

To:

Russell Jentgen/LCFO/NM/BLM/DOI@BLM

cc:

Subject: Indian Creek Federal #1

1800' FSL, 2283' FEL, Section 14, T23S R20E

Otero County, New Mexico

Please see attached amended stips for the subject well. after you approve the sundry please let us have a copy for our file.

-------Forwarded by Armando Lopez/RFO/NM/BLM/DOI on 01/06/2000 11:57 AM ---------



Alexis Swoboda 01/06/2000 11:39 AM

To:

Armando Lopez/RFO/NM/BLM/DOI@BLM

cc:

Subject: Indian Creek Federal #1

1800' FSL, 2283' FEL, Section 14, T23S R20E

Otero County, New Mexico

I have reviewed the sundry notice submitted for the referenced well and it is ready for approval. Please note the following changes: the total depth of the well has been revised to 5,500'. The operator now plans to drill to 1600' (instead of 1400') with a closed loop air drilling system converting to a closed loop mud system after the 9-5/8" casing has been set. The casing design has changed from 7" and 4-1/2" to 9-5/8" and 5-1/2" casing. A correction should be made to the weight/foot of the 9-5/8" casing - it should be 36.0 #/ft. Revised conditions of approval have been completed and are attached.





LONDITIONS OF APPROVAL - DRILLING

Operator's Name:

Presco, Inc.

Well Name & No.

Indian Creek Federal #1

Location:

1800' FSL, 2283' FEL, Section 14, T. 23 S., R. 20 E., Otero County, New Mexico

Lease:

NM-87187

I. DRILLING OPERATIONS REQUIREMENTS:

The Bureau of Land Management (BLM) is to be notified at the Roswell Field Office, 2909 West Second Street, Roswell, NM 88201, 505-627-0272 in sufficient time for a representative to witness:

- 1. Spudding
- 2. Cementing casing: 9-5/8 inch 5-1/2 inch
- 3. BOP tests
- 4. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
- 5. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

II. CASING:

- 1. The <u>9-5/8</u> inch casing shall be set at <u>approximately 1600 feet</u> and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.
- 2. The minimum required fill of cement behind the <u>5-1/2</u> inch production casing is shall be <u>sufficient to</u> isolate all water, oil and gas, but at a minimum must extend 500 feet above the pay zone.

III. PRESSURE CONTROL:

- 1. The BOP and related equipment as described in Onshore Order No. 2 shall be installed and operational before drilling below the <u>9-5/8</u> inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced. The blowout preventer assembly shall consist of a minimum of: one annular preventer, or double ram, or two ram preventers with one being blind and one being a pipe ram. Additional equipment should include and upper kelly cock valve with handle available. Safety valves and subs to fit all drill strings in use must be available on the rig floor.
- 2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 2000 psi.
- 3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.

IV. DRILLING MUD:

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling below the <u>9-5/8"</u> casing and shall be used until production casing is run and cemented.