

EXHIBIT NO. 1

Date of Issue:

9/1/2006

Bureau of Land Management, Carlsbad Field Office
620 E. Greene Street Carlsbad, NM 88220

Cultural and Archaeological Resources

NOTICE OF STIPULATIONS

BLM Report No.

06-NM-523-1103

Historic properties in the vicinity of this project are protected by federal law. In order to ensure that they are not damaged or destroyed by construction activities, the project proponent and construction supervisors shall ensure that the following stipulations are implemented.

Project Name:	Riverbend Federal Number 6 Proposed Well Location
REQUIRED	1. A 3-day preconstruction call-in notification. Contact BLM Inspection and Enforcement at (505) 234-5977, 5909, or 5995, to establish a construction start date.
REQUIRED	2. Professional archaeological monitoring. Contact your project archaeologist, or BLM's Cultural Resources Section at (505) 234-5980, 5917, or 5986, for assistance.
A. <input checked="" type="checkbox"/>	These stipulations must be given to your monitor at least 5 days prior to the start of construction.
B. <input type="checkbox"/>	No construction, including vegetation removal or other site prep may begin prior to the arrival of the monitor.
NO	3. Cultural site barrier fencing. (Your monitor will assist you).
A. <input checked="" type="checkbox"/>	A temporary site protection barrier(s) shall be erected prior to all ground-disturbing activities. The minimum barrier(s) shall consist of upright wooden survey lath spaced no more than ten (10) feet apart and marked with blue ribbon flagging or blue paint. There shall be no construction activities or vehicular traffic past the barrier(s) at any time.
B. <input type="checkbox"/>	A permanent, 4-strand barbed wire fence strung on standard "T-posts" shall be erected prior to all ground-disturbing activities. No construction activities or vehicle traffic are allowed past the fence.
	4. The archaeological monitor shall:
A. <input checked="" type="checkbox"/>	Ensure that all site protection barriers are located as indicated on the attached map(s).
B. <input checked="" type="checkbox"/>	Observe all ground-disturbing activities within 100 feet of cultural site no. (s) <u>SNMAS-06NM-2350-1</u> , as shown on the attached map(s).
C. <input type="checkbox"/>	Ensure that all reroutes are adhered to avoid cultural site no.(s) LA
D. <input type="checkbox"/>	Ensure the proposed is/are located as shown on the attached map(s).
E. <input checked="" type="checkbox"/>	Submit a brief monitoring report within 30 days of completion of monitoring.
Other:	The temporary barrier should be a minimum of 50 feet long, oriented north/south, and centered on the west stake marking 150 feet from the drill hole. The monitor should observe pad preparation earth-moving activities on the west side of the drill pad.

Site Protection and Employee Education: It is the responsibility of the project proponent and his construction supervisor to inform all employees and subcontractors that cultural and archaeological sites are to be avoided by all personnel, vehicles, and equipment; and that it is illegal to collect, damage, or disturb cultural resources on Public Lands.

For assistance, contact
BLM Cultural Resources:

Martin Stein (505) 234-5967

Bruce Boeke (505) 234-5917

James Smith (505) 234-5986

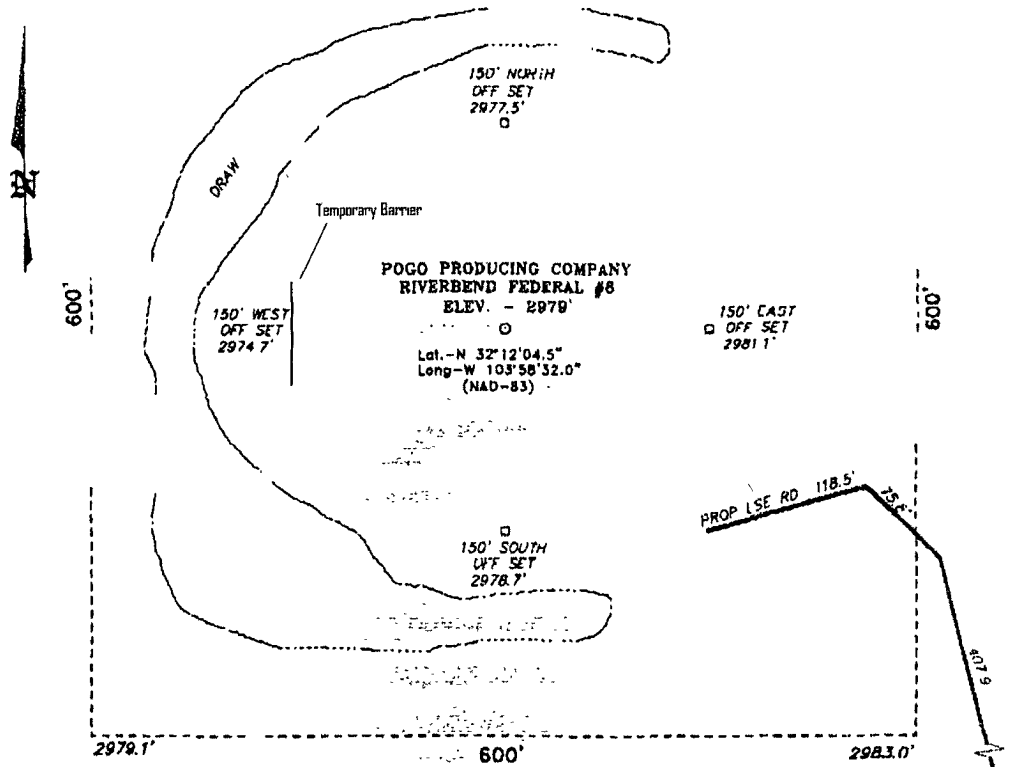
Exhibit 2 - Proposed Barrier Fence

AUG-10-2008 09:53 AM

P 5

SECTION 22, TOWNSHIP 24 , RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

2971.5' 600' 2983.7'



ORIGINAL

SNMAS-06NM-2350

100 0 100 200 FEET
SCALE: 1" = 100'

Directions to Location:

FROM THE JUNCTION OF CO. RD. 746 (MCDONALD)
AND CO. RD. 720 (QUARTE), GO SOUTHEAST FOR
5.4 MILES PAST LOW WATER CROSSING; THENCE
NORTH FOR 1.0 MILE; THENCE NORTHEAST 0.3 MILE
TO PROPOSED LEASE ROAD

POGO PRODUCING CO.

REF: RIVERBEND FEDERAL #8 / Well Pad Topo

THE RIVERBEND FEDERAL NO. 8 LOCATED 2020' FROM
THE SOUTH LINE AND 1650' FROM THE WEST LINE OF
SECTION 22, TOWNSHIP 24 SOUTH, RANGE 29 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 786-HOBBS, NEW MEXICO

W.O. Number: 6920 Drawn By: J. SMALL
Date: 07-17-2006 Disk: JMS 6920W

Survey Date: 07-14 2008 1 Sheet

PECOS DISTRICT

CONDITIONS OF APPROVAL

OPERATOR'S NAME:	POGO PRODUCING COMPANY
LEASE NO.:	NM-81586
WELL NAME & NO.:	RIVERBEND FEDERAL 6
SURFACE HOLE FOOTAGE:	2020' FSL & 1650' FWL
BOTTOM HOLE FOOTAGE:	1980' FSL & 330' FEL
LOCATION:	Section 22, T. 24 S., R 29 E., NMPM
COUNTY:	Eddy County, New Mexico

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 2 hours in advance for a representative to witness:

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

☒ **Eddy County**

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(505) 361-2822

- 1. 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.
- 2. When floor controls are required, (3M or Greater) controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

B. CASING

- 1. The 13-3/8 inch surface casing shall be set at approximately 475 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 compressive 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 compressive 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 9-5/8 inch intermediate casing is:
- ☒ Cement to surface. If cement does not circulate see B.1.a-d above.
3. The minimum required fill of cement behind the 5-1/2 inch production casing is:
- ☒ Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification.
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. The appropriate BLM office shall be notified a minimum of 2 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.

- e. BOP/BOPE must be tested by an independent service company within 500 feet from the top of the **Wolfcamp** formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

D. 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.

Engineer on call phone (after hours): Carlsbad: (505) 706-2779

LB 10/9/07