

Resubmittal

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

5. Lease Serial No. **J-06-35**
NMMN 100527
6. If Indian, Allottee or Tribe Name

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

2. Name of Operator
David H. Arrington Oil & Gas, Inc.

3a. Address **P.O. Box 2071, Midland, TX 79702**

3b. Phone No. (include area code)
432 684-6381 / 682-6685

4. Location of Well (Report location clearly and in accordance with any State requirements. *)

At surface **660' FSL & 1880' FEL**

At proposed prod. zone **660' FSL & 1880' FEL**

**Subject to
Like Approved
By State**

7. If Unit or CA Agreement, Name and

8. Lease Name and Well No. **35610**
Orange Steelhead Scud Fed C 117

9. API Well No.
30 015 - 35117

10. Field and Pool, or Exploratory
Wolfcamp

11. Sec., T. R. M. or Bld and Survey or /
Sec 25, T17S, R23E

14. Distance in miles and direction from nearest town or post office*
17 miles SW from Artesia

12. County or Parish
Eddy

13. Sta

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) **660'**

16. No. of acres in lease
320 ac

17. Spacing Unit dedicated to this well
320 ac

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. **2640'**

19. Proposed Depth
8295'

20. BLM/BIA Bond No. on file
NM 2503

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3896'

22. Approximate date work will start*
09/01/2006

23. Estimated duration
14-21 days

24. Attachments **Roswell Controlled Water Basin**

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 Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required authorized officer.

25. Signature

Name (Printed/Typed)
Ann E. Ritchie

Date
07/23/2006

Title

Ann E. Ritchie

ann.ritchie@wtor.net

Approved by (Signature)

/s/ James Stovall

Name (Printed/Typed)

/s/ James Stovall

Date
AUG 23 2006

Title

ACTING FIELD MANAGER

Office

CARLSBAD FIELD OFFICE

Application approval 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.

Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

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)

**DECLARED WATER BASIN
CEMENT BEHIND THE 8 5/8"
CASING MUST BE CIRCULATED
WITNESS**

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED**

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico

Energy, Minerals, and Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, New Mexico 87505

Form C-102

Revised August 15, 2000

Submit to Appropriate District Office

State Lease - 4 copies

Fee Lease - 3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-	² Pool Code 96086	³ Pool Name Wildcat, Wolfcamp
⁴ Property Code	⁵ Property Name ORANGE STEELHEAD SCUD FED COM	⁶ Well Number 1H
⁷ OGRID No. 5898	⁸ Operator Name DAVID H. ARRINGTON OIL & GAS	⁹ Elevation 3896'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	25	17 SOUTH	23 EAST, N.M.P.M.		660'	SOUTH	1880'	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	25	17 SOUTH	23 EAST, N.M.P.M.		660'	NORTH	1880'	EAST	EDDY
¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div><p>BHL X = 404976 Y = 659084 LAT.: N 32.8115274 LONG.: W 104.6426207</p></div> <div><p>NAD 27 NME ZONE X = 404984 Y = 655121 LAT.: N 32.8006350 LONG.: W 104.6425576</p></div> <div><p>BOTTOMHOLE INFORMATION PROVIDED BY DAVID H. ARRINGTON OIL & GAS</p></div>	<p>660'</p> <p>1880'</p> <p>3962.8'</p> <p>660'</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature Ann E. Ritchie</p> <p>Printed Name Regulatory Agent</p> <p>Title 2-21-06</p> <p>Date</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>DATE OF SURVEY FEBRUARY 1, 2006</p> <p>Signature and Seal of Professional Surveyor <p>2-9-06</p><p>Certificate Number V. L. BEZNER R.P.S. #7920</p><p>JOB # 110358 / 101 SW / E.U.O.</p></p>
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David H. Arrington Oil & Gas Inc.
 Orange Steelhead Scud Fed Com 1H
 SHL - 660' FSL & 1880' FEL
 BHL - 660' FNL & 1880' FEL
 S25, T17S, R23E
 Eddy County, NM

- Drilling Plan -
 (supplement to Form 3160-3)

1. Ground elevation above sea level: 3896'
2. Proposed drilling depth: 4900' TVD
3. Estimated tops of geological markers:

San Andres	235'
Glorietta	1550'
Blinberry	2230'
Tubb	2900'
Abo Shale	3575'
Abo Carbonate	3750'
Wolfcamp	4465'

4. Possible mineral bearing formations:

Abo/Wolfcamp	Gas/Oil
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5. Casing Program

Hole size	Interval	OD of Casing	Weight	Thread	Grade	TOC
12-1/4"	40' - 1300'	8-5/8"	32#	LTC	J55	Surf
*7-7/8"	1300' - 4900'					
*7-7/8"	4100' - 8295'	5-1/2"	17#	LTC	P110	Surf

*Drill 7-7/8" vertical hole to 4900', plug back to ~3900' and drill lateral to ~8295' (~4495' TVD). Run 5-1/2" production string to TD and cement to surface.

