

THE SUPERIOR OIL COMPANY

P. O. BOX 1900
MIDLAND, TEXAS 79701

September 18, 1974

Mr. A. R. Brown
U.S.G.S. District Office
P. O. Box 1157
Hobbs, New Mexico 88240

Re: Government "E" No. 4
330' FNL & 1650' FWL
Section 25, T-19-S, R-34-E
Lea (San Andres) Field
Lea County, New Mexico

Dear Sir:

Regarding the above captioned 6000' well, we plan to operate and oversee this operation, and abide by environmental guidelines as follows:

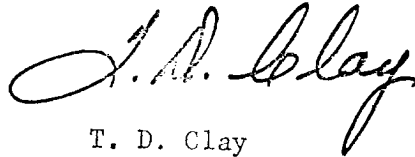
1. Proposed road into drilling pad is shown on Exhibit "A" and existing highways and road are shown on Exhibit "B".
2. Size of drilling pad and pits relative to roads are shown on Exhibit "A".
3. Proposed Government "E" No. 4 Well is located approximately 1000 feet from nearest tank battery located in the NW NW Section 25, T-19-S, R-34-E, and serves D. W. St. Clair-Superior Federal No. 2 Well.
4. Source of water supply for drilling: Water will be hauled by truck.
5. Trash on location will be put in reserve pit and covered with dirt.
6. If well is plugged and abandoned, earth pits will be filled with dirt and location restored to original contour.
7. If well is completed as a producer, earth pits will be filled with dirt and location restored. Tank battery will be located as shown on Exhibit "A", and any produced water will be stored in tank until hauled to an approved disposal well.
8. Development plans: After drilling the Government "E" No. 4 Well, additional drilling will be considered at that time.

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9. Regarding oil or gas that may be produced during drilling or completion operations, this hydrocarbon will be piped a safe distance from drilling rig and burned or contained in storage. Blowout preventers consisting of blind and pipe rams will be used during drilling operations to provide safety and prevent spillage.

Very truly yours,

THE SUPERIOR OIL COMPANY

A handwritten signature in cursive script, reading "T. D. Clay". The signature is written in dark ink and is positioned above the printed name and title.

T. D. Clay
Petroleum Engineer

TDC/jf
Attachments

SUPERIOR GOVERNMENT "E" NO. 4 WELL
330' FNL & 1650' FWL SECTION 25, T-19-S, R-34-E
LEA (SAN ANDRES) FIELD
LEA COUNTY, NEW MEXICO

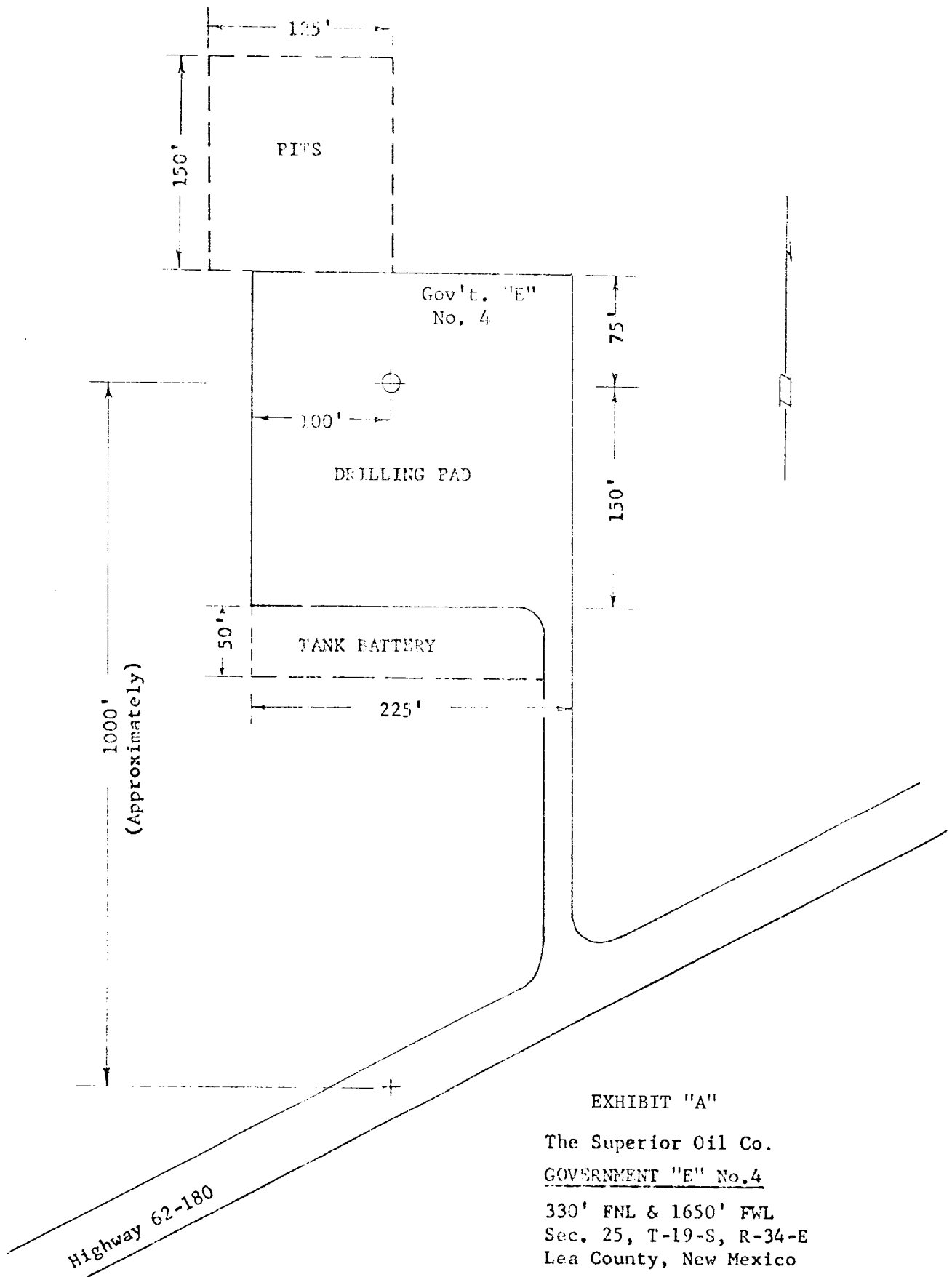
0 to 400' or 8 5/8" Casing Shoe:

Drill 11" hole with fresh water with gel and lime added along with fiber and cottonseed hulls for possible fluid loss.

400' to 6000' or 5 1/2" Casing Shoe:

Drill with brine water to prevent abnormal leaching of salt and anhydrite section. Maintain viscosity at 30-35 cp for cleaning hole and water loss at 10-12 cc when drilling thru potential pay zones.

TDC/jf
9-18-74



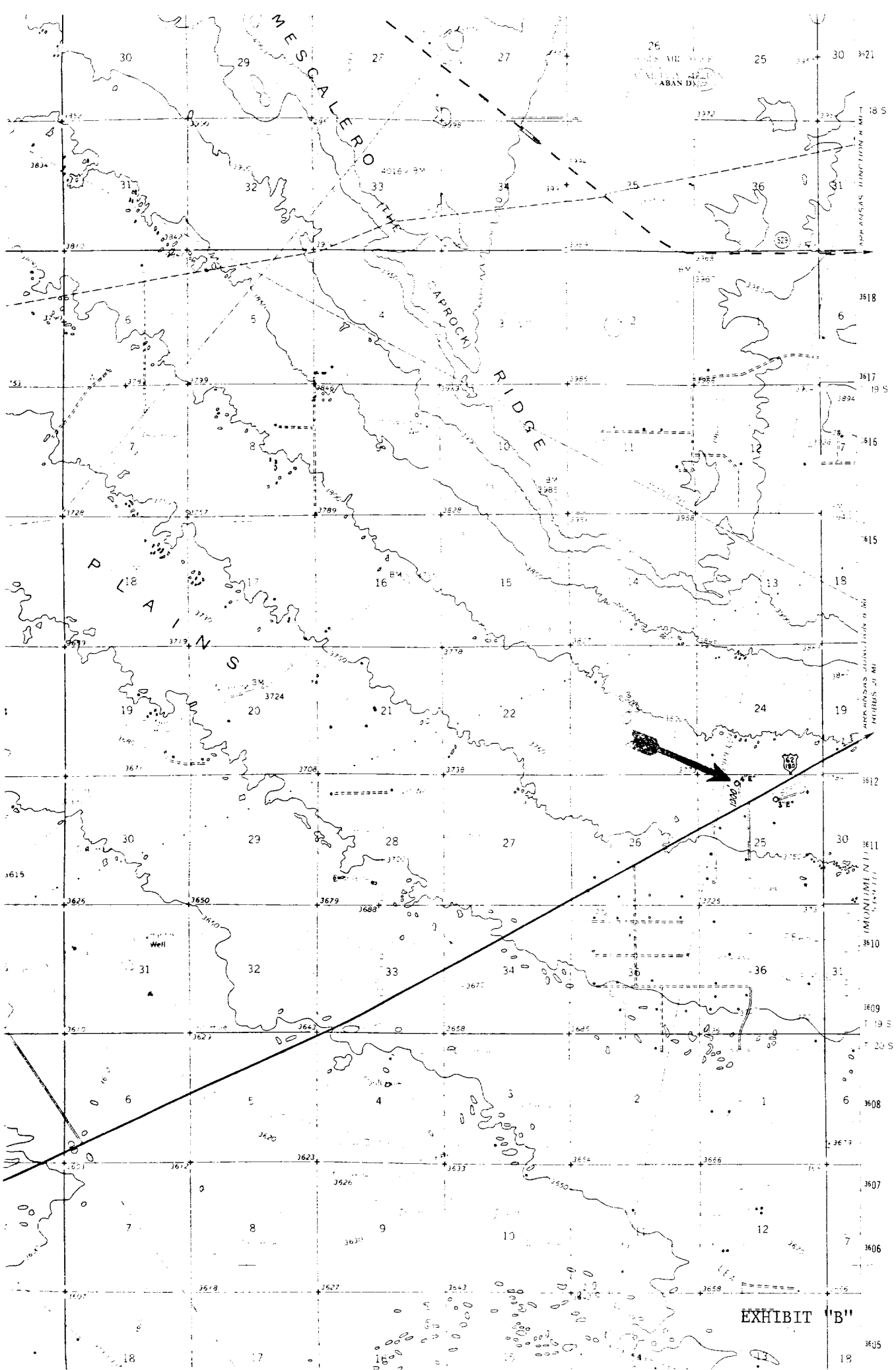


EXHIBIT "B"