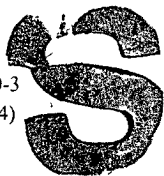


Form 3160-3  
(April 2004)



SEP 06 2007  
OCD-ARTESIA

Oil Cons.  
N.M. DIV-Dist. 2  
1301 W. Grand Avenue  
Artesia, NM 88210

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
**APPLICATION FOR PERMIT TO DRILL OR REENTER**

FORM APPROVED  
OMB NO. 1004-0137  
Expires. March 31, 2007

5. Lease Serial No.  
NM-105201  
6. If Indian, Allottee or Tribe Name  
Not Applicable  
7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.  
Beacon BDB Federal #1 32849

9. API Well No.  
30-005-63985

1a. Type of Work: ☒ DRILL ☐ REENTER  
1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone  
2. Name of Operator  
Yates Petroleum Corporation 25575

3a. Address  
105 South Fourth Street, Artesia New Mexico 88210  
3b. Phone No. (include area code)  
(505) 748-1471

4. Location of well (Report location clearly and in accordance with any State requirements. \*)  
At surface  
1980' FSL and 660' FEL, Unit I, NESE  
At proposed prod. zone  
same as above

14. Distance in miles and direction from the nearest town or post office\*  
Approximately Twenty (20) miles east of Roswell, NM

15. Distance from proposed\* location to nearest property or lease line, ft.  
(Also to nearest drlg. unit line, if any) 660'  
16. No. of acres in lease 1120.00  
17. Spacing Unit dedicated to this well 320

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft. 2970'  
19. Proposed Depth 6245'  
20. BLM/ BIA Bond No. on file  
NATIONWIDE BOND #NMB000434

21. Elevations (Show whether DF, RT, GR, etc.) 3643' GL  
22. Approximate date work will start\* ASAP  
23. Estimated duration 30 Days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by existing bond on file (see item 20 above).
5. Operator certification.
6. Such other site specific information and/ or plans as may be required by the authorized officer.

25. Signature *Debbie L. Caffall* Name (Printed/ Typed) Debbie L. Caffall Date 8/3/2007

Title Regulatory Agent

Approved By (Signature) */s/ JOHN S. SIMITZ* Name (Printed/ Typed) */s/ JOHN S. SIMITZ* Date SEP 04 2007

Title Assistant Field Manager, Lands And Minerals Office ROSWELL FIELD OFFICE APPROVED FOR 2 YEARS

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 operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

ROSWELL CONTROLLED WATER BASIN

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS ATTACHED

**District I**  
1625 N. French Dr., Hobbs, NM 88240

**District II**  
1301 W. Grand Avenue, Artesia, NM 88210

**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410

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

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number		<sup>2</sup> Pool Code 97406		<sup>3</sup> Pool Name Undes. Lea Lake: Pre-Permian	
<sup>4</sup> Property Code		<sup>5</sup> Property Name BEACON BDB FEDERAL			<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 025575		<sup>8</sup> Operator Name YATES PETROLEUM CORPORATION			<sup>9</sup> Elevation 3643'

<sup>10</sup> Surface Location

UL or lot no. 1	Section 26	Township 11S	Range 26E	Lot Idn	Feet from the 1980	North/South line SOUTH	Feet from the 660	East/West line EAST	County CHAVES
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<sup>11</sup> 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
<sup>12</sup> Dedicated Acres 320 E/2		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> 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.

16		NM-105201		<p><sup>17</sup> <b>OPERATOR CERTIFICATION</b> 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 or has a right to drill this well at this 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</p> <p><i>Debbie L. Caffall</i> 8/31/2007 Signature Date</p> <p>Debbie L. Caffall Printed Name</p> <p>Regulatory Agent Title</p>
				<p><sup>18</sup> <b>SURVEYOR CERTIFICATION</b> 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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>REFER TO ORIGINAL PLAT</p> <p>Certificate Number</p>

DISTRICT II  
1000 So. Santa Fe, Santa Fe, NM 87500

DISTRICT III  
1000 So. Santa Fe, Santa Fe, NM 87500

DISTRICT IV  
1000 So. Santa Fe, Santa Fe, NM 87500

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Revised March 27, 1988  
Instruction on back  
Submit to Appropriate District Office  
State Issues - 4 Copies  
Fee Issues - 3 Copies

# OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name	Well Number
025575	BEACON "BDB" FEDERAL	1
Operator Name	Elevation	
YATES PETROLEUM CORPORATION	3643	

