            |             |                                                             |
| ✓ Notice of Intent                                                                                                                | Acidize Alter Casing                                                   | Deepe           | en<br>nulic Fracturing                  | =       | oduction (Start/Resur            | ne)         | Water Shut-Off Well Integrity                               |
| Subsequent Report                                                                                                                 | Casing Repair                                                          | New (           | Construction                            |         | ecomplete                        | Ţ           | Other                                                       |
|                                                                                                                                   | Change Plans                                                           | = -             | and Abandon                             |         | mporarily Abandon                |             |                                                             |
| Final Abandonment Notice  13. Describe Proposed or Completed Operation 1.                                                         | Convert to Injection                                                   |                 |                                         |         | ater Disposal                    |             | ·                                                           |
| CHANGE OF OPERATOR EFF FROM: CHEVRON USA INC. 1400 SMITH HOUSTON, TX 77002 TO: BC OPERATING, INC P.O. BOX 50820 MIDLAND, TX 79710 | (4323)<br>2 SEE<br>C. (160825) COI                                     | E ATTACH        | IED FOR<br>S OF APF                     | PROV    | ⁄AL                              | *[          | Suplicate Copy                                              |
| BLM BOND #NMB001345 BC OPERATING, INC. ACCEPTONCERNING OPERATIONS                                                                 |                                                                        |                 |                                         |         |                                  |             | M OIL CONSERVATION ARTESIA DISTRICT NOV 1 4 2016 B RECEIVED |
| . 14. I hereby certify that the foregoing is t                                                                                    | rue and correct. Name (Pri                                             | nted/Typed)     |                                         |         |                                  |             |                                                             |
| ,,                                                                                                                                |                                                                        |                 |                                         |         |                                  |             |                                                             |
| SARAH PRESLEY                                                                                                                     |                                                                        |                 | REGULA                                  | TORY A  | NALYST                           | •           |                                                             |
| • •                                                                                                                               | <u>ک</u> ور                                                            |                 |                                         | TORY A  |                                  | 6/2016      |                                                             |
| SARAH PRESLEY                                                                                                                     | THE SPACE                                                              |                 | Title<br>Date                           |         | 03/1                             | 6/2016      |                                                             |
| SARAH PRESLEY                                                                                                                     |                                                                        |                 | Title  Date  RAL OR ST                  | ATE O   | 03/1                             |             | APPROVED                                                    |
| SARAH PRESLEY  Signature  Approved by                                                                                             | Nimmer ed. Approval of this notice d juitable title to those rights in | FOR FEDE        | Title  Date  RAL OR ST  PETI  Title  or | ATE O   | 03/1                             |             | APPROVED  NOV 9 2016                                        |

## BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE

620 E. Greene St Carlsbad, NM 88220 Ph: (575) 234-5972

## Conditions of Approval for Change of Operator

- 1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
- 2. Submit for approval of water disposal method within 60 days, if changes have been made from previously approved disposal method.
- 3. Review facility diagram on file, and submit updated facility diagrams, as per Onshore Order #3 within 60 day.
- 4. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 5. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
- 6. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
- 7. Subject to like approval by NMOCD.
- 8. All Reporting to ONRR (OGOR Reports) must be brought current within 30 days of this approval including any past history.
- 9. If this well is incapable of producing in paying quantities submit NOI to plug and abandon this well or obtain approval to do otherwise within 90 days.
- 10. Submit plan for approval of well operations for all TA/SI wells within 30 days of this approval to change operator.
- 11. If not in place acquire operating rights on this lease within 30 days with BLM office in Santa Fe, NM.