

Form 3160-  
(July 1992)

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPLICATE\*

(Other instructions on  
reverse side)

FORM APPROVED  
OMB NO. 1004-0136

Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.

NM-101097

If earthen pits are used in  
association with the drilling of this  
well, an OCD pit permit must be  
obtained prior to pit construction.

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

**1a. TYPE OF WORK**

DRILL ☒

DEEPEN ☐

**1b. TYPE OF WELL**

OIL ☐ GAS ☒  
WELL WELL

SINGLE ☒ MULTIPLE ☐  
OTHER ZONE ZONE

**2. NAME OF OPERATOR**

Cimarex Energy Co. of Colorado

**3. ADDRESS AND TELEPHONE NO.**

P.O. Box 140907 Irving TX 75014 972-401-3111

**4. LOCATION OF WELL** (Report location clearly and in accordance with any State requirements.)

660' FSL & 865' FEL

**CARLSBAD CONTROLLED WATER BASIN**

**14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\***

15 miles SW of Carlsbad

**15. DISTANCE FROM PROPOSED\*  
LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, T.O.**

(Also to nearest drg. unit line, if any)

660'

**16. NO. OF ACRES IN LEASE**

2438.38

**17. NO. OF ACRES ASSIGNED  
TO THIS WELL**

319.78

**18. DISTANCE FROM PROPOSED LOCATION\*  
TO NEAREST WELL, DRILLING COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.**

N/A

**19. PROPOSED DEPTH**

12650'

**20. ROTARY OR CABLE TOOLS**

Rotary

**21. ELEVATIONS (Show whether DF, RT, GR, etc.)**

3488' GR

**22. APPROX. DATE WORK WILL START\***

03-01-07

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	H-40 13-3/8"	48 #	220'	220 sx circulate
12-1/4"	J-55 9-5/8"	40 #	2700'	775 sx circulate
8-3/4"	N-80 7"	26 #	10000'	570 sx circulate
6-1/8"	P-110 4-1/2"	11.6 #	12650'	250 sx TOC +/- 7880' - COA

From the base of the surface pipe through the running of production casing, the well will be equipped with a 5000 psi BOP system. We are requesting a variance for the 13-3/8" surface casing and BOP testing from Onshore Order No. 2, which states that all casing strings below the conductor shall be pressure tested to 0.22 psi per foot or 1500 psi, whichever is greater, but not to exceed 70% of the manufacturer's stated maximum internal yield. During the running of surface pipe and the drilling of the intermediate hole, we do not anticipate any pressures greater than 1000 psi and are requesting a variance to test the 13-3/8" casing and BOP to 1000 psi and to use rig pumps instead of an independent service company.

**IN ABOVE SPACE, DESCRIBE PROPOSED PROGRAM:**

If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED

*Zero Farris*

TITLE

Mgr. Ops. Admin

DATE

01-15-07

(This space for Federal or State office use)

PERMIT No.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

*/s/ James Stovall*

TITLE

ACTING FIELD MANAGER

DATE

FEB 03 2007

\*See Instructions On Reverse Side

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

APPROVAL FOR 1 YEAR  
APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED

DISTRICT I  
1628 N. French Dr., Hobbs, NM 88240

DISTRICT II  
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Ed., Atec, NM 87410

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 12, 2005

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 74900	Pool Name Chosa Draw; Morrow
Property Code	Property Name MORPHEUS "19" FEDERAL	Well Number 1
GRID No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3488'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	19	25 S	26 E		660	SOUTH	865	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 319.78	Joint or Infill N	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div style="text-align: center; font-size: 2em; transform: rotate(-45deg);">NM-101097</div>				<b>OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>  Zeno Farris 01-15-07 Signature Date  Zeno Farris Printed Name	
				<b>SURVEYOR CERTIFICATION</b> <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>  JANUARY 9, 2007 Date Surveyed Signature of Gary L. Jones Professional Surveyor  Certificate No. Gary L. Jones 7977  BASIN SURVEYS	
<div style="text-align: center;">Morpheus 19 Fed #1</div> <div style="display: flex; justify-content: space-between;"><div>Lat - N32°06'36.1" Long - W104°19'34.9" NMSPCE - N 403764.7 E 543500.3 (NAD-83)</div><div><div style="text-align: center;">3482.3' 3485.0'</div><div style="text-align: center;">865'</div><div style="text-align: center;">3486.3' 3484.6'</div></div></div>					

## Application to Drill

Cimarex Energy Co. of Colorado  
Morpheus 19 Federal No. 1  
Unit P Section 19  
T25S R26E Eddy County, NM

