DEPARTMENT OF THE INTERIOR

Expires: February 28, 1995

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-ARTESIA

OR DEEPEN

Month - Year MAR 26 2007 OCD - ARTESIA, NM

1a. TYPE OF WORK: DRI

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR: POGO PRODUCING COMPANY 17891 (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 any State requirements.*)
At surface: ~~1650'~~ 330' FNL & ~~430'~~ FEL SECTION 27 T24S-R29E EDDY CO. NM (2010 Per Survey dated 3-16-07 JD)
At proposed prod. zone: 330' FSL & 660' FEL SECTION 27 T24S-R29E EDDY CO. NM

5. LEASE DESIGNATION AND SERIAL NO.: NM-94651

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME, WELL NO.: VORTEC "27" # 3 35900

9. API WELL NO.: 30-015-35493

10. FIELD AND POOL, OR WILDCAT: PIERCE CROSSING-BONE SPRING E251

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: SECTION 27 T24S-R29E

12. COUNTY OR PARISH: EDDY CO. 13. STATE: NEW MEXICO

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

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 430'

16. NO. OF ACRES IN LEASE: 440

17. NO. OF ACRES ASSIGNED TO THIS WELL: ~~120~~ 80 (40)

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

19. PROPOSED DEPTH: MD-10,137' TVD-7700'

20. ROTARY OR CABLE TOOLS: ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 2918' GR.

CARLSBAD CONTROLLED WATER BASIN

22. APPROX. DATE WORK WILL START*: WHEN APPROVED

23. PROPOSED CASING AND CEMENTING PROGRAM Bond # WYB000238

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
12¼"	J-55 9 5/8"	40#	2860'	1000 Sx. " "
8½" & 7 7/8"	N-80 5½"	17#	10,137'	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.

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 12¼" 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 preventer program, if any.

24.

SIGNED Joe T. Janica TITLE Agent DATE 09/01/06

(This space for Federal or State office use)

PERMIT NO. APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED APPROVAL DATE SEE ATTACHED FOR CONDITIONS OF APPROVAL

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:

APPROVED BY /s/ Don Peterson TITLE ACTING FIELD MANAGER DATE MAR 22 2007

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the

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 October 12, 2005
Submit to Appropriate District Office
State Lease – 4 Copies
Fee Lease – 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
	96473	PIERCE CROSSING-BONE SPRING, East

Property Code	Property Name	Well Number
	VORTEC 27	3

OGRID No.	Operator Name	Elevation
017891	POGO PRODUCING COMPANY	2916'