### Surface Location

UL or lot No.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
1	28	11S	26E		1980	SOUTH	660	EAST	CHAVES

### Bottom Hole Location if Different From Surface

UL or lot No.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or lease	Consolidation Code	Order No.						
320 E/2									

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

						<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Clifton R. May</i></p> <p>Signature</p> <p>Clifton R. May</p> <p>Printed Name</p> <p>Regulatory Agent</p> <p>Title</p> <p>July 14, 2003</p> <p>Date</p>	
		NM-105201				<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>6/24/2003</p> <p>Date Surveyed</p> <p><i>Henry R. Jones</i></p> <p>Signature</p> <p>Henry R. Jones</p> <p>Printed Name</p> <p>NEW MEXICO</p> <p>3648</p> <p>Geological Survey</p> <p>Geological Survey</p>	
				<p>N.33°20'03.9"</p> <p>W.104°18'15.9"</p>			
				<p>3630 3638</p> <p>3645 3646</p> <p>660'</p> <p>1980'</p>			

0 300' 600' 900' 1200' 1500' 1800' 2100' 2400' 2700' 3000'

**YATES PETROLEUM CORPORATION**  
**Beacon BDB Federal #1**  
 1980' FSL & 660' FEL  
 Section 26-T11S-R26E  
 Chaves County, New Mexico

1. The estimated tops of geologic markers are as follows:

Queen	395'	Spear Zone	5240'
San Andres	920'	Cisco	5540'
Glorieta	2055'	Strawn	5770'
Yeso	2215'	Siluro-Ordovician	5820'
Tubb	3640'	Pre-Cambrian	6095'
Abo	4405'	TD	6245'
Wolfcamp	5170'		

2. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: 150'-200'  
 Oil or Gas: All potential zones.

3. Pressure Control Equipment: BOPE will be installed on the 8 5/8" casing and rated for 2000 BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout Preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See Exhibit B.

Auxiliary Equipment:

- A. Auxiliary Equipment: Kelly cock, pit level indicators, flow sensor equipment and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

- A. Casing Program: (All New)

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Coupling</u>	<u>Interval</u>
12 1/4	8 5/8"	24#	J-55	ST&C	0-1000'
7 7/8"	5 1/2"	15.5#	J-55	ST&C	0-6245'

1. Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.8

B. CEMENTING PROGRAM:

Surface Casing: 450 sx Lite "C" (YLD 2.0 WT 12.5). Tail in with 200 sx "C"  
+ 2% CaCL<sub>2</sub> (YLD 1.33 WT 15.6). Cement circulated to surface.

Production Casing: 600 sx Pecos Valley Lite (YLD 1.34 WT 13.0). Cement shall extend upward a minimum of 200 feet above the top of the Glorieta formation.

5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-1000'	FW GEL, Paper, LCM	8.4 - 8.6	32-36	N/C
1000'-4350'	Brine	9.8 - 10.0	28	N/C
4350'-6245'	Starch/Salt Gel	10.0 -10.2	45-50	<6/cc

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blow out will be available at the well site during drilling operations. Mud will be checked hourly by rig personnel.

6. EVALUATION PROGRAM:

Samples: 10' samples out from under surface casing.

Logging: CNL/LDT, W/NGT TD-Surf csg; with CNL/GR up to Surf; DLL/MSFL  
TD-Surf csg; BHC Sonic TD-SURF CSG, FMI TD – Top of the Wolfcamp

Coring: Sidewall

DST's: None.

7. ABNORMAL CONDITIONS, BOTTOM HOLE PRESSURE, AND POTENTIAL HAZARDS:

Anticipated BHP:

From: 0	TO: 1000'	Anticipated Max. BHP: 500 PSI
From: 1000'	TO: 6245'	Anticipated Max. BHP: 3300 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None.

H<sub>2</sub>S Zones Anticipated: None Anticipated

Maximum Bottom Hole Temperature: 110 F

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 25 days to drill the well with completion taking another 20 days.

