

MAR 28 2016

RECEIVED**BC Operating, Inc. Closed Loop System****Design Plan*****Equipment 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

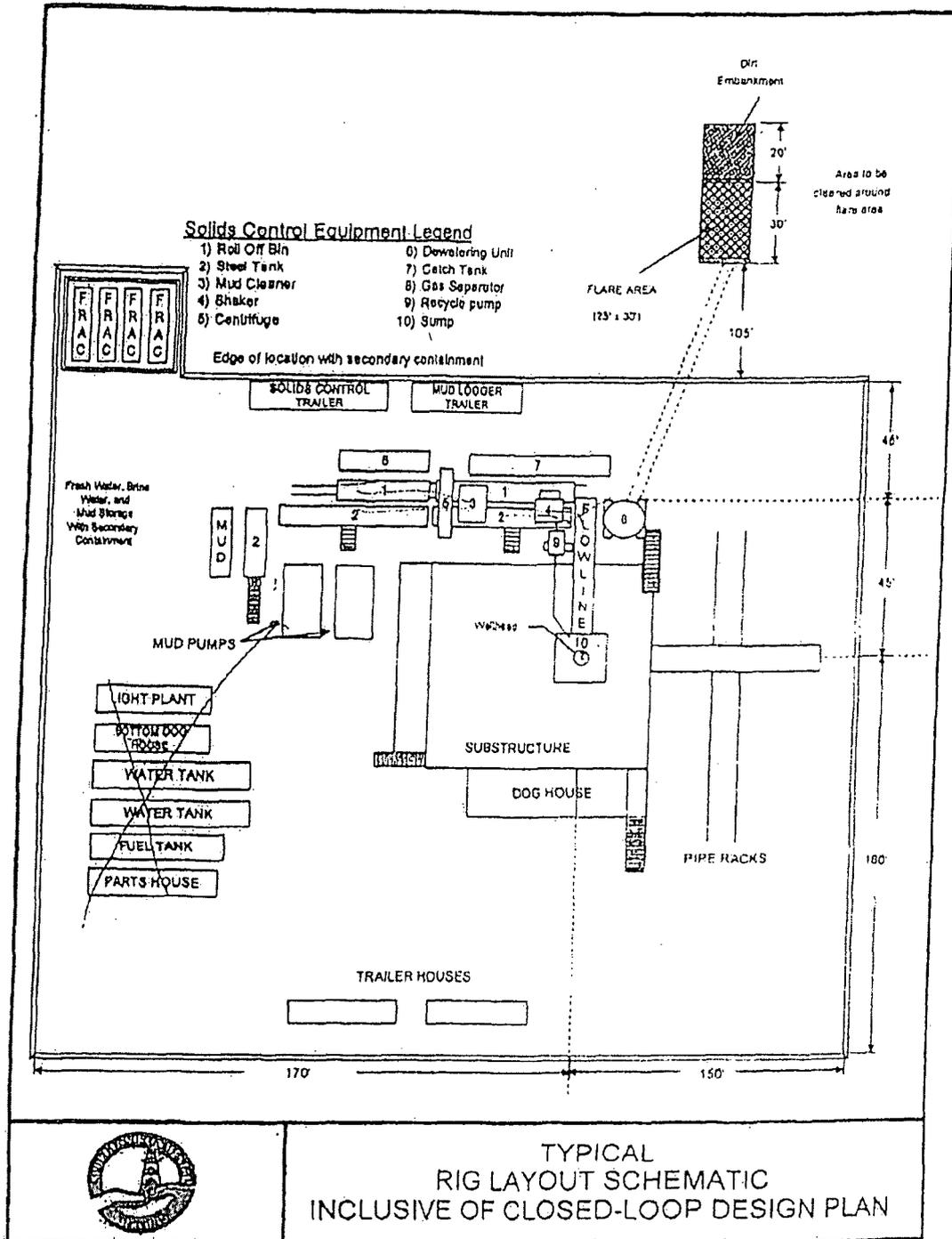
**Equipment manufactures may vary due to availability but components will not.*

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.

