



NELSON, ...

United States Department of the Interior

GEOLOGICAL SURVEY

SPECIAL APPROVAL STIPULATIONS

THE FOLLOWING DATA IS REQUIRED ON THE WELL SIGN:

CONOCO, INC.
Penny Federal Com No. 2
SW 1/4 NE 1/4 Sec. 23 T. 20S R. 24E
Eddy County New Mexico
Lease No. NM-045274

PERMIT NO.
NOV 1980
O. C. ...
ARTESIAN ...

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 3/8" surface casing should be set in the Rustler Anhydrite formation and cement circulated to the surface.
B. Before drilling below the 9 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.
D. Minimum required fill of cement behind the 9 5/8" casing is to circulate to surface.
E. After setting the 9 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.
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.
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.
OR
Paint color: Wolfcamp Gray, Fed. Std. 595-26318 or 36318
Sagebrush Gray, Fed. Std. 595-26357 or 36357