	UNITED STAT DEPARTMENT OF TH BUREAU OF LAND MA	FED 1 -	D FORM APPROVED OM B No 1004-0137 Expires March 31, 2007			
	NOTICES AND R		FEB 1 7 2012	5 Lease Senal No. NM-14791		
Do not use t	his form for proposals vell. Use Form 3160-3	to drill or to re-	enter an	6 If Indian, Allottee or Tribe Name		
	RIPLICATE- Other in	structions on reve	erse side.	7 If Unit or CA/Agreement, Name and		
1. Type of Well ✓ Oil Well	Gas Well Other			<ol> <li>Well Name and No.</li> <li>New Mexico A Federal 005</li> </ol>		
2. Name of Operator Strata Produ	uction Company			9. API Well No.		
3a Address P.O. Box 1030, Roswell, NM 8	8202	3b. Phone No. ( <i>includ</i> 575-622-1127	de area code)	30-025-31146 10 Field and Pool, or Exploratory Area		
4. Location of Well (Footage, Sec.,				Hat Mesa Delaware		
330' FNL & 860 FWL, S4-T2	1S-R32E	/	/	11. County or Parish, State		
				Lea County, NM		
12. CHECK A	PPROPRIATE BOX(ES) 7	O INDICATE NATU	RE OF NOTICE, RI	EPORT, OR OTHER DATA		
TYPE OF SUBMISSION		ТУ	TE OF ACTION			
Notice of Intent	Acıdıze	Deepen Fracture Treat	Production (Stat	t/Resume) Water Shut-Off Well Integrity		
Subsequent Report	Casing Repair	New Construction		✓ Other Variance		
Final Abandonment Notice	Change Plans	Plug and Abandon	Temporarily Ab	undon		
	Convert to Injection	Plug Back	Water Disposal			
testing has been completed. Find the site is read-	inal Abandonment Notices shall	be filed only after all requir		a new interval, a Form 3160-4 shall be fil tion, have been completed, and the operate		
Strata Production Comp:	· · ·	aint color variance on t	he above listed tank ba	ittery.		
9EE A77. P.			he above listed tank b	.ttery.		
SEE A77. P. 14. Ihereby certify that the fore Name (Printed/Typed)	egoing is true and correct		he above listed tank b	.ttery.		
SEE A77. M. 14. Thereby certify that the fore	egoing is true and correct	стел Ts	he above listed tank ba	.ttery.		
SEE A77. P. 14. Ihereby certify that the fore Name (Printed/Typed)	egoing is true and correct	стел Ts	Vice President	//03/2012		
SEE A77. M 14. Thereby certify that the fore Name (Printed/Typed) Frank S. Morga	egoing is true and correct	Trite	Vice President 02	//03/2012		
SEE A77. P. 14. Thereby certify that the fore Name (Printed/Typed) Frank S. Morga Signature Signature Frank S. Morga	egoing is true and correct n THIS SPACE FOF /s/ JD W	Title Title Date RFEDERAL OR S Thitlock Jr	Vice President 02	//03/2012		
9.E.E. A.T.T. M. 14. Ihereby certify that the fore Name (Printed/Typed) Frank S. Morga Signature Signature Conditions of approval, if any, are certify that the applicant holds lega which would entitle the applicant	Provide the second seco	Title Title Date RFEDERAL OR S hitlock Jr ce does not warrant or is in the subject lease - ZOLZ	Vice President 02 STATE OFFICE Tutle L PE 7 Office C F-0	./03/2012 USE		