**MULTI-POINT SURFACE USE AND OPERATIONS PLAN**  
**YATES PETROLEUM CORPORATION**  
**Beacon BDB Federal #1**  
1980' FSL & 660' FEL  
Section 26-T11S-R26E  
Chaves County, New Mexico

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. EXISTING ROADS:

Exhibit A is a portion of the BLM map showing the well and roads in the vicinity of the proposed location. The proposed well site is located approximately 20 miles east-southeast of Roswell, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Drive East of Roswell on Highway 380 for approximately 10 miles to Highway 409 on the Right (South), turn Right on Highway 409 and continue for approximately 4.5 miles to a lease road on the Left (East), turn Left and go for approximately 300' to gate (combo 4202), continue through cattle guard for approximately 1.25 miles to old ranch house. Turn /South continue going south for approximately .5 of a mile; new road will start here and go west for approximately 472' to the NE corner of pad.

2. PLANNED ACCESS ROAD:

- C. The proposed new access will be approximately 472' in length from the point of origin to the northwest corner of the drilling pad.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. Existing roads will be maintained in the same or better condition

3. LOCATION OF EXISTING WELL:

- A. There is no drilling activity within a one-mile radius of the well site.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed well site.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. There are no production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS:

Dirt contractor will locate nearest pit and obtain any permits and materials needed for construction.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not approved.

8. ANCILLARY FACILITIES: NONE

9. WELLSITE LAYOUT:

- A. Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, the location of the drilling equipment, rig orientation and access road approach.
- B. The reserve pits will be plastic lined.
- C. A 600' x 600' area has been staked and flagged.
- D. Pits to the south.

10. PLANS FOR RESTORATION:

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the well site in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and been leveled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level after they have evaporated and dried.

11. SURFACE OWNERSHIP: Real Estate Contract: Seller  
David J. Sorenson, Individually, and as  
Personal Representative of the Estate of  
Bonnie J. Sorenson, deceased  
P. O. Box 1453  
Roswell, NM 88202-1453  
Buyer Alton J. Munson and Wanda Y. Munson, his wife  
P. O. Box 610  
Hagerman, NM 88232-0610

12. OTHER INFORMATION:

- A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
- B. The primary surface use is for grazing.

13. OPERATOR'S REPRESENTATIVE:

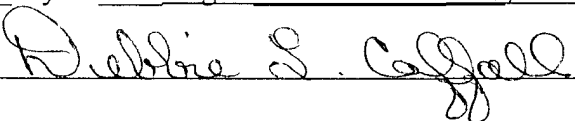
- |   |  |
|---|--|
| A. Through A.P.D. Approval:<br>Debbie L. Caffall, Regulatory Agent<br>Yates Petroleum Corporation<br>105 South Fourth Street<br>Artesia, New Mexico 88210<br>Phone (505) 748-1471 | B. Through Drilling, Completions & Prod.<br>Ray Stall, Operations Manager<br>Yates Petroleum Corporation<br>105 South Fourth Street<br>Artesia, New Mexico 88210<br>Phone (505) 748-1471 |
|---|--|



CERTIFICATION  
YATES PETROLEUM CORPORATION

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 4th day of August, 2007.