6. Cementing and Setting Depth

String	Depths	Sks	Slurry
8-5/8" Surface	1300'	200	Lead-1: Premium Premium Plus w/ 10 pps DiamondSeal
		100	Lead-2: Premium Plus Thixset w/ 1% Thixset A & 0.25% WG-17
		750	Lead-3: Light Premium Plus w/ 5 pps gilsonite & 2% CaCl ₂
		500	Tail: Premium Plus w/ 2% CaCl ₂
Open Hole Plug	3900-4900'	400	Slurry: Premium mixed at 17.0 ppg
5-1/2" Production	8295'	440	Lead: Interfill C w/ 1/4 pps Flocele
		410	Tail: Howco Acid Soluble Cement w/ 0.7% Halad 344, 0.2% FWCA & 0.2% HR-601

Both casing strings will be cemented to surface.

7. Pressure Control Equipment: After setting 8-5/8" casing and installing 5000 psi casing head, NU 11" 5000 psi double ram BOP and 5000 psi annular BOP, and test with clear fluid to 3000 psi using 3rd party testers.

8. Proposed Mud Circulating System

<u>Interval</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>FL</u>	<u>Type Mud System</u>
40' – 1300'	8.5 - 8.6	32 – 38	NC	Fresh water gel/lime slurry. Add paper for seepage. If losses occur, utilize 15-25 lb/bbl LCM. If necessary, spot LCM pill for losses. If not regained, dry drill to depth.
1300' – 4900'	8.4 - 9.3	28 -34	NC-12	Fresh water-cut brine. Drill out w/ fresh water using paper and high viscosity sweeps for seepage and hole cleaning. At ~ 3,300' add brine to mud. Mud up at ~4,200' utilizing starch/PAC system.
4100' – 8295'	8.8 - 9.3	32 – 50	15	XCD polymer system. Sweep as necessary for hole cleaning.

Proposed Drilling Plan:

Drill 12-1/4" surface hole to 1300'. Run 8-5/8" and cement to surface.

Drill 7-7/8" pilot hole to ~4900' and log well. Plug back and dress off to KOP @ ~4110'. Drill curve w/ 15°/100' BUR to ~90° inclination. Drill 7-7/8" lateral to ~8295'. Run 5-1/2" casing and cement to surface.

**Orange Steelhead Scud Fed Com 1H
Cottonwood Creek Field
Eddy County, New Mexico**

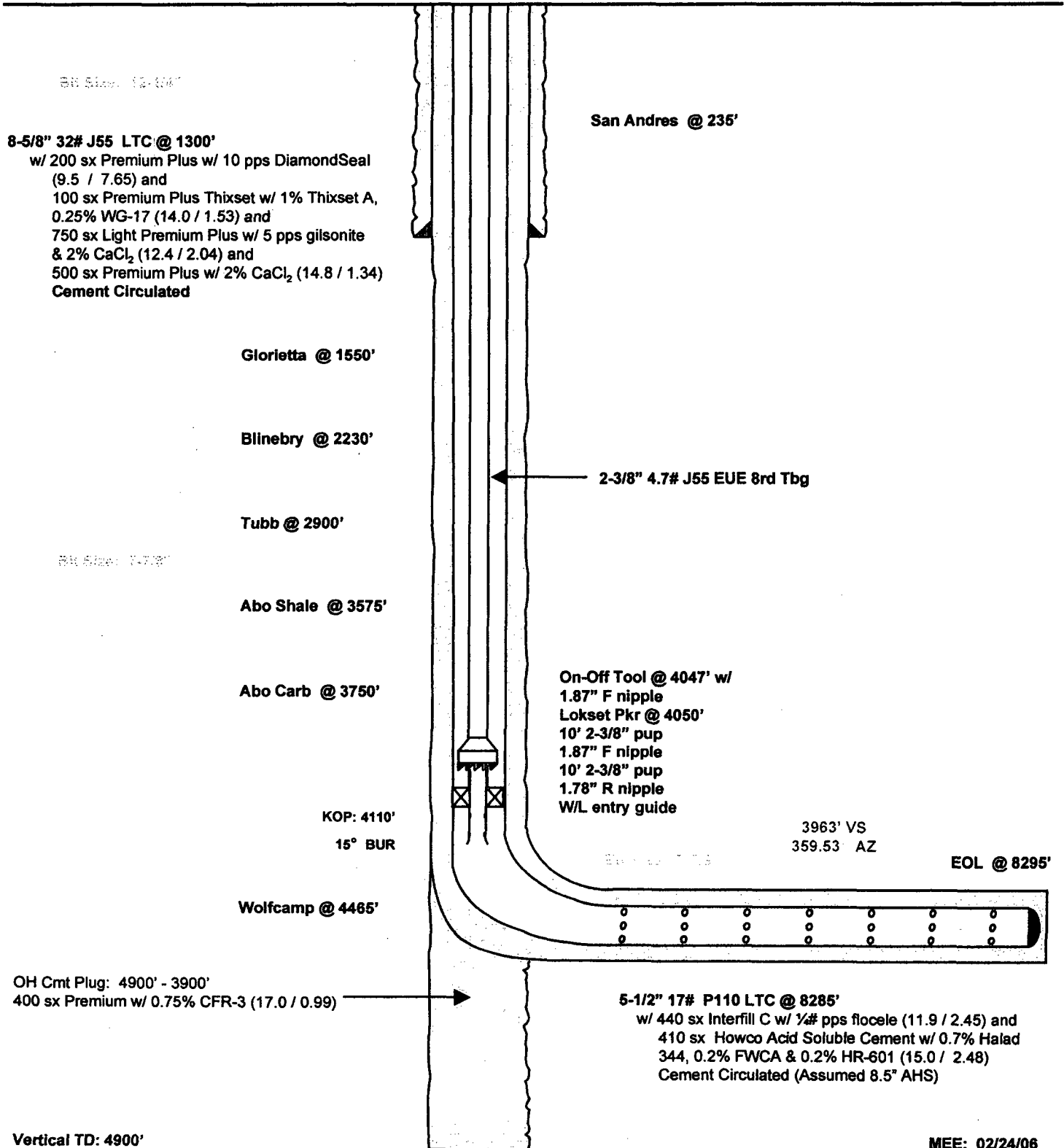
Surface
660' FSL
1880' FEL
S-25
T17S, R23E