Contract Tool Tool Tool Tool Tool Tool Tool Too	N, ALLOTTEE OF TRIBE NAME RREMENT NAME LEASE NAME Mexico Federal				
DRILLXEX       DEEPEN       PLUG BACK       T. UNT A         WELLSEX       OTHER       SINGLE       NULLYER       SINGLE       NULLYER         WELLSEX       OTHER       SINGLE       NULLYER       SINGLE       NULLYER         2. MANG OF OFERATOR       SINGLE       NULLYER       SINGLE       NULLYER       SINGLE       NULLYER         3. ADDRESS OF OFERATOR       GAS DESTROY       SINGLE NULLYER       SINGLE       NULLYER       New         4. LOCATION OF WELL (CHOPOLICONTOLOCUTION COMPACTION FROM MEATERST TOWN OR FOST OFFICE'       10. FINAL & SONG       10. FINAL & SONGLE NULLYER       10. FINAL & SONGLE NULLYER       11. BOOK         3. MILES AND DIBECTION FROM MEATERST TOWN OR FOST OFFICE'       12. CONTROL       12. CONTROL       12. CONTROL         14. DISTANCE FROM PROPOSED       SONGLE NULLYER       300'       16. NOT ACCEST IN MILES AND DIBECTION FROM MEATERST TOWN OR FOST OFFICE'       12. CONTROL       12. CONTROL         15. DISTANCE FROM PROPOSED       SONGLE NULLYER       300'       16. NOT ACCEST IN MILES AND DIBECTION FROM MEATERST TOWN OR FOST DEFTH       20. AOTAET OR CARD         16. DISTANCE FROM PROPOSED       SONGLE NULLYER       300'       18. NOTAET OR CARD       20. AOTAET OR CARD         18. DISTANCE FROM PROPOSED       SONGLE NULLYER       300'       10. FROPOSED DEFTH       20.					
WELL WELL       WELL       OTHER       SONE       ZONE       ONE       NAME         2. MARK OF OFERATOR       Strata Production Company         NAME       NAME         3. ADDRESS OF OFERATOR           NAME       NAME         3. ADDRESS OF OFERATOR             NAME       NAME         3. ADDRESS OF OFERATOR	Mexico Federal				
Strata Production Company       1. New Water         3. ADDRESS OF OFRATOR       648 Petroleum Building, Roswell, N.M. 88201         4. LOCATOR OF WALL (Report location clearly and in accordance with any State requirements.*)       1. New Water         4. LOCATOR OF WALL (Report location clearly and in accordance with any State requirements.*)       1. New Water         3.0' FNL & 860' FWL       4. T2         4. Intervent       3. Miles West of Hobbs New Mexico         10. DIFFLANCE FIN MILES AND DIRECTION FROM NEAREST TOWN OR FORT OFFICE*       1. Countrol         11. DIFFLANCE FROM PROPORED*       3.30'         12. COUNT       3.30'         13. DIFFLANCE FROM PROPORED*       1.300' apx         14. DIFFLANCE FROM PROPORED       1.300' apx         15. DIFFLANCE FROM PROPORED       1.300' apx         16. NO OF ALLENG CONFERENCE       1.300' apx         17. NO. OF ACCENT       2. ROTARY OR CARDE         28. DIFFLANCE FROM PROPORED FROM PROPERTION FROM PROFECTION TO REAREST       1.300' apx         29. STELEOF NOLE       3.646 gl         20. ROTARY OR CARDE       8. STELEOF ALLONG CONFERENCE         28. DIFFLANCE FROM PROPORED       1.300' 1.3'%         29. STELEOF NOLE       STELEOF ALLONG CONFERENCE         20. ROTARY OR CARDE       8. STELEOF ALLONG CONFERENCE         20. ROTARY OR CARDE					
5. ADDRESS OF OFARTOR       5         648 Petroleum Building, Roswell, N.M. 88201       5         4. BOCKNOP WELL (REPORTION TO WELL (REPORTION CONTROL GARTY and In ACCORDANCE WILL BUY STATE REQUIREMENTS.)       Hat         4. SUCKNOP WELL (REPORTION TO WELL (REPORTION FROM MEAREST TOWN OF POST OFFICE*       12. COUNT         14. DISTANCE IN MILES AND DIRECTION FROM MEAREST TOWN OF POST OFFICE*       12. COUNT         15. DISTANCE IN MILES AND DIRECTION FROM MEAREST TOWN OF POST OFFICE*       12. COUNT         16. DISTANCE FOR MEAREST TOWN FROM MEAREST TOWN OF POST OFFICE*       12. COUNT         16. DISTANCE FOR MEAREST DETTION TO MEAREST TOWN OF POST OFFICE*       12. COUNT         17. NO. OF ACEUST       330'         18. DISTANCE FOR MEDIATION       330'         18. DISTANCE FOR MEDIATION CONFERENT       1300' apx         19. DISTANCE FOR MEDIATION FOR ACEUST       330'         18. DISTANCE FOR MEDIATION CONFERENT       1300' apx         19. DISTANCE FOR MEDIATION CONFERENT       1300' apx         10. DISTANCE FOR MEDIATION CONFERENT       3646 gl Capitan Confrolled Water Bosin         20. ROTATION SIZE OF CASING       SIZE OF ACENT         10. MEANEST WELL MEANE       SIZE OF CASING AND CEMENTING PROGRAM         21. LEVATION (Show Whether DF, RT, GR, etc.)       SIZE OF ACENT         21. LEVATONS (Show Whether DF, RT, GR, etc.)       SIZE OF ACENT </td <td></td>					
