



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Drawer U
Artesia, New Mexico 88210

RECEIVED

JUN 25 1980

O. C. D.
ARTESIA, OFFICE

June 19, 1980

Holly Energy Inc.
Post Office Box 176
Artesia, New Mexico 88210

Gentlemen:

HOLLY ENERGY INC. McIntyre "A" No. 10 990 FSL 2310 FEL Sec. 20, T. 17S, R. 30E Eddy County Lease No. LC 057634
--

Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 3,500 feet to test the Grayburg-San Andres 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. Notify the Survey by telephone 24 hours prior to spudding well.
7. Cement behind the 8-5/8" casing must be circulated.