In response to questions asked under Section II B of Bulletin NTL-6 the following information is provided for your consideration:

- 1 Location: 660' FSL & 865' FEL
- 2 Elevation above sea level: GR 3488'
- 3 Geologic name of surface formation: Quaternary Alluvium Deposits
- 4 Drilling tools and associated equipment: Conventional rotary drilling rig using fluid as a circulating medium for solids removal.
- 5 Proposed drilling depth: 12650'
- 6 Estimated tops of geological markers:
- |                    |      |               |       |
|--------------------|------|---------------|-------|
| Base Salt          | 1571 | Cisco-Canyon  | 10094 |
| Delaware           | 1798 | Strawn        | 10396 |
| Bone Spring        | 5303 | Atoka         | 10611 |
| 1st Bone Spring Ss | 6191 | Morrow        | 11141 |
| 2nd Bone Spring Ss | 7513 | Middle Morrow | 11640 |
| 3rd Bone Spring Ss | 7997 | Lower Morrow  | 11941 |
| Wolfcamp           | 8395 |               |       |
- 7 Possible mineral bearing formation:
- |              |     |
|--------------|-----|
| Wolfcamp     | Oil |
| Cisco-Canyon | Oil |
| Morrow       | Gas |
- 8 Casing program:

Hole Size	Interval	Casing OD	Weight	Thread	Collar	Grade
17-1/2"	0-220'	13-3/8"	48#	8-R	ST&C	H-40
12-1/4"	0-2700'	9-5/8"	40#	8-R	LT&C	J-55
8-3/4"	0-10000'	7"	26#	8-R	LT&C	N-80
6-1/8"	0-12650'	4-1/2"	11.6#	8-R	LT&C	P-110

## Application to Drill

Cimarex Energy Co. of Colorado  
Morpheus 19 Federal No. 1  
Unit P Section 19  
T25S R26E Eddy County, NM

### 9 Cementing & Setting Depth:

13-3/8"	Surface	Set 220' of 13-3/8" H-40 48 # ST&C casing. Cement with 220 Sx. Of Class "C" cement + additives, circulate cement to surface.
9-5/8"	Intermediate	Set 2700' of 9-5/8" J-55 40# LT&C casing. Cement with 775 Sx. Of Class POZ/C Cement + additives. Circulate cement to surface.
7"	Intermediate 2	Set 10000' of 7" N-80 26# LT&C casing. Cement with 570 Sx. Super H + additives. Circulate cement to surface.
4-1/2"	Production	Set 12650' of 4-1/2" P-110 11.6# LT&C casing. Cement with 250 Sx. Super H + additives. TOC 7880'.

### 10 Pressure control Equipment:

Exhibit "E". A 13 3/8" 5000 PSI working pressure B.O.P. consisting of one set of blind rams and one set of pipe rams and a 5000 # annular type preventer. A choke manifold and 120 gallon accumulator with floor and remote operating stations and auxiliary power system. Rotating head below 6000'. A kelly cock will be installed and maintained in operable condition and a drill string safety valve in the open position will be available on the rig floor. BOP unit will be hydraulically operated. BOP will be nipped up on the 9 5/8" casing and will be operated at least once a day while drilling and the blind rams will be operated when out of hole during trips. No abnormal pressure or temperature is expected while drilling.

### 11 Proposed Mud Circulating System:

Depth	Mud Wt	Viscosity	Fluid Loss	Type Mud
0 - 220'	8.4 - 8.6	30 - 32	May lose circ.	Fresh water spud mud. Add paper to control seepage and high viscosity sweeps to clean hole.
220' - 2700'	9.7 - 9.9	28 - 29	May lose circ.	Brine water. Add paper as needed to control seepage and add lime to control pH (9-10). Use high viscosity sweeps to clean hole.
2700' - 8300'	8.4 - 9.9	28 - 29	NC	Brine water. Paper for seepage. Lime for PH (9 - 9.5)
8300' - 10000'	8.45 - 8.9	28 - 29	NC	Cut brine. Caustic for pH control.
10000' - 12650'	8.9 - 9.7	29 - 45	NC	Cut Brine. Caustic for pH control.

Sufficient mud materials will be kept on location at all times in order to combat lost circulation, or unexpected kicks. In order to run DSTs, open hole logs, and casing, the viscosity and water loss may have to be adjusted in order to meet these needs. Mud system monitoring equipment with derrick floor indicators and visual/audio alarms shall be installed and operative prior to drilling into the Wolfcamp formation. This equipment will remain in use until production casing is run and cemented.