Name Debbie L. Caffall 

Position Title Regulatory Agent

Address 105 South Fourth Street, Artesia, NM 88210

Telephone 505-748-4376

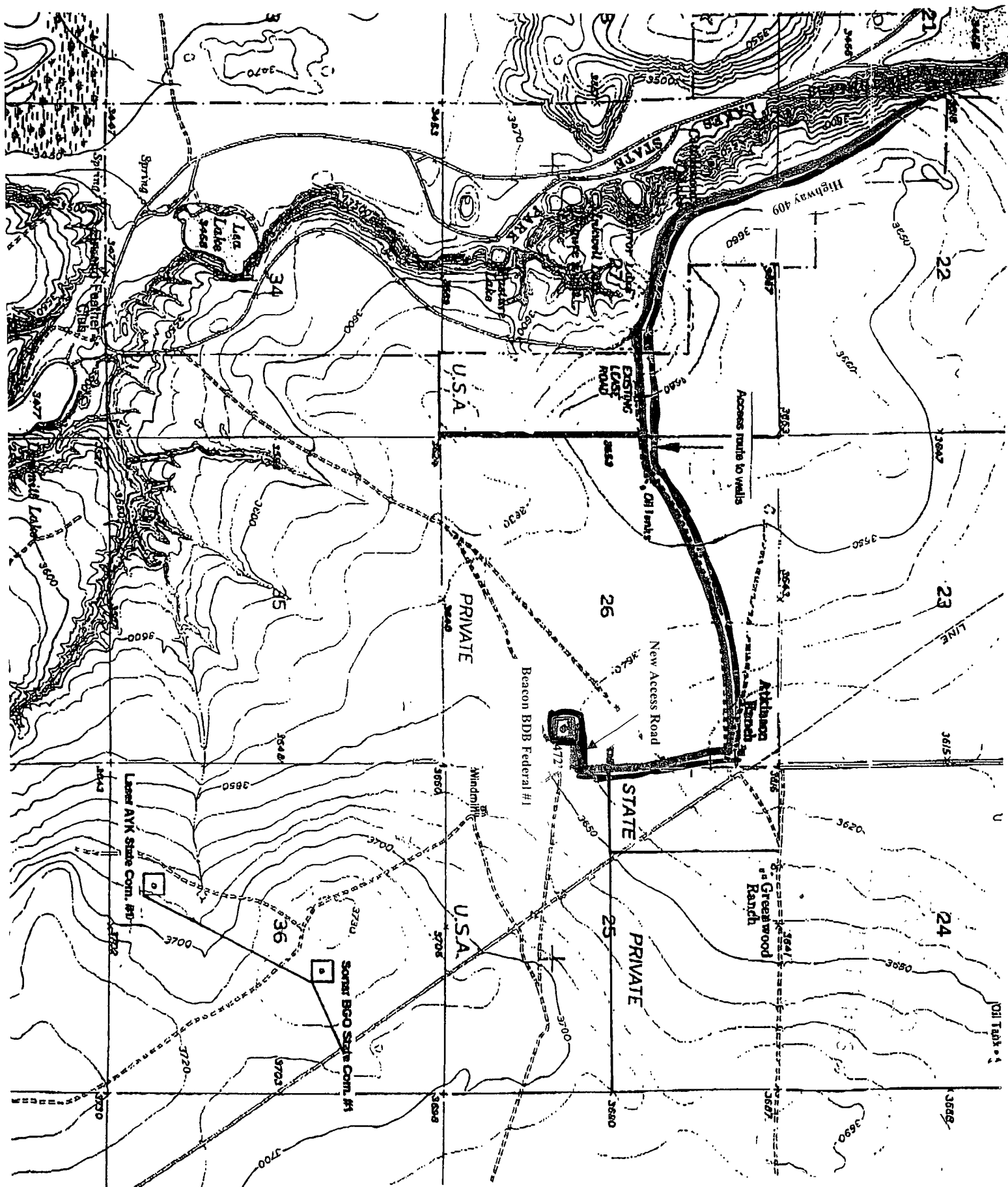
Field Representative (if not above signatory) Jim Krogman

