Berry A Federal 11 COG Operating, LLC 30-015-30669 May 3, 2011 Conditions of Approval

- 1. Work to be complete within 1 year.
- 2. Surface disturbance beyond the existing pad requires prior approval.
- 3. Closed loop system to be used.
- 4. H2S monitoring equipment should be onsite for personnel protection from surrounding oil operations. Operator should not encounter H2S while deepening.
- 5. BOP to be tested to 1000 psi based on BHP expected.
- 6. Variance for stand-off of less than 0.422" is approved due to NMOCD classifying the formations in this area as the Yeso group.
- 7. Variance approved for a minimum tie back of 50°. When plugged, cement plug will be required across this tie back and across squeezed perforations.
- 8. Variance for not testing seal also approved based on NMOCD classification of formations in this area as the Yeso group.
- 9. If cement does not circulate to DV tool, the appropriate BLM office is to be notified.
- 10. Test casing as per Onshore Order 2.III.B.1.h.
- 11. Subsequent sundry detailing work and current well test data are to be submitted when work is complete.

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