



United States Department of the Interior

GEOLOGICAL SURVEY

SPECIAL APPROVAL STIPULATIONS

RECEIVED

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O. C. D.
ARTESIA, OFFICE

THE FOLLOWING DATA IS REQUIRED ON THE WELL SIGN:

YATES PETCORP Serpentine Bend U.T. No. 1	
OPERATOR	WELL DESIGNATION
25-245-235	
S-T-R	COUNTY
NM 12391-A	
LEASE NO.	

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. If surface casing is set at a lesser depth, the _____ casing must be cemented from the casing shoe to the surface or cemented to the surface through a stage tool set at least 50 feet below the top of the Rustler after cementing around the shoe with sufficient cement to fill to the base of the salt section.
- ☒ B. Before drilling below the 8 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. Protectors will be of sufficient number and of sufficient outside diameter to protect the casing.
- ☒ D. Minimum required fill of cement behind the 8 5/8" casing is to circulate to surface.
- ☒ E. After setting the 8 5/8" casing string and before drilling into the WOLFCAMP formation, the blowout preventers and related control equipment shall be pressure tested to rated working pressures by an independent service company. Any equipment failing to test satisfactorily shall be repaired or replaced. This office should be notified in sufficient time for a representative to witness the tests and shall be furnished a copy of the pressure test report.
- ☒ F. 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.
- ☒ 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. The paint color is to simulate:
- ☒ Sandstone Brown, Fed. Std. 595-20318 or 30318
- OR ☒ Sagebrush Gray, Fed. Std. 595-26357 or 36357
- ☐

- ☒ 1. A kelly cock will be installed and maintained in operable condition.
- ☒ J. The Artesia Sub-District Office is to be notified in sufficient time for a representative to witness:
- (a) Spudding ☒
- (b) Cementing casing
- 8 9/8 inch
- _____ inch
- _____ inch
- (c) ~~BOP tests~~
- ☐ K. A Communitization Agreement covering the acreage dedicated to the well must be filed for approval with the U. S. Geological Survey, P. O. Box 26124, Albuquerque, New Mexico 87125. The effective date of the agreement must be prior to any sales.
- ☐ L. A Gamma Ray-Compensated Neutron log is required from the base of the salt section to the surface with cable speed not to exceed 30 feet per minute.
- ☒ M. At least one working day prior to constructing the well pad, access roads and/or related facilities, the operator or dirt contractor shall notify the authorized officer (Bureau of Land Management, CARLSBAD area). He shall also notify the Authorized Officer within two working days after completion of earth-moving activities.
- ☒ N. All access roads constructed in conjunction with the drilling permit (APD) will be limited to a 12 foot wide driving surface, excluding turn-arounds. Surface disturbance associated with construction and/or use of the road will be limited to 20 feet in width. If well is a producer, all roads will be adequately drained to control runoff and soil erosion. Drainage facilities may include ditches, water bars, culverts and/or any other measures deemed necessary by the authorized officer of the BLM. The following is a general guide for the spacing of water bars:
- % Slope
- | | |
|------------------------|---------|
| less than 2% | 200 ft. |
| 2% to 4% | 100 ft. |
| 4% to 5% | 75 ft. |
| more than 5% | 50 ft. |
- ☒ O. Other special stipulations

a. Any permanent pit containing waste oil must be fenced and covered with mesh wire.

b. SEE ATTACHED 6 STIPS.