

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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.

5. Lease Serial No.
NM 104724

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well JUL 29 2014

Oil Well Gas Well Other

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

8. Well Name and No.
Anasazi 9 Federal #1

2. Name of Operator
BC Operating, Inc.

9. API Well No.
30-025-31558

3a. Address
P.O. Box 50820
Midland, Texas 79710

3b. Phone No. (include area code)
432-684-9696

10. Field and Pool or Exploratory Area
Teas; Morrow, West (Gas)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1980' FNL & 1980' FWL, Unit 'G', Section 9, T-20S, R-33E

11. County or Parish, State
Lea County, New Mexico

12. CHECK THE 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 checked="" 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 type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input checked="" 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 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/BJA. Required subsequent reports must 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 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.)

RU pulling unit. TOOH scanning 2-7/8" production tubing. Lay down green and red tubing. RIH with wireline and caliper. RIH with 17# 5-1/2" CIBP. Set at 13,200' with 2 1/2" class H cement on CIBP. *Tag - See Cells added plus 30*
Pressure up on well to 500 psig with pump truck for 30 min and run chart.
Release pump truck.
Rig up wireline lubricator. Perforate Wolfcamp using 3-1/8" HP slick guns with 60 degree phasing & Titan 23 gram charges 4 spf.
RDMO wireline.
See attached chart of perms.....
MIRU pulling unit. TIH with 5-11/2", 17# treating packer and 2-7/8" work string, set packer at 11,350'.
MIRU pump trucks and acid transport. Acidize Wolfcamp with 5,000 gals of 15% HCL at 3 bpm with rock salt as diverter. Over flush with 100 bbl of fresh water.
Rig down acid equipment. Shut well in for 2 hours.
Bleed off pressure and start swabbing well until fluid level is decreased or there is a show of gas.
TOOH with tubing and lay down packer. Contact office. PWOP
TIH with bull plug, 4 joints of 2-7/8" production tubing, Desander/ Gas Booster tool. Set SN @ 11,650'. Set TAC@ +/-11,450'
15. Run 1-112" panacea pump.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Pam Steuina

Signature

Title Regulatory Analyst

Date 06/03/2014

APPROVED

JUL 24 2014

[Signature]

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

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.

(Instructions on page 2)

MUSB/ocd 7/29/2014 JUL 30 2014 *pm*

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment.

NOTICES

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

Anasazi '9' #1

5/27/2014

1980' FNL & 1980' FWL Unit Letter 'G', Section 9, T-20S, R-33E

Lea County, New Mexico

API: 30-025-31558

GL: 3546' KB: 27'

Plug-back and add additional Wolfcamp pay zone

Well Data

Tubing: 2-7/8" N-80

Casing: 5-1/2"; 17# S-95 & N-80 @ 13,779'. DV tool @ 9,687'.

TD: 13,780' **PBTD: 13,495'** KB: 27' GL: 3546'

Pulling Unit and Wireline Procedure

1. Comply with all company and governmental safety regulations.
2. RU pulling unit. TOOH scanning 2-7/8" production tubing. Lay down green and red tubing.
3. RIH with wireline and caliper. RIH with 17# 5-1/2" CIBP. Set at 13,200' with 2nd class H cement on CIBP. *Tabr. See COAs added plug 30*
4. Pressure up on well to 500 psig with pump truck for 30 min and run chart.
5. Release pump truck.
6. Rig up wireline lubricator. Perforate Wolfcamp using 3-1/8" HP slick guns with 60 degree phasing & Titan 23 gram charges 4 spf.
7. RDMO wireline.
8. Email Doug Swift & Pam Stevens all daily reports. dswift@bcoperating.com
pstevens@bcoperating.com

Anasazi '9' #1

3-1/8" HP Slick guns w/ 60 degree phasing & Titan 23 gram Charges (EH-0.43, Pen-37)

Top Perf	Bottom Perf	SPF	# of Holes
11,598	11,604	4	24
11,552	11558'	4	24
11,456'	11,464'	4	32
11,446'	11,448'	4	8
11,430	11,443	4	52
Net H			35
Total Holes			140
Gross H			174

Acid Procedure

9. MIRU pulling unit. TIH with 5-1/2", 17# treating packer and 2-7/8" work string, set packer at 11,330'.
10. MIRU pump trucks and acid transport. Acidize Wolfcamp with 5,000 gals of 15% HCL at 3 bpm with rock salt as diverter. Over flush with 100 bbl of fresh water.
11. Rig down acid equipment. Shut well in for 2 hours.
12. Bleed off pressure and start swabbing well until fluid level is decreased or there is a show of gas.

13. TOOH with tubing and lay down packer. Contact office.

PWOP (if necessary)

14. TIH with bull plug, 4 joints of 2-7/8" production tubing, Desander/ Gas Booster tool. Set SN @ 11,650'. Set TAC @ +/-11,450'

15. Run 1-1/2" panacea pump, single valved with cup type hold down and Grade KD sucker rods with T grade couplings.

180 1.240" Fiberglass Rods

180 1" Grade KD Rods

16 1.5" Sinker Bar

11,650'

16. Sentry 640-365-168 with 60 hp prime mover running counter-clockwise 9 **SPM** in middle hole (143.9" stroke). Install POC. 100% Capacity = 224 BFPD.

