

SUPPLEMENTAL DATA

BHP PETROLEUM (AMERICAS) INC.
No.1 Puffer State
NWNW Sec.24-8S-27E
Chaves County, N.M.
State Lease V-2824

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 L&L Cattle Company, Rt.1, Floyd, New Mexico 88118. A surface damage settlement will be negotiated with the surface lessee.
3. An Application for an unorthodox gas well location and N/2 dedication for a standard 320-acre gas spacing and proration unit has been approved by NSL-2942.
4. An Archaeological review by Eastern New Mexico University indicated that Cultural Resources will not be disturbed by the proposed drilling activity.