

7. 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.
8. Notify the Survey in sufficient time to witness the cementing of the 20" and 13-3/8" casing.
9. Cement behind the 20" and 13-3/8" casing must be circulated.
10. A gamma ray-neutron log must be run from the base of the Salado to the surface.
11. Please have anyone contacting the Survey in regard to this well to identify the well with all of the information required above for the well sign.

Sincerely yours,

(ORIG. SGD.) GENE F. DANIEL

ACTING Area Oil and Gas Supervisor

Enclosure

cc:

Regional Manager, Denver
 Mining Branch (2)
 BLM, Roswell (w/cy notice)
 Artesia
 Roswell (w/cy notice)
 Area Potash
 Area Chrono
 District Potash
 District Chrono
NMOCD, Artesia (2) (w/2 cys Notice)