

418 S 1275
APPLIC
 1a. TYPE OF WORK
DRILL

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

OCD-OCD-ARTESIA
 DEEPEN

Month-Year
 MAR 26 2007
 OCD-ARTESIA NM

b. TYPE OF WELL
 OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☒
 2. NAME OF OPERATOR **17891**
POGO PRODUCING COMPANY (RICHARD WRIGHT 432-685-8140)

3. ADDRESS AND TELEPHONE NO.
P.O. BOX 10340 MIDLAND, TEXAS 79702-7340 (432-685-8100)

4. LOCATION OF WELL (Report location clearly and in accordance with State requirements*)
 At surface **3010' Per Sundry dated 3-17-07**

380' 330' FEL & 1650' FNL SECTION 27 T24S-R29E EDDY CO. NM
 At proposed prod. zone
1650' FNL & 1980' FNL SECTION 27 T24S-R29E EDDY CO. NM
Per phone call to Joe Janice 3-20-07

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 7 miles East of Malaga New Mexico

13. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
 (Also to nearest drlg. unit line, if any) **330'**

16. NO. OF ACRES IN LEASE
440

17. NO. OF ACRES ASSIGNED TO THIS WELL
120 160[±]

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
100'

19. PROPOSED DEPTH
TVD-10,800'

20. ROTARY OR CABLE TOOLS
ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
2919' GR.

22. APPROX. DATE WORK WILL START*
WHEN APPROVED

CARLSBAD CONTROLLED WATER BASIN PROPOSED CASING AND CEMENTING PROGRAM

Band # Wt B000238^{de}

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	Conductor	NA	40"	Cement to surface W/Redi-mix.
17½"	H-40 13 3/8"	48#	550'	350 Sx. Circulate cement
12½"	J-55 9 5/8"	40#	2860'	1000 Sx. " "
8½" & 7 7/8"	N-80 5½"	17#	10,800'	900 Sx. TOC Est 2900' FS

1. Drill 26" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix. **SUBJECT TO LIKE APPROVAL BY STATE**
2. Drill 17½" hole to 550' with fresh water. Run and set 550' of 13 3/8" 48# H-40 ST&C casing. Cement with 150 Sx. of 65/35/6 Class "C" POZ/GEL, tail in with 200 Sx. of Class "C" cement + 2% CaCl, + ¼# Flocele/Sx. Circulate cement to surface.
3. Drill 12½" hole to 2900' with brine water. Run and set 2860' of 9 5/8" 40# J-55 LT&C casing. Cement with 800 Sx. of 65/35/6 Class "C" POZ/GEL + 5% Salt, tail in with 200 Sx. of Class "C" cement + 2% CaCl, + ¼# Flocele/Sx. circulate cement to surface, volumes of cement may be changed after fluid caliper is run.
4. Drill 8½" hole to 8200', log well plug back to 7225' for kick-off point, drill 8½" hole to 7730'± through curve. Change to a 7 7/8" bit and drill to TD of 10,800' MD. Run and set 10,800' of 5½" 17# N-80 LT&C & BTC. Cement with 900 Sx. of Class "C" Premium cement + additives, mixed at 15.7 PPG. Estimate top of cement 2900' from surface.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

24.

SIGNATURE **Don Peterson** TITLE **Agent**

DATE **09/01/06**

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Applicant hereby certifies and certifies 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:

/s/ Don Peterson

APPROVED BY

TITLE

ACTING FIELD MANAGER

DATE

MAR 22 2007

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.

Santa Fe, New Mexico 87505

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 96473	Pool Name PIERCE CROSSING-BONE SPRING, East
Property Code	Property Name VORTEC 27	Well Number 2
OGRID No. 017891	Operator Name POGO PRODUCING COMPANY	Elevation 2915'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	27	24-S	29-E		2010	NORTH	380	EAST	EDDY