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A SUPLACE A SO' FNL & 860' FWL At proposed prod. zone Same 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE <sup>6</sup> 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE <sup>6</sup> 15. DISTANCE FROM PROPOSED 16. NO OF ACRESS IN LEASE 17. NO. OF ACRESS IN LEASE 18. DISTANCE FROM NEAREST TOWN OR POST OFFICE <sup>6</sup> 18. DISTANCE FROM PROPOSED 18. DISTANCE FROM PROPOSED 19. PROPOSED DEPTH 10. OF ACRESS IN LEASE 11. NO. OF ACRESS IN LEASE 11. NO. OF ACRESS IN LEASE 12. OUNTY 13. DISTANCE FROM PROPOSED 13. DISTANCE FROM PROPOSED 14. DISTANCE FROM PROPOSED 15. PROPOSED LOATING 16. NO OF ACRESS IN LEASE 17. NO. OF ACRESS IN LEASE 16. NO. OF ACRESS IN LEASE 10. OF THIS WELL 13. DISTANCE FROM PROPOSED 13. DISTANCE FROM PROPOSED 14. DISTANCE FROM PROPOSED 15. PROPOSED CASING AND CEMENTING PROGRAM 20. ROTART OR CASING 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 22. AFFRM 23. PROPOSED CASING AND CEMENTING PROGRAM 24. PROPOSED CASING AND CEMENTING PROGRAM 25. JL/2 <sup>III</sup> 26. STILL OF HOLE 27. SIZE OF HOLE 28. SIZE OF HOLE 29. SIZE OF CASING 29. PROPOSED CASING AND CEMENTING PROGRAM 20. ROTART OR CASING 24. Y S - 25. JL/2 <sup>III</sup> 27. SIZE OF HOLE 28. MULL DISTANCE OF CASING 29. Y S - 29. SIZE OF HOLE 29. SIZE OF CASING 29. SIZE OF HOLE 20. ROTART OR CASING 20. ROTART OR CASING 24. Y S - 25. SR 17. T S - 27. SIZE OF HOLE 27. SIZE OF HOLE 28. MULL DISTANCE STAND ADDEST 29. SIZE OF HOLE 29. SIZE OF HOLE 20. ROTART OR CASING 20. CONTACT ON CASING 20. LOGS TO BE TURE CONTACT OF CASING 20. LOGS TO BE TURE: CNL-DENSITY, MLLDLL, MSFL 21. ADOVE SFACE DESCRIME PROFOSED PROCEAM: IF PROPOSED TO FUNCTIONEL OR CASING 20. LOGS TO BE TURE: CNL-DENSITY, MLLDLL, MSFL 21. ADOVE SFACE DESCRIME PROFOSED PROCEAM: IF proposal is to deepen or plug back, give data on present productive sone a 20. LOGS TO HIL OF HOR TON ADDINE CASING AND CEMENT OF CASING AND CE	ND POOL, OB WILDCAT Mesa Delaware				
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14. DISTANCE IN MILES AND DIRECTORY FROM NEAREST TOWN OR FOST OFFICE*       12. CONT         30 Miles West of Hobbs New Mexico       14. No. OF ACRES IN LEASE         15. DISTANCE FROM PROPORED*       330'         16. DISTANCE FROM PROPORED*       330'         17. NO. OF ACRES AND THE PROPORED*       330'         18. DISTANCE FROM PROPORED*       1300' apx         19. PROPOSED DEFTH       20. ROTARY OR CALLS         06. AFFLIED FOR, ON THIS LEASE, FT.       1300' apx         21. ELEVATIONS (Show whether DF, RT, GR, etc.)       3646 g1         23.       Capican Controlled Water Bosic.         23.       SIZE OF HOLE         SIZE OF HOLE       SIZE OF CASING         Weight PER FOOT       SETTING DEFTH         24. FILMONON (Show whether DF, RT, GR, etc.)       3646 g1         25. SIZE OF HOLE       SIZE OF CASING         SIZE OF HOLE       SIZE OF CASING <td>RVEY OR AREA</td>	RVEY OR AREA				
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TO NEAREST WELL, DEILLING, COMPLETED, OR APPLED FOR, ON THIS LEASE, FT. 1300' apx 9450' TISO Rotary 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 23. PROPOSED CASING AND CEMENTING PROGRAM Secretsing's F SIZE OF HOLE SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH QUANTY 400 SX LI 402 1/4" 85/8" 13'8 24# 48# 300 350' 800 SX t 400 SX LI 51/2" 978 5'1, '''''''''''''''''''''''''''''''''''	40				
