OFFICE OF THE SECRE[T]
Minerals Management Se..ice
ROSWELL DISTRICT

NM OIL CONS. COMMISSION
Drawer DD
Artesia, NM 88210

c/SF #3 EL-Cu
SF
~~Cable Tool~~

AMENDED
NOV 18 1982

SPECIAL APPROVAL STIPULATIONS

THE FOLLOWING DATA IS REQUIRED ON THE WELL SIGN

RECEIVED
NOV 19 1982
O. C. D.
ARTESIA, OFFICE

YATES PETROLEUM CORPORATION
3 Bosque Grande "SQ" Fed.
~~SE¼SE¼~~ sec 8 T7S R26E
Chaves County, New Mexico
Lease No. NM-15294

THE SPECIAL STIPULATIONS CHECK MARKED BELOW ARE APPLICABLE TO THE ABOVE-DESCRIBED WELL AND APPROVAL OF THIS APPLICATION TO DRILL IS CONDITIONED UPON COMPLIANCE WITH SUCH STIPULATIONS IN ADDITION TO THE GENERAL REQUIREMENTS. EACH PERMITTEE HAS THE RIGHT OF ADMINISTRATIVE APPEAL TO THESE STIPULATIONS PURSUANT TO TITLE 30 CFR 290.

☑ **A.** The Minerals Management Service office is to be notified at:

- ☑ (505) 622-1332 Roswell
- ☐ (505) 756-9838 Artesia
- ☐ (505) 393-5146 Hobbs

in sufficient time for a representative to witness:

- ☑ 1. Spudding
- ☑ 2. Cementing casing
  - 10¾ inch
  - 8⅝ inch (if needed-lost circulation)
  - 4½ inch
- ☐ 3. BOP tests

☐ **B.** At least one working day prior to constructing the well pad, access roads and/or related facilities, the operator or dirt contractor shall notify the authorized officer of the surface management agency. The surface management agency may be contacted at:

- ☐ BLM phone (505) 887-6544 Carlsbad, New Mexico
- ☐ BLM phone (505) 622-7670 Roswell, New Mexico
- ☐ _____

He shall also notify the surface management agency within two working days after completion of earth-moving activities.

☑ **C.** Roads in the area of operation of this authorization will require surfacing.

☑ **D.** 10¾" surface casing should be set in the Rustler Anhydrite formation and cement circulated to the surface. If surface casing is set at a lesser depth, the _____ casing must be cemented from the casing shoe to the surface or cemented to the surface through a stage tool set at least 50 feet below the top of the Rustler after cementing around the shoe with sufficient cement to fill to the base of the salt section.

☑ **E.** Before drilling below the 10¾" casing, the blowout preventer assembly will consist of a minimum of ~~one annular type and~~ two ram type preventers.

☑ **F.** Minimum required fill of cement behind the 4½" casing is to (No attached memo)

☑ **G.** After setting the 10¾" casing string and before drilling into the Wichita formation, the blowout preventers and related control equipment shall be pressure tested to rated working pressures ~~by an independent service company~~. Any equipment failing to test satisfactorily shall be repaired or replaced. ~~This office should be notified in sufficient time for a representative to witness the tests and shall be~~ [illegible] copy of the pressure test report.

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

☐ 1. A recording pit level indicator to determine pit volume gains and losses.

☐ 2. A mud volume measuring device for accurately determining mud volume necessary to fill the hole on trips.

☐ 3. A flow sensor on the flow-line to warn of any abnormal mud returns from the well.

☑ I. A kelly cock will be installed and maintained in operable condition.

☑ J. A Communitization Agreement covering the acreage dedicated to the well must be filed for approval with the Minerals Management Service, P.O. Box 26124, Albuquerque, New Mexico 87125. The effective date of the agreement must be prior to any sales.

☑ K. Above ground structures, not subject to applicable safety requirements shall be painted. The paint color is to simulate:

☑ Sandstone Brown, Fed. Std. 595-20318 or 30318

☐ Sagebrush Gray, Fed. Std. 595-26357 or 36357

☐ _____

☐ L. A Gamma Ray-Compensated Neutron log is required from the base of the salt section to the surface with cable speed not ot exceed 30 feet per minute.

M. Rehabilitation

☑ At least 3 working days prior to commencing any of the following rehabilitation activities, the operator shall notify the appropriate surface managing agency, shown in part B.