17. Return well to production. RD pulling unit. Gather well tests.

1. Begin batch chemical treatment.

Contacts

Bruce Madden

Superintendent

432-894-0721

Nicolas Klopp

Operations Engineer

979-422-2510

Jason Wacker

Operations Manager

432-631-2142

Doug Swift

Geo-Tech

432-684-9696

WELL DATA SHEET

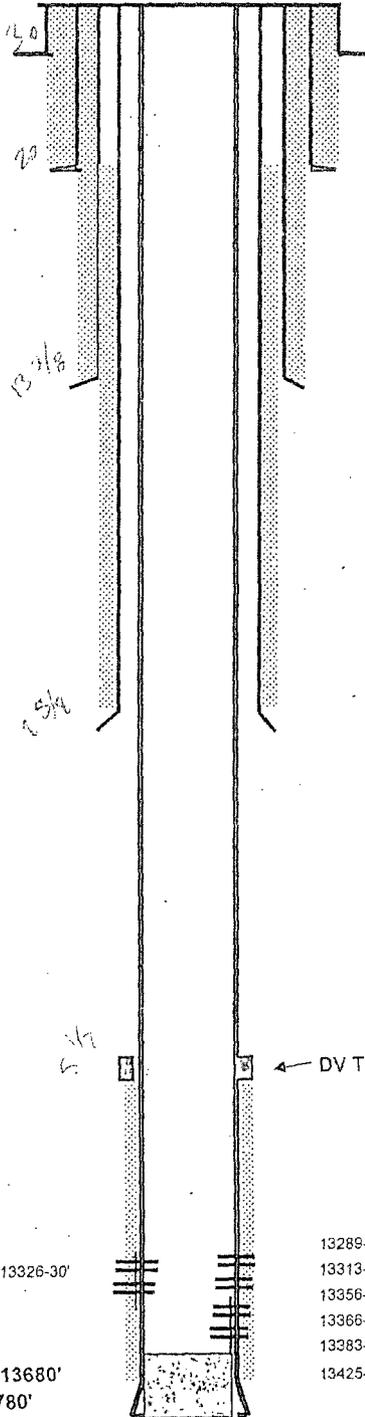
LEASE: Anasazi 9 Federal
 LOC: 1980' FNL & 1980' FEL
 STATUS: _____
 TD: 13780'
 PBTD: 13680'
 COTD: _____

WELL: # 1
 SEC: 9 UNIT: G
 CO: Lea
 ST: NM

FIELD: West Teas (Morrow)
 SURVEY: _____
 API NO: 30-025-31558
 LEASE # NM 104724

Spud Date: 5-13-1992
 Comp. Date: 7-16-1992

GL: 3546'
 DF: _____
 KB: _____



Csg Detail:
 Hole Size: 36"
30" OD, conductor set @ 40'

Hole Size: 26"
20" OD, 94 #/ft, grade K55
 csg set @ 514' w/ 846 sx.
 Circ? Yes TOC @ _____ Surf _____ By Circ

Hole Size: 17-1/2"
13-3/8" OD, 68 #/ft, grade K-S
 csg set @ 2947' w/ 2350 sx.
 Circ? Yes TOC @ _____ Surf _____ By Circ

Hole Size: 12-1/4"
8-5/8" OD, 32 #/ft, grade K55
 csg set @ 5272' w/ 1250. sx.
 Circ? TOC @ 2500' By _____

Hole Size: 7-7/8"
5-1/2" OD, 17 #/ft, grade S95 & N80
 csg set @ 13779' w/ 1950 sx.
 in 2 stages w/DV tool @ 9687'
 Stage 1 circ? _____ TOC 9683' By _____
 Stage 2 circ? _____ TOC _____ By _____

*Tbq Sz: 2 7/8" N-80
 SN @ 13,075'
 Pkre 13,075'*

Anasazi 9 Fed #1

Shot by Mitchell Energy (3-18-98) → 13326-30'

PBTD = 13680'
 TD = 13780'

13289-93'
 13313-20'
 13356-60'
 13366-78'
 13383-93'
 13425-28'

} Shot by Mitchell Energy (7-16-92)

(7-18-2008)

**Anasazi 9 Federal 1
30-025-31558
BC Operating, Inc.
July 24, 2014
Conditions of Approval**

Notify BLM at 575-393-3612 a minimum of 24 hours prior to commencing work.

Work to be completed by October 24, 2014.

- 1. Operator shall set a CIBP at 13,200' and place 30 sx Class H cement on top. Tag required at a minimum of 12,960'.**
- 2. Operator shall set a balanced Class H Cement plug from 12,888'-12,658' (230' in length) to seal the top of the Morrow formation.**
- 3. Must conduct a casing integrity test before perforating and fracturing. Submit results to BLM. The CIT is to be performed on the production casing to max treating pressure. Notify BLM if test fails.**
4. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.
5. Surface disturbance beyond the originally approved pad must have prior approval.
6. Closed loop system required.
7. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over 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.
8. Operator to have H2S monitoring equipment on location.
9. A minimum of a **5000 (5M)** BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (5M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.

10. Subsequent sundry required detailing work done and completion report for the new formations. Operator to include well bore schematic of current well condition when work is complete.

11. See attached for general requirements.

JAM 072414

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

General Requirements for Plug Backs

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within **ninety (90)** days from this approval.

If you are unable to plug back the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged back. Failure to do so will result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plug back operations. For wells in Eddy County, call 575-361-2822.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement.

Before pumping cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either **Neat Class "C"**, for up to 7,500 feet of depth or **Neat Class "H"**, for deeper than 7,500 feet plugs.

6. **Subsequent Plug back Reporting:** Within 30 days after plug back work is completed, file one original and three copies of the Subsequent Report, Form 3160-5 to BLM. The report should give in detail the manner in which the plug back work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date work was completed.**

7. **Trash:** All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.