

## BC Operating, Inc. Closed Loop System

MAR 28 2016

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Design PlanEquipment List

- 2 – 414 MI Swaco *Centrifuges*
- 2 – MI Swaco 4 screen *Moongoose Shale Shakers*
- 2 – double screen *Shakers* with rig inventory
- 2 – CRI *Haul off bins* with track system
- 2 – additional 500bbl *Frac tanks* for fresh and brine water
- 2 – 500bbl *water tanks* with rig inventory

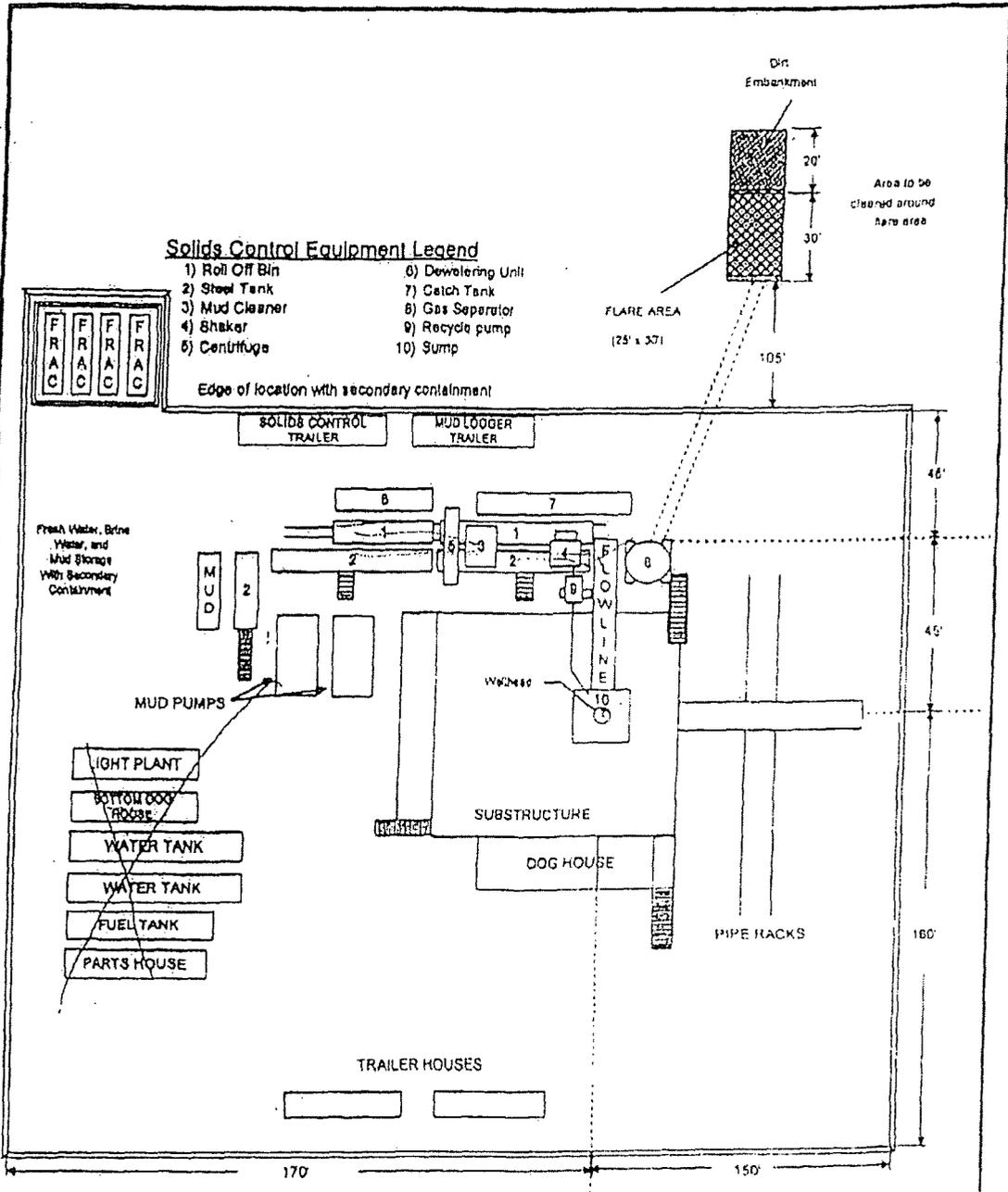
*\*Equipment manufactures may vary due to availability but components will not.*

Operation and Maintenance

The system along with equipment will be inspected numerous times a day by each tour to make sure all equipment is operating correctly. Routine maintenance will be done to keep system running properly. Any leak in system will be repaired and/or contained immediately and the OCD notified within 48 hours of the remediation process start.

