

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.
NMNM114984

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator
BC Operating, Inc.

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

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

4. Location of Well (Footage, Sec., T, R., M., or Survey Description)
SHL: 330' FSL & 2200' FEL of Section 17, T22S, R33E
BHL: 330' FNL & 2200' FEL of Section 17, T22S, R33E

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

8. Well Name and No.
Chili Parlor 17 federal #1H

9. API Well No.
30-025-41540

10. Field and Pool or Exploratory Area
Red Tank, Bone Spring, East

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 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 Variance |
| | <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 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 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.)

BC Operating, Inc. requests a variance to be allowed to use a coflex hose from the BOP to the Choke Manifold. The certification papers are onsite and as well as attached with this document.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

Title Drilling Engineer

Date 09/17/2014

Signature

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

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 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)

SEP 22 2014



| | |
|---|---------------------------------|
| QUALITY CONTROL | No.: QC-DB- 89 / 2011 |
| | Page : 1 / 54 |
| Hose No.: 60313, 60314, 60315, 60316 | Revision : 0 |
| | Date: 07. March 2011. |
| | Prepared by: <i>[Signature]</i> |
| | Appr. by: <i>[Signature]</i> |

CHOKER AND KILL HOSES

id.: 3" 68,9 MPa x (25 ft) 7,62 m 1 pc
x (45 ft) 13,72 m 3 pcs

DATA BOOK

Purchaser:

Purchaser Order No.:

ContiTech Rubber Order No.: 493934

ContiTech Beattie Co. Order No.: 004795

ASSET 66-0638, 66-0639, 66-0640, 66-0641



Hose Data Sheet

| | |
|------------------------------|---|
| CRI Order No. | 493934 |
| Customer | ContiTech Beattie Co. |
| Customer Order No | PO4795, PBC10685 |
| Item No. | 3 |
| Hose Type | Flexible Hose |
| Standard | API SPEC 16 C |
| Inside dia in inches | 3 |
| Length | 25 ft |
| Type of coupling one end | FLANGE 4.1/16" 10KPSI API SPEC 17D SV SWIVEL FLANGEC/W BX155 ST/ST INLAID RING GR |
| Type of coupling other end | FLANGE 4.1/16" 10KPSI API SPEC 17D SV SWIVEL FLANGE C/W BX155 ST/ST INLAID RING GR |
| H2S service NACE MR0175 | Yes |
| Working Pressure | 10 000 psi |
| Design Pressure | 10 000 psi |
| Test Pressure | 15 000 psi |
| Safety Factor | 2,25 |
| Marking | USUAL PHOENIX |
| Cover | NOT FIRE RESISTANT |
| Outside protection | St. steel outer wrap |
| Internal stripwound tube | No |
| Lining | OIL RESISTANT |
| Safety clamp | Yes |
| Lifting collar | Yes. |
| Element C | Yes |
| Safety chain | No |
| Safety wire rope | Yes |
| Max. design temperature [°C] | 100 |
| Min. design temperature [°C] | -20 |
| MBR operating [m] | 1,60 |
| MBR storage [m] | 1,40 |
| Type of packing | WOODEN CRATE ISPM-15 |

Co-Flex line
Conditions of Approval

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).