Address (if different from above) Same

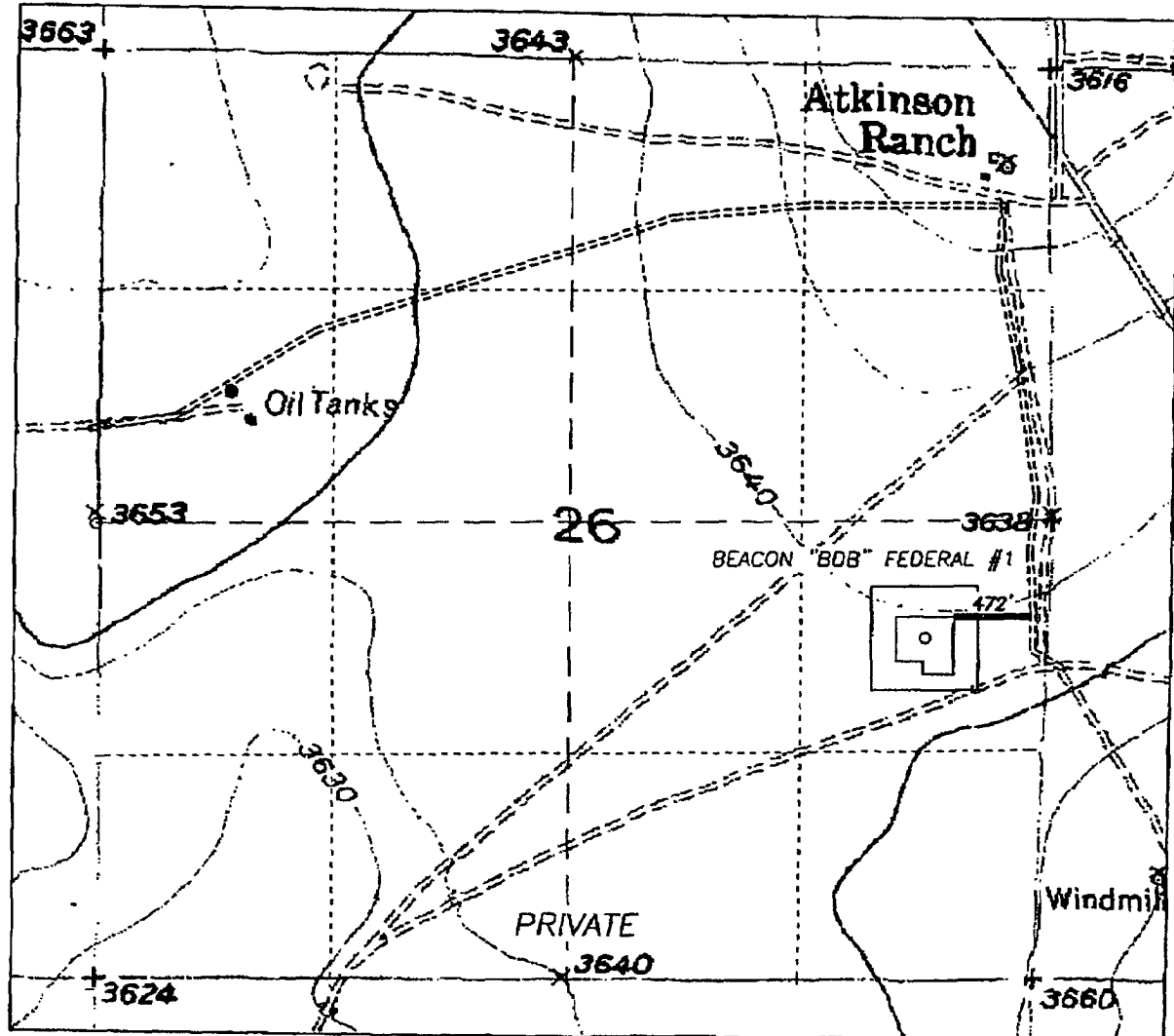
Telephone (if different from above) 505-748-4215

E-mail (optional) \_\_\_\_\_

Yates Petroleum Corporation  
 Beacon BDB Federal #1  
 1980' FSL and 660' FEL  
 Section 26, T11S-R26E  
 Chaves County, New Mexico  
 Exhibit "A"



SECTION 26, TOWNSHIP 11 SOUTH, RANGE 26 EAST, NMPM, CHAVES COUNTY, NEW MEXICO.



### Yates Petroleum Corporation

Beacon BDB Federal #1  
1980' FSL and 660' FEL  
Section 26, T11S-R26E  
Chaves County, New Mexico  
Exhibit "A-1"

1000' 0 1000' 2000'  
Scale 1" = 1000'

THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEET THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.

HERSCHEL L. JONES, BLS. No. 3640

GENERAL SURVEYING COMPANY P.O. BOX 1928  
LOVINGTON, NEW MEXICO 88260

## YATES PETROLEUM CORP.

LEASE ROAD TO ACCESS THE YATES BEACON "BDB" FEDERAL #1 WELL, LOCATED IN SECTION 26, TOWNSHIP 11 SOUTH, RANGE 26 EAST, NMPM, CHAVES COUNTY, NEW MEXICO.

Survey Date: 10/19/2005	Sheet 1 of 1 Sheets
Drawn By: Ed Blevins	W.O. Number
Date: 10/19/05	Scale 1" = 1000' BEACON 1



