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United States Department of the Interior

JUL 1 8 1979

GEOLOGICAL SURVEY

P. O. Drawer U Artesia, New Mexico 88210

O. C. C. ARTESIA, OFFICA

July 16, 1979

The Superior Oil Company P. O. Box 71 Conroe, Texas 77301

Gentlemen:

THE SUPERIOR OIL COMPANY
Caverns Federal Com. No. 1
2030 FNL 1980 FWL Sec. 25 T24S R25E
Eddy County Lease No. NM-20055

Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 11,450 feet to test the Morrow Formation 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. 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 10-3/4" 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.