## **Application to Drill**

Cimarex Energy Co. of Colorado  
Morpheus 19 Federal No. 1  
Unit P Section 19  
T25S R26E Eddy County, NM

### 12 Testing, Logging and Coring Program:

- A. Mud logging program: Two-man unit from 2700' to TD
- B. Electric logging program: CNL / LDT / CAL / GR, DLL / CAL / GR
- C. No DSTs or cores are planned at this time.

### 13 Potential Hazards:

No abnormal pressures or temperatures are expected. The area has a potential H<sub>2</sub>S hazard. An H<sub>2</sub>S drilling plan is attached. Adequate flare lines will be installed off the mud / gas separator where gas may be flared safely. All personnel will be familiar with all aspects of safe operation of equipment being used. Estimated BHP 6000 PSI, estimated BHT 175.

### 14 Anticipated Starting Date and Duration of Operations:

Road and location construction will begin after BLM approval of APD. Anticipated spud date as soon as approved. Drilling expected to take 35-45 days. If production casing is run an additional 30 days will be required to complete and construct surface facilities.

### 15 Other Facets of Operations:

After running casing, cased hole gamma ray neutron collar logs will be run from total depth over possible pay intervals. The Morrow pay will be perforated and stimulated. The well will be tested and potentialed as a gas well.

## **Hydrogen Sulfide Drilling Operations Plan**

Cimarex Energy Co. of Colorado  
Morpheus 19 Federal No. 1  
Unit P Section 19  
T25S R26E Eddy County, NM

- 1 All Company and Contract personnel admitted on location must be trained by a qualified H2S safety instructor to the following:

- A. Characteristics of H2S
- B. Physical effects and hazards
- C. Proper use of safety equipment and life support systems.
- D. Principle and operation of H2S detectors, warning system and briefing areas.
- E. Evacuation procedure, routes and first aid.
- F. Proper use of 30 minute pressure demand air pack.

- 2 H2S Detection and Alarm Systems

- A. H2S detectors and audio alarm system to be located at bell nipple, end of flow line (mud pit) and on derrick floor or doghouse.

- 3 Windsock and/or wind streamers

- A. Windsock at mudpit area should be high enough to be visible.
- B. Windsock at briefing area should be high enough to be visible.

- 4 Condition Flags and Signs

- A. Warning sign on access road to location.
- B. Flags to be displayed on sign at entrance to location. Green flag indicates normal safe condition. Yellow flag indicates potential pressure and danger. Red flag indicates danger (H2S present in dangerous concentration). Only emergency personnel admitted to location.

- 5 Well control equipment

- A. See exhibit "E"

- 6 Communication

- A. While working under masks chalkboards will be used for communication.
- B. Hand signals will be used where chalk board is inappropriate.
- C. Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephones will be available at most drilling foreman's trailer or living quarters.

- 7 Drillstem Testing not anticipated.

## **Hydrogen Sulfide Drilling Operations Plan**

Cimarex Energy Co. of Colorado  
Morpheus 19 Federal No. 1  
Unit P Section 19  
T25S R26E Eddy County, NM

- 8 Drilling contractor supervisor will be required to be familiar with the effects H<sub>2</sub>S has on tubular goods and other mechanical equipment.
- 9 If H<sub>2</sub>S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with H<sub>2</sub>S scavengers if necessary.

