

SUPPLEMENTAL DATA

BHP PETROLEUM COMPANY INC.  
No.1 Yates Valley State Com  
1650'FNL 2310'FEL Sec.36-10S-26E  
Chaves County, N.M.

State Lease V-1363

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. A Hearing will be conducted before the New Mexico Oil Conservation Division on March 29, 1989 in response to a request from BHP Petroleum Company Inc. for an unorthodox gas well location and compulsory pooling of the E/2 Sec.36.