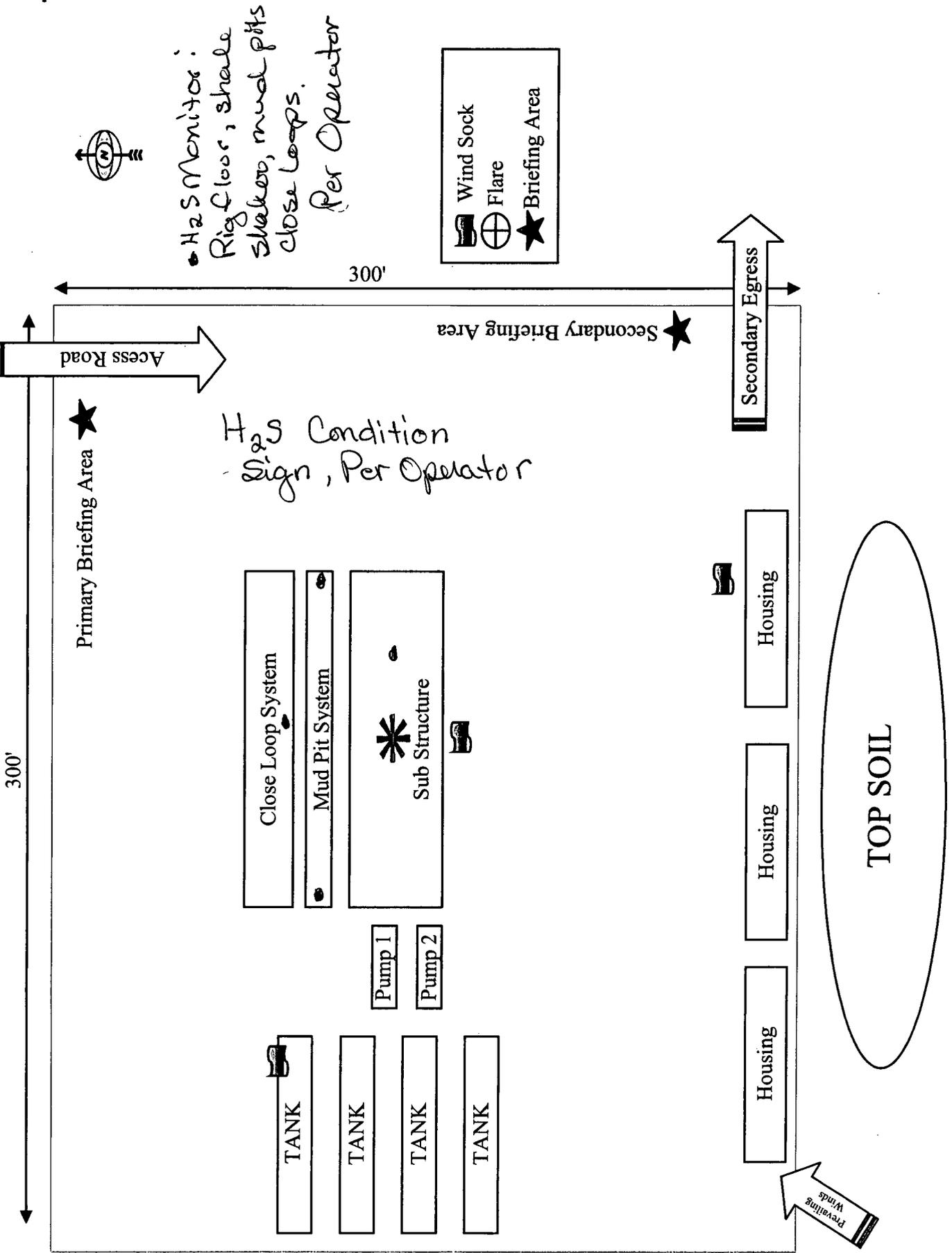


TYPICAL
RIG LAYOUT SCHEMATIC
INCLUSIVE OF CLOSED-LOOP DESIGN PLAN

BC Operating, Inc.

