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United States Department of the Interior RECEIVED

GEOLOGICAL SURVIA

MAY 24 1979

P. O. Drawer U Artesia, New Mexico 88210

D. C. C.

May 21, 1979

Cotton Petroleum Corporation 420 Wall Towers West Midland, Texas 79701 COTTON PETROLEUM CORPORATION
Federal "24" No. 1
660 FSL 660 FEL Sec. 24 T. 21S R. 23E
Eddy County Lease No. NM-020342

Gentlemen:

Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 7700 feet to test the Pennsylvanian 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.
- 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. 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.
- 4. 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).
- 5. Before drilling below the 8-5/8" Intermediate casing, the blowout preventer assembly will consist of a minimum of one annular type and two ram type preventers.
- 6. A kelly cock will be installed and maintained in operable condition.