Surface Location

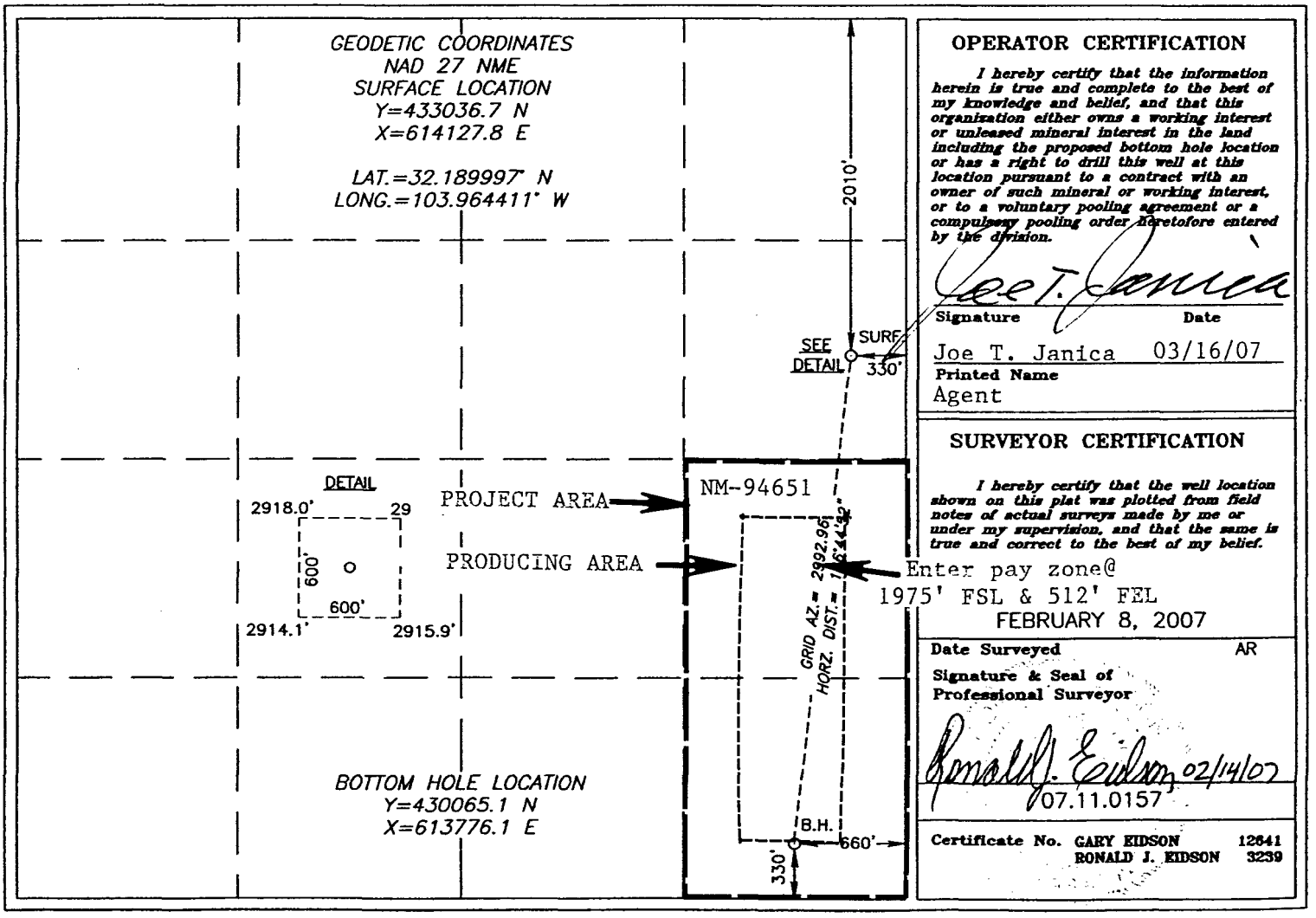
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	27	24-S	29-E		2010	NORTH	330	EAST	EDDY

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
P	27	24-S	29-E		330	SOUTH	660	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
80			

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



OPERATOR CERTIFICATION

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.

Joe T. Janica

Signature Date

Joe T. Janica 03/16/07

Printed Name

Agent

SURVEYOR CERTIFICATION

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.

