

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMNM102911

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on page 2

| | | |
|---|---|---|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 8. Well Name and No. KYLE 34 FEDERAL 3H |
| 2. Name of Operator BC OPERATING INC Contact: JENNIFER E VAN CUREN E-Mail: jvancuren@marathonoil.com | | 9. API Well No. 30-015-43405-00-X1 |
| 3a. Address MIDLAND, TX 79710 | 3b. Phone No. (include area code) Ph: 713-296-2500 | 10. Field and Pool or Exploratory Area WILLOW LAKE-BONE SPRING, SE |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 34 T24S R28E SESW 150FSL 1650FWL 32.166800 N Lat, 104.077993 W Lon | | 11. County or Parish, State EDDY COUNTY, NM |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input 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 checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Hydraulic Fracturing | <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 Drilling Operations |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> 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 recomplate 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomplate in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

SPUD 11/24/17, NOTIFY CHASE MESSER OF SPUD NOTICE. DRILL 17.5? HOLE TO TD AT 440?, CLEAN WELBORE, RUN 13.3/8? CASING TO 429, CEMENT CASING (WITNESSED BY CHASE), WOC, CHANGE OUT ANNULAR ELEMENT AND INSTALL CHOKE HOSE, INSTALL WELL HEAD AND TEST TO 5000 PSI, (NOTIFIED CHASE OF UPCOMING BOP TEST), TEST BOP 250 LOW AND 5000 HIGH FOR 10 MIN AND CHART, TEST ANNULAR FOR 10 MIN 2500 AND 250, TEST CHOKE MANIFOLD FOR 10 MIN 5000 AND 250, TEST CASING FOR 30 MIN AT 1500, HELD. DRILL OUT FLOW EQUIPMENT. DRILL OUT 12 ?? HOLE TO TD OF 2425?, NOTIFIED CHASE OF UPCOMING CASING RUN, SPOKE WITH GILBERT, NOTIFIED OF CEMENT JOB TO TERRY WILSON, RUN 9 5/8? CASING TO 2412, CEMENT CASING, WOC, TEST CASING TO 1500 PSI FOR 30 MIN AND BLED OFF TO 1480PSI, TEST GOOD. DRILL 8 ? ?HOLE TO TD AT 9105?, CONTACTED TERRY WILSON OF CASING AND CEMENT JOBS, RUN 7?, NOTIFIED BOBBY OF CEMENT JOB, CEMENT CASING, NOTIFIED BOBBY OF LOST RETURNS AND WILL RUN CBL, TOC AT 709?, TEST 7? CASING TO 4500 PSI FOR 30 MINUTES AND BLED TO 4450 PSI, GOOD TEST. START DRILLING 6.125 HOLE, TD AT 14368?, CIRCULATE HOLE CLEAN, TALKED TO GABRIEL ON CASING AND CEMENT JOB, RUN 4.5? LINER AND HANGER,

GC 6-27-18
Accepted for record - NMOCD

NM OIL CONSERVATION

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

Electronic Submission #400594 verified by the BLM Well Information System
For BC OPERATING INC, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 01/15/2018 (18PP0718SE)

Name (Printed/Typed) JENNIFER E VAN CUREN Title SR. REGULATORY COMPLIANCE REP

Signature (Electronic Submission) Date 01/12/2018

ARTESIA DISTRICT JUN 27 2018 RECEIVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By **ACCEPTED** JONATHON SHEPARD
Title PETROLEUM ENGINEER Date 06/13/2018

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 Carlsbad

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.

(Instructions on page 2)

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

Additional data for EC transaction #400594 that would not fit on the form

32. Additional remarks, continued

CIRCULATE HOLE CLEAN, CEMENT LINER, ESTIMATED TOC 8867?, PERFORMED NEGATIVE TEST AT 4600 PSI FOR 30 MINUTES, TEST GOOD. FLUSH THROUGH ALL SURFACE LINES TO CLEAN OBM, ND BOP, RDMO, RELEASE RIG 12/12/17.

Revisions to Operator-Submitted EC Data for Sundry Notice #400594

| | Operator Submitted | BLM Revised (AFMSS) |
|----------------|--|--|
| Sundry Type: | DRG SR | DRG SR |
| Lease: | NMNM102911 | NMNM102911 |
| Agreement: | | |
| Operator: | MARATHON OIL PERMIAN, LLC 5555 SAN FELIPE RD HOUSTON, TX 77057 Ph: 713-296-2500 | BC OPERATING INC MIDLAND, TX 79710 Ph: 432.684.9696 |
| Admin Contact: | JENNIFER E VAN CUREN SR. REGULATORY COMPLIANCE REP E-Mail: jvancuren@marathonoil.com Cell: 713-569-7681 Ph: 713-296-2500 | JENNIFER E VAN CUREN SR. REGULATORY COMPLIANCE REP E-Mail: jvancuren@marathonoil.com Cell: 713-569-7681 Ph: 713-296-2500 |
| Tech Contact: | JENNIFER E VAN CUREN SR. REGULATORY COMPLIANCE REP E-Mail: jvancuren@marathonoil.com Cell: 713-569-7681 Ph: 713-296-2500 | JENNIFER E VAN CUREN SR. REGULATORY COMPLIANCE REP E-Mail: jvancuren@marathonoil.com Cell: 713-569-7681 Ph: 713-296-2500 |
| Location: | | |
| State: | NM | NM |
| County: | EDDY | EDDY |
| Field/Pool: | PURPLE SAGE WOLFCAMP | WILLOW LAKE-BONE SPRING, SE |
| Well/Facility: | KYLE 34 FEDERAL COM 3H Sec 34 T24S R28E Mer NMP SESW 200FSL 1670FWL | KYLE 34 FEDERAL 3H Sec 34 T24S R28E SESW 150FSL 1650FWL 32.166800 N Lat, 104.077993 W Lon |