

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		5. Lease Serial No. NMLC061634B
2. Name of Operator BOPCO LP		6. If Indian, Allottee or Tribe Name
3a. Address MIDLAND, TX 79702		7. If Unit or CA/Agreement. Name and/or No. 891000303X
3b. Phone No. (include area code) Ph: 432-683-2277		8. Well Name and No. PLU PHANTOM BANKS 20 25 31 USA 1H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 20 T25S R31E NWNW 150FNL 660FWL 32.122642 N Lat, 103.806088 W Lon		9. API Well No. 30-015-40764-00-X1
		10. Field and Pool, or Exploratory BIG SINKS
		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. requests to amend Point 4 Pressure Control Equipment in the original APD as attached. Please refer to diagrams A, B, or C for choke manifold and closed loop system layout.

We would also like to utilize and armored, 5", 5,000 psi WP flex hose for the choke line in the drilling of the well. This is rig equipment and will help quicken nipple up time thus saving money without a safety problem. The hose itself is rated to 5,000 psi and has 5,000 psi flanges on each end. This well is to be drilled to a depth of 14,316 MD (9,483' TVD) and max surface pressure should be +/- 2,087 psi as prescribed in onshore order #2 shown as 0.22 psi/ft. Thus, a 3,000 psi BOPE is all that is needed for this well. The Latshaw #14 flex hose certification and test chart are attached.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. Electronic Submission #202331 verified by the BLM Well Information System For BOPCO LP, sent to the Carlsbad Committed to AFMSS for processing by KURT SIMMONS on 03/25/2013 (13KMS5616SE)	
Name (Printed/Typed) CHRISTOPHER W GIESE	Title DRILLING ENGINEER
Signature (Electronic Submission)	Date 03/22/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>EDWARD FERNANDEZ</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>03/25/2013</u>
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 <u>Carlsbad</u>

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.

POINT 4: PRESSURE CONTROL EQUIPMENT (SEE ATTACHED DIAGRAMS A, B, or C)

After running the 13-3/8" surface casing, a 13-5/8" BOP/BOPE system with a minimum rating of 3M will be installed, used, maintained and tested as per Onshore Order 2. In addition to the high pressure test, a low pressure (250-300 psig) test will be performed.

After running the 8-5/8" intermediate casing, a 13-5/8" or 11" BOP/BOPE system with a minimum rating of 3M will be installed on the 8-5/8" intermediate casing spool (11" open hole), used, maintained and tested as per Onshore Order 2. In addition to the high pressure test, a low pressure (250-300 psig) test will be performed.