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3646 g1 23. PROPOSED CASING AND COMITONING PROGRAM Secretary's F SIZE OF HOLE SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH QUANT 4. 3. 3. 3. 3. 3. 3. 3. 3. 3. 3	OOLS				
PROPOSED CASING AND CEMENTING PROGRAM Secretary is proposed casing and cementing program is setting depth         SIZE OF HOLE         SIZE OF CASING         WEIGHT PER POOT         SETTING DEPTH         QUANTE         CAL # "G*"         SETTING DEPTH         QUANTE         CAL # "G*"         QUANTE         QUANTE         SIZE OF HOLE         SIZE OF CASING         WEIGHT PER POOT         QUANTE         QUANTE         QUANTE         QUANTE         SIZE OF HOLE         SIZE OF CASING AND CEMENTING PROGRAM         MELTINE SETTING DEPTH       QUANTE         MELTINE SETTING DEPTH       QUANTE         A	A. DATE WORK WILL START*				
PROPOSED CASING AND CEMENTING PROGRAM DC: 14 C:	n. 10, 1991				
SIZE OF HOLE       SIZE OF CASING       WEIGHT PER FOOT       SETTING DEPTH       QUANTY         11       11/4"       8 5/8" 13 3/8       2/4#" 48#       1300) 350"       800 sx t         11       11/2"       8 5/8       11/2"       9 5/8       17#       1300) 350"       800 sx t         11       5 1/2"       8 5/8       11/2"       9 5/8       17#       1000 sx Lik         11       5 1/2"       8 5/8       17#       100 sx Lik       400 sx Lik         11/8       5 1/2"       9 5/8       17#       100 sx Lik       400 sx Lik         11/8       5 1/2       17#       17#       210 sx Lik       400 sx Lik         11/8       5 1/2       17#       210 sx Lik       1400 sx Lik         12       5 1/2       17#       17#       210 sx Lik       1400 sx Lik         18       Mud Program:       0-1300':       Native mud.       1300-TD:       Cut Brin with starch for W.L       Cut Brin with starch for W.L         Caustic for Ph control (10-11).       Befor       10 cx an       to 35-40 with salt gel and flocele.       R         above 125,000 ppm.       Mud program may be conditions dictate.       10       Logs to be run:       CNL-Density, MLLDLL, MSFL         <	stast Alli-P Por				
Image: The state of the second sec	QUANTITY OF CEMENT				
A. Will drill to a depth sufficient to test the Delaware B. Mud Program: O-1300': Native mud. 1300-TD: Cut Brin with starch for W.L Caustic for Ph control (10-11). Befor into Delaware, Lower W.L. To ±10 cc an to 35-40 with salt gel and flocele. R above 125,000 ppm. Mud program may be conditions dictate. C. BOP will be installed. See exhibit "D" D. Logs to be run: CNL-Density, MLLDLL, MSFL IN ABOVE SFACE DESCRIBE PROTOSED PROGRAM : If proposal is to deepen or plug back, give data on present productive zone ar preventer program, if any.					
<ul> <li>A. Will drill to a depth sufficient to test the Delaware</li> <li>B. Mud Program: O-1300': Native mud. 1300-TD: Cut Brin with starch for W.L Caustic for Ph control (10-11). Befor into Delaware, Lower W.L. To ±10 cc an to 35-40 with salt gel and flocele. R above 125,000 ppm. Mud program may be conditions dictate.</li> <li>C. BOP will be installed. See exhibit "D"</li> <li>D. Logs to be run: CNL-Density, MLLDLL, MSFL</li> </ul>	NUMBER PUTTINE				
D. Logs to be run: CNL-Density, MLLDLL, MSFL IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone at zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true ver preventer program, if any.	. Control and e drilling 1 raise vis aise chlorides				
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone as zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true ver preventer program, if any.					
zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true ver preventer program, if any.					
24.					
SIGNED Former 6. Me Cleaf TITLE Vice President DATE	12/26/90				
(This space for Federal or State office use)					
APPROVAL DATE APPROVAL					
CONDITIONS OF APPROVAL, IF ANY: APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND	1-24-91				

