NEW MEXICO OIL CONSERVATION DIVISION DISTRICT 2 OFFICE 1301 W. GRAND AVENUE ARTESIA, NM 88210 (575)748-1283

CONDITIONS OF APPROVAL

Smith & Marrs Dagger Draw SWD #1 30-015-25003

- 1. Notify NMOCD Dist. 2 office 24 hrs. prior to beginning work.
- 2. Trucking companies being used to haul oilfield waste to disposal facilities commercial or private- shall have an approved NMOCD C-133 Permit. A copy of this permit shall be available in each truck used to transport waste products. It is the responsibility of the operator as well as the contractor to verify that this permit is in place. Drivers shall make permit available upon request of an OCD inspector.
- 3. Reasonable effort should be made to retrieve stuck packer at 7769', prior to setting plugs.
- 4. Mud laden fluids mixed at 25 sx. of gel per 100 bbls of water to be placed between all cement plugs.
- 5. If well is not capable of being converted to a producer, submit a plugging procedure to Dist. 2 office.
- 6. If well is put on production, submit a C-103 to change well name.

DG 5/4/2011