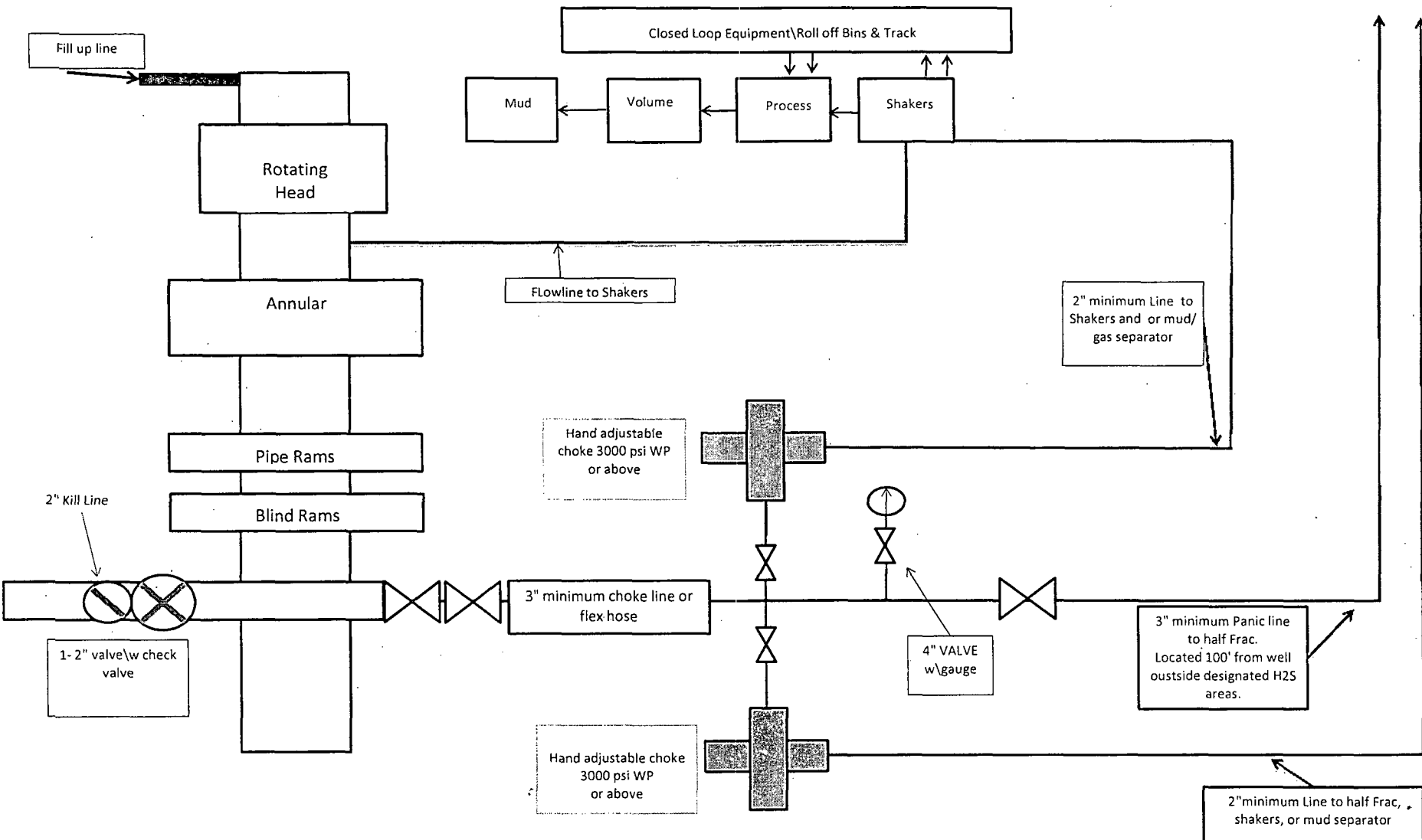
H2S contingency

H2S monitors shall be installed prior to drilling out the surface shoe. If H2S is encountered in quantities greater than 10 PPM, the well will be shut in and H2S equipment will be installed, including a flare line that will be extended pursuant to onshore oil and gas order #6.

These tests will be performed:

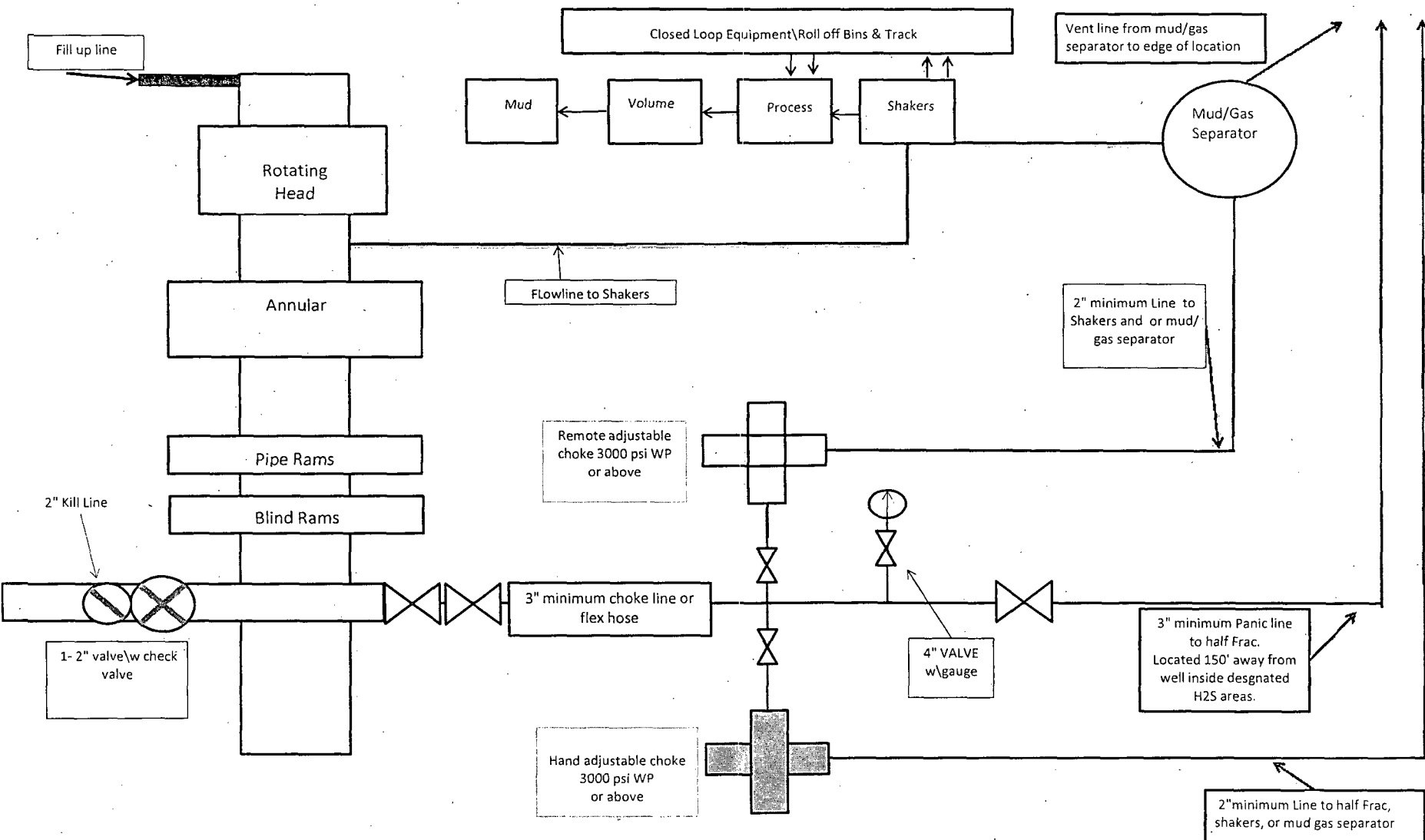
- a) Upon installation
- b) After any component changes
- c) Thirty days after a previous test
- d) As required by well conditions
- e) Any time a seal is broken within a system

A function test to insure that the preventers are operating correctly will be performed on each trip.



