U. S. GEOLOGICAL SURVEY
P. O. Box 1157
Hobbs, New Mexico 88240

HOBBS DISTRICT

Texaco Inc. No. 17 Rhodes Federal NCT-1 NW¼NW¼ sec. 26-26S-37E Lea County, N. M.

Above Data Required on Well Sign

CONDITIONS OF APPROVAL

- 1. Drilling operations authorized are subject to the attached sheet for general requirements for drilling and producing operations.
- 2. Notify this office (telephone (505) 393-3612) when the well is spudded and in sufficient time for a representative to witness cementing operations. After hours call C. L. Coshow at 393-8244 or 393-7216
- 3. Immediate notice is required of all blowouts, fires, spills, and accidents involving life-threatening injuries or loss of life.
- 4. Secure prior approval before changing the approved drilling program or commencing plugging operations, plug-back work, casing repair work, or corrective cementing operations.
- 5. Blowout prevention equipment is to be installed, tested, and in working order before drilling below the surface casing and shall be maintained ready for use until drilling operations are completed.
- 6. A kill-line is to be properly installed and is not to be used as a fill-up line.
- 7. Blowout preventers are to have proper casing rams when running casing.
- 8. Drill string safety valve(s) to fit all pipe in the drill string to be maintained on the rig floor while drilling operations are in progress.
- 9. Blowout prevention drills are to be conducted as necessary to assure that equipment is operational and that each crew is properly trained to carry out exergency duties. All BOP tests and drills are to be recorded on the driller's log.
- 10. Operations must be in compliance with the provisions of the landowner agreement Stipulations.
- 11. 8-5/8" surface casing should be set in the Rustler Anhydrite formation and cement circulated to the surface. If surface casing is set at a lesser depth, the 4½" casing must be cemented from the casing shoe to the surface or cemented to the surface through a stage tool set at least 50 feet below the top of the Rustler, after cementing around the shoe with the specified amount of cement.

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OIL CONSERVATION COWM. HOBBS, N. M.