K-05-25 Dam

N.M. Oil Cons. DIV-Dist. 2 1301 W. Grand Avenue

Artesia, NM 88210

Form 3160-3 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

RECEIVED

FORM APPROVED OMB No. 1004-0136 Expires November 30, 2000

Lease	Serial	No.	

1a. Type of Work: DRILL REENTER 7. If Unit or CA Agreement, Name and No. None 8. Lease Name and Well No. Midnight Matador/Fed. 4. Name of Operator McQuadrangle LLC 145130 3a. Address 7008 Salem Ave., Lubbock, Texas 79424 (806) 797-3162 4. Location of Well (Reperfocation clearly and in accordance with any State requirements.*) At surface 1900 FNL & 2060 FEL (SW/4 NE/4) pay attacked SW At proposed prod zone Same 3. Members 10. State Red 24. New Mexico 15. Distance from proposed location to nearest town or post office 8 miles ESE of Artesia, New Mexico 16. No. of Acres in lease 17. Spacing Unit dedicated to this well 18. Distance from proposed location to nearest drig, unit line, if any) 18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 19. Proposed Depth 2420' NM 2742	APPLICATION FOR PERMIT TO DR	ILL OR REENTER OCT 1 1	2005	6. If Indian, Allottee or Tribe	e Name
1a. Type of Work: DRILL REENTER 3 3 4 3 1		66H-AM	+E-040	NA NA	
1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. Midnight Matador Fed. A State Shame and Well No. M	14 Type of Work: [VI DDIII]			7. If Unit or CA Agreement, N	Name and No.
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At proposed prod. Zone Same 3.	4. Location of Well (Reper location clearly and in accordance with a	11 Sec., T., R., M., or Blk. and	Survey or Area		
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3611.6' GL October 1, 2005 30 days		2420'	MM	2742	
	21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will sta	rt*	23. Estimated duration	
24. Attachments	3611.6'_GL	October 1, 2005		30 days	
		24. Attachments			

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan.
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature	Name (Printed/Typed)	Date
25. Signature Charles Cong	Charles C. Joy	Aug. 8, 2005
Title		
Agent		
Approved by (Signature) Joe G. Lara	Name (Printed/Typed Joe G. Lara	OCT 0 6 2005
Title FIELD MANAGER	Office CARLSBAD FIELD	OFFICE

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

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 reverse)

Roswell Controlled Water Basin

8 8 18 Cement JOB

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS

Form: 3160-5 (September 2001)

OCD-ARTESIA

UNITED STATES

FORM APPROVED OMB No. 1004-013.

DEPARTMENT OF THE INTERIOR Expires January 31, 200-BUREAU OF LAND MANAGEMENT 5. Lease Serial No. SUNDRY NOTICES AND REPORTS ON WELLS LC-055561 Do not use this form for proposals to drill or to re-enter an 6. If Indian, Allottee or Tribe Name abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No SUBMIT IN TRIPLICATE - Other instructions on reverse side None Type of Well Oil Well Gas Well Other Well Name and No. Midnight Matador Fed. Name of Operator McQuadrangle, LLC 9. API Well No. 3a. Address 7008 Salem Ave. 3b. Phone No. (include area code) Lubbock, Tx 79424 (806) 797-3162 10. Field and Pool, or Exploratory Area Location of Well (Footage, Sec., T., R., M., or Survey Description) S. Redlake Qu, Gb, SA 2060' FNL & FWL Section 35, T-17-S, R-27-E 11. County or Parish, State (SW/4 NE/4)Eddy Co. NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Deepen Production (Start/Resume) ☐ Water Shut-Off Notice of Intent Alter Casing ☐ Reclamation ☐ Well Integrity Fracture Treat Note Tocation Casing Repair New Construction Recomplete Subsequent Report Plug and Abandon Change Plans Temporarily Abandon Final Abandonment Notice Convert to Injection Plug Back Water Disposal 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.) New location 1896' FNL & 2000' FEL Mr. Barry Hunt with the Carlsbad BLM office requested well site be moved

as there were two gas lines in the vicinity. One was 110 ft. south and the other 60 ft. east of well site. Also Penasco has a buried cable 90 ft. east of well site. Under these circumstances, we would like approval to move well site to the above location.

 I hereby certify that the foregoing is true and correct Name (Printed/Typed) 	
Charles C. Joy	Title Agent
Signature Charles @ Joy	Date September 29, 2005
THIS SPACE FOR FEDE	ERAL OR STATE OFFICE USE
Approved by /s/ Joe G. Lara	AND FIELD MANAGER Date OCT 0 6 2005
Conditions of approval, if any, are attached. Approval of this notice does not certify that the applicant holds legal or equitable title to those rights in the subwhich 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.