Bottom Hole Location If Different From Surface

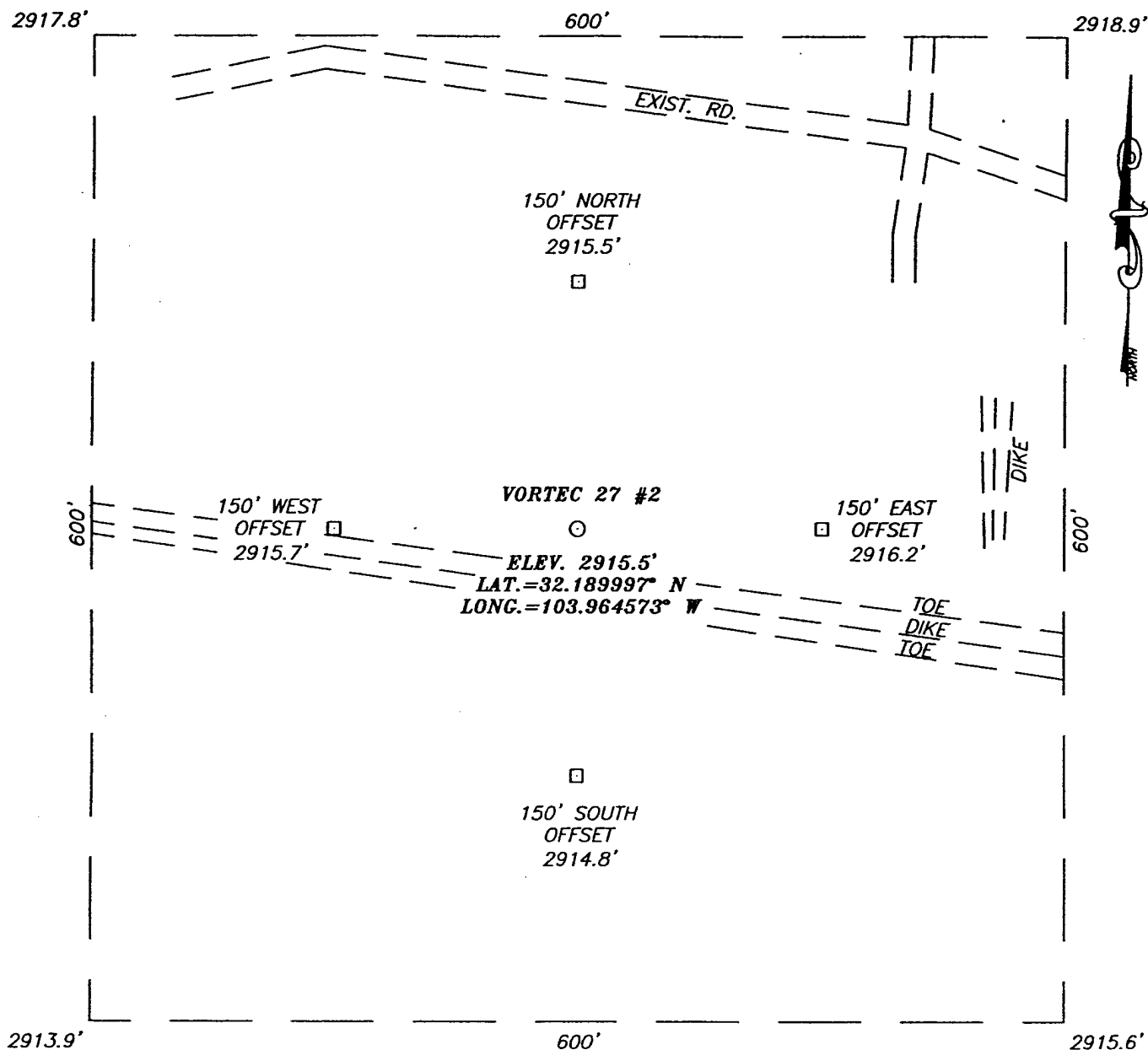
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	27	24-S	29-E		1980	NORTH	660	WEST	EDDY

Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

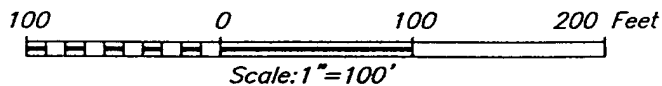
		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <i>Joe T. Janica</i> Date: 03/17/07</p> <p>Printed Name: Joe T. Janica</p> <p>Agent</p>
<p>BOTTOM HOLE LOCATION Y=433062.6 N X=609834.2 E</p>		<p>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>FEBRUARY 8, 2007</p> <p>Date Surveyed: REV.: MARCH 16, 2007 AR</p> <p>Signature & Seal of Professional Surveyor: <i>Ronald E. Edson</i> 03/16/07</p> <p>07.13.0361</p>
<p>PRODUCING AREA</p> <p>PROJECT AREA</p> <p>DETAIL</p> <p>2917.8' 2918.9' 2913.9' 2915.6'</p>		<p>Certificate No. GARY EDSON 12841</p> <p>RONALD E. EDSON 3239</p>
<p>GEODETTIC COORDINATES NAD 27 NME SURFACE LOCATION Y=433036.6 N X=614077.8 E</p> <p>LAT.=32.189997° N LONG.=103.964573° W</p>		

SECTION 27, TOWNSHIP 24 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF CO. RD. #746
 (MCDONALD RD.) AND CO. RD. #788A (SPURR),
 GO EAST ON MCDONALD RD. APPROX. 2.5 MILES.
 TURN RIGHT AND GO EAST APPROX. 0.9 MILES.
 THIS LOCATION IS APPROX. 250 FEET SOUTH.