Title 18 015.0. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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# SPECIAL IRILLING STIPULATIONS

# THE FOLLOWING DATA IS REQUIRED ON THE WELL SIGN

OPERATORS NAME	STRATA	PRODUC	CTION	COMPANY	V	FIL NO	. & NAME	New	Mexico	Fed	eral	No.	5
LOCATION	<u> 330 · · 1</u>	F'N	L&	860	P	W L	SEC.	4		<b>T</b> . 2	1 S.,	R.	32 E .
LEASE NO. NM-1	4791				CUNTY	· · · ·	Lea	<del> </del>	······································			-	··································

The special stipulations check marked below are applicable to the above described well and approval of this application to drill is conditioned upon compliance with such stipulations in addition to the General Requirements. The permittee should be familiar with the General Requirements, a copy of which is available from a Dureau of Land Management office. EACH PERMITTEE HAS THE RIGHT OF ADMINISTRATIVE APPEAL TO THESE STIPULATIONS PURSIANT TO TITLE 43 CFR 3165.3 and 3165.4.

### I. SPECIAL ENVIRONMENT REQUIREMENTS

() Lesser Prairie Chicken (Stips attached)
() San Simon Swale (Stips attached)
() Other \_\_\_\_\_\_

II. ON LEASE - SURFACE REQUIREMENTS PRIOR TO DRILLING

(1) The MLM will monitor construction of this drill site. Notify the <u>(arlsbed</u> Resource Area Office, BLM at least <u>2</u> working days prior to commencing construction at (505) <u>887-6544</u>.

( Roads and the drill pad for this well must be surfaced with b inches of compacted Caliche.

() All topsoil and vegetation encountered during the construction of the drill site area will be stockpiled and made available for resurfacing of the disturbed area after completion of the drilling operation. Topsoil on the subject location is approximately \_\_\_\_\_\_ inches in depth. Approximately \_\_\_\_\_\_ inches in depth. Approximately \_\_\_\_\_\_ ouble yards of topsoil material will be stockpiled for reclamation.

() Other

Capitan Controlled Water Basin

III. DRILLING OPERATIONS REQUIREMENTS

Secretary's Potash [8-1] 1-P Potash

The Dureau of Land Management office is to be notified at (505)393-3612, in sufficient time for a representative to witness:

( $\sqrt{1}$ . Spukling ( $\sqrt{2}$ . Cement casing  $\frac{85}{9}$  inch  $\frac{51}{2}$  inch \_\_\_\_\_\_ inch

() 3. DOP tests () Other

IV. CASING

(i)  $8^{5/p''}$  surface casing abould be  $ect_{0>1300'}$ , in The Rustler ANHYDRITE and coment circulated to the surface. If cement does not circulate to the surface, this BLM office will be notified and a temperature survey or cement bond log will be run to verify the top of the cement. Remedial cementing will be done prior to drilling out of that string.

() Minimum required fill of cement behind the \_\_\_\_\_\_ intermediate casing is to \_\_\_\_\_\_. (') Minimum required fill of cement behind the  $5\frac{1}{2}$  production casing is to \_\_\_\_\_\_.

# GENERAL REQUIREMENTS FOR OIL AND GAS OPERATIONS ON FEDERAL LEASES

The <u>General Requirements</u> apply universally to all oil and gas operations on Federal leases in the Roswell District.

<u>Special Stipulations</u> are in addition to the General Requirements and apply specifically to an individual well.

I. <u>General</u>

1. <u>Documentation</u>: A complete copy of the approved Application for Permit to Drill and the accompanying Surface Use and Operations Plan, along with any stipulations or conditions of approval will be made available to authorized government personnel at the drill site whenever active construction or drilling operations are underway.

2. <u>Compliance</u>: Full compliance is required with applicable laws and regulations: with the Code of Federal Regulations--43 CFR 3160, the lease terms, the approved Permit to Drill, the approved Surface Use and Operations Plans, Onshore Oil and Gas Orders, NTL's and with other orders, stipulations, and instructions of the Authorized Officer.