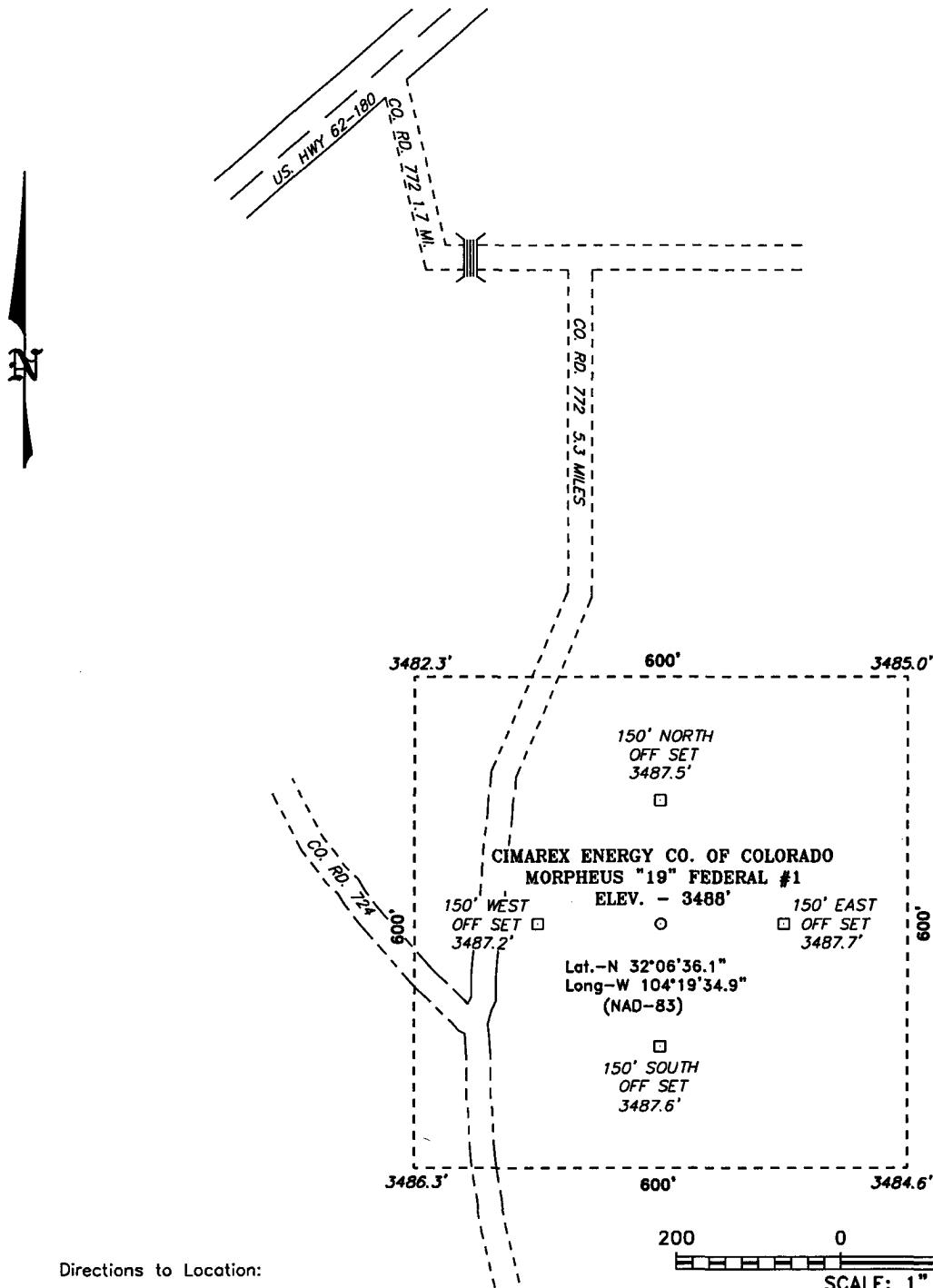
## Surface Use Plan

Cimarex Energy Co. of Colorado  
Morpheus 19 Federal No. 1  
Unit P Section 19  
T25S R26E Eddy County, NM

- 1 Existing Roads: Area maps, Exhibit "B" is a reproduction of Lea Co. General Highway Map. Exhibit "C" is a reproduction of a USGS Topographic Map, showing existing roads and proposed roads. All existing roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications.
  - A. Exhibit "A" shows the proposed well site as staked.
  - B. From the junction of US Hwy 62-180 and Co Rd 772 (Means), proceed South 1.7 miles to end of pavement. Turn left on Creosote Rd and go through Cattle Guard. Thence South 5.3 miles to Co Rd 724 and proposed location.
- 2 PLANNED ACCESS ROADS: No new access roads will be constructed to reach this lease.
- 3 LOCATION OF EXISTING WELLS IN A ONE-MILE RADIUS EXHIBIT "A"
  - A. Water wells - None known
  - B. Disposal wells - None known
  - C. Drilling wells - None known
  - D. Producing wells - As shown on Exhibit "A"
  - E. Abandoned wells - As shown on Exhibit "A"



SECTION 19, TOWNSHIP 25 SOUTH, RANGE 26 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF US HWY 62-180 AND CO.  
RD. 772 (MEANS), PROCEED SOUTH 1.7 MILES TO  
END OF PAVEMENT, TURN LEFT ON CREOSOTE RD  
AND GO THRU CATTLE GUARD THENCE SOUTH 5.3  
MILES TO CO. RD. 724, AND PROPOSED LOCATION.

