

9/26/03

CCD-ARTESIA

82

Form 3160-3
(February 2005)**RESUBMITTAL****S**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**Split Estate****APPLICATION FOR PERMIT TO DRILL OR REENTER**

FORM APPROVED

OMB NO 1004-0137

Expires March 31, 2007

Lease Serial No

NM-92145

6 If Indian, Allottee or Tribe Name

7 If Unit or CA Agreement, Name and No

8 Lease Name and Well No

Gumby BAG Federal #2

9 API Well No

30-015-35990

10 Field and Pool, or Exploratory

Wildcat Mississippian

11 Sec, T, R, M, or Blk. And Survey or Area

Section 17, T19S-R23E

1a Type of Work

☒ DRILL☐ REENTER**DEC 17 2007****OCD-ARTESIA**

1b Type of Well

☐ Oil Well☒ Gas Well☐ Other☐ Single Zone☐ Multiple Zone

2 Name of Operator

Yates Petroleum Corporation 025575

3a Address

105 South Fourth Street, Artesia, NM 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

660' FSL and 1100' FWL, Unit M

At proposed prod zone

Same

14 Distance in miles and direction from the nearest town or post office*

Approximately 40 miles northwest of Carlsbad, NM

12 County or Parish

Eddy

13 State

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

1268.40

17 Spacing Unit dedicated to this well

320 acres S/2

18 Distance from proposed location*

to nearest well, drilling, completed,

applied for, on this lease, ft

3000'

19. Proposed Depth

8050'

20. BLM/ BIA Bond No on file

NATIONWIDE BOND #NMB000434

21 Elevations (Show whether DF, KDB, RT, GL, etc.)

4045' GL

22 Approximate date work will start*

ASAP

23 Estimated duration

45 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

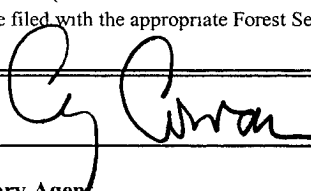
3 A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office)

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 BLM

25 Signature



Name (Printed/ Typed)

Cy Cowan

Date

10/22/2007

Title

Regulatory AgentApproved By (Signature) **/s/ James Stovall**

Name (Printed/ Typed)

/s/ James Stovall

Date

DEC 11 2007

Title

FIELD MANAGER

Office

CARLSBAD FIELD OFFICE

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 cc operations thereon

Conditions of approval, if any, are attached

APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and wilfully 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

* (Instructions on page 2)

C-144 attached

C-102 attached

**Previously Approved
SEE ATTACHED FOR
CONDITIONS OF APPROVAL****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

¹ API Number	² Pool Code 97338	³ Pool Name Wildcat Mississippian
⁴ Property Code 29647	⁵ Property Name GUMBY BAG FEDERAL	⁶ Well Number 2
⁷ OGRID No 025575	⁸ Operator Name YATES PETROLEUM CORPORATION	⁹ Elevation 4045'

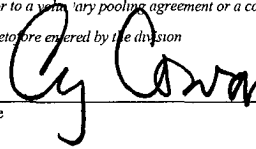
¹⁰ Surface Location

UL or lot no M	Section 17	Township 19S	Range 23E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 1100'	East/West line WEST	County EDDY
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¹¹ 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
¹² Dedicated Acres 320 S/2	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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	¹⁷ OPERATOR CERTIFICATION <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 or has a right to drill this well at this location pursuant to 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>  Signature _____ Date 10/22/07 Cy Cowan Printed Name Regulatory Agent Title			
NM-92145	¹⁸ SURVEYOR CERTIFICATION <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> Date of Survey Signature and Seal of Professional Surveyor REFER TO ORIGINAL PLAT Certificate Number			
1100'				

DISTRICT I
1828 N. French St., Hobbs, NM 88240
DISTRICT II
2111 South First, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
2049 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-1028
Revised March 17, 1999
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 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 96068	Pool Name Wildcat Mississippian
Property Code	Property Name GUMBY BAG FEDERAL	Well Number 2
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4045