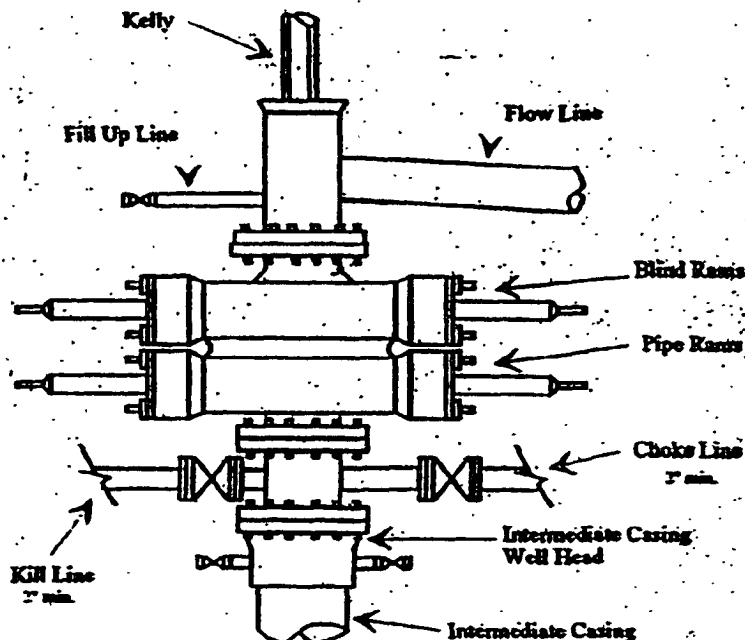
# Yates Petroleum Corporation

BOP-2

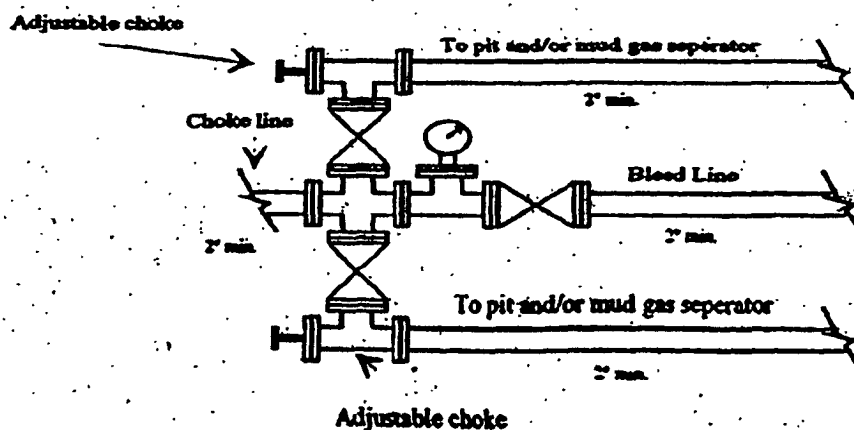
## Typical 2,000 psi Pressure System Schematic

### Double Ram Preventer Stack

Yates Petroleum Corporation  
Beacon BDB Federal #1  
