

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 187
Artesia, New Mexico

COPY

October 22, 1948

Grayburg Oil Company of New Mexico
Box 416
Loco Hills, New Mexico

Re: L. C. 028784-93-B

Gentlemen:

Receipt is acknowledged of your "Notice of Intention to Drill" dated October 19, 1948, covering your No. 15-B Keely well on the subject land in the NE $\frac{1}{4}$ SE $\frac{1}{4}$, section 26. T. 17S., R. 29E., Grayburg-Jackson Field, Eddy County, New Mexico.

Your proposed work is hereby approved subject to compliance with the provisions of the "Oil and Gas Operating Regulations" revised May 25, 1942, a copy of which will be sent you on request, and subject to the following conditions:

1. Drilling operations so authorized are subject to the attached sheet for general conditions of approval.
2. Furnish a percentage sample log covering formations drilled from the base of salt to total depth.

Yours very truly

(Orig. Sgd.) FRANK B. STAHL

FRANK B. STAHL
Acting District Engineer

COPY

PLEASE READ BEFORE DRILLING OPERATIONS

Attention is called to the following general and special requirements most likely to be overlooked by operators on Federal oil and gas leases. Suspension of field operations may be required by the District Engineer for failure to comply with the Operating Regulations, the conditions of drilling approval, and these requirements:

GENERAL

1. All drilling and producing wells shall be permanently marked in a conspicuous place with the name of operators, lease name, serial number of lease, well number, and location. Necessary precautions must be taken to preserve such signs.
 2. Any desired change of drilling plan or condition of approval must have written approval of the District Engineer BEFORE the change is made.
 3. Unless otherwise specified in the approval to drill, the production string of casing must be set at the top of the pay zone, and completion shall be made with a reasonable gas-oil ratio.
 4. Before work is started, written approval must be obtained, unless other acceptable arrangements are made in advance with the District Engineer, and after work is completed results must be reported to the U. S. Geological Survey by submitting complete information in triplicate on form 9-331a, covering:
 - a. Mudding or cementing, including proposed date and method of testing water shut-off.
 - b. Drill-stem tests or perforating.
 - c. Casing alterations, packer settings, or repairs of any kind.
 - d. Shooting, acid treatment, deepening or plugging back.
 - e. Gas-lift installations.
 - f. Drilling of water wells.
 5. Monthly report of operations in duplicate, on form 9-329, must be submitted promptly each month beginning with spudding of the first well on a lease and continuing until approved abandonment of all drilling and producing operations.
 6. Log, in triplicate, on form 9-330, must be submitted within 10 days of reaching temporary or permanent drilling depth. Copies of all electrical logs, sample cutting logs, drilling-time logs, and any other well information not given on the standard form, should be attached to same.
 7. Separate application to drill any water well on federal land is required, and special procedure is necessary for abandonment of any well having a desirable water supply.
 8. All wells and lease premises shall be maintained in first class condition with due regard to safety, conservation, appearance, and refuse disposal.
 9. The notice of intention to drill any well is rescinded without further notice if drilling is not started within 90 days of approval.
 10. Cement must be allowed to set a minimum of 72 hours on all strings of casing prior to drilling the plug, except for modifications provided by the Supervisor's order dated March 18, 1947, copy of which will be furnished on request.
- SPECIAL (none, if so indicated.)