Closure Plan

While drilling, all cuttings and fluids associated with drilling will be hauled off and disposed of via Controlled Recovery Incorporated Facilities Permit NM01-0006.



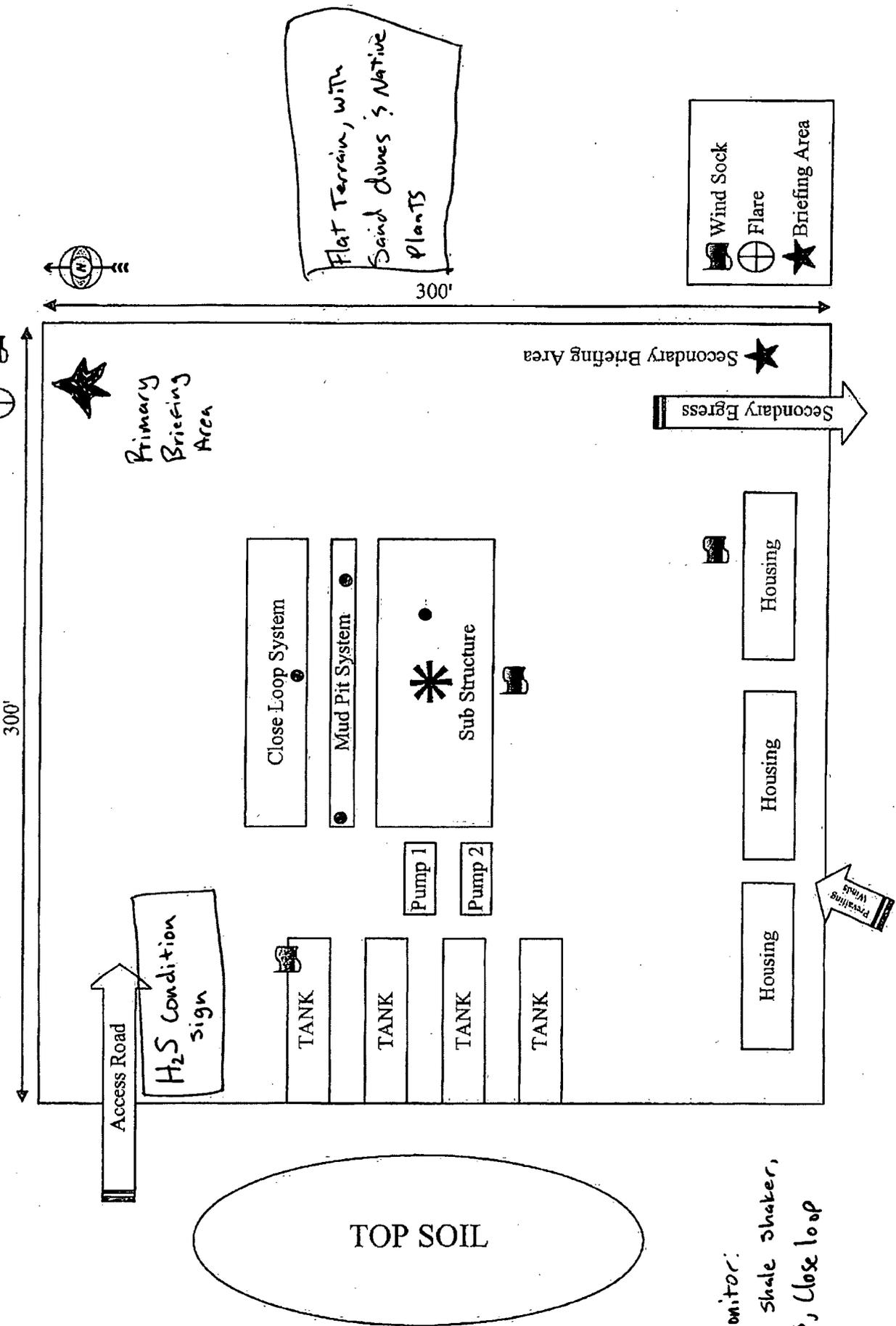
TYPICAL RIG LAYOUT SCHEMATIC INCLUSIVE OF CLOSED-LOOP DESIGN PLAN

BC Operating, Inc.