Lateral Terminus
660' FNL
1880' FEL

Proposed Wellbore

API: 30-015-?

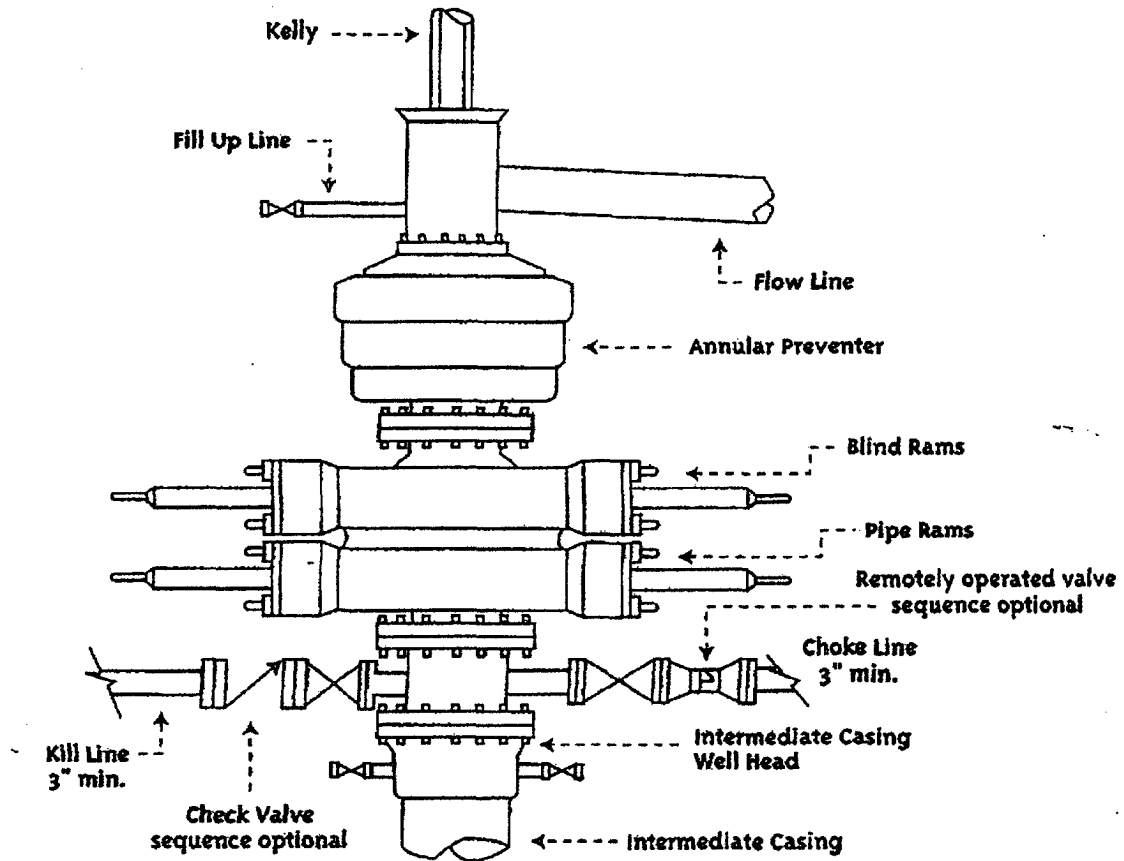
**KB: 3915'
GL: 3896'**



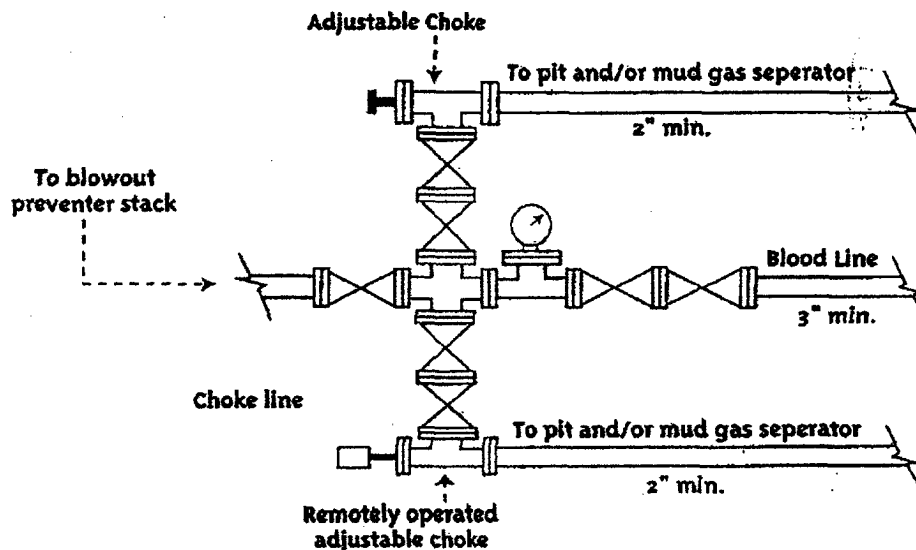


David H. Arrington Oil & Gas, Inc.

Typical 5,000 psi Pressure System
Schematic
Annular Double Ram Preventer Stack



Typical 5,000 psi choke manifold assembly with at least these minimum features



March 1, 2006

Bureau of Land Management
620 E. Greene Street
Carlsbad, NM 88220

Oil Conservation Division
Attn: Bryan Arrant
1301 Grand Ave.
Artesia, NM 88210

RE: **David H. Arrington Oil & Gas, Inc.**, Orange Steelhead Scud Fed Com, Well #1H; Cottonwood Creek; Wolfcamp, Sec 25, T17S, R23E, Eddy County, NM

It is not anticipated that we will encounter any H₂S during the drilling or completion of the above referenced well. We are respectfully requesting an exemption from H₂S requirements as per NMOCD Rule 118. The anticipated TVD is 4900', the MD is 8295' for this proposed horizontal well.

Thank you,



Ann E. Ritchie, Regulatory Agent
David H. Arrington Oil & Gas, Inc.
c/o P.O. Box 953
Midland, TX 79702
432 684-6381/682-1458-fax
ann.ritchie@wtor.net

Thirteen Point Plan for Surface Use
(Additional data for form 3160-3)

David H. Arrington Oil & Gas, Inc.

Orange Steelhead Scud Fed Com, Well # 1H

SL: 660' FSL & 1880' FEL; BHL: 660' FNL & 1880' FEL

Section 25, T17S, R23E, Eddy County, NM

Cottonwood Creek; Wolfcamp - gas

NMNM 123591

1. **EXISTING ROADS – VICINITY MAP, Topographic Land Surveyors**
The road log to the location is as follows:
Distance and direction – from Intersection of Hwy. 82 & Hwy. 285, go West on Hwy. 82 +/- 17 miles, thence south on County Road 8, 1.9 miles to a point +/- 700' East of the well location. Approximately 17 miles SW from Artesia.
2. **PLANNED ACCESS ROAD** —Approximately 910' of new N-S access road will be built from the existing E-W main caliche road to the south. All lease roads will be graded in compliance with BLM standards and made a uniform width of 20', including shoulders.
3. **LOCATION OF EXISTING WELLS** – There are no existing wells in Section 25.
4. **LOCATION OF EXISTING OR PROPOSED FACILITIES** – This well will require new production facilities to be located in the SE/4 of Section 25, T17S, R23E.
5. **LOCATION AND TYPE OF WATER SUPPLY** - All water (fresh or otherwise) needed for the drilling and completion of this well will be purchased from a commercial source and trucked to the location via the existing and proposed access road. No water source wells will be drilled, and no surface water will be utilized.
6. **SOURCE OF CONSTRUCTION MATERIALS** - Construction material (caliche) required for the preparation of the drill site is available from a local source approximately 3 miles away. It is not anticipated that a significant amount of material will be required as the terrain is relatively flat. Transportation will be over the existing roads.
7. **METHODS FOR HANDLING WASTE DISPOSAL** -
 - Drill cuttings will be disposed into drilling pits after fluids have evaporated.
 - The drilling pits will be lined with a 12+mil biodegradable plastic liner, and buried as per regulatory requirements. The pits will be located on the drill site.