POGO PRODUCING COMPANY

VORTEC 27 #2
 LOCATED 2010 FEET FROM THE NORTH LINE
 AND 380 FEET FROM THE EAST LINE OF SECTION 27,
 TOWNSHIP 24 SOUTH, RANGE 29 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

Survey Date: 02/08/07	Sheet 1 of 1 Sheets
W.O. Number: 07.11.0155	Dr By: AR
Date: 02/14/07	Disk: 07110155
	Scale: 1"=100'

PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 383-3117

COPYRIGHT 1990 MITCHELL ENGINEERING, PO BOX 1492. GOLDEN, CO, 80402, USA (303) 273 3744

LONG's METHOD OF SURVEY COMPUTATION

OBLIQUE CIRCULAR ARC INTERPOLATION

0	MD OF INTERPOLATION DEPTH,(feet)
#N/A	TVD COORDINATE OF THE DEPTH (feet)
#N/A	N/S COORDINATE OF DEPTH (feet)
#N/A	E/W COORDINATE OF DEPTH (feet)

3 D DISTANCE BETWEEN STATION A AND STATION B

DISTANCE TABLE

STATION A	STATION B
0.00	ft

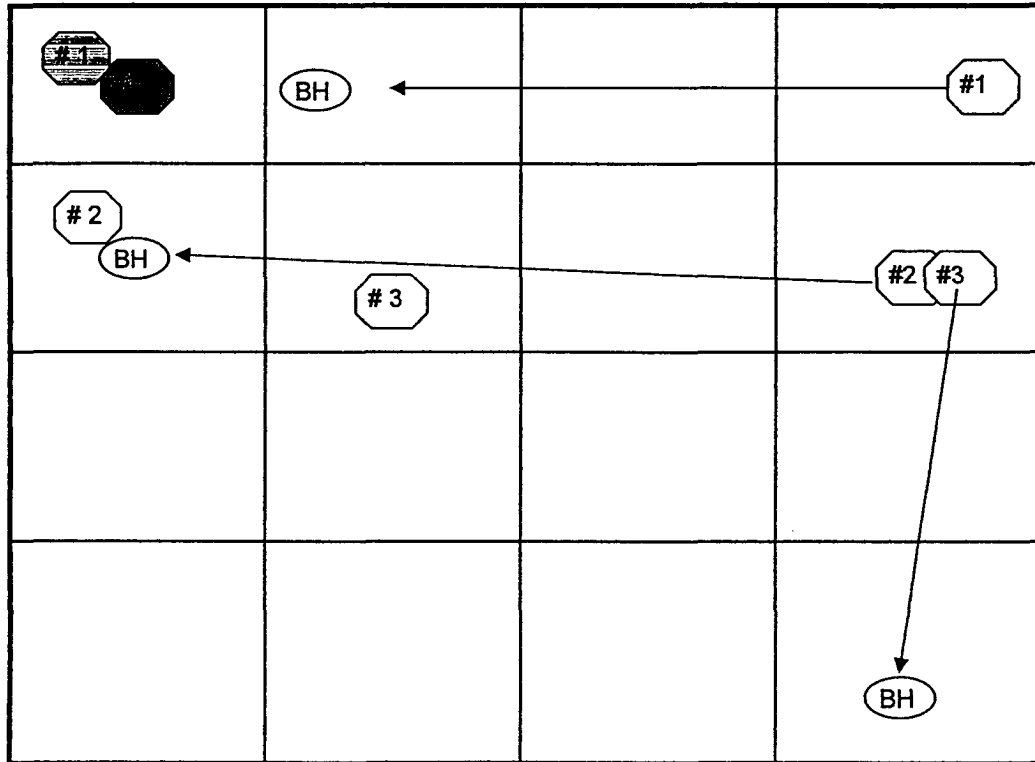
Calculator =

TABLE OF SURVEY STATIONS

STA #	ΔMD ft	INCL deg	AZIM deg	MD ft	TVD ft	N+/S- ft	E+/W- ft	DLS deg/100FT
1	TIE POINT =>	0	0	7225.00	7225.00	0.00	0.00	-
2	100	12	270.4054	7325.00	7324.27	0.07	-10.43	12.00
3	100	24	270.4054	7425.00	7419.20	0.29	-41.28	12.00
4	100	36	270.4054	7525.00	7505.65	0.65	-91.19	12.00
5	100	48	270.4054	7625.00	7579.83	1.12	-157.97	12.00
6	100	60	270.4054	7725.00	7638.50	1.69	-238.73	12.00
7	100	72	270.4054	7825.00	7679.10	2.33	-329.91	12.00
8	100	84	270.4054	7925.00	7699.85	3.03	-427.55	12.00
9	50	90	270.4054	7975.00	7702.46	3.38	-477.45	12.00
10	100	92	270.4054	8075.00	7700.72	4.09	-577.43	2.00
11	100	92	270.4054	8175.00	7697.23	4.79	-677.37	0.00
12	100	92	270.4054	8275.00	7693.74	5.50	-777.30	0.00
13	100	92	270.4054	8375.00	7690.25	6.21	-877.24	0.00
14	100	92	270.4054	8475.00	7686.76	6.91	-977.18	0.00
15	100	92	270.4054	8575.00	7683.27	7.62	-1077.11	0.00
16	100	92	270.4054	8675.00	7679.78	8.33	-1177.05	0.00
17	100	92	270.4054	8775.00	7676.29	9.04	-1276.99	0.00
18	100	92	270.4054	8875.00	7672.80	9.74	-1376.92	0.00
