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United States Department of the Interior

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MAR 18 1980

GEOLOGICAL SURVEY

P. O. Drawer U
Artesia, New Mexico 88210

O. C. D.
ARTESIA, OFFICE

March 17, 1980

Yates Petroleum Corporation
207 South Fourth Street
Artesia, New Mexico 88210

Gentlemen:

YATES PETROLEUM CORPORATION
Teckla MD Fed No. 2
660 FNL 1980 FWL Sec. 13 T.6S R.25E
Chaves County Lease No. NM 9982

Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 5,250 feet to test the Penn is hereby approved subject to compliance with the OIL AND GAS OPERATING REGULATIONS (30 CFR 221) and the following conditions:

1. Drilling operations authorized are subject to compliance with the attached General Requirements for Oil and Gas Operations on Federal Leases, dated July 1, 1978.
2. Prior to commencing construction of road, pad, or other associated developments, operator will provide the dirt contractor with a copy of the Surface Use Plan and these Conditions of Approval including the attached General Requirements.
3. All access roads will be limited to a 12 foot wide driving surface, excluding turnarounds. Surface disturbance associated with road construction will be limited to 20 feet in width.
4. Submit a Daily Report of Operations from spud date until the well is completed and the Well Completion Report (form 9-330) is filed. The report should not be less than 8" x 5" in size and each page should identify the well.
5. All permanent above-ground structures and equipment shall be painted in accordance with the attached Painting Guidelines. The color used should simulate Sandstone Brown (Federal Standard No. 595A, color 20318 or 30318).
6. Before drilling below the 7" casing, the blowout preventer assembly will consist of a minimum of one annular type and two ram type preventers.
7. A kelly cock will be installed and maintained in operable condition.