Date Surveyed AR

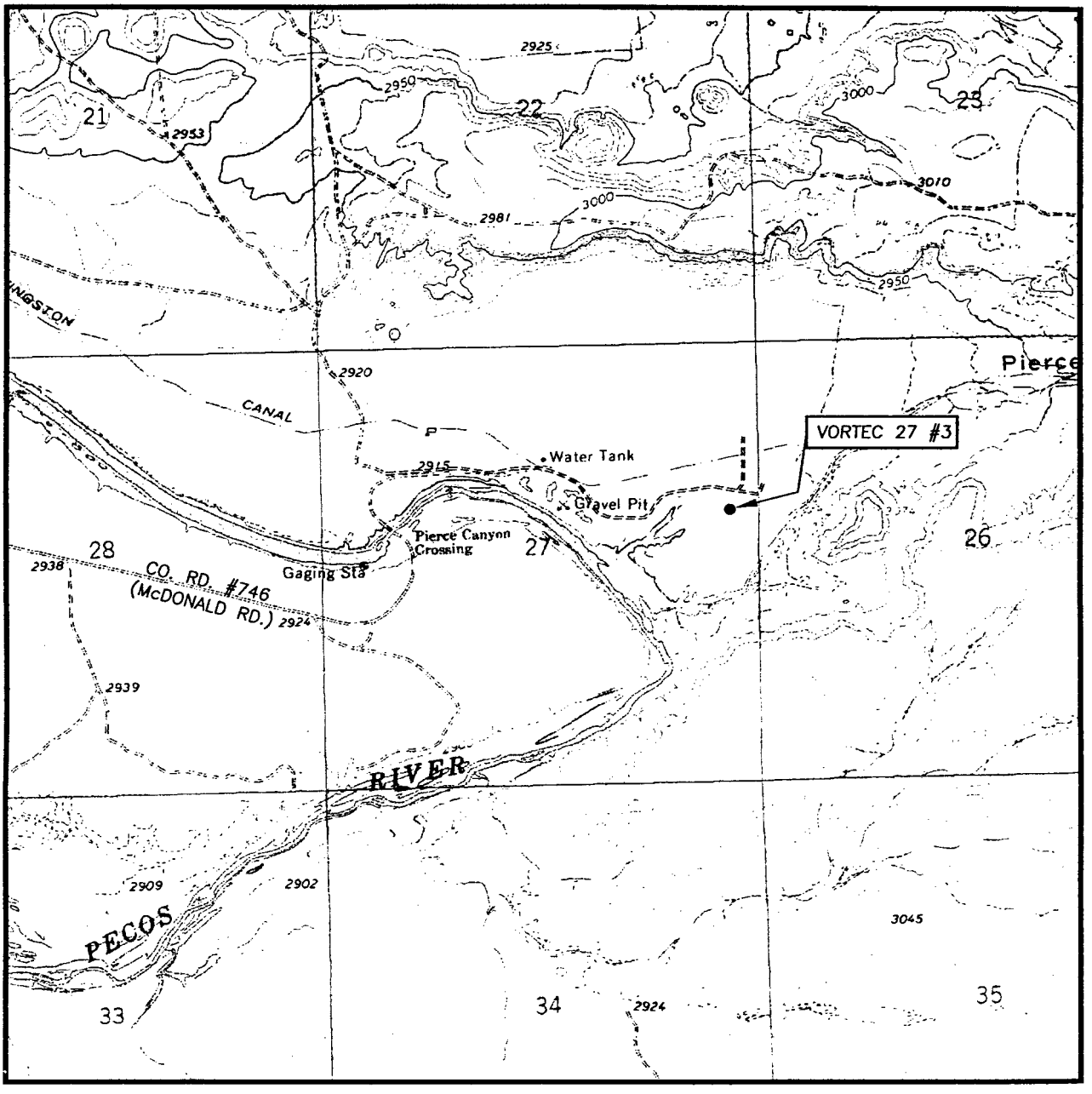
Signature & Seal of Professional Surveyor

Ronald J. Eidson 02/14/07

07.11.0157

Certificate No. GARY EIDSON 12641
RONALD J. EIDSON 3239

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
PIERCE CANYON, N.M. – 10'

SEC. 27 TWP. 24-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 2010' FNL & 330' FEL

ELEVATION 2916'