**BASIN SURVEYS** P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 17615 Drawn By: J. M. SMALL

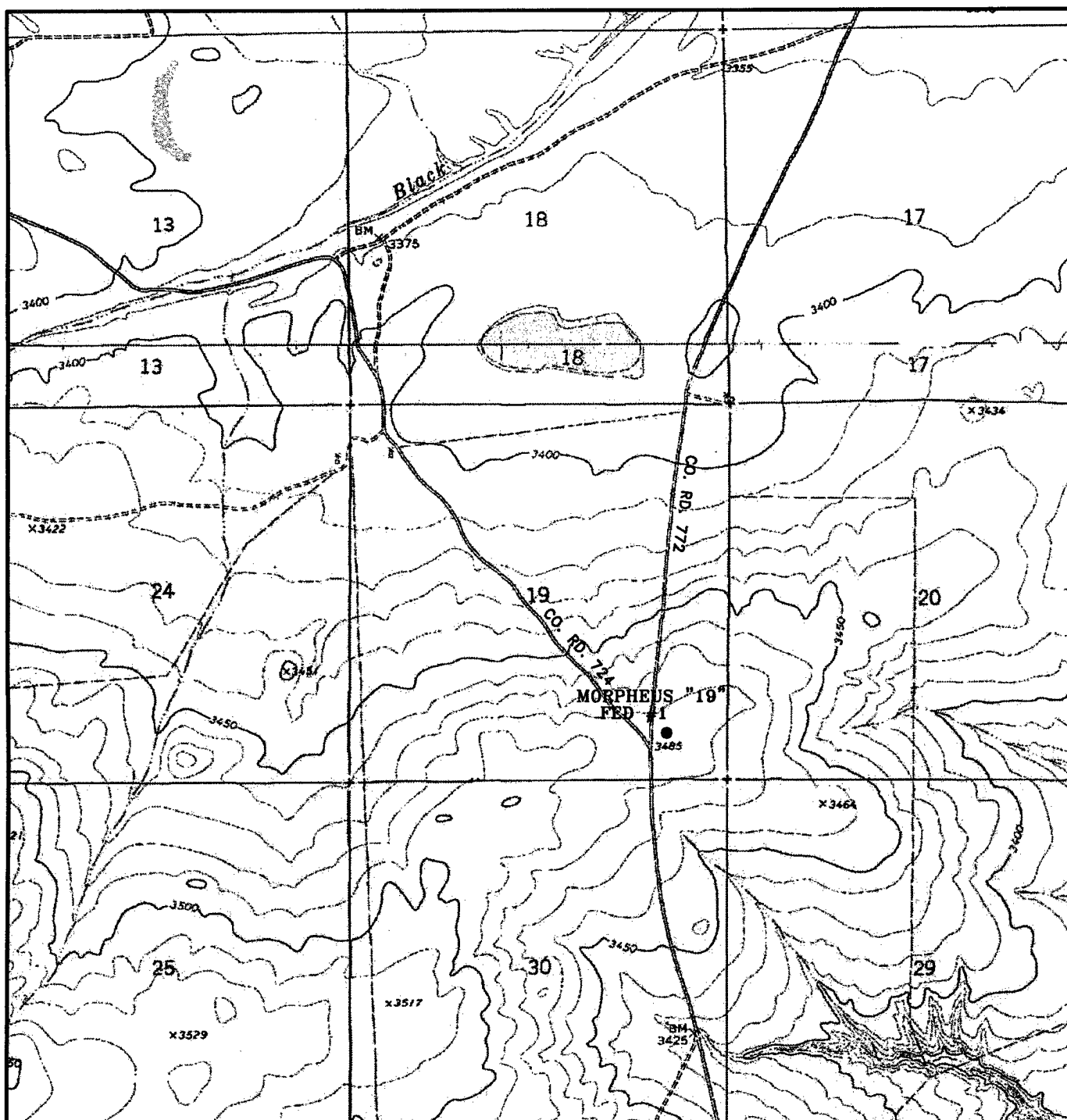
Date: 01-10-2007 Disk: JMS 17615W

**CIMAREX ENERGY CO. OF COLORADO**

REF: MORPHEUS "19" FEDERAL #1 / WELL PAD TOPO

THE MORPHEUS "19" FEDERAL No. 1 LOCATED 660' FROM  
THE SOUTH LINE AND 865' FROM THE EAST LINE OF  
SECTION 19, TOWNSHIP 25 SOUTH, RANGE 26 EAST,  
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 01-09-2007 Sheet 1 of 1 Sheets



**MORPHEUS "19" FEDERAL #1**  
 Located 660' FSL and 865' FEL  
 Section 19, Township 25 South, Range 26 East,  
 N.M.P.M., Eddy County, New Mexico.