1980' FSL & 660' FEL  
Section 26-T11S-R26B  
Chaves County, New Mexico  
Exhibit "B"



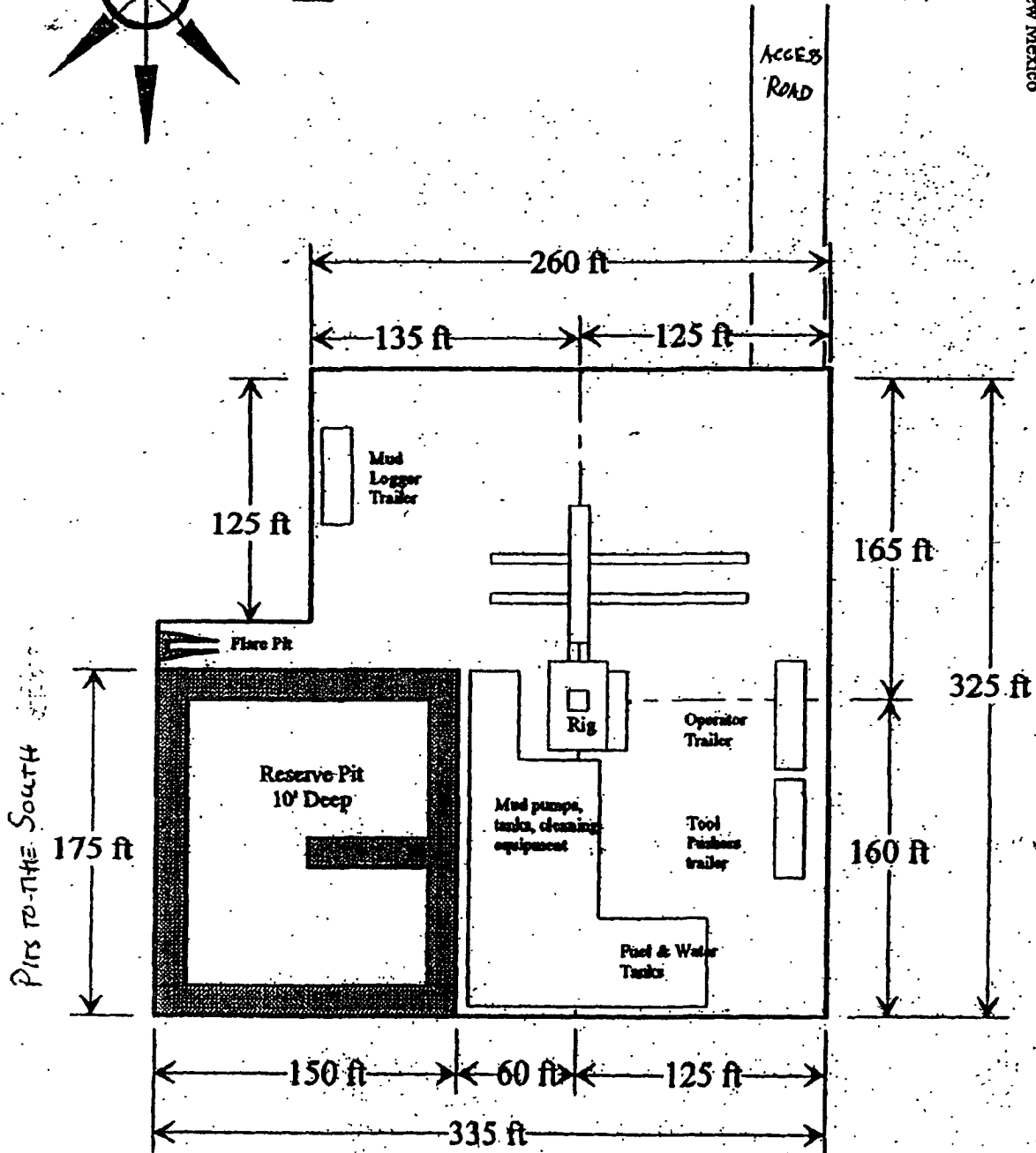
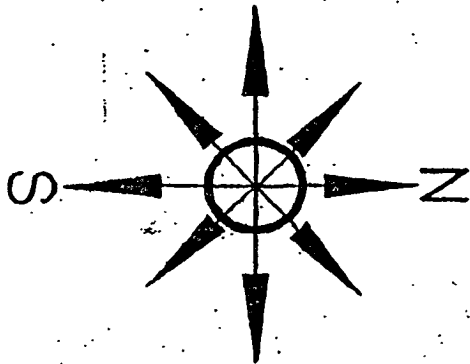
Typical 2,000 psi choke manifold assembly with at least these minimum features