OPERATOR POGO PRODUCING COMPANY

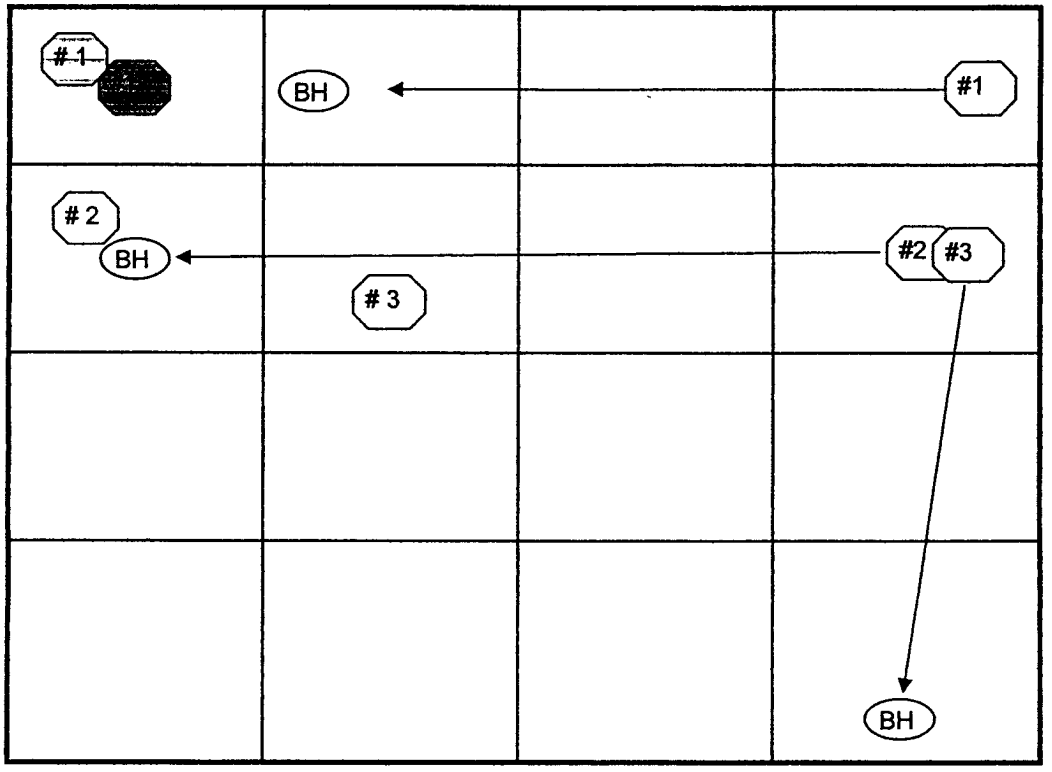
LEASE VORTEC 27

U.S.G.S. TOPOGRAPHIC MAP
PIERCE CANYON, N.M.

PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

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 # 3	2010 FNL & 330 FEL	TD= 9419' Horiz 1st Bone	PROPOSED
VORTEC 27 # 1	660 FNL & 330 FEL	TD = 10,848' Horiz 1st Bone Sprg	Drilled & Completed
VORTEC 27 # 2	1650 FNL & 330 FEL	TD = 10,800 Horiz 1st Bone	PROPOSED
Mobil 27 Fed # 1	660 FSL & 660 FWL	TD = 3031' Delaware	Drill & Abandoned
Cedar Canyon 27 Fd # 3	2310 FNL & 1980 FWL	NOT DRILLED	NOT DRILLED

AFE VORTEC 27 # 3H

MITCHELL ENGINEERING PROGRAMS

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)

DISTANCE TABLE

STATION A	STATION B	
3 D DISTANCE BETWEEN STATION A AND 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	650.00	650.00	0.00	0.00	-
2	100	3	186.4044	750.00	749.95	-2.60	-0.29	3.00
3	100	6	186.4044	850.00	849.63	-10.40	-1.17	3.00
4	100	9	186.4044	950.00	948.77	-23.37	-2.62	3.00
5	100	12	186.4044	1050.00	1047.08	-41.47	-4.66	3.00
6	100	14	186.4044	1150.00	1144.51	-63.83	-7.16	2.00
7	100	14	186.4044	1250.00	1241.54	-87.87	-9.86	0.00
8	100	14	186.4044	1350.00	1338.57	-111.91	-12.56	0.00
9	500	14	186.4044	1850.00	1823.72	-232.12	-26.05	0.00
10	500	14	186.4044	2350.00	2308.87	-352.32	-39.55	0.00
11	500	14	186.4044	2850.00	2794.02	-472.53	-53.04	0.00
12	100	14	186.4044	2950.00	2891.05	-496.57	-55.74	0.00
13	500	14	186.4044	3450.00	3376.19	-616.78	-69.23	0.00
14	500	14	186.4044	3950.00	3861.34	-736.98	-82.72	0.00
15	500	14	186.4044	4450.00	4346.49	-857.19	-96.22	0.00