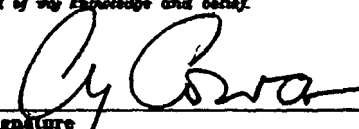
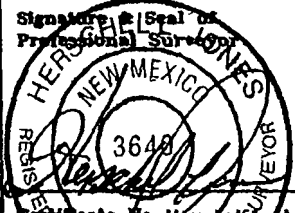
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	17	19S	23E		660	SOUTH	1100	WEST	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 320	Joint or Infill	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

				OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Cy Cowan Printed Name Regulatory Agent Title October 14, 2003 Date	
					SURVEYOR CERTIFICATION 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. 9/15/2003 Date Surveyed  Signature & Seal of Professional Surveyor Certificate No. Herschel Jones RLS 3640 GUMBY BAG FEDERAL GENERAL SURVEYING COMPANY

NM-92145

4049 4044
1100'
660'
4052 4045
N.32°39'18.5"
W.104°49'07.2"

0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'

YATES PETROLEUM CORPORATION

Gumby "BAG" Federal #2

660' FSL & 1110' FWL

Section 17, T19S-R23E

Eddy County, New Mexico

- The estimated tops of geologic markers are as follows:

Glorietta	2093'	Oil Pay	Strawn	7207'	Gas Pay
Upper Yeso	2205'	Oil Pay	Atoka	7565'	Gas Pay
Tubb	2850'	Oil Pay	Middle Morrow	7768'	Gas Pay
Lower Yeso	2987'	Oil Pay	Lower Morrow	7828'	Gas Pay
Abo	3507'	Oil Pay	Base of Morrow	7883'	Gas Pay
Wolfcamp	4721'	Gas Pay	TD	8050'	Gas Pay
Cisco	6007'	Gas Pay			

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

Water: 250' - 350'
Oil or Gas: All potential zones.

- Pressure Control Equipment: BOPE will be installed on the 13 3/8" casing and rated for 3000 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.

- THE PROPOSED CASING AND CEMENTING PROGRAM:

A. Casing Program: (All New)

Hole Size	Casing Size	Wt./Ft	Grade	Coupling	Interval	Length
17 1/2"	13 3/8"	48#	H-40	ST&C	0-350'	350'
12 1/4"	9 5/8"	36#	J-55	ST&C	0-2150'	2150'
8 3/4"	5 1/2"	17#	J-55	LT&C	0-100'	100'
8 3/4"	5 1/2"	15.5#	J-55	LT&C	100-6800'	6700'
8 3/4"	5 1/2"	17#	L-80	LT&C	6800'-8050'	1250'

7" casing may be set at 7300' if lost circulation is encountered.

Yates Petroleum Corporation requests a variance to install a rotating head on the surface casing strings when intermediate casing will be set. If a BOP system is required then we wish to install a 2M system and receive a variance to test the system to 1000# using the rig pumps. The test will be held for 30 minutes on each system component. Components to be tested include pipe rams, blind rams, and annular preventer.

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Joint Strength 1.8

B. Cementing Program:

Surface Casing: 200 sx Class C (YLD 1.52 WT 14.6). Tail in with 400 sx Class C (YLD 1.34 WT 14.8) Surface.

Intermediate Casing. 700 sx Lite (YLD 2.0 WT 12.5) Tail in with 200 sx "C" (YLD 1.33 WT 14.8) Surface

Production Casing TOC 1000', 700 sx Lite (YLD 2.0 WT 12.5) Tail in with 1200 sx Class C (YLD 1.60 WT 13.2). TOC 1000'

5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-350'	FW/Air Mist	8.4	28	N/C
350'-2150'	FW	8.4	28	N/C
2150'-3450'	Cut Brine	8.6-9.2	28	N/C
3450'-7200'	Cut Brine/6%KCL	9.2-9.8	28	N/C
7200'-TD	Salt Gel/Starch	9.6-9.9	32-38	<12cc

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 from intermediate casing.

