

APPROVAL TO DRILL is given with the understanding that the following general and special requirements be strictly complied with:

GENERAL

1. All water to be confined to its original horizon by approved methods and test made for water shut-off before drilling ahead.
2. All showings of oil or gas to be tested for their commercial possibilities in a dry hole before drilling ahead. Each showing to be properly protected to prevent waste.
3. To prevent waste of, or damage to, and to provide the U. S. Geological Survey with carefully taken samples of other minerals drilled through, i. e., coal, salt, potash beds, etc.
4. The permittee shall permanently mark all rigs or wells in a conspicuous place with his name or the name of the actual operator and the number and description of the well, and shall take all necessary precautions to preserve these markings.
5. Lessee's monthly report, in triplicate on form 9-329, must be filled out each calendar month and forwarded to the Roswell office not later than the 6th day of the following month.
6. Log, in triplicate on standard government form 9-330, must be submitted within 10 days after completion of drilling.

SPECIAL

1. Any change of drilling plan, or the conditions of approval, must have the written approval of the District Engineer before the change is made.
2. Notify the U. S. Geological Survey office, P. O. Box 997, Roswell, New Mexico, on form 9-331a, of mudding, cementing, drill-stem tests, perforating, casing alterations, packer settings, shooting or acid treatment, gas lift installation, deepening, plugging-back, and repairs in advance of proposed work, and submit results of the same on this report form within 10 days of completion.
3. Production string must be set at top of pay, and completion made with a reasonable gas/oil ratio.