

SEP 28 2016

RECEIVED

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.

Carlsbad Field Office
FORM APPROVED
OMB No. 1004-0137
Expires August 31, 2017

5. Lease Serial No. **WV 100 244, NMNM 114984**
6. If Indian, Allottee or Tribe Name

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		7. If Unit of CA/Agreement, Name and/or No.
2. Name of Operator BC OPERATING, INC.		8. Well Name and No. CHILI PARLOR 17 FEDERAL COM #2H
3a. Address P.O. BOX 50820 MIDLAND, TX 79710	3b. Phone No. (include area code) (432) 684-9696	9. API Well No. 30-025-43137
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 240' FSL & 360' FEL, UNIT LETTER P, SEC. 8-T22S-R33E		10. Field and Pool or Exploratory Area RED TANK; BONE SPRING, EAST
		11. Country or Parish, State LEA CO., NM

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 checked="" 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 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 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 recompleat 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 perfonned 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 recompleation 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 detennined that the site is ready for final inspection.)

BC OPERATING, INC. RESPECTFULLY REQUESTS TO CHANGE THE SURFACE CASING.

CURRENT SURFACE CASING: 16" HOLE, 13.375" CSG, 54.5 #, J55 STC. FROM 0' - 775'

PROPOSED SURFACE CASING: ~~20~~ HOLE, 20" CSG, 106.5#, J-55 BTC. FROM 0' - 775'

26"

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) SARAH PRESLEY	REGULATORY ANALYST Title
Signature <i>Sarah Presley</i>	Date 09/09/2016

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Teungku Muchlis Krueng	PETROLEUM ENGINEER Title	Date	<div style="border: 2px solid red; padding: 5px; text-align: center;"> APPROVED SEP 16 2016 </div>
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		

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.

**BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE**

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	BC Operating
LEASE NO.:	NM114984
WELL NAME & NO.:	2H-Chili Parlor 17 Federal Com
SURFACE HOLE FOOTAGE:	240'/S & 660'/E
BOTTOM HOLE FOOTAGE:	240'/S & 660'/E, sec. 17
LOCATION:	Section 8, T.22 S., R.33 E., NMPM
COUNTY:	Lea County, New Mexico

All previous COA still apply except for the surface casing:

The 20 inch surface casing shall be set at approximately 775 feet **(in a competent bed just below the base of the Magenta Dolomite , and if salt is encountered, set casing at least 25 feet above the salt)** and cemented to the surface.

Additional cement may be required – excess calculates to -16%.

- a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
- b. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.**
- c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
- d. If cement falls back, remedial cementing will be done prior to drilling out that string.

The intermediate casing shall be kept fluid filled to avoid approaching the minimum collapse pressure rating of the casing.

20	surface csg in a	26	inch hole.	Design Factors				SURFACE	
Segment	#/ft	Grade	Coupling	Body	Collapse	Burst	Length	Weight	
"A"	106.50	J 55	BUTT	10.33	3.19	0.99	775	82,538	
"B"							0	0	
w/8.4#/g mud, 30min Sfc Csg Test psig: 1,349				Tail Cmt	does not	circ to sfc.	Totals:	775	82,538
Comparison of Proposed to Minimum Required Cement Volumes									
Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
26	1.5053	700	1096	1299	-16	8.80	1425	2M	2.50

Burst Frac Gradient(s) for Segment(s) A, B = , b All > 0.70, OK.

9 5/8	casing inside the	20	Design Factors				INTERMEDIATE		
Segment	#/ft	Grade	Coupling	Joint	Collapse	Burst	Length	Weight	
"A"	40.00	J 55	LT&C	2.83	1.05	0.67	4,600	184,000	
"B"							0	0	
w/8.4#/g mud, 30min Sfc Csg Test psig:							Totals:	4,600	184,000
The cement volume(s) are intended to achieve a top of				0	ft from surface or a		775	overlap.	
Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
12 1/4	0.3132	1350	2289	2351	-3	10.20	3197	5M	0.81

Class 'C' tail cmt yld > 1.35
Burst Frac Gradient(s) for Segment(s): A, B, C, D = 0.86, b, c, d All > 0.70, OK.

5 1/2	casing inside the	9 5/8	Design Factors				PRODUCTION		
Segment	#/ft	Grade	Coupling	Joint	Collapse	Burst	Length	Weight	
"A"	17.00	P 110	Tejas TTRs1	2.72	1.38	1.81	11,252	191,284	
"B"	17.00	P 110	Tejas TTRs1	7.95	1.21	1.81	5,612	95,404	
w/8.4#/g mud, 30min Sfc Csg Test psig: 2,475							Totals:	16,864	286,688
B would be:				56.05	1.31	if it were a vertical wellbore.			
Pilot Hole Planned			MTD	Max VTD	Csg VD	Curve KOP	Dogleg°	Severity°	MEOC
			16864	12150	11825	11252	90	10	12152
The cement volume(s) are intended to achieve a top of				4100	ft from surface or a		500	overlap.	
Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
8 1/2	0.2291	1820	3855	2945	31	9.30			1.23

Class 'H' tail cmt yld > 1.20

0	5 1/2		Design Factors						
Segment	#/ft	Grade	Coupling	Joint	Collapse	Burst	Length	Weight	
"A"							0	0	
"B"							0	0	
w/8.4#/g mud, 30min Sfc Csg Test psig:							Totals:	0	0
Cmt vol calc below includes this csg, TOC intended				0	ft from surface or a		16864	overlap.	
Hole Size	Annular Volume	1 Stage Cmt Sx	1 Stage CuFt Cmt	Min Cu Ft	1 Stage % Excess	Drilling Mud Wt	Calc MASP	Req'd BOPE	Min Dist Hole-Cplg
6 1/8			0	0					

Capitan Reef est top XXXX.