19	100	92	270.4054	8975.00	7669.31	10.45	-1476.86	0.00
20	100	92	270.4054	9075.00	7665.82	11.16	-1576.80	0.00
21	100	92	270.4054	9175.00	7662.33	11.86	-1676.73	0.00
22	100	92	270.4054	9275.00	7658.84	12.57	-1776.67	0.00
23	100	92	270.4054	9375.00	7655.35	13.28	-1876.61	0.00
24	100	92	270.4054	9475.00	7651.86	13.98	-1976.54	0.00
25	100	92	270.4054	9575.00	7648.37	14.69	-2076.48	0.00
26	100	92	270.4054	9675.00	7644.88	15.40	-2176.42	0.00
27	100	92	270.4054	9775.00	7641.39	16.11	-2276.35	0.00
28	100	92	270.4054	9875.00	7637.90	16.81	-2376.29	0.00
29	100	92	270.4054	9975.00	7634.41	17.52	-2476.23	0.00
30	100	92	270.4054	10075.00	7630.92	18.23	-2576.16	0.00
31	100	92	270.4054	10175.00	7627.43	18.93	-2676.10	0.00
32	100	92	270.4054	10275.00	7623.94	19.64	-2776.03	0.00
33	100	92	270.4054	10375.00	7620.45	20.35	-2875.97	0.00
34	100	92	270.4054	10475.00	7616.96	21.06	-2975.91	0.00
35	100	92	270.4054	10575.00	7613.47	21.76	-3075.84	0.00
36	100	92	270.4054	10675.00	7609.98	22.47	-3175.78	0.00
37	100	92	270.4054	10775.00	7606.49	23.18	-3275.72	0.00
38	100	92	270.4054	10875.00	7603.00	23.88	-3375.65	0.00

VORTEC 27 WELL GROUPINGS

Sec 27, T-24-S, R-29-E, Eddy County, New Mexico



Well Name	Legal Location in 22	Depth and Strata	Current Prod Zone
VORTEC 27 # 2	2010 FNL & 380 FEL	TD = 10,800 Horiz 1st Bone	PROPOSED
VORTEC 27 # 1	660 FNL & 330 FEL	TD = 10,848' Horiz 1st Bone Sprg	Drilled & Completed
VORTEC 27 # 3	2010 FNL & 330 FEL	TD= 10,140 Horiz 1st Bone	PROPOSED
Mobil 27 Fed # 1	660 ESL & 660 FWL	TD = 3031' Delaware	Drill & Abandoned
Cedar Canyon 27 Fd # 3	2310 FNL & 1980 FWL	NOT DRILLED	NOT DRILLED

APPLICATION TO DRILL

POGO PRODUCING COMPANY

VORTEC "27" #2

UNIT "H" SECTION 27

T24S-R29E EDDY CO. NM

In response to questions asked under Section II of Bulletin NTL-6 the following information on the above well is provided for your consideration.

