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Sent: Thursday, October 26, 2000 3:43 PM
Subject: Long Surface Casing String Requirements-BLM

The attached information is from Bob Gallagher.

Yesterday, at our quarterly BLM/Industry SE New Mexico Working Committee, we discussed with BLM the issue of a new requirement concerning surface casing string. The BLM has been requiring running long surface casing string to protect waters with 10,000 PPM of chloride.

We told the committee that we did not believe the new requirement was necessary and that it had not been previously discussed with industry prior to implementation. In fact, it had not been properly administratively processed in the BLM office. Based upon that we requested that the BLM suspend the new requirement until it could be further studied. We suggested a committee made up of BLM, industry, OCD, and the State Engineer's Office.

BLM agreed with our statements and has suspended this new requirement effective immediately. This is for work coming out of the Carlsbad and Roswell Field offices. If you have a pending application or an approved application and the well has not been drilled, contact the BLM for the removal of this requirement.

We will keep you up to date as the committee starts meeting. If you have an interest in serving on the committee, let me know and we will see if we can accommodate you.

Thanks to everyone for their input and work on this issue. Feel free to give me a call at 505.982.2568 if you have any questions or require additional information.

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