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United States Department of the Interior

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D. C. C. ARTESIA, OFFICE

GEOLOGICAL SURVEY

P. O. Drawer U Artesia, New Mexico 88210

July 17, 1979

Durham, Inc. 219 S. Colorado Midland, Texas 79701

Gentlemen:

DURHAM, INCORPORATED N.N.G.-M. Federal Com. No. 1 660 FSL 1980 FEL Sec. 25 T15S R26E Chaves County Lease No. NM-10268

Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 8100 feet to test the Atoka Formation is hereby approved subject to compliance with the OIL AND GAS OPERATING REGULATIONS (30 CFR 221) and the following conditions:

- Drilling operations authorized are subject to compliance with the 1. attached General Requirements for Oil and Gas Operations on Federal Leases, dated July 1, 1978.
- 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.
- Submit a Daily Report of Operations from spud date until the well 3. is completed and the Well Completion Report (form 9-330) is filed. The report should not be less than $8" \times 5"$ in size and each page should identify the well.
- All permanent above-ground structures and equipment shall be painted 4. in accordance with the attached Painting Guidelines. The color used should simulate Sandstone Brown (Federal Standard No. 595A, color 20318 or 30318).
- Before drilling below the 8-5/8" casing, the blowout preventer 5. assembly will consist of a minimum of one annular type and two ram type preventers.
- A kelly cock will be installed and maintained in operable condition. 6.

