

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

HOBBS DISTRICT

Clary Petroleum Corporation  
No. 1 New Mexico Federal "C"  
NE 1/4 SE 1/4 4-21S-32E  
Lea County, N. M.

Above Data Required on Well Sign

CONDITIONS OF APPROVAL

1. Drilling operations authorized are subject to the attached sheet for general requirements for drilling and producing operations.
2. Notify this office (telephone (505) 393-3612) when the well is spudded and in sufficient time for a representative to witness cementing operations.
3. Immediate notice is required of all blowouts, fires, spills, and accidents involving life-threatening injuries or loss of life.
4. Secure prior approval before changing the approved drilling program or commencing plugging operations, plug-back work, casing repair work, or corrective cementing operations.
5. Blowout prevention equipment is to be installed, tested, and in working order before drilling below the surface casing and shall be maintained ready for use until drilling operations are completed.
6. A kill-line is to be properly installed and is not to be used as a fill-up line.
7. Blowout preventers are to have proper casing rams when running casing.
8. Drill string safety valve(s) to fit all pipe in the drill string to be maintained on the rig floor while drilling operations are in progress.
9. Blowout prevention drills are to be conducted as necessary to assure that equipment is operational and that each crew is properly trained to carry out emergency duties. All BOP tests and drills are to be recorded on the driller's log.
10. Minimum required fill of cement behind the 9-5/8" casing is to the surface.

Drilling must be in compliance with the attached "Drilling Well Control Requirements" dated 6-22-73.

Core Log: Neutron log is required from the base of the Salado to the surface.

During operations, the operator or any person working on his rig, discover any historic or prehistoric ruin, monument, site, or any object of antiquity subject to the Antiquities Act of June 8, 1906, (34 Stat. 225, 16 U.S.C. 431-433), and 43 CFR Part 3, then work will be suspended and the discovery promptly reported to the District Manager. The Bureau will then take such action as may be required under the Act and regulations thereunder. When notified by the District Manager, the operator will obtain, if necessary, a qualified archaeologist to examine and, if necessary, excavate or gather such ruins or objects.

All access roads constructed in conjunction with the drilling permit should be limited to 7 feet in width, along with turnouts. If well is a producer, all roads will be adequately drained to control runoff and soil erosion. Drainage facilities may include ditches, water bars, culverts and/or any other measure deemed necessary by the responsible BLM representative.

15. The "mud pits" shall be well constructed and under no circumstances will they be allowed to leak or be cut to drain. They shall not be located on natural drainages. Waste or discharge of any kind will not be allowed to enter any drainage. Any plastic material used to line pits and/or sumps shall be cut-off below ground level, as far down as possible, and disposed of before the pits are covered. All unattended pits, containing liquids, will be fenced and the liquid portion allowed to evaporate before the pits are broken.

All pits found to contain toxic liquids will be fenced and covered with a fine-mesh netting for the protection of wildlife as directed by the responsible BLM representative.

7. Materials removed during construction must be disposed of in such a manner that it does not detract from the aesthetics and does not accelerate erosion. When clearing the area of operations of vegetation other than grass, the vegetation removed will be placed in drainages, washes, gullies, etc., and "walked down" by crawler type tractor. If no drainages are in the immediate area, the vegetation will be "walked down" in place. After construction has been completed, the affected area will be left in as aesthetically pleasing condition as possible. All trash resultant from construction activities will be disposed of. Any large rocks left as a result of construction activities will not be piled or left in rolls but will be left so they do not detract from the scenic attributes of the area and will not hinder the movement of livestock or big game animals.

2. Any "available topsoil" encountered during the construction of the drill site area will be stockpiled and made available for re-surfacing of the reserve pit area (after pits are covered) after completion of the drilling operation.

1. "Ballone" for use in the construction of the drill pad and access road shall be obtained from existing authorized pits whenever possible, as determined by the responsible BLM representative. No new pits shall be opened without prior approval from the responsible BLM representative.
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20. All waste associated with the drilling operation will be buried in place (in a separate trash pit) or removed and deposited in an approved sanitary landfill. All garbage (metal containers will be crushed) and debris left on site will be buried at least three feet deep. All trash and debris will be buried or removed from the site within one month after removal of the drill rig. The permittee will comply with all state laws and regulations pertaining to the disposal of human waste.
21. The well "site", if a producer, will be maintained and kept clean of all trash and litter or other foreign material which detracts from the surrounding environment. Maintenance shall also include measures necessary to stabilize soil conditions (other than reseeding) on the road and pad area, and maintenance of facilities associated with said well, to the satisfaction of the District Manager for the lifetime of the well.
22. In the event the oil or gas test results in a dry hole, the drill pad and access road will be ripped in accordance with "BLM Roswell Districts' Ripping Recommendations for Caliche or Compacted Drill Pads and Access Roads" (3109). (Re seeding of the affected areas may be required at the discretion of the District Manager).
23. All structures and pipelines above ground shall be painted a non-glare, non-reflective, non-chalking color that simulates the natural colors of the site. The Bureau will furnish the Federal Standard Number to be used. *Fed. Std. # 595*  
*Super: 30318.*  
Special Stipulations:

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