

## CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Pogo Producing Company  
Well Name & No. Patton 17 Federal #12  
Location: 720' FNL, 720' FEL, Section 17, T. 24 S., R. 31 E., Eddy County, New Mexico  
Lease: NM-89172

### I. DRILLING OPERATIONS REQUIREMENTS:

The Bureau of Land Management (BLM) is to be notified at the Carlsbad Resource Area Office, 620 East Greene St., Carlsbad, NM 88220, (505) 887-6544 for wells in Eddy County in sufficient time for a representative to witness:

1. Spudding
2. Cementing casing: 10-3/4 inch 7-5/8 inch 4-1/2 inch
3. BOP tests
4. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
5. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.
6. Gamma-Ray/Neutron logs shall be run from the base of the Salado formation to the surface; cable speed not to exceed 30 feet per minute.

### II. CASING:

1. The 10-3/4 inch surface casing shall be set at 650 feet and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.
2. The minimum required fill of cement behind the 7-5/8 inch intermediate casing is to be circulated to the surface.
3. The minimum required fill of cement behind the 4-1/2 inch production casing is to tie back at least 200 feet into the intermediate casing.
4. Whenever a casing string is cemented in the R-111-P Potash Area, cement shall be allowed to stand a minimum of twelve (12) hours under pressure and a total of twenty-four (24) hours before drilling the plug or initiating tests.

### III. PRESSURE CONTROL:

The BOPE shall be installed before drilling below the 10-3/4 inch casing and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced. Before drilling below the 10-3/4 inch surface casing shoe, the blowout preventer assembly shall consist of a minimum of: One Annular Preventer and/or Two Ram-Type Preventers and a Kelly Cock/Stabbing Valve

Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 2000 psi.

The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.