**basin**  
**surveys**  
 focused on excellence  
 in the oilfield

P.O. Box 1786  
 1120 N. West County Rd.  
 Hobbs, New Mexico 88241  
 (505) 393-7316 - Office  
 (505) 392-3074 - Fax  
 basinsurveys.com

W.O. Number: JMS 17615T

Survey Date: 01-09-2007

Scale: 1" = 2000'

Date: 01-10-2007

**CIMAREX**  
**ENERGY CO.**  
**OF COLORADO**

**Exhibit C**

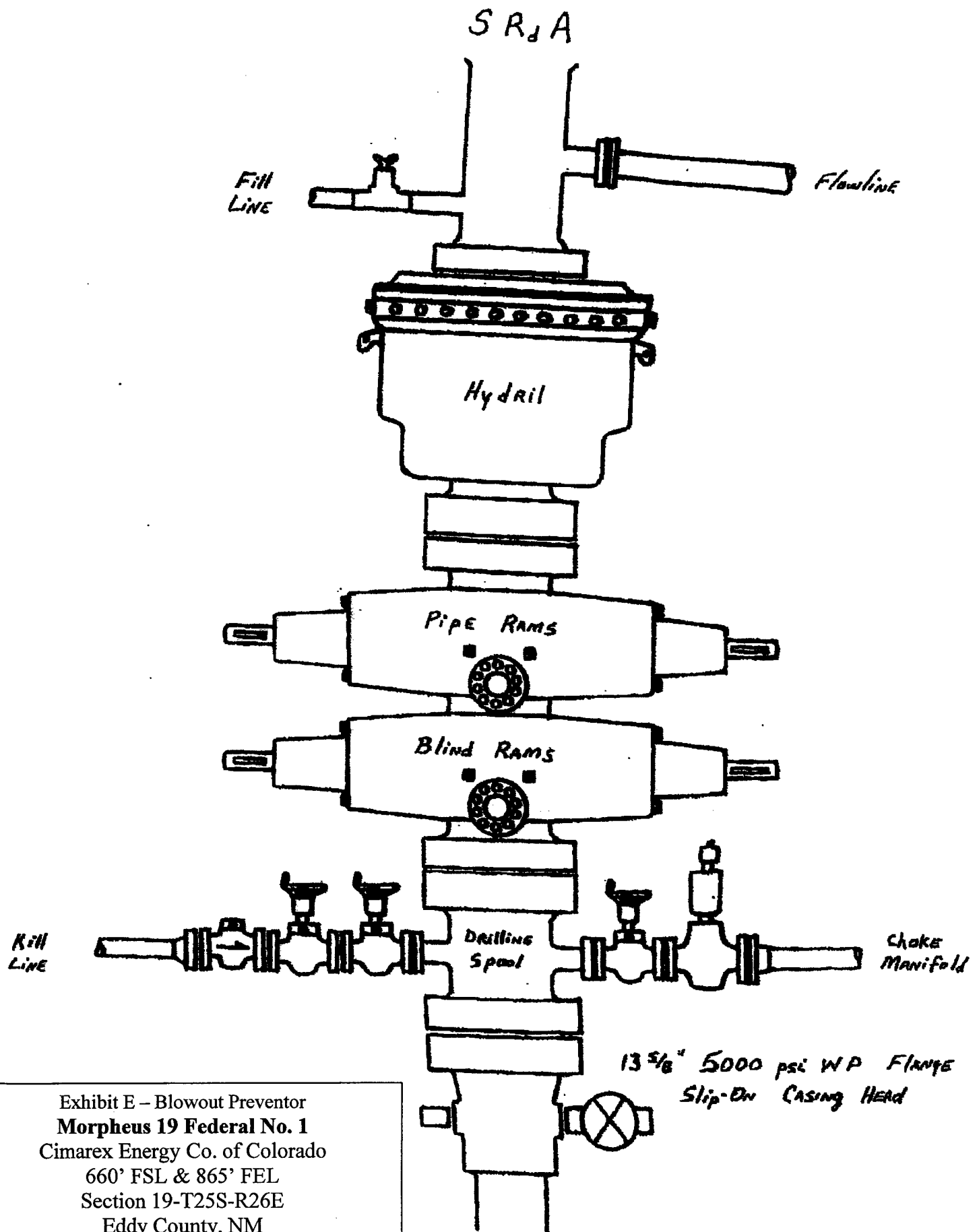


Exhibit E – Blowout Preventor  
**Morpheus 19 Federal No. 1**  
 Cimarex Energy Co. of Colorado  
 660' FSL & 865' FEL  
 Section 19-T25S-R26E  
 Eddy County, NM