1. Location of well: 330' FEL & 1650' FNL SECTION 27 T24S-R29E EDDY CO. NM

2. Ground Elevation above Sea Level: 2918' GR.

3. Geological age of surface formation: Quaternary Deposits:

4. Drilling tools and associated equipment: Conventional rotary drilling rig using drilling mud as a circulating medium to remove solids from hole.

5. Proposed drilling depth: MD-10,800' TVD-7700'

6. Estimated tops of geological markers:

Basal Anhydrite	2720'	Manzanita	3980'
Delaware Lime	2930'	Brushy Canyon	5050'
Bell Canyon	2960'	Bone Spring	6700'
Cherry Canyon	3830'	1st Bone Spring	7700'

7. Possible mineral bearing formations:

Bone Spring	Oil
1st Bone Spring Sd	Oil

8. Casing Program:

Hole Size	Interval	OD of Casing	Weight	Thread	Collar	Grade
26"	0-40'	20"	NA	NA	NA	Conductor
17½"	0-550'	13 3/8"	48#	8-R	ST&C	H-40
12½"	0-2900'	9 5/8"	40#	8-R	ST&C	J-55
8 ½" & 7 7/8"	0-10,800'	5½"	17#	8-R & Butt.	LT&C BTC	N-80

APPLICATION TO DRILL

POGO PRODUCING COMPANY
 VORTEC "27" #2
 UNIT "H" SECTION 27
 T24S-R29E EDDY CO. NM

9. CASING CEMENTING & SETTING DEPTHS:

20"	Conductor	Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
13 3/8"	Surface	Set 550' of 13 3/8" 48# H-40 ST&C casing. Cement with 150 Sx. of 65/35/6 Class "C" POZ/GEL, tail in with 200 Sx. of Class "C" cement + 2% CaCl, circulate cement.
9 5/8"	Intermediate	Set 2900' of 9 5/8" 40# J-55 ST&C casing. Cement with 800 Sx. of 65/35/6 Class "C" POZ/GEL + 5% Salt, tail in with 200 Sx. of Class "C" cement + 2% CaCl, circulate cement to surface.
5 1/2"	Production	Set 10,800' of 5 1/2" 17# N-80 LT&C & BTC cement with 900 Sx. of Class "C" Premium cement + additives, estimate top of cement 2900'.

10. PRESSURE CONTROL EQUIPMENT: Exhibit "E" shows a 900 Series 3000 PSI working pressure B.O.P. consisting of an annular bag type preventor, middle blind rams and bottom pipe rams. The B.O.P. will be nipped up on the 13 3/8" casing and tested to API specifications. The B.O.P. will be operated at least once in each 24 hour period and the blind rams will be operated each time the drill pipe is out of the hole on trips. Full opening stabbing valve and upper kelly cock will utilized. Exhibit "E-1" shows a hydraulically operated closing unit and a 3" 3000 PSI choke manifold with dual adjustable chokes. No abnormal pressures or temperatures are expected while drilling this well.

11. PROPOSED MUD CIRCULATING SYSTEM:

DEPTH	MUD WT.	VISC.	FLUID LOSS	TYPE MUD SYSTEM
40-550'	8.4-8.7	29-32	NC	Fresh water Spud Mud add paper to control seepage.
550-2900'	10.0-10.2	29-38	NC	Brine water use paper to control seepage and high viscosity sweeps to clean hole.
2900-10,800'	9.0-9.8	29-38	NC*	Cut brine use high viscosity sweeps to clean hole. If water loss control is necessary go to Dris-Pac system.

* Water loss control may be necessary to run logs, casing and/or DST's,

Sufficient mud materials will be kept on location at all times in order to combat lost circulation, or unexpected kicks. In order to run DST's, cut cores, run open hole logs and casing, the water loss may have to be reduced in order to get these things done.

APPLICATION TO DRILL

POGO PRODUCING COMPANY
VORTEC "27" #2
UNIT "H" SECTION 27
T24S-R29E EDDY CO. NM

12. LOGGING, CORING, & TESTING PROGRAM:

- A. Open hole logs: Dual Laterolog, SNP, LDT, MSFL, Gamma Ray, Caliper from 8200' back to 9 5/8" casing shoe.
- B. Cased hole logs: Gamma Ray, Neutron from 9 5/8" casing shoe to surface.
- C. Mud logger may be rigged up on the hole at 2900' and remain on the hole to 8200'.
- D. No cores or DST's are planned at this time.

