



# United States Department of the Interior

GEOLOGICAL SURVEY  
P. O. Box 26124  
Albuquerque, New Mexico 87125

AUG 30 1979

Coronado Exploration Corp.  
1005 Marquette Ave. NW  
Albuquerque, New Mexico 87102

Gentlemen:

CORONADO EXPLORATION CORPORATION  
Carthel Federal No. 1  
1980 FSL 1980 FEL Sec. 5 T.23S R.29E  
Eddy County Lease No. NM-0556291

Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well in the Secretary's Oil-Potash Area to a depth of 13,400 feet to test the Morrow 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. Before drilling below the 13-3/8" casing, the blowout preventer assembly will consist of a minimum of one annular type and two ram type preventers.
5. A kelly cock will be installed and maintained in operable condition.
6. After setting the 13-3/8" casing string and before drilling into the Wolfcamp formation, the blowout preventers and related control equipment shall be pressure tested to rated working pressures by an independent service company. Any equipment failing to test satisfactorily shall be repaired or replaced. This office should be notified in sufficient time for a representative to witness the tests and shall be furnished a copy of the pressure test report.