16	500	10	186.4044	4950.00	4835.46	-960.47	-107.81	0.80
17	500	5	186.4044	5450.00	5331.03	-1025.31	-115.09	1.00
18	500	5	186.4044	5950.00	5829.13	-1068.62	-119.95	0.00
19	100	5	186.4044	6050.00	5928.75	-1077.28	-120.92	0.00
20	100	5	186.4044	6150.00	6028.37	-1085.94	-121.89	0.00
21	100	5	186.4044	6250.00	6127.99	-1094.60	-122.86	0.00
22	100	5	186.4044	6350.00	6227.60	-1103.26	-123.84	0.00
23	100	5	186.4044	6450.00	6327.22	-1111.92	-124.81	0.00
24	896	0	186.4044	7346.00	7222.09	-1150.75	-129.17	0.56
25	100	12	186.4044	7446.00	7321.36	-1161.12	-130.33	12.00
26	100	24	186.4044	7546.00	7416.29	-1191.77	-133.77	12.00
27	100	36	186.4044	7646.00	7502.73	-1241.37	-139.34	12.00
28	100	48	186.4044	7746.00	7576.91	-1307.74	-146.79	12.00
29	100	60	186.4044	7846.00	7635.58	-1387.99	-155.79	12.00
30	100	72	186.4044	7946.00	7676.18	-1478.61	-165.97	12.00
31	100	84	186.4044	8046.00	7696.94	-1575.64	-176.86	12.00
32	50	90	186.4044	8096.00	7699.55	-1625.23	-182.42	12.00
33	100	90	186.4044	8196.00	7699.55	-1724.61	-193.58	0.00
34	100	90	186.4044	8296.00	7699.55	-1823.99	-204.73	0.00
35	100	90	186.4044	8396.00	7699.55	-1923.36	-215.89	0.00
36	100	90	186.4044	8496.00	7699.55	-2022.74	-227.04	0.00
37	100	90	186.4044	8596.00	7699.55	-2122.11	-238.20	0.00
38	100	90	186.4044	8696.00	7699.55	-2221.49	-249.35	0.00
39	100	90	186.4044	8796.00	7699.55	-2320.87	-260.51	0.00
40	100	90	186.4044	8896.00	7699.55	-2420.24	-271.66	0.00
41	100	90	186.4044	8996.00	7699.55	-2519.62	-282.81	0.00
42	100	90	186.4044	9096.00	7699.55	-2618.99	-293.97	0.00
43	100	90	186.4044	9196.00	7699.55	-2718.37	-305.12	0.00

