

SUPPLEMENTAL DATA

BHP PETROLEUM COMPANY INC.
No.1 Ervin Ranch State
1650'FSL 1650'FEL Sec.5-11S-27E
Chaves County, N.M.

State Lease V-1229

The following items supplement the information on Form C-101.

1. PRESSURE CONTROL EQUIPMENT: Pressure control equipment will include a 3000#WP blowout preventer stack with a Series 900 annular preventer and Series 900 blind and pipe rams. The BOP stack will include a kill line and choke manifold tested to 2000 psi. BOP hydraulic controls will be operated at least daily. Mud weight will be monitored to control bottom hole pressure. A kelly cock will be installed on the kelly joint and full opening safety valve will be available on the rig floor. A diagrammatic sketch of the BOP stack is attached.
2. SURFACE DAMAGES: The well and access road are located on State surface leased by LA Ranch Partnership. Mr. David Carpenter, partner, has been consulted regarding surface disturbance. A surface damage settlement will be negotiated with Mr. Carpenter.
3. NON-STANDARD PRORATION UNIT: Application for a 47.06 acre non-standard proration unit will be presented as Case 9461 on Examiner Hearing Docket No.24-88.
4. UNORTHODOX LOCATION: Case 9461 will also include a request for approval of an unorthodox location, in case the proposed well is completed as a gas well.