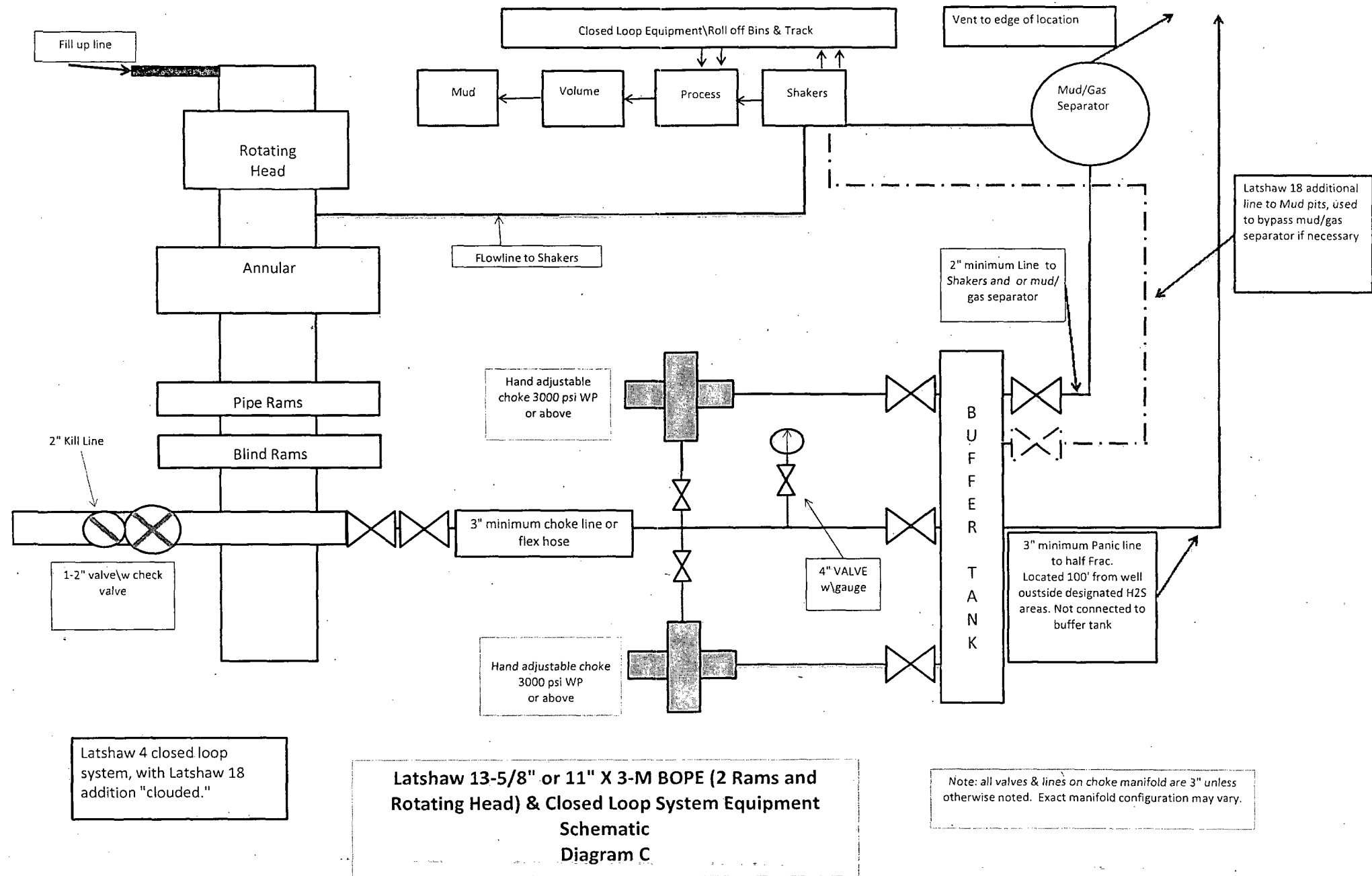
**13-5/8" or 11" X 3-M BOPE (2 Rams and Rotating Head)
& Closed Loop System Equipment Schematic
Diagram A**

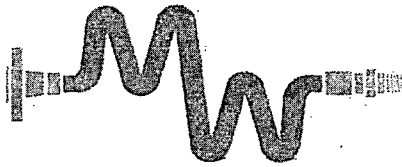
Note: all valves & lines on choke manifold are 3" unless otherwise noted. Exact manifold configuration may vary.



**13-5/8" or 11" X 3-M BOPE (2 Rams and Rotating Head)
& Closed Loop System Equipment Schematic
H2S contingency
Diagram B**

Note: all valves & lines on choke manifold are 3" unless otherwise noted. Exact manifold configuration may vary.





Midwest Hose
& Specialty, Inc.

INTERNAL HYDROSTATIC TEST REPORT			
Customer: LATSHAW		Customer P.O. Number: 147340	
HOSE SPECIFICATIONS			
Type: Rotary / Vibrator Hose C & K / API 7K		Hose Length: 35FT 8 IN	
I.D. 3.5 INCHES		O.D. 5.02 INCHES	
WORKING PRESSURE 5,000 PSI	TEST PRESSURE 5,000 PSI		BURST PRESSURE N/A PSI
COUPLINGS			
Part Number D3.5X64WB NA	Stem Lot Number 3Q11LOT1 NA	Ferrule Lot Number 3Q11LOT1 NA	
Type of Coupling: Swage-It		Die Size: 5.75 INCHES	
PROCEDURE			
<i>Hose assembly pressure tested with water at ambient temperature.</i>			
TIME HELD AT TEST PRESSURE 9 1/4 MIN.		ACTUAL BURST PRESSURE: N/A PSI	
Hose Assembly Serial Number: 147340		Hose Serial Number: NA	
Comments: HOSE REPAIR			
Date: 4/11/2012	Tested: Danie McNamee		Approved: Kim Thomas



Midwest Hose
& Specialty, Inc.