H2S Well Site Orientation - Drill Rig Orientation  
Chili Parlor 17 Fed Com #2H

SHL: 240' FSL & 660' FEL, Sec 8, T-22S-R33E

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- H<sub>2</sub>S monitor:
- Big floor, shale shaker,
- mud PITS, Close loop

HOBBS OCD

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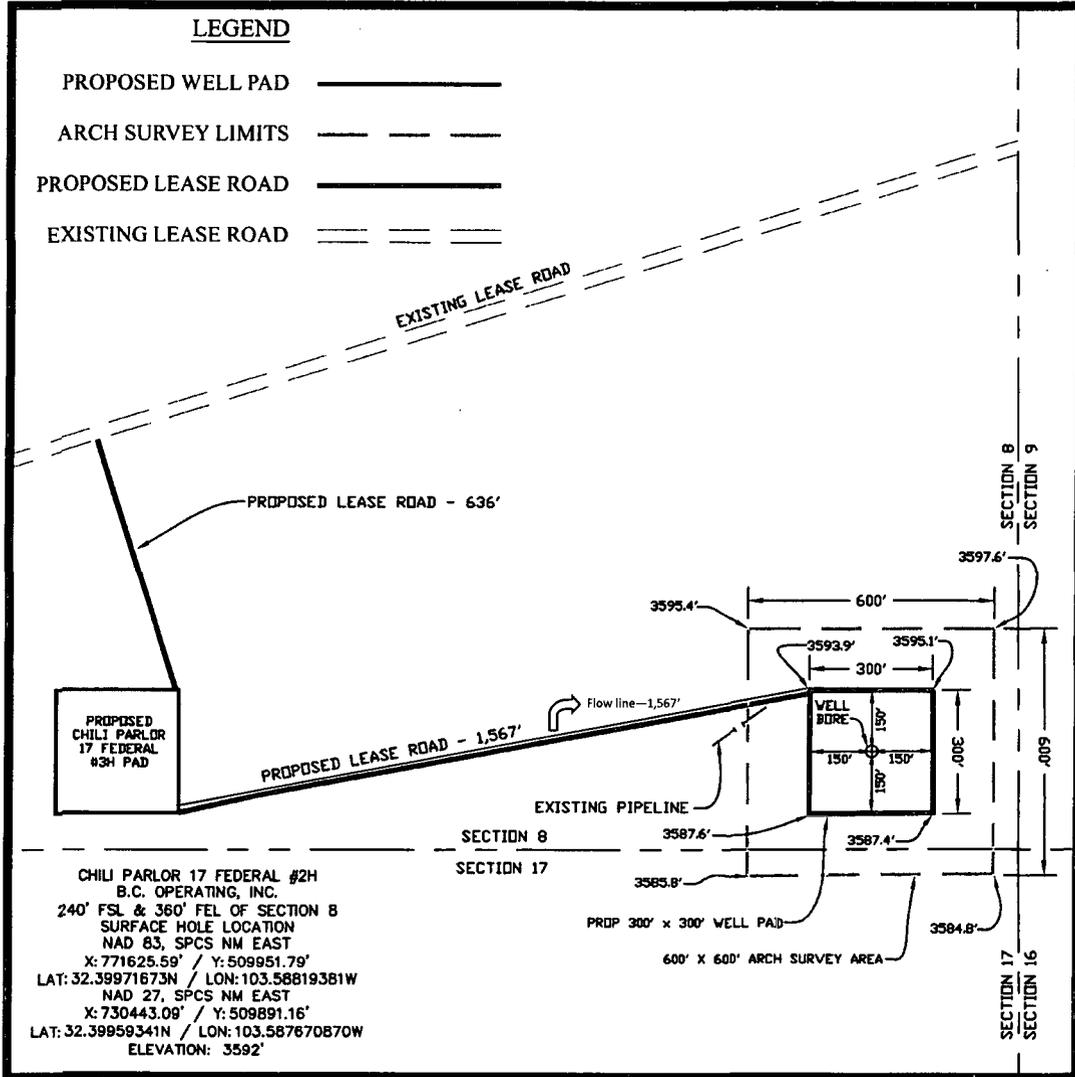
# WELL PAD TOPO

SEC. 8 TWP. 22-S RGE. 33-E

SURVEY: N.M.P.M.

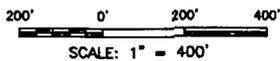
COUNTY: LEA

U.S.G.S. TOPOGRAPHIC MAP: GRAMA RIDGE, N.M.



### DIRECTIONS TO LOCATION:

FROM THE INTERSECTION OF WEST CARLSBAD HIGHWAY AND HIGHWAY 176 TRAVEL SOUTHEAST ON HIGHWAY 176 FOR 6.4 MILES TO LEASE ROAD ON THE RIGHT. TRAVEL SOUTH ON LEASE ROAD FOR 10.8 MILES TO LEASE ROAD ON THE LEFT. TRAVEL EAST ON LEASE ROAD FOR 0.6 MILES TO LEASE ROAD ON THE LEFT. TRAVEL NORTH ON LEASE ROAD FOR 1.2 MILES TO LEASE ROAD ON THE RIGHT. TRAVEL EAST ON LEASE ROAD FOR 1.3 MILES TO PROPOSED WELL PAD 1,118 FEET ON THE RIGHT.



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