DRILLING OPERATIONS  
CHOKE MANIFOLD  
5M SERVICE

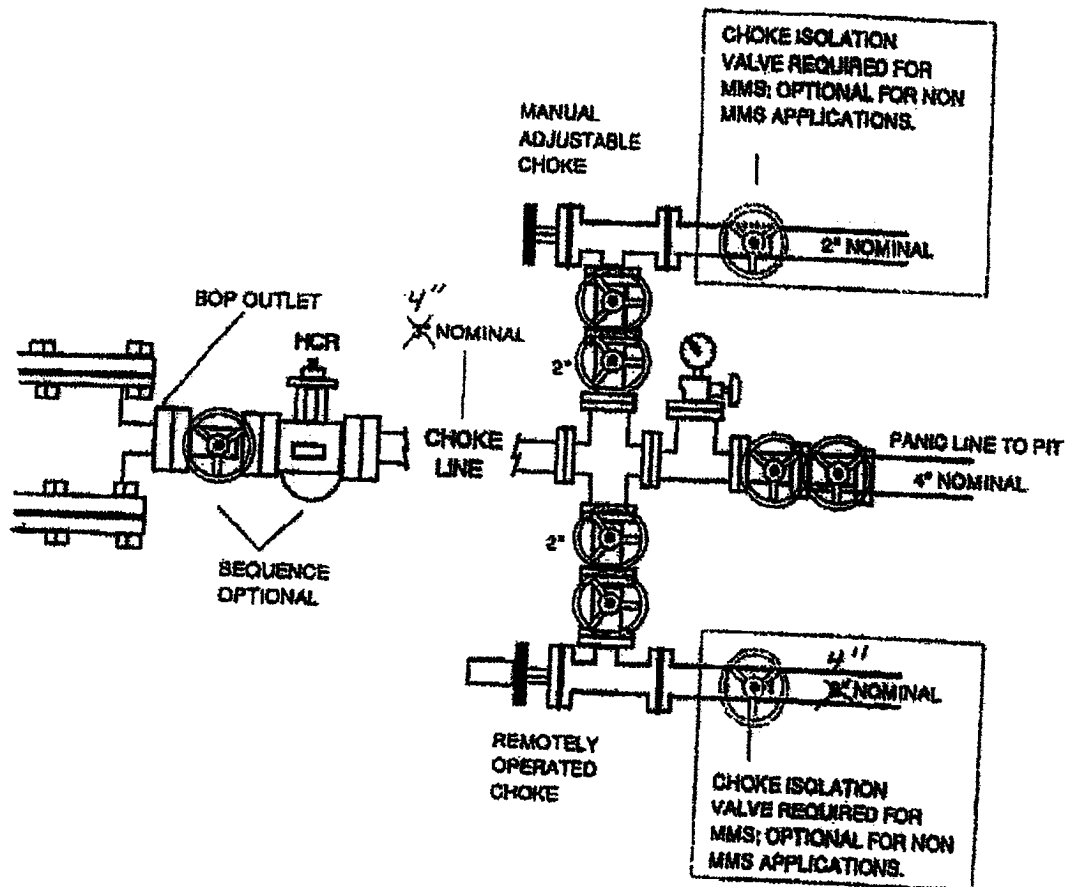


Exhibit E1 – Choke Manifold Diagram  
**Morpheus 19 Federal No. 1**  
Cimarex Energy Co. of Colorado  
660' FSL & 865' FEL  
Section 19-T25S-R26E  
Eddy County, NM

## **Conditions of Approval**

### **Cave and Karst**

EA#: NM-080-07-0342

Lease #: NM-101097

**Cimarex Energy Company of Colorado**

**Dozer 30 Fed. #1, Morpheus 19 Fed. #1 & Tank 29 Fed. #1**

#### **Cave/Karst Surface Mitigation**

The following stipulations will be applied to minimize impacts during construction, drilling and production.

##### **Berming:**

Any tank batteries will be constructed and bermed large enough to contain any spills that may occur.

Bermed areas will be lined with rip-stop padding to prevent tears or punctures in liners and lined with a permanent 20 mil plastic liner.

##### **Closed Mud System with Buried Cuttings Pit:**

All fluids will be in steel tanks and hauled off. A cuttings pit will be utilized for this location. The cuttings pit will be lined with 4 oz. felt and a layer of 20 mil. plastic. Upon completion of the well all excess fluids will be vacuumed off the cuttings pit and allowed to dry. The pit liner will then be folded over the cuttings, covered with a 20 mil plastic cover and then covered with at least three feet of top soil.