- The drilling pits will be lined with a 20 mil biodegradable plastic liner, and buried as per regulatory requirements. The pits will be located on the drill site.
- Receptacles for solid wastes (paper, plastic, etc) will be provided and equipped to prevent scattering by wind, animals, etc. This waste will be hauled to an approved landfill site. All drilling line, oil filters, etc. will be hauled away by the Drilling Contractor.
- Any other waste generated by the drilling, completion, testing of this well will be removed from the site within 30 days of the completion of drilling or testing operations.
- A Porta-John will be provided for the crews. This will be properly maintained during the drilling operations and removed upon completion of the well.

8. ANCILLARY FACILITIES - The drilling, completion, and/or testing of this well will require temporary test facilities and/or existing facilities in SE/4 of Section 27.
9. WELLSITE LAYOUT - Attached is a plat showing the anticipated orientation of the drilling rig, and pad. The approximate 400 x 400' drill site area has been surveyed and flagged. Approximately 5' of topsoil will be stockpiled on the east side of the location for rehabilitation purposes. The interior reserve pit diameter is approximately 130 x 135', approximately 6000' bbls. There are no waterways; the closest occupied structure is noted on the plat as the "McAshan Ranch". Material moved to create the drilling pits will be utilized in the dike around the pits so as to facilitate restoration of the area when operations are completed.
10. PLANS FOR SURFACE RESTORATION - Reclamation of the surface location will be in accordance with the requirements set forth by the BLM. As stated earlier all waste generated by this operation will be disposed of in an approved manner, and the site restored as closely as possible to its pre-operation appearance. Due to the topography of the area no problems are anticipated in achieving this status and no erosion or other detrimental effects are expected as a result of this operation.
11. OTHER INFORMATION - The surface ownership of the drill site and the access routes are under the control/ownership of:

Carl Morgan & Gwenetta Morgan, h/w, P.O. Box 1122, Artesia, NM 88211-1122; (505) 746-0300. A Surface Agreement has been obtained, as per attached "Statement of Surface Use".

The site has been archaeologically surveyed by a registered archeological surveyor in February 2006 and submitted to the BLM, Carlsbad, New Mexico.

Drilling contractor: Patterson UTI Drilling: 432 682-9401

DAVID H. ARRINGTON OIL & GAS, INC.

P.O. BOX 2071, MIDLAND, TEXAS 79702
OFF (432) 682-6685
FAX (432) 682-4139

STATEMENT OF SURFACE USE

Operator	David H. Arrington Oil & Gas, Inc.
Well Name	Orange Steelhead Scud Fed Com
Well Number	1H
Location	Township 17 South, Range 23 East, N.M.P.M. Section 25: SWSE

The surface for the ownership of the above described lands is as follows:

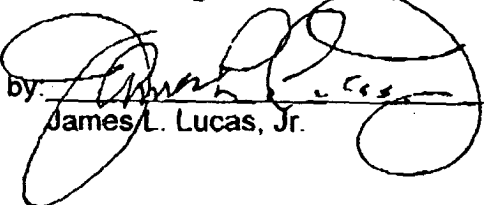
1. _____ owned by the United States of America.
2. _____ owned by the State of New Mexico.
3. X owned in fee by the following party(ies):

Name	Carl Morgan and Gwenetta Morgan, h/w
Address	P.O. Box 1122
City/State/Zip	Artesia, NM 88211-1122
Phone Number	(505) 746-0303

The undersigned is an authorized agent, or employee, of David H. Arrington Oil & Gas, Inc., and hereby certifies that the described lands are owned, as indicated above, and a surface agreement has been obtained, if required, from the owner.

Certified this 21st day of July, 2006.

David H. Arrington Oil & Gas, Inc.

by: 
James L. Lucas, Jr.

12. OPERATORS REPRESENTATIVE – David H. Arrington Oil & Gas, Inc. is covered by Nationwide Bond No. UIB0005938. David H. Arrington Oil & Gas, Inc. is represented by:

Mark Ellerbe, Company Operations & Drilling Engineer (432-559-1216-mobile)
(432 682-6685, ext. 351-off)

David H. Arrington Oil & Gas, Inc.
P.O. Box 2071
Midland, TX 79702
432 682-6685 - office

13. OPERATORS CERTIFICATION

I hereby certify that I, Mark Ellerbe, Operations Engineer, have inspected the proposed drill site and access route and that I am familiar with the conditions that currently exist; that the statements made in the APD package are to the best of my knowledge true and correct; and that the work associated with operations herein will be performed by David H. Arrington Oil & Gas, Inc. and its contractors and subcontractors in conformity with the terms and conditions of this APD package. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application with bond coverage being provided under a BLM nationwide bond.

