

Supplemental Data

BHP PETROLEUM (AMERICAS) INC.
Puffer State "A" No.1
NW/SW Sec. 24 T-8-S, R-27-E
Chaves County, New Mexico

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 bottomhole pressure. A kelly cock will be installed on the kelly joint and full opening safety valve will be available on the rig floor. A diagram of the BOP stack is attached.
2. SURFACES DAMAGES: The well and access road are located on State surface leased by L&L Cattle Co, 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 S/2 dedication for a standard 320-acre gas spacing and proration unit has been approved by NSL#-3214.
4. An Archaeological survey by Pecos Archaeological Consultants indicated that Cultural Resources will not be disturbed by the proposed drilling activity.