☑ 1. Upon the conclusion of drilling and completion operations when mud pits are dry they will be leveled, plastic will be removed and area reseeded with mixture No. 2 shown on last page of General Requirements.

☑ 2. Following the down-hole plugging and abandonment of all operation:

☑ a. The drill pad and 1100' of access road shall be ripped to a minimum of 12" in depth. Ripping shall be on the contour with rips being approximately 3 feet or less apart.

☑ b. The drill site and 1100' of access road will be reseeded with mixture No. 2 shown on the last page of the General Requirements.

☑ c. All ripped surfaces are to be protected from vehicular travel by constructing a dead-end ditch and earthen barricade at the entrance to these ripped areas. The barricade is to be constructed using spoil material from the ditch and should be of sufficient magnitude to discourage vehicle entry.

☐ d. Private Surface: Abandonment stipulations to coincide with operator-landowner agreement. (Where no agreement exists, BLM will be requested to provide abandonment stipulations.)

☑ e. The surface location is to be cleaned and leveled.

☑ 3. Modifications in the rehabilitation stipulations made necessary by unforeseen circumstances or improvements in rehabilitation methods may be made when the Notice of Intention to Abandon is filed.

☐ N. Other: See Attached Floodplain Stipulations

Floodplain Stipulations

N. Other

[✓] (1) If during drilling operations, a threat of imminent flooding of the Pecos River is present, the MMS District Supervisor will issue a shut-in order. Toxic substances, and possibly drilling equipment, will be removed from the floodplain.

[✓] (2) Pad will be elevated 2 feet or more with well packed caliche.

[ ] (3) A 50 foot wide fire break will be cleared beyond the pad in the direction of flaring.

[ ] (4) The riparian habitat will be protected. Trees will not be cut down unless authorized by the surface managing agency.

[✓] (5) All pits will be plastic lined or self-contained. This stipulation applies to both mud and air drilling. Special: Pits will face to the East

[✓] (6) Contents of all pits including plastic lining will be removed from the floodplain after drilling.

[✓] (7) No pits containing oil, tank bottoms or other hydrocarbons, salt water or any toxic substances will be allowed in the floodplain.

[✓] (8) If a salt water flow is encountered, said water will be stored in tanks and removed from the floodplain.

[✓] (9) Production facilities will be placed on the following designated area: Either to the Northeast or the South

[✓] (10) Dikes designed to contain 150% of total storage capacity will be built prior to production around storage facilities. Well packed caliche will be used to construct the dikes, and will be maintained as long as well is in production.

[✓] (11) Flow lines from the well head to the production facilities will be buried.

[✓] (12) a. The well will be equipped with a down hole shut-in device, rated at a working pressure of 1500 psi.

or b. The well head will be buried below ground in a concrete cellar with a grate over it.

or c. Three steel posts will be set in concrete. Horizontal steel cross bars will connect the the posts. Heavy guage chain link will be welded or bolted to the post and cross bars. (See attached diagram) The V must point upstream or in the direction specified.

[✓] (13) The separator will be protected and placed according to the following:

