

U. S. GEOLOGICAL SURVEY
P. O. Box 1157
Hobbs, New Mexico 88240

Re: Permanent Abandonment

Well: No. 1 Hat Mesa Morrow

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal Leases".
2. The Hobbs office (telephone (505) 393-3612) is to be notified in sufficient time for a representative to witness all plugging operations.
3. Blowout prevention equipment is required.
4. In addition to normal filling of pits and cleanup of location, additional surface restoration work may be required, i.e. ripping of pad and/or access road, reseeding, etc. We have asked the Bureau of Land Management for the surface restoration requirements for this well and we should be able to furnish you these requirements within 30 days. After plugging the well and before making final clean-up, you should contact this office unless you have already been advised as to what additional surface restoration work is required.
5. An additional 25-sack plug is to be set at 11,756 feet.
An additional 35-sack plug is to be set at 3170 feet and tagged.
An additional 35-sack plug is to be set at 1150 feet.
Surface plug should be a minimum of 10 sacks.