

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

HOBBS OCD  
NOV 14 2016  
RECEIVED

FORM APPROVED  
OMB No. 1004-0137  
Expires: January 31, 2018

**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.*

**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: 240' FSL & 360' FEL of Unit Letter 'P', Section 08, T-22S, R-33E

5. Lease Serial No.: MNMM 114984 ✓

6. If Indian, Allottee or Tribe Name:

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

8. Well Name and No.: Chili Parlor 17 Federal Com #2H ✓

9. API Well No.: 30-025-43137 ✓

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

11. Country 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 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 checked="" type="checkbox"/> Subsequent Report	<input 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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>Casing &amp; Cement Job</b>
	<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.)

10/08/16 - Casing and Cement Job: *Production Csg*

Depth 15,945'; Footage 0'. Rig released at report time. 13.5 hours complete running 5.5" casing and pump cement, 6.5 hours set slips and clean pits. Rig released at 2:00 AM CST 10-08-2016.

Casing Detail	LENGTH	DEPTH
Halliburton float shoe	1.63	
5.5" 20# P-110RY BK	45.28	
Halliburton float collar	1.29	
5.5" 20# P-110RY BK	45.22	
Halliburton landing collar	1.45	15,825.13'
5.5" 20# P-110RY BK	45.26	
Halliburton RSI Tool	3.50	15,776.37'
5.5" 20# P-110RY BK	45.28	
Halliburton RSI Tool	3.50	15,727.59'
16 Joints 5.5" 20# P-110RY BK	724.02	
Marker Joint #1 5.5" 20# P-110RY BK	21.93	14,981.64'
60 Joints 5.5" 20# P-110RY BK	2,696.10	

*The yield of the pumped cmt indicates a weak blend of considerable greater yield than the APD approval.*

Continued on next page:

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed): Pam Stevens  
 Title: Regulatory Analyst  
 Signature: *Pam Stevens*  
 Date: 10/10/2016

**ACCEPTED FOR RECORD**  
 NOV 1 2016  
*[Signature]*  
 BUREAU OF LAND MANAGEMENT  
 CARLSBAD FIELD OFFICE

**THE 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.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: January 31, 2018

**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. NMNM 114984  
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) *OB*  
SHL: 240' FSL & 360' FEL of Unit Letter 'P', Section 4, T-22S, R-33E

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

8. Well Name and No. Chili Parlor 17 Federal Com #2H

9. API Well No. 30-025-43137

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

11. Country 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 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 checked="" type="checkbox"/> Subsequent Report	<input 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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>Casing &amp; Cement Job</b>
	<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 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 recompleat 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.)

10/08/16 - Casing and Cement Job Continued:

Depth 15,945'; Footage 0'. Rig released at report time. 13.5 hours complete running 5.5" casing and pump cement, 6.5 hours set slips and clean pits. Rig released at 2:00 AM CST 10-08-2016.

Casing Detail Continued:	LENGTH	DEPTH
Marker Joint #2 5.5" 20# P-110RY BK	21.95	12,263.59'
271 Joints 5.5" 20# P-110RY BK	12,224.84	
Landing	43.75	
TOTAL	15,925.00	
Less feet above floor	5.00	
CASING SET AT	15,920.00	

Cement Detail: Lead 670 sx Pro-Value C 11.0 ppg, 4.17 yield w/Pro-Fiber LCM, Tail 940 sx Pro Value H, 13.5 ppg, 2.29 yield, 50% CaCo3 by weight. Pump 50 bbls Pro Mix LCM sweep, 40 bbls water, 47 bbls Scavenger sweep 10.5 ppg cement with LCM. Displaced w/350 bbls FW (349.73 calculated). Full returns during job, bumped plug, floats held, did not circulate cement. Estimated cement top is 3,600' MD/TVD.

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

Regulatory Analyst  
Title

Signature *Pam Stevens*

Date 10/10/2016

**THE SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

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.

(Instructions on page 2)

*Pg 2 of 2*