Oil and Gas Order No. 2. The based and related equipment shall be installed a superational before drilling below the 13-3/8 inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

- 2. Minimum working pressure of the blowout preventer and related equipment (BOPE) required for drilling the surface and the intermediate casing shall be 2000 psi.
- 3. Minimum working pressure of the blowout preventer and related equipment (BOPE) required <u>for drilling below</u> the intermediate casing shall be 5000 psi.
- 4. Minimum working pressure of the blowout preventer and related equipment (BOPE) required <u>for drilling below</u> the 7 inch second intermediate/production casing shall be 10000 psi.
- 5. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.
- The tests shall be done by an independent service company.
- The results of the test shall be reported to the appropriate BLM office.
- Teating fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for teating is not permitted since it can mask small leaks.
- Testing must be done in a safe workman-like manner. Hard line connections shall be required.

IV. DRILLING MUD:

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the <u>Wolfcamp</u> formation, and shall be used until production casing is run and cemented. Monitoring equipment shall consist of the following:

- Recording pit level indicator to indicate volume gains and losses.
- Mud measuring device for accurately determining the mud volumes necessary to fill the hole during trips.

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Flow-sensor on the flow-line to warn of abnormal mud returns from the well.

acs 7/23/2001