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United States Department of the Interior

MAY 23 1980

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O. C. D. ARTESIA, OFFICE

GEOLOGICAL SURVEY P. O. Drawer U Artesia, New Mexico 88210

May 22, 1980

MorOilCo, Inc. P. O. Drawer I Artesia, New Mexico 88210

Gentlemen:

MOROILCO, INC. Exxon Fed No. 2 1980 FSL 1980 FEL Sec. 30 T.16S R.29E Eddy County Lease No. NM-9987

Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 2,500 feet to test the Premier 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. 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 this approval including the GENERAL REQUIREMENTS.
- All access roads will be limited to a 12 foot wide driving surface, 3. excluding turnarounds. Surface disturbance associated with road construction will be limited to 20 feet in width.
- Submit a Daily Report of Operations from spud date until the Well Completion Report (form 9-330) is filed. The progress report should be not less than $8" \times 5"$ in size and each page should identify the well.
- All permanent above-ground structures and equipment shall be painted in accordance with the attached Painting Requirements. The color used should simulate Sandstone Brown (Federal Standard No. 595A, color 20318 or 30318).
- Notify the Survey by telephone 24 hours prior to spudding well. 6.
- Cement behind the 8-5/8" casing must be circulated. 7.
- Special Stipulations: No caliche or other minerals will be removed 8. from Federal lands.