PO Box 1980, Hobbit, NM \$8241-1980 District II PO Drawer DD. Artesia. NM 88211-0719 District III 1080 Rio Brazos Rd., Axtec. NM 87410

PO Box 2088, Santa Fe, NM \$7506-2088

District IV

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe. NM 87504-2088

Form C-102 Revised February 10, 1994 instructions on back

Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

MENDED REPORT

•	WELL LOCATION AND	ACREAGE DEDICATION PLAT
API Number	S 13 co	³ Pool Norse

	51300	
⁴ Property Cede	' Property Name	' Well Namber
	Midnight Matador fed "A"	1
'OGRED No.	* Operator Name	² Elweden
	McQuadrangle LLC	3602
	10 Surface Location	

Surface Location

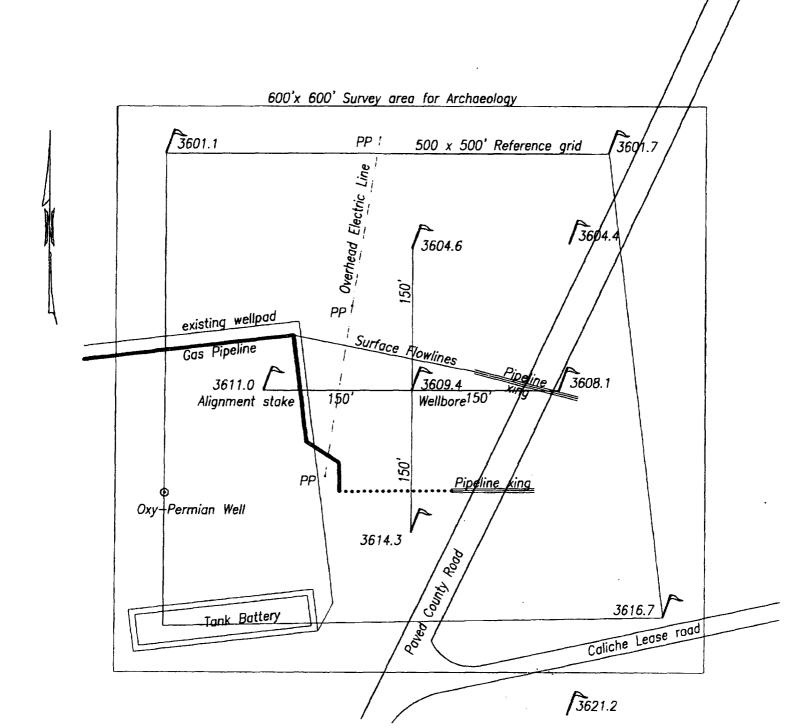
UL or lot no.	Section	Towaship	Range	Lot Idn	Feet from the	Nomblecoth Eco	Fort from the	Ecat/West Sec	Centity
G	35	17 S	27 E		1896	NORTH	2000	EAST	Eddy
" Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Ide	Feet from the	North/South fire	Fest from the	East/West fice	County
			<u> </u>				<u> </u>		<u> </u>
17 Dedicated Acr		ot Initial	Consolidatio	a Code " C	erder No.				
40 ac	-1	ŧ		İ					

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED

	OR A NON-STAI	NDARD UNIT HAS E	EEN APPROVED BY	THE DIVISION
16		·		17 OPERATOR CERTIFICATION
				I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief
				and the state of t
		96		
		581		
			į.	Charles C Joy
	3595	.3 3697.2		Signature
			2000'	Charles C. Joy
	2511	03	-	_Agent
	3611	.0 3610.	Þ 	Title
				September 26, 2005
				"SURVEYOR CERTIFICATION
				i its con carefy that the well location shows on this play
				was pleased from field notes of actual surveys made by
				and corners to the best of my belief.
				September 23, 2005
				Date of Survey P. R. Patton
				Signature and Santon Prologional Surveyor:
				A MED
				1 DET XXXXXX
				(2 (8112)) :
				(A) (0112)
				Cerusian Number 9112
				TOFESSIONAL CONTRACTOR



McQuadrangle, LLC Midnight Matador "A" #1 2060 FNL 2060 FEL Sec. 35, T17S, R27E Eddy Co., NM



Drilling Program McQuadrangle LLC Midnight Matador Fed. "A" No. 1 Eddy County, Nec Mexico

- 1. Geologic Name of Surface Formation: Permian
- 2. Estimated Top of Important Geologic Markers:

Grayburg 1322' San Andres 1658'

3. Estimated Depths of Anticipated Fresh Water, Oil or Gas:

Upper Permian Sands	100'	Fresh	Water
Grayburg	1620'	Oil	
San Andres	2213'	Oil	

It is anticipated that no other fresh water or economical oil and gas formations will be encountered. Surface fresh water sands will be protected by setting $8\,5/8''$ casing at 500' and circulating cement from T. D. to surfacs. All zones from T. D. (2400') to bottom of $8\,5/8''$ casing will have cement circulated across them.