Logging: Platform Express/HALS/Sonic, Possible FMI.

Coring: Rotary sidewall cores

DST's: As warranted.

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

Anticipated BHP:

From: 0	TO: 350'	Anticipated Max. BHP: 175	PSI
From: 350'	TO: 2150'	Anticipated Max. BHP: 950	PSI
From: 2150'	TO: 8050'	Anticipated Max. BHP: 4150	PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: Possible in surface and intermediate holes.

H₂S Zones Anticipated: Possible Canyon

Maximum Bottom Hole Temperature: 153 F

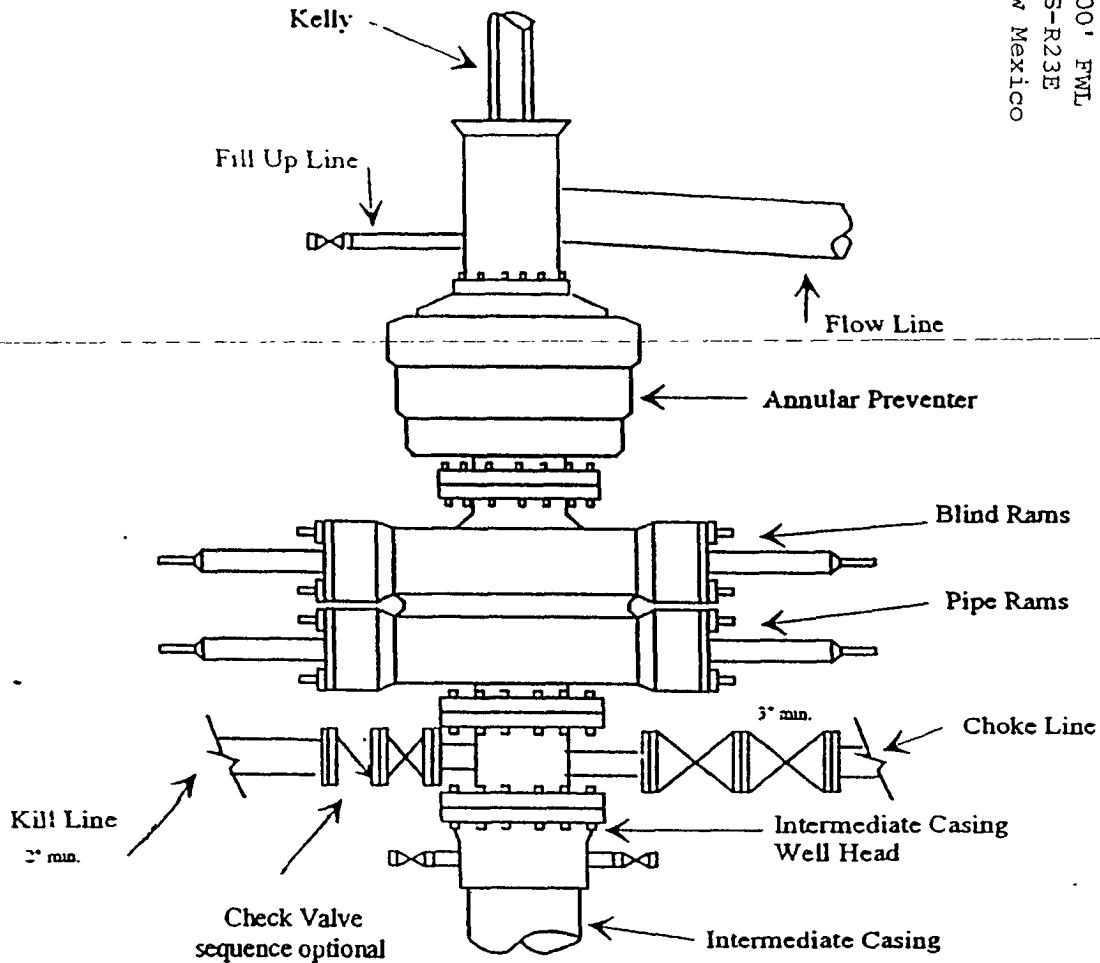
8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 30 days to drill the well with completion taking another 15 days.