#### **Cave/Karst Subsurface Mitigation**

The following stipulations will be applied to protect cave/karst and ground water concerns:

##### **Rotary Drilling with Fresh Water:**

Rotary drilling techniques in cave or karst areas will include the use of fresh water as a circulating medium in zones where caves or karst features are expected. See geologist report for depth.

##### **Casing:**

All casing will meet or exceed National Association of Corrosion Engineers specifications pertaining to the geology of the location and be run to American Petroleum Institute and BLM standards.

##### **Cementing:**

All casing strings will be cemented to the surface.

**Lost Circulation:**

ALL lost circulation zones from the surface to the base of the cave occurrence zone will be logged and reported.

Regardless of the type of drilling machinery used, if a bit drops of four feet or more and circulation losses greater than 75 percent occur simultaneously while drilling in any cave-bearing zone, drilling operations will immediately stop and the BLM will be notified by the operator. The BLM will assess the consequences of the situation and work with operator on corrective actions to resolve the problem.

**Delayed Blasting:**

Any blasting will be a phased and time delayed.

**Abandonment Cementing:**

Upon well abandonment the well bore will be cemented completely from 100 feet below the bottom of the cave bearing zone to the surface.

**Pressure Tests:**

Annual pressure tests will be performed by the Operator on all casing annuli. If the test results indicated a casing failure, remedial actions approved by the BLM will be undertaken to correct the problem.

**Record Keeping:**

The Operator will track customary drilling activities, including the rate of penetration, pump pressure, weight on bit, bit drops, percent of mud returns, and presence or absence of cuttings returning to the surface. As part of customary record keeping, each detectable void or sudden increase in the rate of penetration not attributable to a change in the formation type should be documented and evaluated as it is encountered.

## CONDITIONS OF APPROVAL - DRILLING

Well Name & No. 1-Morpheus 19 Federal  
Operator's Name: Cimarex Energy Co. of Colorado  
Location: o66oFSL, o865FEL, Section 19, T-25-S, R-26-E  
Lease: NM-101097

### I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822 - for wells in Eddy County in sufficient time for a representative to witness:

A. Spudding

B. Cementing casing: 13-3/8 inch 9-5/8 inch 7 inch 4-1/2 inch

C. BOP tests

2. A Hydrogen Sulfide (H<sub>2</sub>S) Drilling Plan should be activated prior to drilling into the Delaware Formation. A copy of the plan shall be posted at the drilling site. **Hydrogen Sulfide has been reported in Sec. 11 and 14 measuring 1200-1500 ppm in STVs. Canyon formation carries a high potential for H<sub>2</sub>S.**

3 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.

4. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing ( size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.

5. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

6. A Communitization Agreement covering the acreage dedicated to this well must be filed for approval with the BLM. The effective date of the agreement shall be prior to any sales.

7. 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 13-3/8 inch surface casing shall be set at 220 feet, below usable water 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.

**Possible lost circulation in the Delaware. High cave/karst area.**

**Possible abnormal pressures in the Wolfcamp and high pressure gas in the Pennsylvanian Section (Cisco-Canyon, Strawn, Atoka, and Morrow).**

2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is circulate cement to the surface.

3. The minimum required fill of cement behind the 7 inch **second** intermediate casing is circulate cement to the surface. Set above high pressured Cisco.

4. The minimum required fill of cement behind the 4-1/2 inch production casing is cement shall extend a minimum of 200 feet into the 7 inch casing.

### **III. PRESSURE CONTROL:**

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational 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 intermediate casing shall be 5M psi. Minimum working pressure of the blowout preventer and related equipment (BOPE) required for drilling below the 9-5/8 inch casing shall be 5M psi.
3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.
  - A variance to test the BOP, BOPE, and 13-3/8 inch surface casing to the reduced pressure of 1000 psi with the rig pumps instead of an independent service company is approved. **Remainder of testing steps to be completed. Independent service company to perform full test prior to drilling out of 9-5/8 inch casing.**
  - The tests shall be done by an independent service company.
  - The results of the test shall be reported to the appropriate BLM office.
  - Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing 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.
  - BOPE must be tested prior to drilling into the Wolfcamp Formation by an independent service company.

### **IV. DRILLING MUD:**

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

1. Recording pit level indicator to indicate volume gains and losses.
2. Mud measuring device for accurately determining the mud volumes necessary to fill the hole during trips.
3. Flow-sensor on the flow line to warn of abnormal mud returns from the well.

**Engineer on call phone: 505-706-2779**

**WWI 012907**