

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 setting and cementing of the 8-5/8" casing. If a DV tool is used in the 8-5/8" casing string, its setting depth must be at least 100' below the top of the capitan reef.
10. Cement behind the 11-3/4" and 8-5/8" casing must be circulated.

Sincerely yours,

Albert R. Stahl
Acting District Engineer