PB - L1

# **Yates Petroleum Corporation** Location Layout for Permian Basin Up to 12,000'

Yates Petroleum Corporation  
 Beacon BDB Federal #1  
 1980' FSL & 660' FEL  
 Section 26-T11S-R26B  
 Chaves County, New Mexico  
 Exhibit "C"



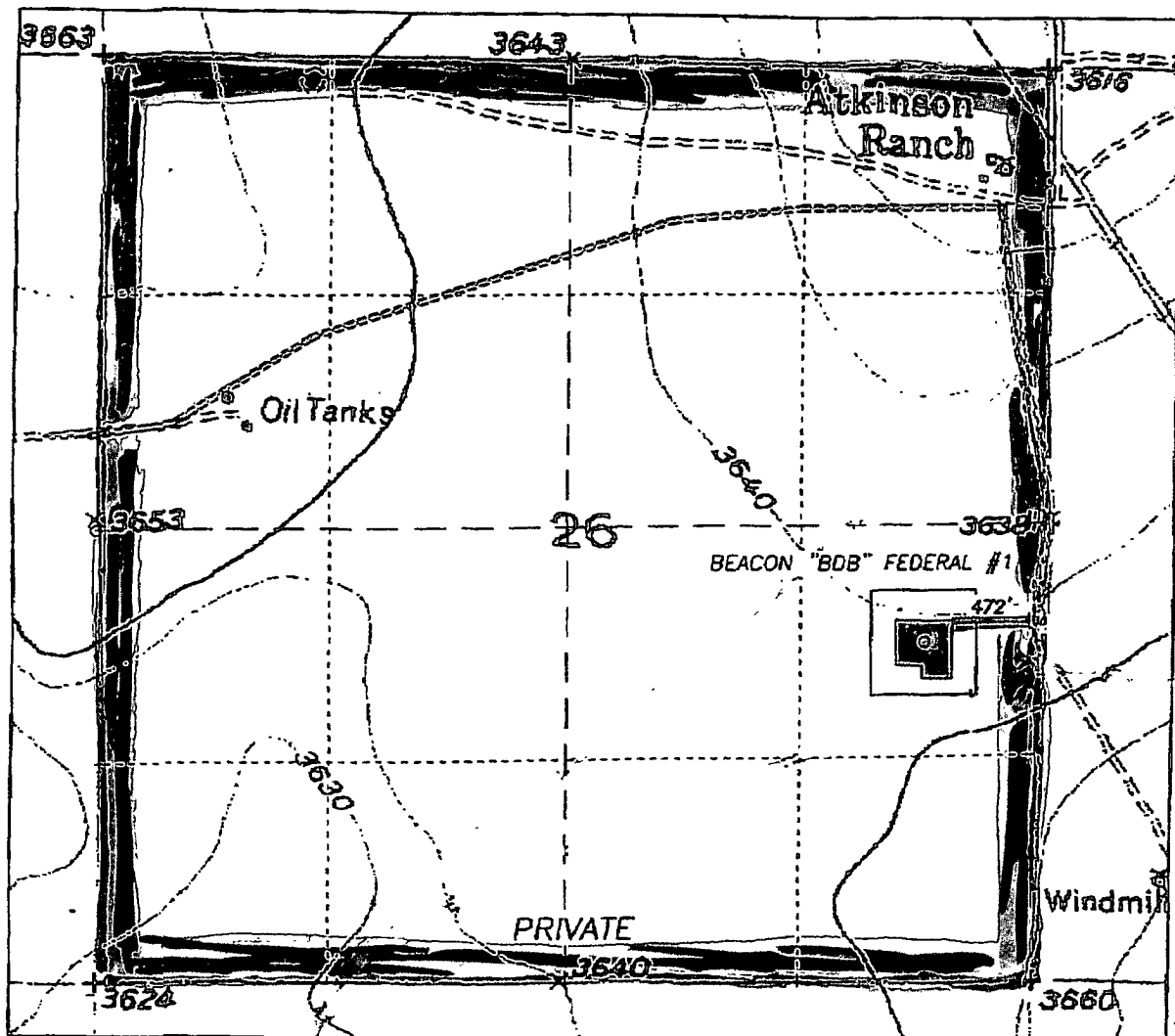
Distance from Well Head to Reserve Pit will vary between rigs

The above dimension should be a maximum

# EXHIBIT A

8/14/07

OPERATORS NAME: Yates Petroleum Corporation  
LEASE NO.: NM-105201  
WELL NAME & NO: Beacon "BDB" Federal #1  
SURFACE HOLE FOOTAGE: 1980' FSL & 660' FEL  
LOCATION: Section 26, T. 11 S., R. 26 E., NMPM  
COUNTY: Chaves County, New Mexico



## **V. DRILLING**

### **A. DRILLING OPERATIONS REQUIREMENTS**

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

**In Chaves and Roosevelt Counties:** call the Roswell Field Office, 2909 West Second St., Roswell NM 88201. During office hours call (505) 627-0258. After office hours call (505) 200-7902.

1. A Hydrogen Sulfide (H<sub>2</sub>S) Drilling Plan is not required for this wellbore.
2. 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.

### **B. CASING**

1. The 8 5/8 inch surface casing shall be set at 1000 feet and cemented to the surface.
  - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
  - b. Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compression strength, whichever is greater. (This is to include the lead cement).
  - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compression strength, whichever is greater.
  - d. If cement falls back, remedial action will be done prior to drilling out that string.
2. The minimum required fill of cement behind the 5 1/2 inch production casing is to circulate to surface.
  - a. If cement does not circulate, contact the appropriate BLM office for approval of remedial action.
  - b. If cement is required to tie-back into previous casing string, a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

## **C. PRESSURE CONTROL**

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 2000 (2M) psi.
3. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
  - a. The tests shall be done by an independent service company.
  - b. The results of the test shall be reported to the appropriate BLM office.
  - c. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
  - d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

## **VI. PRODUCTION**

### **A. WELL STRUCTURES & FACILITIES**

#### **Placement of Production Facilities**

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

#### **Containment Structures**

The containment structure shall be constructed to hold the capacity of the entire contents of the largest tank, plus 24 hour production, unless more stringent protective requirements are deemed necessary by the Authorized Officer.

#### **Painting Requirement**

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, Olive Drab, Munsell Soil Color Chart 18-0622 TPX.

#### **VRM Facility Requirement**

Low-profile tanks not greater than eight-feet-high shall be used.

## **VII. INTERIM RECLAMATION & RESERVE PIT CLOSURE**

### **A. INTERIM RECLAMATION**