4. Casing Program:

Hole Size	Interval	OD Casing	Weight	Grade	
18.0"	0'-40'	13 3/8"	48.0#	J - 55	
12 1/4"	0'-500'	8 5/8"	24.0#	J-55	
7 7/8"	0'-2400'	5 1/2"	17.0#	J - 55	

5. Cement Program:

- A. 13 3/8" conductor casing: Cement from T. D. to surface with 60 Sxs of ready mix.
- B. 8 5/8" surface casing: Cement from T. D. to surface with 150 Sxs class H and 320 Sxs class C containing 4% gel, 2% cacl and 1/2 #/Sx Flocele.
- C. 5 1/2" producing casing: Cement with 440 Sxs Class
 H containing 3% SMS and 1/4#/Sx Flocele.
- 6. Minimum Specifications for Pressure Control: The B. O. P. shown on Exhibit 1 will consist of a double ram-type (3000 psi WP) preventer and a bag-type (hydrill) preventer (3000 psi WP). Both will be operated hydraulically and the ram-type preventer will be equipped with blind rams on top and 4 1/2" drill pipe rams on bottom. Both B. O. P.s will be nippled up on the 8 5/8" surface casing and used continuously until T. D. is reached. The B. O. P.s and accessory equipment will be tested to 1000 psi before drilling out surface casing. Before drilling out production casing, the ram-type B. O. P. and accessory equipment will be tested to 3000 psi and the hydril to 70% (2100 psi) of rated working pressure.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. A 2" kill line and 3" choke line will be included in the drilling spool located below the ram-type B. O. P. Other accessories to the B. O. P. euipment will include a kelly cock and floor safety valve (inside B. O. P.) and choke lines and choke manifold with 3000 psi rating.

7. Types and Characteristics of the mud System: The well will be drilled to T. D. with a combination of brine, cut brine and polymer/KCL mud system. The applicable depths and properties of this system are as follows:

Depth	Type	Weigh	Viscosity .	Waterloss
•	• •	(ppg)	(sec) .	
0'-40'	fresh water	8.5	40-45	n. c
0'-500'	fresh water	8.5	40-45	n. c
500'-TD	cut brine	8.8-9.2	28	n. c

Sufficient mud materials to maintain mud properties and meet minimum circulation loss and weight increase requirements will be kept at the site at all times.

- 8. Auxiliary Well Control and Monitoring Equipment:
 - A. A kelly cock will be kept in the drill string at all times.
 - B. A full-opening drill pipe stabbing valve (inside B. O. P.) with proper drill pipe connections will be on the rig floor at all times.
 - C. A mud logging unit complete with hydrogen sulfide detector will continuously monitor drilling peneration rate and hydrocarbon shows to T. D.
- 9. Logging, Testing, and Coring Program:
 - A. No drill stem test is anticipated.
 - B. Logging program will consist of a GR-CNL & Micro-CFL/GR from T. D. to bottom of surface casing.
 - C. No conventional coring is anticipated.
 - D. Further testing procedures will be determined after the 5 1/2" casing has been cemented at T. D., based on drill shows and log evaluations.
- 10. Abnormal Conditions, Pressures, Temperatures, or Potential Hazards:
 - A. No abnormal pressures or temperatures are anticipated. The estimated bottom hole temperature at T. D. is 88 degrees Fahrenheit. The estimated maximum bottom hole pressure is estimated at 2000 psig. No hydrogen sulfide is known to exist at this depth in this area. No major circulation loss zones have been reported in offsetting wells.
- 11. Anticipated Starting Date and Duration of Operations: Road and location work will begin after receiving B. L. M. approval. The anticpated spud date is October 1, 2005. Once commenced, the drilling operations should be finished in approximately 30 days. If the well is productive, an additional 30 days will be required for completion and testing before a decision is made to install permanent facilities.