Chili Parlor 17 Federal Com #3H

SHL: 240' FSL & 2200' FEL, Unit Letter 'O' Section 17, T-22S, R-33E

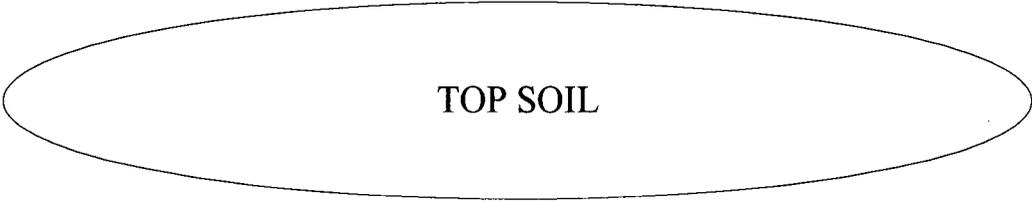
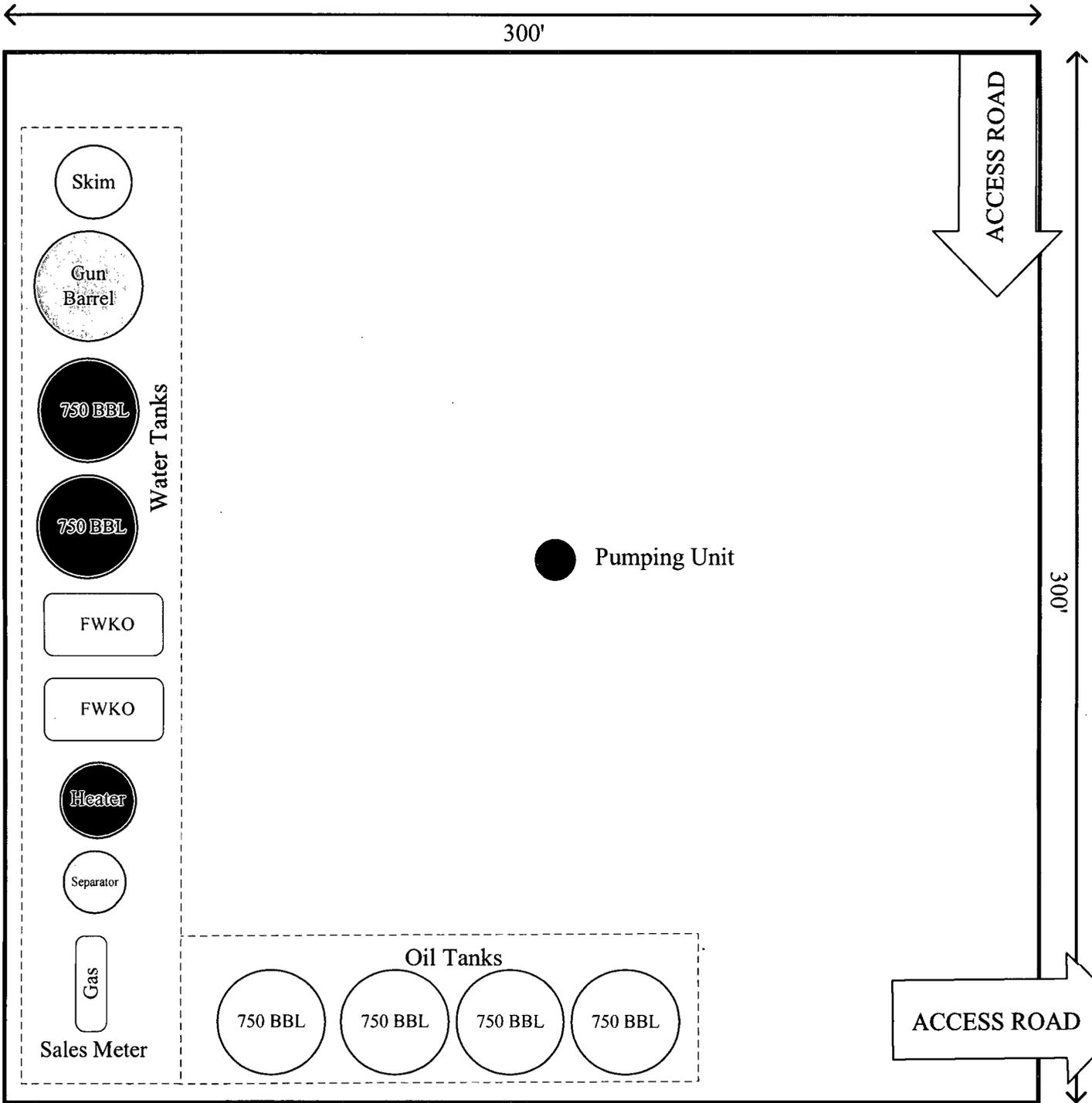


BC Operating, Inc.
Chili Parlor 17 Federal Com #3H
SHL: 240' FSL & 2200' FEL, Unit Letter 'O'
Section 17, T-22S, R-33E
Battery Diagram

HOBBS

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TOP SOIL