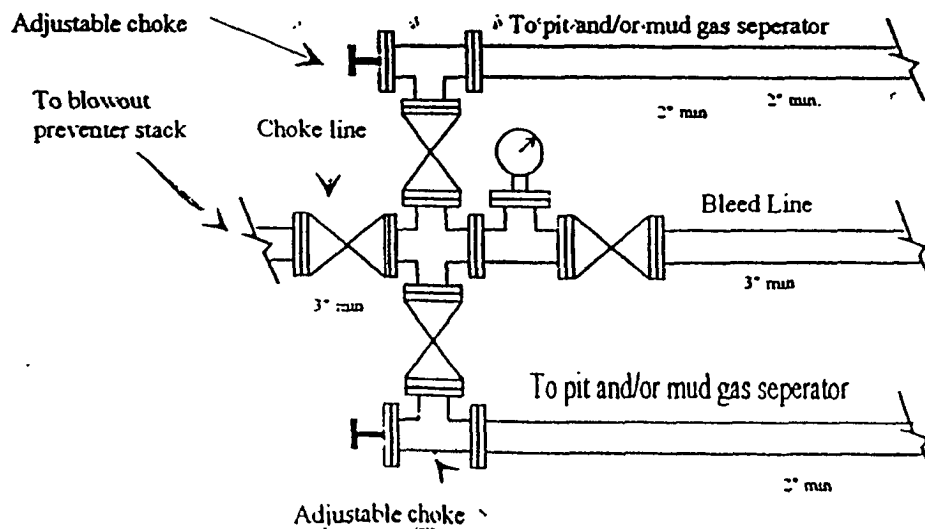
Yates Petroleum Corporation
 105 SOUTH 4th STREET
 ARTESIA, NEW MEXICO 88210

Gumbo BAG Federal #2
 660' FSL and 1100' FWL
 Section 17, T19S-R23E
 Eddy County, New Mexico
 NM-92145

Yates Petroleum Corporation
 Typical 3,000 psi Pressure System
 Schematic
 Annular with Double Ram Preventer Stack



