April 24, 1974

Hanagan Petroleum Corporation

Roswell, New Mexico

Attn: Drilling Dept.

RE: BOP Test - Your Ocotilla Hills #1

Gentlemen:

We made a hydrostatic pressure test to captioned blowout control equipment on April 23, 1974, and wish to advise the following:

At the conclusion of testing:

Items of the blowout control equipment from top of test plug landed in casing head up through Hydril were tested to 3000# with separate tests being made at the pressure of 5000# to blind rams, pipe rams, chokeline, choke-manifold, and to the valves and fittings of the bop stack proper.

There were no visible leak to items tested at the conclusion of testing.

No delay was observed to operation of blowout control equipment at the conclusion of testing. Closures were made using closing unit pump only to the observed pressure of 2500# for test to ram type bops and 1000# for test to Hydril. Accumulators were pressured to 2500# at end of test. Control valves operated as indicated on closing unit manifold at end of test. Bop extentions were hooked up - rig drilling.

No test desired to top of casing using packer, nor to the upper kelly cock, to the lower kelly cock, or to the drill pipe safety value.

Please contact us if you have any question concerning the above or any phase of this test.