(6) Waiting on cement time for each casing string.

(7) Casing pressure tests after cementing including test pressure and results.

8. DRILLSTEM TESTS:

A. Estimated amounts of oil and gas recovered and/or produced during drillstem tests are to be shown in the driller's log and reported in accordance with NTL-4A.

9. GAS FLARING:

Pursuant to NTL-4A

10. WATER DISPOSAL:

A. An application for approval of the disposal method for water production from all new wells must be filed with the District Engineer prusuant to Section VII of NTL-2B. Failure to timely file such application will be considered an incident of non-compliance and will be grounds for issuing a shut-in order until the application is submitted.

11. SAFETY:

A. All rig heating stoves are to be the explosion-proof type.

B. Drilling rig engines should have water cooled exhausts.

C. Rig safety lines are to be installed.

D. Hard hats must be utilized.

12. SUBSEQUENT OR CHANGE OF PLANS.

A. Any additional construction, re-construction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, will require the filing of a suitable plan and prior approval by the Survey after clearance with the surface management agency.

13. REMOVAL OF DRILLING RIG:

A. Unless a well has been properly cased and cemented, or properly plugged, the drilling rig must not be moved from the drillsite without prior approval from the Survey.

14. ABANDONMENT:

A. If the well is dry and is to be plugged, approval of the proposed plugging program may be obtained orally. However, oral approval must be confirmed in writing by immediately filing a Notice of Intention to Abandon on Form 9-331 in quintuplicate with the District Engineer. The report should show the total depth reached, the reason for plugging, and the proposed intervals, by depths, where cement plugs are to be placed, type of plugging mud, etc.

B. Upon completion of approved plugging, erect a regulation well marker which should not be less than 4 inches in diameter and extend at least 4 feet above general ground level. Heap up the dirt around the base of the marker about 12 inches to take care of any settling of the cellar. The top of the marker must be closed or capped. The following minimum information shall be permanently placed on the marker with a plate, cap, or welded bead:

(1) Operator
(2) Well number and name
(3) Section - Township - Range
(4) ¼ ¼ section or footage location from section lines

C. If, upon abandonment of wells on Federal surface, the retention of the well pad and/or access road is not considered necessary for the management and multiple use of the natural resources, they will be ripped a minimum of 12" in depth. All ripped surfaces are to be protected from vehicular travel by construction of a dead-end ditch and earthen barricade at the entrance to these ripped areas. (Reseeding of the affected areas may be required.)

D. Surface restoration after abandonment of wells on non-Federal surface normally will be in accordance with the operator - landowner agreement.

E. Within 15 days after plugging the well, a Subsequent Report of Abandonment is to be filed on form 9-331 in quintuplicate showing the manner in which the well was plugged, including depths where casing was cut and pulled from, intervals, by depths, where cement plugs were placed, and the date plugging was completed. When all surface restoration work is completed, advise the District Office so that a field inspection of the wellsite can be made.

15. SPECIAL STIPULATIONS:

The following special requirements apply and are effective when check-marked.

☒ A. 10 3/4" 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 7 5/8" 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 10 3/4" 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 _____ casing is to _____

☐ E. After setting the 10 3/4" 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.

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 determing 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.

☐ F. For the protection of livestock and wildlife all pits containing toxic liquids will be fenced and covered with a fine mesh netting (i.e. Hardware Cloth) with openings being 1/2 inch or less.