This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

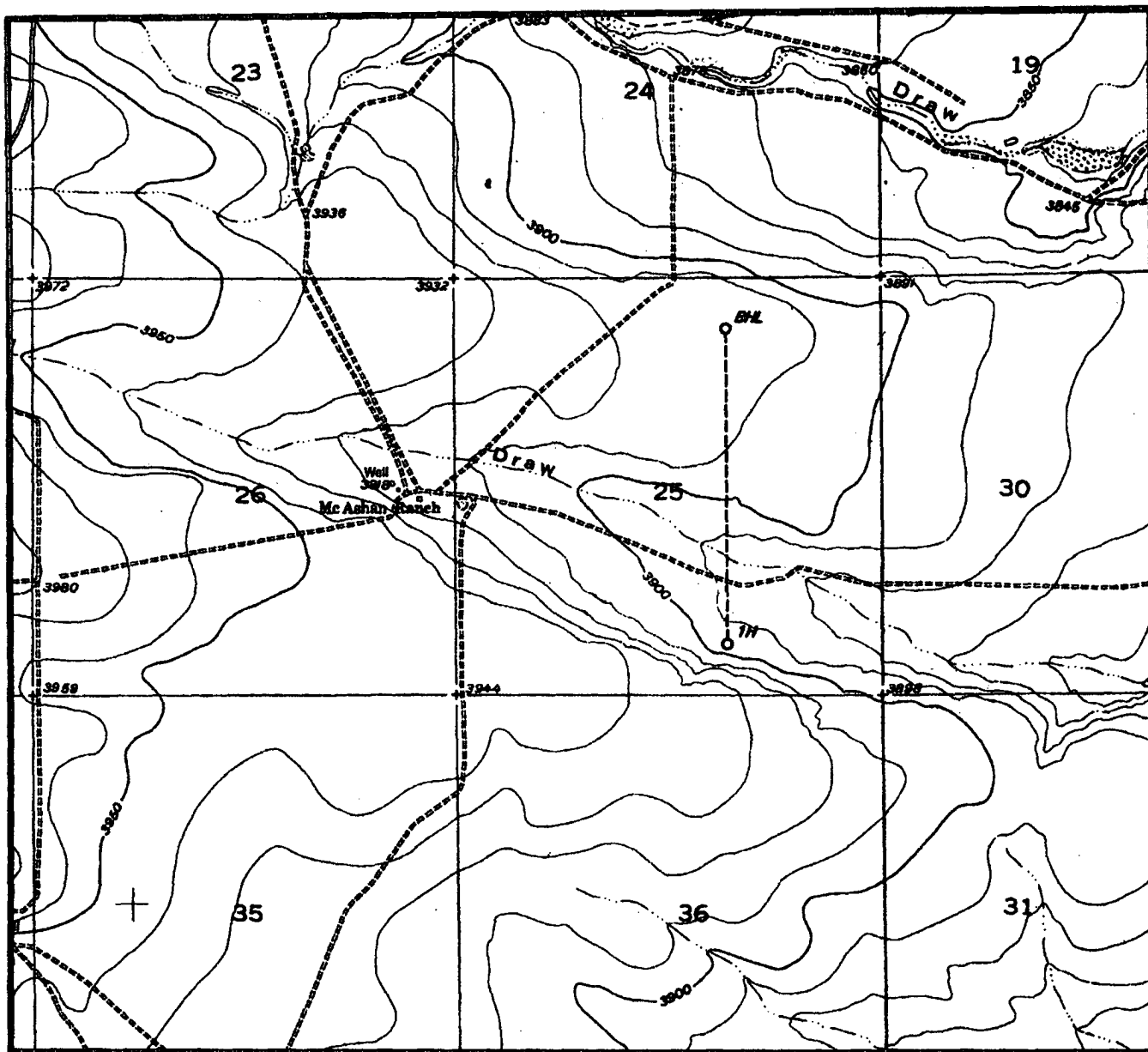
Name and title: Mark Ellerbe, Operations/Drilling Engineer,

Signature: Mark Ellerbe

Date: 3-1-06

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LOCATION & ELEVATION VERIFICATION MAP



SCALE : 1" = 2000'

CONTOUR INTERVAL 10'

SECTION 25 TWP 17-S RGE 23-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY EDDY STATE NM

DESCRIPTION 660' FSL & 1880' FEL

ELEVATION 3896'