13. POTENTIAL HAZARDS:

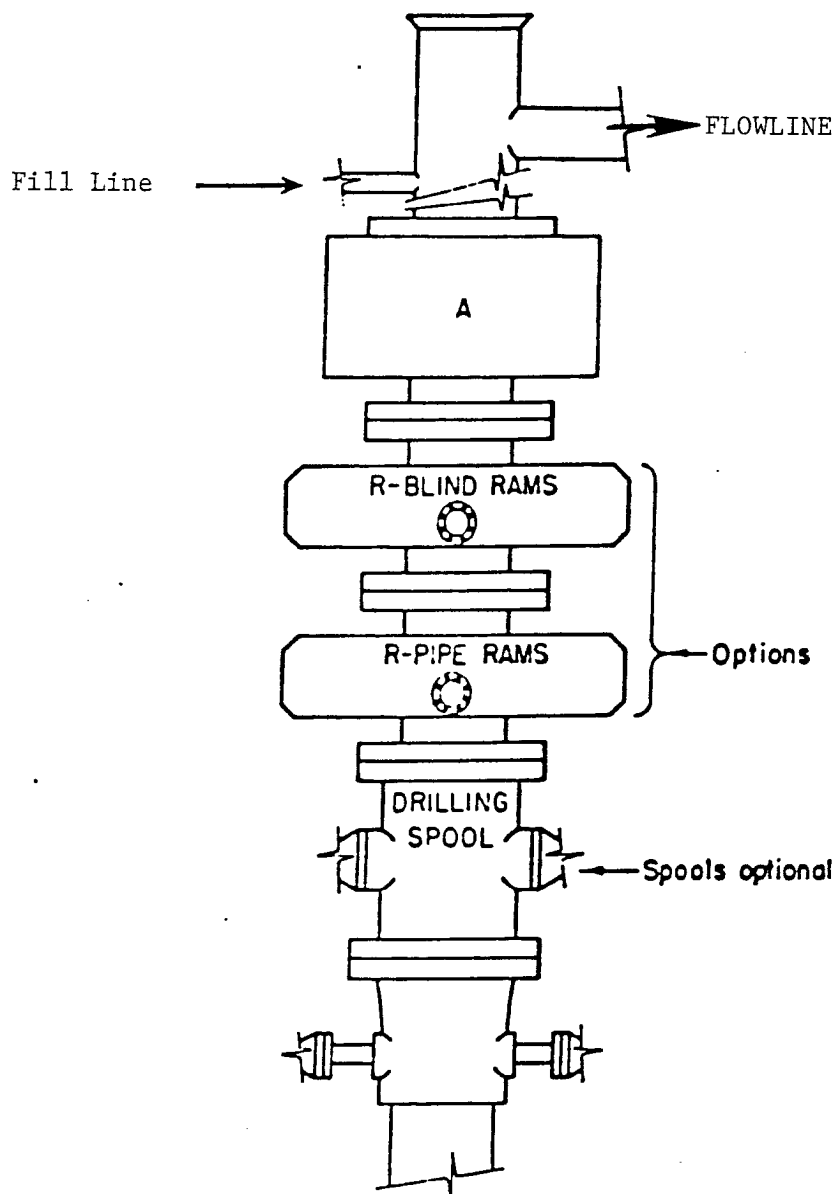
No abnormal pressures or temperatures are expected. There is no known presence of H²S in this area. If H²S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 4000± PSI, and Estimated BHT 180°.

14. ANTICIPATED STARTING DATE AND DURATION OF OPERATION:

Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon after BLM approval and as soon as a rig will be available. Move in operation and drilling is expected to take 30 days. If production casing is run then an additional 30 days will be needed to complete well and construct surface facilities and/or lay flowlines in order to place well on production.

15. OTHER FACETS OF OPERATIONS:

After running casing, cased hole Gamma Ray, Neutron Collar logs will be run from TD back to all possible productive zones. The Bone Spring formation will be perforated and stimulated in order to establish production. The well will be swab tested and potentialized as an oil well.

