



N.M.O.C.D. COPY  
United States Department of the Interior

GEOLOGICAL SURVEY

SPECIAL APPROVAL STIPULATIONS

THE FOLLOWING DATA IS REQUIRED ON THE WELL SIGN:

YATES PETROLEUM CORPORATION  
Murphy NW Federal No. 1  
NW $\frac{1}{4}$ SW $\frac{1}{4}$  Sec. 3 T. 18S R. 25E  
Eddy County New Mexico  
Lease No. NM-14757

9.7

THE SPECIAL STIPULATIONS CHECK MARKED BELOW ARE APPLICABLE TO THE ABOVE-DESCRIBED WELL AND APPROVAL OF THIS APPLICATION TO DRILL IS CONDITIONED UPON COMPLIANCE WITH SUCH STIPULATIONS. EACH PERMITTEE HAS THE RIGHT OF ADMINISTRATIVE APPEAL TO THESE SPECIAL STIPULATIONS PURSUANT TO TITLE 30 CFR 290.

- ☒ A. 13 $\frac{3}{8}$ " surface casing should be set in the Rustler Anhydrite formation and cement circulated to the surface. If surface casing is set at a lesser depth, the \_\_\_\_\_ casing must be cemented from the casing shoe to the surface or cemented to the surface through a stage tool set at least 50 feet below the top of the Rustler after cementing around the shoe with sufficient cement to fill to the base of the salt section.
- ☒ B. Before drilling below the 8 $\frac{5}{8}$ " casing, the blowout preventer assembly will consist of a minimum of one annular type and two ram type preventers.
- ☐ C. Casing protectors will be run on drill pipe while drilling through the \_\_\_\_\_ casing. Protectors will be of sufficient number and of sufficient outside diameter to protect the casing.
- ☒ D. Minimum required fill of cement behind the 8 $\frac{5}{8}$ " casing is to circulate to surface.
- ☒ E. After setting the 8 $\frac{5}{8}$ " casing string and before drilling into the WOLF CAMP formation, the blowout preventers and related control equipment shall be pressure tested to rated working pressures by an independent service company. Any equipment failing to test satisfactorily shall be repaired or replaced. This office should be notified in sufficient time for a representative to witness the tests and shall be furnished a copy of the pressure test report.
- ☒ F. Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be installed and operating before drilling into the WOLF CAMP formation and used until production casing is run and cemented. Monitoring equipment shall consist of the following:
- (1) A recording pit level indicator to determine pit volume gains and losses.
  - (2) A mud volume measuring device for accurately determining mud volume necessary to fill the hole on trips.
  - (3) A flow sensor on the flow-line to warn of any abnormal mud returns from the well.
- ☒ G. All pits containing toxic liquids will be fenced and covered with a fine mesh netting, if necessary for the protection of livestock or wildlife.
- ☒ H. Above ground permanent structures and equipment shall be painted in accordance with the Painting Guidelines. The paint color is to simulate:
- ☒ Sandstone Brown, Fed. Std. 595-20318 or 30318
- OR ☒ Sagebrush Gray, Fed. Std. 595-26357 or 36357
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