OPERATOR DAVID H. ARRINGTON OIL & GAS

LEASE ORANGE STEELHEAD SCUD FED COM #1H

U.S.G.S. TOPOGRAPHIC MAP

HOPE, NEW MEXICO

SCALED LAT. LAT.: N 32.806350

LONG. LONG.: W 104.642576



TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

2903 N. BIG SPRING
MIDLAND, TX. 79705
(800) 767-1653

Frac Pit



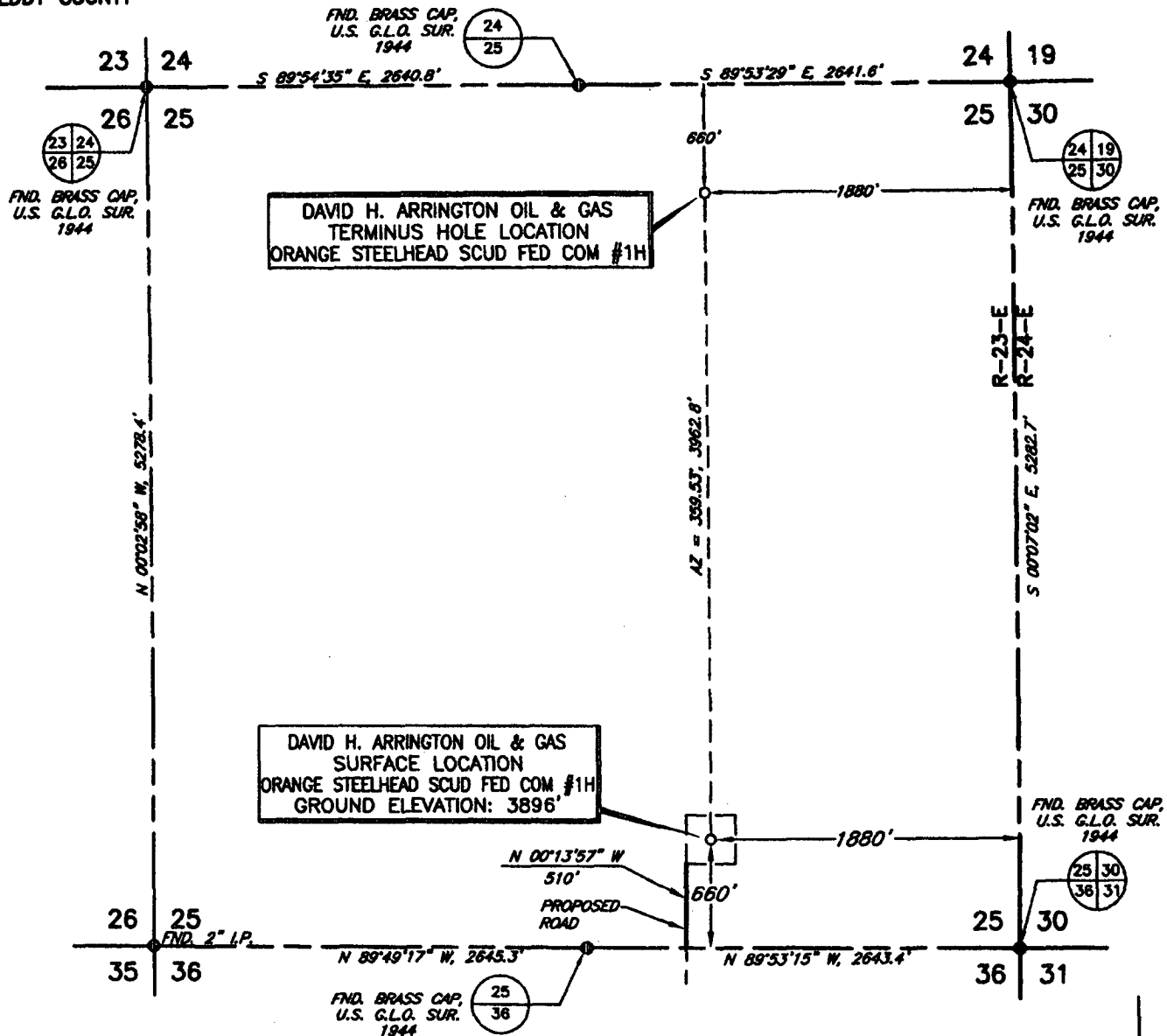
Frac Pit

160' X 160' inside dimensions
10' tall banks. 15' berm tops
16,000 gallons per inch
80 inches - 1,280,000 gallons

20 ml lining over berm, bank
dirt on plastic w/ loader
Liner req'd - 250X250

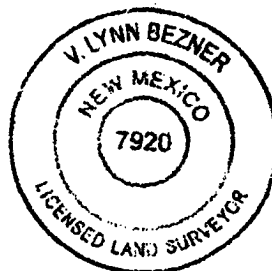
Stack and level dirt on location side with ramps for transfer trailer loading/off-loading. 30"X 30"X 5' sump @ suction