3. <u>Bonding</u>: Prior to operation on a lease, a bond for insuring compliance with Federal lease terms and regulations must be provided by the lessees or the operator of the lease in accordance with 43 CFR 3104, see also Department of the Interior Geological Survey Conservation Division Manual (CDM) 640.9.3D (9).

4. <u>Approval</u>: Prior approval is required for variance from the approved Surface Use Plan or drilling program. Similar approval is also required for addition to, or alteration of facilities, and before commencing cementing plugging operations, plug-back work, casing repair work, corrective cementing operations, or suspending drilling operations indefinitely. Emergency approval may be obtained orally; but such approval does not waive the written report requirements.

For changes to the Surface Use Plan, contact the Supervisory Mineral Resources Specialist.

For changes to the drilling plan, contact the Petroleum Engineer:

Carlsbad Resource Area (505) 887-6544 Roswell Resource Area (505) 624-1790

5. <u>Drilling Deadline</u>: This permit is valid for a period of one year from the date of approval, or until lease expiration or termination, whichever is shorter. If the permit terminates, any surface disturbance created under the application must be rehabilitated in accordance with an approved plan. If construction does not commence within 90 days from the date of approval, the operator must contact the Surface Management Agency prior to beginning construction.

6. <u>Site Management</u>: Well area and lease premises will be maintained in a workmanlike manner with due regard to safety, conservation, and appearance. Unless otherwise required by the Authorized Officer, drill cuttings may be disposed of into the reserve pit. All waste associated with the drilling operations and any garbage or trash that is left on site will be contained and removed to an approved sanitary landfill. Hazardous wastes shall be isolated and dealt with according to the pertinent regulations: 15 U.S.C. 2601 (TSCA), 42 U.S.C. 9601, (CERCLA) 42 U.S.C. 6901 (RCRA), and 40 CFR, Parts 117 & 702-799. All remaining garbage, trash and debris will be removed from the site within 30 days 6. <u>Painting Stipulations</u>: All above-ground permanent facilities, including, but not limited to, tanks, separators, heater treaters, and piping 4-inches or greater shall be painted Carlsbad Canyon, Munsell Soil, Color-25Y 6/2 (old designation - Sandstone Brown) within 60 days of installation (unless contrary to State and Federal safety requirements). Any deviation must be authorized in advance by the BLM. Deviations from this color may be required by the Authorized Officer to fit special situations.

7. <u>Monthly Report of Operations</u>: A separate report Form 3160-6 must be filed monthly for each lease, a communitized or unitized area or for each participating area beginning with the month in which operations were first initiated. Such report must include all wells that are not approved as permanently plugged and abandoned. Wells must be identified by Federal or Indian lease number or by State or fee identification as appropriate. Separate lines should be used where necessary to identify leases, participating area, etc.

#### 8. <u>Abandonment</u>:

- hander to

A. If the well is dry and is to be plugged, approval of the proposed plugging program may be obtained orally. However, oral approval must be confirmed in writing by immediately filing six (6) copies of the Notice of Intention of Abandon on Form 3160-5 with the appropriate BLM area office. The report should show the total depth reached, the reason for plugging, and the proposed intervals by depths, where plugs are to be placed, type of plug type of plugging mud, etc.

B. Plugging procedures:

1. Plugging equipment used is to have separate mixing and displacement pumps and a calibrated tank to assure proper displacement of plugs.

2. A proper tank or pit will be used to contain all fluids pumped from the well during plugging operations.

3. All cement plugs are to be placed through tubing (or drill pipe) and shall be a minimum of 25 sacks or 100 feet in length, whichever is greater. The minimum length of plugs for deeper wells is 150 feet in length for depths 5,000' - 10,000' and 200 feet in length for depths below 10,000'.

4. Any cement plug placed when the well is not full of fluid, or when the well may be taking fluid, will be touched after cement has set to verify proper location.

5. Mud must be placed between plugs. Minimum consistency of plugging mud must be that obtained by mixing at the rate of 25 sacks (50 lbs each) of gel per 100 barrels of water.

C. Upon completion of approved plugging, erect a regulation well marker which should not be less than 4 inches in diameter and extend at least 4 feet above general ground level. The top of the marker must be closed or capped. The following minimum information shall be permanently placed on the marker with a plate, cap, or welded bead:

1. Operator

2. Well number and name

3. Section, Township, Range

4. 3 3 section or footage location from section lines

5. Lease number