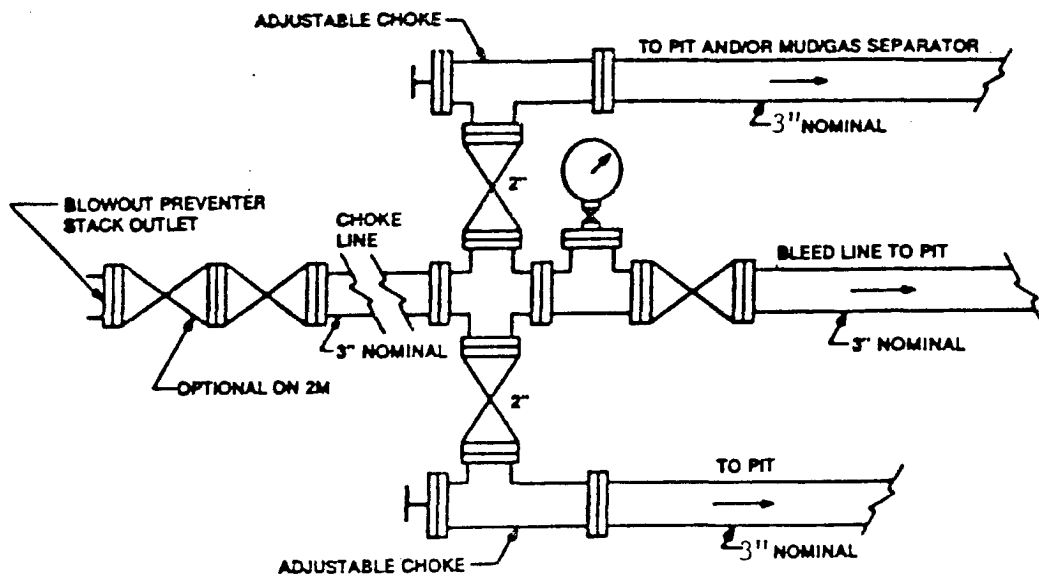


ARRANGEMENT SRRA

SERIES 900 3000 PSI WP

EXHIBIT "E"
SKETCH OF B.O.P. TO BE USED ON

POGO PRODUCING COMPANY
VORTEC "27" #2
UNIT "H" SECTION 27
T24S-R29E EDDY CO. NM



Typical choke manifold assembly for 3M WP system

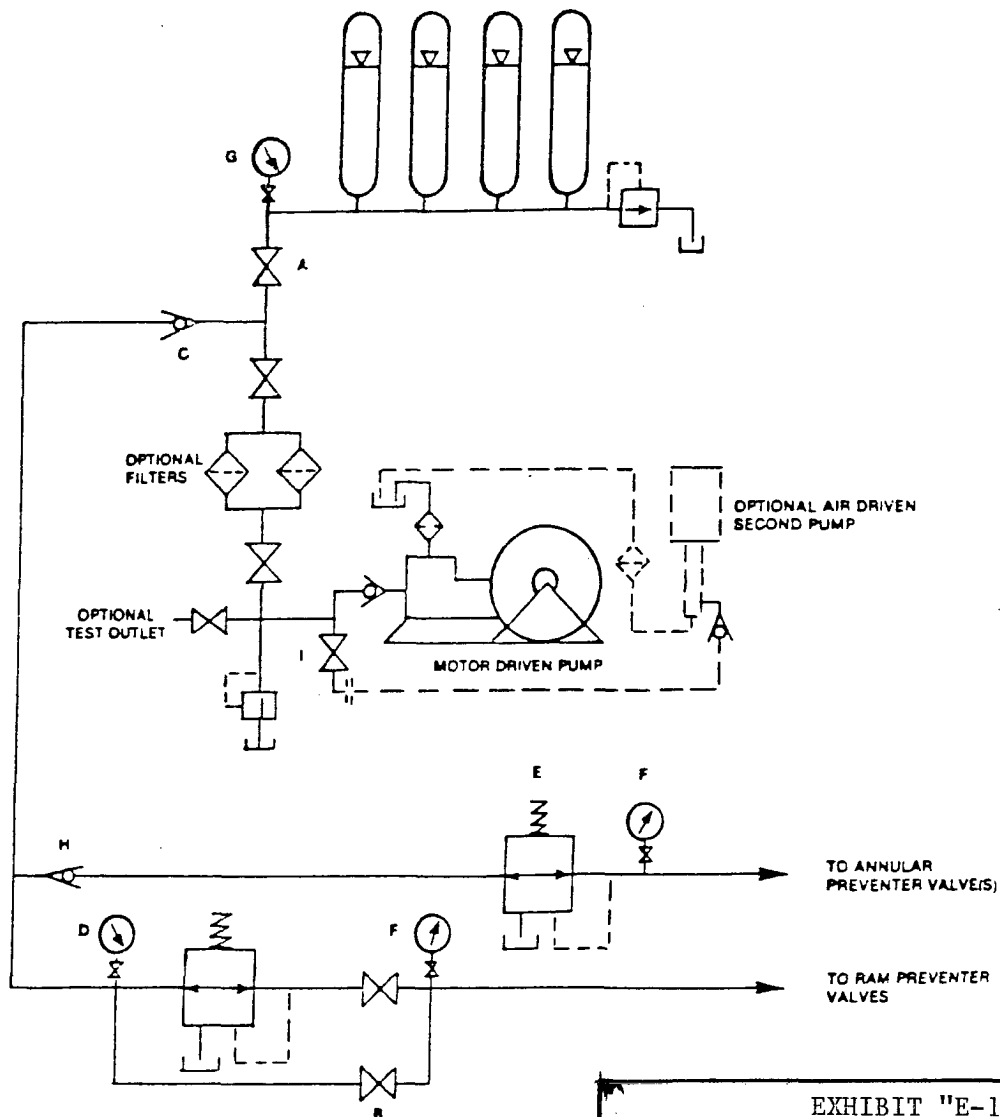


EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

POGO PRODUCING COMPANY
VORTEC "27" #2
UNIT "H" SECTION 27
T24S-R29E EDDY CO. NM

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

1. All Company and Contract personnel admitted on location must be trained by a qualified H₂S safety instructor to the following:
 - A. Characteristics of H₂S
 - B. Physical effects and hazards
 - C. Proper use of safety equipment and life support systems.
 - D. Principle and operation of H₂S detectors, warning system and briefing areas.
 - E. Evacuation procedure, routes and first aid.
 - F. Proper use of 30 minute pressure demand air pack.
2. H₂S Detection and Alarm Systems
 - A. H₂S detectors and audio alarm system to be located at bell nipple, end of blooie line (mud pit) and on derrick floor or doghouse.
3. Windsock and/or wind streamers
 - A. Windsock at mudpit area should be high enough to be visible.
 - B. Windsock at briefing area should be high enough to be visible.
 - C. There should be a windsock at entrance to location.
4. Condition Flags and Signs
 - A. Warning sign on access road to location.
 - B. Flags to be displayed on sign at entrance to location. Green flag, normal safe condition. Yellow flag indicates potential pressure and danger. Red flag, danger, H₂S present in dangerous concentration. Only emergency personnel admitted to location.
5. Well control equipment
 - A. See exhibit "E"
6. Communication
 - A. While working under masks chalkboards will be used for communication.
 - B. Hand signals will be used where chalk board is inappropriate.
 - C. Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephoned will be available at most drilling foreman's trailer or living quarters.