Internal Hydrostatic Test Graph

April 11, 2012

Customer: Latshaw

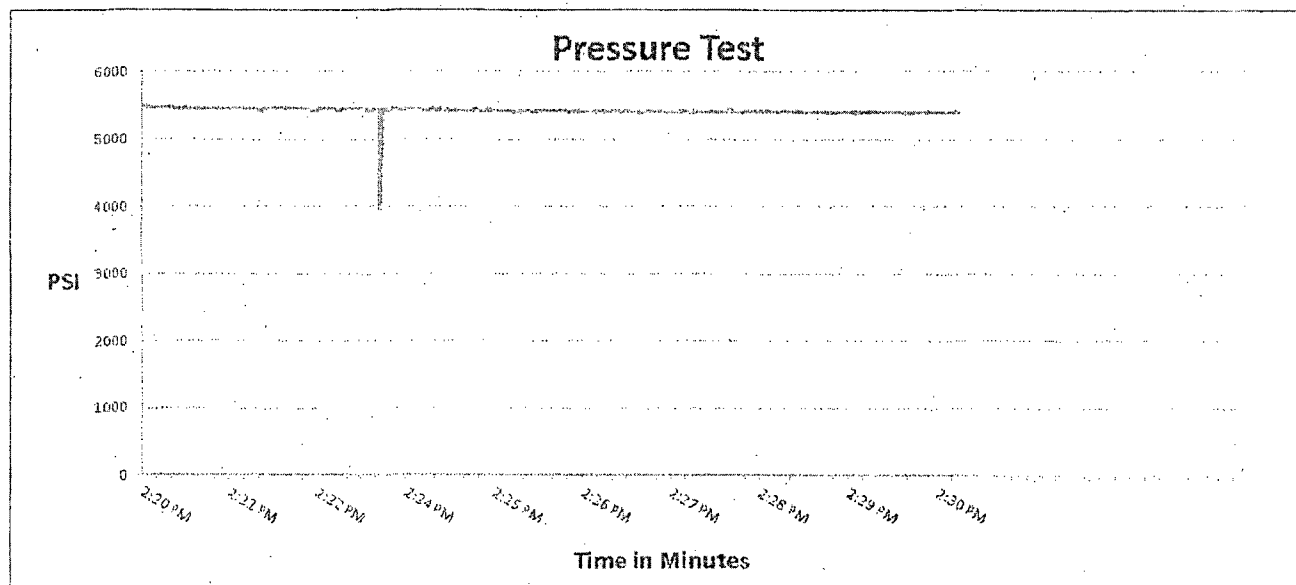
Pick Ticket #: 147340

Hose Specifications

<u>Hose Type</u>	<u>Length</u>
D	35' 8"
<u>I.D.</u>	<u>O.D.</u>
3.5"	5.02"
<u>Working Pressure</u>	<u>Burst Pressure</u>
5000 PSI	Standard Safety Multiplier Applies

Verification

<u>Type of Fitting</u>	<u>Coupling Method</u>
4 1/16 5K	Swage
<u>Die Size</u>	<u>Final O.D.</u>
5.75"	5.75"
<u>Hose Serial #</u>	<u>Hose Assembly Serial #</u>
NA	147340



Test Pressure
5000 PSI

Time Held at Test Pressure
9 1/4 Minutes

Actual Burst Pressure

Peak Pressure
5796 PSI

Comments: Hose assembly pressure tested with water at ambient temperature.

Tested By: Donnie McInerney

Approved By: Kim Thomas

CONDITIONS OF APPROVAL

BOP/BOPE Sundry dated 3/22/2013

OPERATOR'S NAME:	CHESAPEAKE OPERATING FOR BOPCO, LP
LEASE NO.:	LC061634B
WELL NAME & NO.:	1H-PLU PHANTOM BANKS 20 25 31 USA
SURFACE HOLE FOOTAGE:	150'/N. & 660'/W.
BOTTOM HOLE FOOTAGE:	100'/S. & 660'/W.
LOCATION:	Section 20, T. 25 S., R. 31 E., NMPM
COUNTY:	Eddy County, New Mexico

Original COA still applies with the following changes:

A. 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. 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. 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. **For surface casing only:** If the BOP/BOPE is to be tested against casing, the wait on cement (WOC) time for that casing is to be met (see WOC statement at start of casing section). Independent service company required.
4. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, 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. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including

lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

- 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 results of the test shall be reported to the appropriate BLM office.
- d. 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.**
- e. 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.

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