Typical 3,000 psi choke manifold assembly with at least these minimum features



Yates Petroleum Corporation

**105 S. Fourth Street
Artesia, NM 88210**

Hydrogen Sulfide (H₂S) Contingency Plan

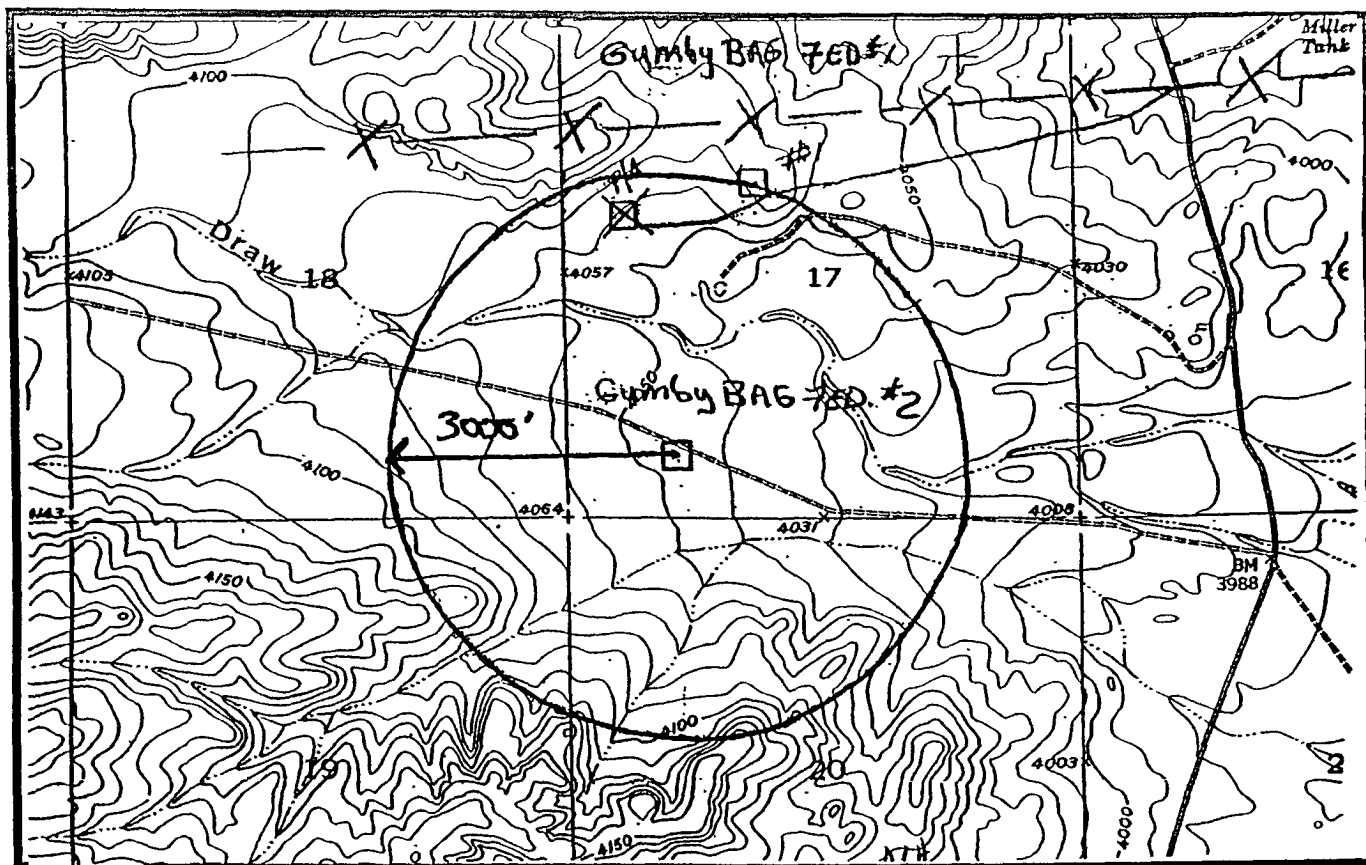
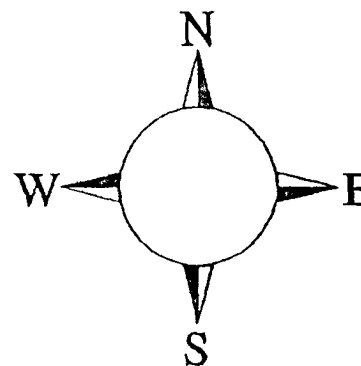
For

Gumby BAG Federal #2

**660' FSL, 1100' FWL
Sec-17, T-19S, R-23E
Eddy County NM**

Gumboy BAG Federal #2 Location

This is an open drilling site. H₂S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H₂S, including warning signs, wind indicators and H₂S monitor.



Approved for release by the Department of Energy, Office of Environmental Management, under the terms of the Environmental Restoration and Control Act of 1992 (Public Law 102-580).