Surface Use and Operating Plan McQuadrangle LLC Midnight Matador Fed. "A" No. 1 Eddy County, New Mexico

1. Existing Roads:

- A. The well location and acreage dedication plat for the proposed well is shown on Exhibit 2. Location was staked by P. R. Patton & Associates.
- B. All roads to the location are shown in Exhibit 3. The existing roads are adequate for travel during drilling and production operations. Upgrading of the road prior to drilling will be done where necessary as determined during the on-site inspection.
- C. Travel 8 miles East of Artesia, New Mexico on Lovington Highway. Turn South on C. R. 204 and proceed 0.4 mile and turn Southwest on C. R. 225. Go 1 mile and turn East onto lease road. Travel approximately 250 ft. East to location.
- D. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operation continues on the lease.
- 2. Proposed Access road: Exhibits 3 shows that there will be no new access road to be constructed.
- 3. Location of Existing Wells: No existing well map is included.
- 4. Location of Existing and Proposed Facilities:
 - A. McQuadrangle LLC does operate other production facilities on this lease.
 - B. If well is productive the facilities will be as follows:

 1. The oil production from this lease will be produced into the tank battery located on the Midnight Matador Fed. No. 1 well (Lease LC 050158). This battery is located approximately 1099'. East of proposed well. Flowlines and piping will be installed according to A. P. I. specifications.
 - 2. Any additional caliche which is required for firewalls, etc. will be obtained from a B. L. M. approved caliche pit. Any additional construction materials will be purchase from contractors.
 - 3. No power will be required if the well is productive of gas. If the well is productive of oil it may be necessary to run electrical power to the well.

Hydrogen Sulfide drilling Operations Plan McQuadrangle, Inc. Midnight Matador Fed. "A" No. 1 Eddy County, New Mexico

- I. Hydrogen Sulfide Training: All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:
 - 1. The hazards and characteristics of hydrogen sulfide (H2S).
- 2. The proper use and maintenance of personal protective equipment and life support systems.
- 3. The proper use of H2S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
 - 4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

- 1. The effects of H2S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
- 2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
- 3. The contents and requirements of the H2S Drilling Operations Plan and the Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H2S zone (within 3 days or 500') and weekly H2S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H2S Drilling Operations Plan and the Public Protection Plan. This Plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

- II. H2S Safety Equipment and Systems; All H2S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500' above, or 3 days prior to penetrating the first zone containing or reasonably expected to contain H2S.
 - 1. Well Control Equipment:
- A. Flare line with electronic igniter or continuous pilot.
 - B. Choke manifold with a minimum of 1 remote choke.

- C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
- D. Auxiliary equipment will include annular preventer, mud-gas separator, rotating head, and flare gun with flares.
- 2. Protective equipment for essential personnel is Mark II Surviveair 30 minute units located in the dog house and at briefing areas, as indicated on well site diagram.

3. H2S Detection and Monitoring Equipment:

- A. 2 portable H2S monitors positioned on location for best coverage and response. These units have warning lights and audible sirens when H2S levels of 20 ppm are reached.
 - B. 1 portable S02 monitor positioned near flare line.
 - 4. Visual Warning Systems:
- A. Wind direction indicators as shown on well site diagram.
- B. Caution/Danger signs shall be posted on roads providing direct access to the location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. When appropriate, bilingual signs will be used.

5. Mud Program:

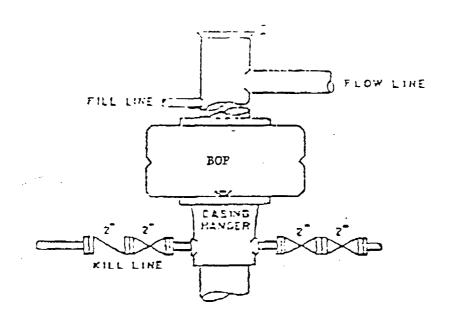
- A. The mud program has been designed to minimize the volume of H2S circulated to the surface. Proper mud weight, safe drilling practices, and the use of H2S scavengers will minimize hazards when penetrating H2S bearing zones.
- B. A mud-gas separator and an H2S gas buster will be utilized.

6. Metallurgy:

- A. All drill strings, casings, tubing, wellhead, B. O. P., drilling spool, kill lines, choke manifold and lines, and values shall be suitable for H2S service.
- $\,$ B. All elastomers used for packing and seals shall be H2S trim.

7. Communication:

- A. Radio communications in company vehicles included cellular telephone and 2-way radio.
 - B. Telephone communications at field office.
- 8. Well Testing: Drill stem testing will be performed with the minimum number of personnel in the immediate area necessary to safely and adequately conduct the testing. The drill stem testing will be conducted during daylight hours and formation fluids will not be flowed to the surface. All drill stem testing operations conducted in an H2S environment will use the closed chamber method of testing.