7. Drillstem Testing
 - A. Exhausts will be watered.
 - B. Flare line will be equipped with an electric ignitor or a propane pilot light in case gas reaches the surface.
 - C. If location is near any dwelling a closed D.S.T. will be performed.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

8. Drilling contractor supervisor will be required to be familiar with the effects H_2S has on tubular goods and other mechanical equipment.
9. If H_2S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with H_2S scavengers if necessary.

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: POGO Producing Company

Well Name & No: Vortec 27 No 02

SHL: 200' FNL & 330' FEL, BHL: 1980' FNL & 660' FWL, Sec.27, T. 24 S., R. 29 E.

Lease: NM 94651

Eddy County, New Mexico

.....

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) 361-2822 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: 13 3/8 inch; 9 5/8 inch; 5 1/2 inch.

C. BOP Tests

2. A Hydrogen Sulfide (H2S) Drilling Plan is not required for this well bore.

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.

6. A communitization agreement shall be submitted to this office for approval prior to any sales from this well.

II. CASING:

1. The 13 3/8 inch shall be set at 350 Feet with 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 9 5/8 inch Intermediate casing is to circulate to surface.

3. The minimum required fill of cement behind the 5 1/2 inch Production casing is to tie back by at least 200 ft.

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 13 3/8 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.

(III Cont):

2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 3 M psi.

3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the test.

- The test 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 safe workman-like manner. Hard line connections shall be required.
- Both low pressure and high pressure testing of BOPE is required.

G. Gourley RFO 09/ 25 / 2006