AFE VORTEC 27 # 3H

MITCHELL ENGINEERING PROGRAMS

STA #	ΔMD ft	INCL deg	AZIM deg	MD ft	TVD ft	N+/S- ft	E+/W- ft	DLS deg/100FT
44	100	90	186.4044	9296.00	7699.55	-2817.74	-316.28	0.00
45	100	90	186.4044	9396.00	7699.55	-2917.12	-327.43	0.00
46	23	90	186.4044	9419.00	7699.55	-2939.98	-330.00	0.00
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APPLICATION TO DRILL

POGO PRODUCING COMPANY
VORTEC "27" #3
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 providedfor your consideration.

1. Location of well: 430' 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-10137' 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
12¼"	0-2900'	9 5/8"	40#	8-R	ST&C	J-55
8 ½" &7 7/8"	0-10,137'	5½"	17#	8-R & Butt.	LT&C BTC	N-80

APPLICATION TO DRILL

POGO PRODUCING COMPANY
VORTEC "27" #3
UNIT "H" SECTION 27
T24S-R29E EDDY CO. NM

9. CASING CEMENTING & SETTING DEPTHS:

20"	Consuctor	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 2oo Sx. of Class "C" cement + 2% CaCl, circulate cement to surface.
5½"	Production	Set 10,137' of 5½" 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 nippled 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.
2900-10,137'	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.

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 ramain on the hole to 8200'.

D. No cores or DST's are planned at this time.

13. POTENTIAL HAZARDS:

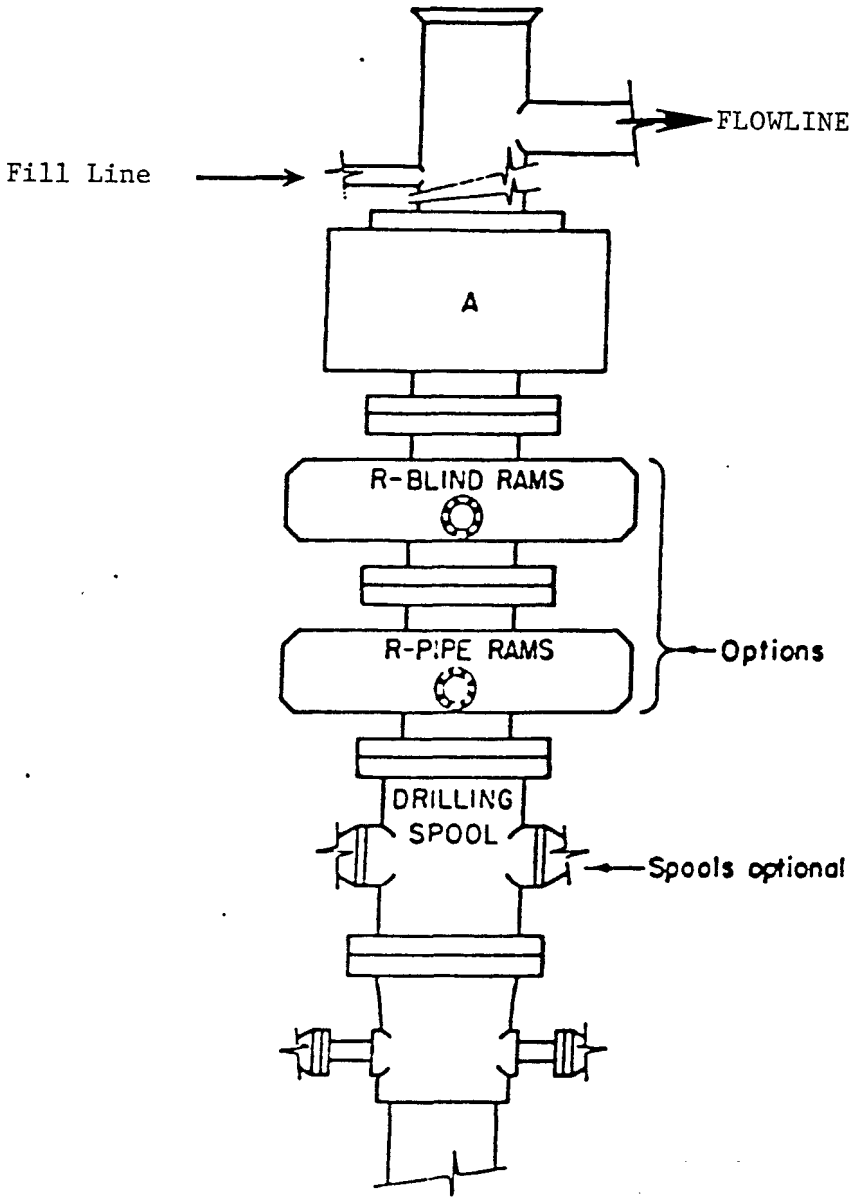
No abnormal pressures or temperatures are expected. There is no known presence of H^2S in this area. If H^2S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe 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 potentialed as an oil well.