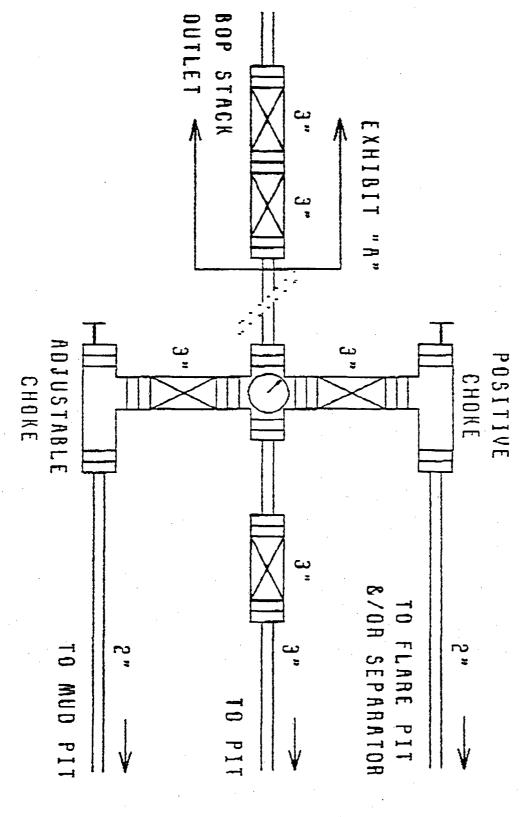
ANNULAR BOP STACK

PRESSURE 1000#

PDF Arrangement

EXHIBIT 1

CHOKE MANIFOLD



Notes Regarding Blowout Preventers McOuandgranle, LLC

Midnight Matador Fed. "A" No. 1 Eddy County, New Mexico

- 1. Drilling nipple will be constructed so it can be removed mechanically without the aid of a welder. The minimum internal diameter will equal B. O. P. bore.
- 2. Wear ring will be properly installed in head.
- 3. B. O. P and all associated fittings will be in operable condition to withstand a minimum 3000 psi working pressure.
- 4. All fittings will be flanged.
- 5. A full bore safety valve tested to a minimum 3000psi W. P. with proper thread connections will be available on the rotary rig floor at all times.
- 6. All choke lines will be anchored to prevent movement.
- 7. All B. O. P. equipment will be equal to or larger in bore than the internal diameter of the last casing string.
- 8. Will maintain a kelly cock attached to the kelly.
- 9. Hand wheels and wrenches will be properly installed and tested for safe operation.
- 10. Hydraulic floor control for B. O. P. will be located as near in proximity to driller's controls as possible.
- 11. All B. O. P. equipment will meet A. P. I. standards and include a minimum 40 gallon accumulator having two independent means of power to initiate closing operation.

CONDITIONS OF APPROVAL - DRILLING

Well Name & No. Operator's Name: 1 – MIDNIGHT MATADOR FEDERAL A

MCQUADRANGLE LLC

Location:

1896 2060' FNL & 2060' FEL - SEC 35 - T17S - R27E - EDDY COUNTY LC-055561 2000 per etteral Soulated 1-21-25

Lease:

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Roswell Field Office, 2909 West Second St., Roswell NM 88201, (505) 627-0272 for wells in Chaves and Roosevelt Counties; the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 234-5909 or (505) 361-2822 (After hours) - for wells in Eddy County: and the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (505) 393-3612 for wells in Lea County, in sufficient time for a representative to witness:

A. Spudding

B. Cementing casing: 8-5/8 inch 5-1/2 inch

C. BOP tests

- 2. A Hydrogen Sulfide (H2S) Drilling Plan should be activated prior to drilling into the San Andres Formation at approximately 1600 feet. A copy of the plan shall be posted at the drilling site.
- 3 Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
- 4. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.
- 5. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

II. CASING:

- 1. The 8-5/8 inch surface casing shall be set at 500 feet, below usable water and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.
- 2. The minimum required fill of cement behind the 5-1/2 inch production casing is cement shall extend upward a minimum of 500 feet above the uppermost hydrocarbon bearing interval.

III. PRESSURE CONTROL:

- 1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the 8-5/8 inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.
- 2. Minimum working pressure of the blowout preventer and related equipment (BOPE) is 2000 psi.
- 3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.
- A variance to test the surface casing and BOP to the reduced pressure of 1000 psi with the rig pumps is approved.
- The tests shall be done by an independent service company.
- The results of the test shall be reported to the appropriate BLM office.
- Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
- Testing must be done in a safe workman-like manner. Hard line connections shall be required.