Yates Petroleum Corporation Phone Numbers

YPC Office (505) 748-1471
Pinson McWhorter/Operations Manager (505) 748-4189
Darrel Atkins/Production Manager (505) 748-4204
Ron Beasley/Prod Superintendent (505) 748-4210
Al Springer/Drilling (505) 748-4225
Paul Hanes/Prod. Foreman/Roswell (505) 624-2805
Jim Krogman/Drilling Superintendent..... (505) 748-4215
Artesia Answering Service (505) 748-4302
(During non-office hours)

Agency Call List

Eddy County (505)

Artesia

State Police..... 746-2703
City Police..... 746-2703
Sheriff's Office 746-9888
Ambulance 911
Fire Department 746-2701
LEPC (Local Emergency Planning Committee) 746-2122
NMOCD..... 748-1283

Carlsbad

State Police..... 885-3137
City Police..... 885-2111
Sheriff's Office 887-7551
Ambulance 911
Fire Department 885-2111
LEPC (Local Emergency Planning Committee)..... 887-3798
US Bureau of Land Management.....887-6544

New Mexico Emergency Response Commission (Santa Fe) (505)476-9600
24 HR(505) 827-9126
National Emergency Response Center (Washington, DC) ...(800) 424-8802

Other

Boots & Coots IWC1-800-256-9688 or (281) 931-8884
Cudd Pressure Control.....(915) 699-0139 or (915) 563-3356
Halliburton(505) 746-2757
B. J. Services.....(505) 746-3569

Flight For Life -4000 24th St, Lubbock, TX(806) 743-9911
Aerocare -Rr 3 Box 49f, Lubbock, TX(806) 747-8923
Med Flight Air Amb 2301 Yale Blvd SE #D3, Albuq, NM(505) 842-4433
S B Air Med Svc 2505 Clark Carr Loop SE, Albuq, NM(505) 842-4949

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation

Gumby "BAG" Federal #2

660' FSL & 1110' FWL

Section 17, T19S-R23E

Eddy 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 40 miles northwest of Carlsbad, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go south of Artesia on Highway 285 to Rocking R Red Road (CR-21). Turn west on Rocking R Red Road and go approximately 18 miles to Armstrong Road (CR-12). Turn south on Armstrong Road and go approx. 2.5 miles to a cattleguard on Armstrong Road. Turn right on north side of cattleguard on existing two track road. Follow two track west for approx. 1.1 miles. The new road will start here going southwest.

2. PLANNED ACCESS ROAD

The new access will be approximately 200 feet in length from the point of origin to the southeast corner of the well pad.

3. LOCATION OF EXISTING WELL

- A. There is 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 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:

The dirt contractor will locate closest pit and will 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 400' x 400' area has been staked and flagged.

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: Please be advised that Yates Petroleum Corporation has made a surface damage agreement with the Frank Runyan Trust, which represents the Private Surface Owners on whose private land the captioned well is located. 1-505-627-7229 - Wells Fargo Bank
Trustee for Ranch - per Cy Cerwon
10-24-07 DM

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.

CERTIFICATION
YATES PETROLEUM CORPORATION
Gumby BAG Federal #2

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 22th day of October, 2007.

Printed Name Cy Cowan

Signature 

Position Title Regulatory Agent

Address 105 South Fourth Street, Artesia, NM 88210

Telephone 505-748-4372

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) cy@ypcnm.com

VII. 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,
(575) 361-2822

1. A Hydrogen Sulfide (H₂S) Drilling Plan should be activated 500 feet prior to drilling into the **Canyon** formation. **Please report any measured amounts to the BLM.**
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.
3. Floor controls are required for 3M or Greater systems. These 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 350** feet and cemented to the surface. **Fresh water/air mist approved, but not air drilling.**
 - 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.

Medium cave/karst.

Possible lost circulation in the San Andres, Glorietta, and Wolfcamp formations.

Possible high pressure gas bursts in the Wolfcamp and over pressure in the Pennsylvanian section.

- 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.

**If a 7" casing string is required, submit sundry with casing and cement details.
Approved sundry must be at rig prior to setting casing.**

- 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. 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. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 9-5/8" intermediate casing shoe shall be **3000 (3M)** psi.
- 4. 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 of 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.
- f. A variance to test the surface casing and BOP/BOPE to the reduced pressure of **1000** psi with the rig pumps is approved.

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.

E. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

Engineer on call phone (after hours): Carlsbad: (575) 706-2779

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