

United States Department of the Interior

DCT 5 1979

O. C. C.

GEOLOGICAL SURVEY

P. O. Drawer U Artesia, New Mexico 88210

October 1, 1979

Florida Exploration Company Suite 900, Vaughn Bldg. Midland, Texas 79702

Gentlemen:

FLORIDA EXPLORATION COMPANY
No. 8 Ross Draw Unit
1650 FNL 1650 FEL Sec. 27 T.26S R.30E
Eddy County Lease No. NM 0555443

Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 9,200 feet to test the Bone Spring 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 9-5/8" 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.