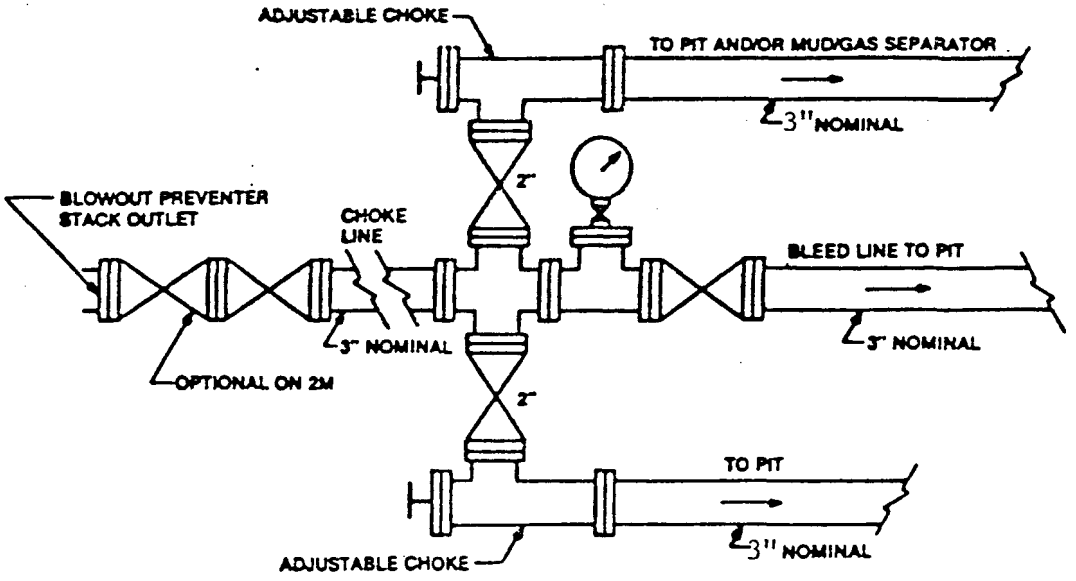


ARRANGEMENT SRRA

SERIES 900 3000 PSI WP

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

POGO PRODUCING COMPANY
VORTEC "27" #3
UNIT "H" SECTION 27
T24S-R29E EDDY CO. NM



Typical choke manifold assembly for 3M WP system

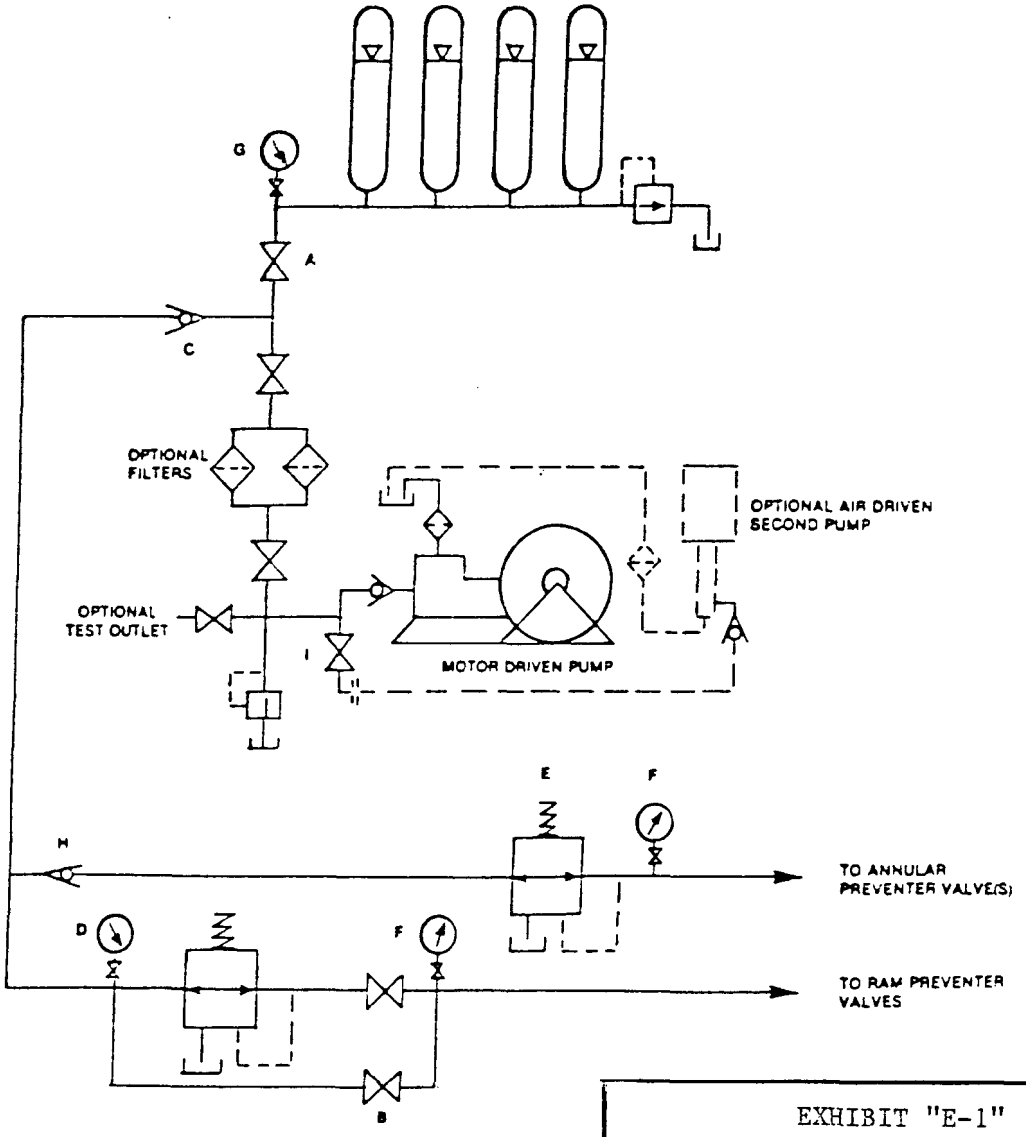


EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

POGO PRODUCING COMPANY
VORTEC "27" #3
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 H_2S safety instructor to the following:

   A. Characteristics of H_2S
   B. Physical effects and hazzards
   C. Proper use of safety equipment and life support systems.
   D. Principle and operation of H_2S detectors, warning system and briefing areas.
   E. Evacuation procedure, routes and first aid.
   F. Proper use of 30 minute pressure demand air pack.

2. H_2S Detection and Alarm Systems

   A. H_2S 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, H_2S 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.

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 seperator 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 03
SHL: 2010' FNL & 330' FEL, BHL: 330' FSL & 660' FEL, 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 ⅜ inch; 9 ⅝ inch; 5 ½ 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 form this well.

II. CASING:

1. The 13 ⅜ 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 ⅝ inch Intermediate casing is to **circulate to surface.**

3. The minimum required fill of cement behind the 5 ½ 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 ⅜ 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**