SECTION 25, TOWNSHIP 17 SOUTH, RANGE 23 EAST, N.M.P.M.
EDDY COUNTY NEW MEXICO



DATE OF FIELD WORK: FEBRUARY 1, 2006

I, V. L. BEZNER, A PROFESSIONAL SURVEYOR IN THE STATE OF NEW MEXICO AND AUTHORIZED AGENT OF TOPOGRAPHIC LAND SURVEYORS, HEREBY CERTIFY THIS PLAT TO BE A TRUE REPRESENTATION OF A SURVEY PERFORMED IN THE FIELD UNDER MY SUPERVISION, THAT I AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND THAT THIS PLAT AND FIELD SURVEY UPON WHICH IT IS BASED MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO. (RULE 500.6 EASEMENT SURVEYING)



V. Lynn Bezner 2-9-06
V. L. BEZNER, P.S. NO. 7920

				DAVID H. ARRINGTON OIL & GAS, INC.	SCALE: 1" = 1000'
					DATE: FEBRUARY 1, 2006
NO.	REVISION	DATE	BY		JOB NO.: 110358-F2
SURVEYED BY: H.V.				SURVEYING AND MAPPING BY TOPOGRAPHIC LAND SURVEYORS MIDLAND, TEXAS	QUAD NO.: 101 SE
DRAWN BY: E.U.O.					SHEET : 2 OF 2
APPROVED BY: V.L.B.					

March 1, 2006

Bureau of Land Management
620 E. Greene St.
Carlsbad, NM 88220

RE: ARC Survey: David H. Arrington Oil & Gas, Inc.,
Orange Steelhead Scud Fed Com, Well #1H
Sec 25, T17S, R23E, Eddy County, NM

Concerning the above referenced well, the ARC Survey has been submitted directly to the Bureau of Land Management by the survey company under separate mailing.

Thank you,

A handwritten signature in black ink, appearing to read "Ann E. Ritchie", is positioned above the typed name and address.

Ann E. Ritchie, Regulatory Agent
David H. Arrington Oil & Gas, Inc.
c/o P.O. Box 953
Midland, TX 79702
432 684-6381

Statement Accepting Responsibility for Operations

Operator Name: David H. Arrington Oil & Gas Inc
Street or Box: P. O. Box 2071
City, State: Midland, TX
Zip Code: 79701

The undersigned accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portion thereof, as described below.

Lease No.: NMNM 100527

Legal Description of Land: W/2 of E/2 of section 25, TSP 17S, RGE 23E, Eddy County, NM

Formation(s): Wolfcamp

Bond Coverage: \$25,000

BLM Bond File No.: ~~RLB0006254~~ NM 2503



Authorized Signature:

Mark E. Ellender

Title: Senior Drilling and Completions Engineer

Date: 03/07/2006

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: David H. Arrington Oil & Gas, Inc. Well No. 1H - Orange Steelhead Scud Fed Com
Location: SH: 660' FSL & 1880' FEL BH: 660' FNL & 1880' FEL sec. 25, T. 17 S., R. 23 E.
Lease: NM-100527

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I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at (505) 361-2822 in sufficient time for a representative to witness:

A. Spudding

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

2. 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.

3. Include the API No. assigned to well by NMOCD on the subsequent report of setting the first casing string.

4. A Communitization Agreement covering the acreage dedicated to this well must be filed for approval with the BLM. The effective date of the agreement shall be prior to any sales.

II. CASING:

1. 8-5/8 inch surface casing should be set at approximately 1300 feet, below usable water and circulate cement to the surface. If cement does not circulate to the surface, the BLM Carlsbad Field Office shall be notified at (505) 361-2822 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. Minimum required fill of cement behind the 5-1/2 inch production casing is sufficient to tie back 500 feet above the uppermost perforation in the pay zone.

III. PRESSURE CONTROL:

1. Before drilling below the 8-5/8 inch surface casing, the blowout preventer assembly shall consist of a minimum of One Annular Preventer or Two Ram-Type Preventers and a Kelly Cock/Stabbing Valve.

2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 2000 psi.

3. Before drilling below the 8-5/8 inch surface casing, the BOPE shall be tested as described in Onshore Order No.

2. Any equipment failing to test satisfactorily shall be repaired or replaced.

A. The results of the test will be reported to the BLM Carlsbad Field Office at 620 East Greene Street, Carlsbad, New Mexico 88220-6292.

B. 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.

C. Testing must be done in a safe workman like manner. Hard line connections shall be required.

D. A variance to test the BOPE to the reduced pressure of 2000 psi prior to drilling below the 8-5/8 inch surface casing is approved.