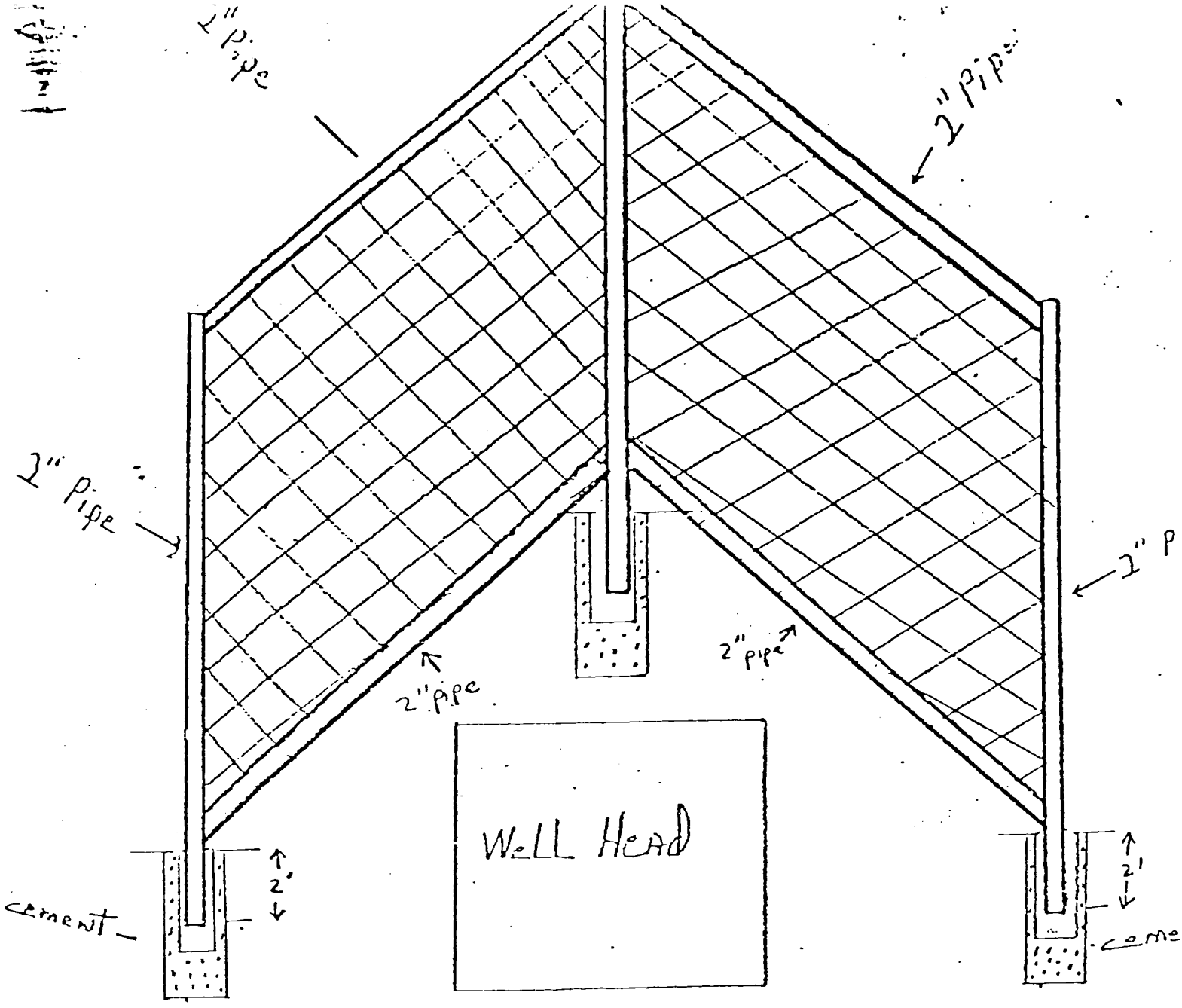
[ ] a. Well is located in the lower floodplain so a barrier as described in 12c will be built to protect it.

[✓] b. Well is located in the upper floodplain so the separator will be placed behind the wellhead barrier.

[✓] (14) Chemical toilets will be used instead of latrines.

[✓] (15) All trash, junk, and other waste materials will be placed in containers other than excavated pits to prevent scattering, and will be removed and deposited in an approved sanitary landfill.

[✓] (16) Other: The natural sand dike to the west is to be disturbed only to build the pad, and all material removed to build the pad is to be pushed to the west to keep the natural sand dike in place for flood protection



Height-- 6 feet or as tall as well head

Width-- 6 foot panels with chain link fence wire

3 post holes with sleeves to insert pipe set in place by cement.

United States Department of the Interior

MINERALS MANAGEMENT SERVICE
ROSWELL DISTRICT OFFICE
POST OFFICE DRAWER 1857
ROSWELL, NEW MEXICO 88201

September 14, 1982

TO: All Operators North of Roswell
Chaves, DeBaca and Lincoln Counties

Acceptable casing/cementing programs for wells drilled north of Roswell in Chaves, DeBaca and Lincoln Counties must satisfy the requirements enumerated below as a minimum.

(1) Surface Pipe - will be set below all fresh water and only fresh water. This string will require cement from shoe to the surface.

(2) Intermediate Pipe - this string is optional. If run, it will require cement from the shoe to the surface or tied back into the surface pipe not less than 200 feet.

(3) Production Pipe - should be cemented from the shoe to approximately 600 feet above the productive pay. Cement will also be required from 500 feet below the shoe of the surface pipe to the surface or not less than 200 feet tie-back into the surface pipe. This will not be required if intermediate pipe is set 500 feet or more below the shoe of the surface pipe. All cement tie-backs short of circulation will be verified by a temperature surveyor or by one-inch tubing.

James A. Gillham
District Supervisor
Oil and Gas