

8. Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be installed and operating before drilling into the Wolfcamp 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.
9. Notify the Survey in sufficient time to witness the cementing of the 13-3/8" and 9-5/8" casing.
10. Cement behind the 13-3/8" and 9-5/8" casing must be circulated.
11. Access road shall be designed to minimize cuts and fills and shall be constructed with erosion-prevention considerations such as the use of waterbars, culverts, etc., as needed.
12. Dikes and water retention structures shall be constructed at the time of surface disturbance to prevent erosion of the drill site from surface washing.

Sincerely yours,

(Orig. Sgd.) ALBERT R. STALL

Albert R. Stall
Acting District Engineer