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FEDERAL LAND

CONDITIONS OF APPROVAL

1. The lessee or operator shall mark the derrick or well in a conspicuous place with the name of the operator, well number, the land office and serial number of the lease, and location of the well and shall take all necessary precautions to preserve these markings.
2. Drilling equipment shall not be removed from any suspended drilling well without first securing the written consent of the district engineer.
3. A conductor or surface string of casing shall be run and cemented from bottom to surface unless other procedure is expressly authorized by this approval. The conductor or surface string shall be of sufficient weight and length and have installed thereon the proper and necessary high pressure fittings and equipment to keep the well under control in case an unexpected flow of gas, oil or water is encountered. Said casing shall also prevent damage to fresh water sources. All indications and tests of fresh water shall be reported.
4. All showings of oil or gas are to be adequately tested for their commercial possibilities. All showings shall be properly protected by mud, cement, or casing so that each showing will be confined to its original stratum. Necessary precautions shall be taken to prevent waste or damage to other minerals drilled through and the U. S. Geological Survey, upon request, shall be furnished with carefully taken samples of such minerals, as coal, potash, and salt.
5. Lessee's Monthly Report of Operations (Form 9-329) shall be filed in duplicate with the office of the U. S. Geological Survey, P. O. Box 400, Casper, Wyoming, not later than the sixth of the succeeding month. The report should show for this well any change of status occurring within the particular month such as date drilling commenced, suspended, resumed or completed total depth as of the end of the month, and if shut down, the reason therefor.
6. Two copies of a descriptive formation log of this well on Form 9-330, or other acceptable form, and two copies of all types of logs and surveys run of the hole shall be filed with the district engineer within 15 days after such information is received by operator or completion of the well, whichever is earlier.
7. The District Engineer, G. G. FRAZIER 448 NEW CUSTOM HOUSE  
DENVER, COLORADO 80202  
shall be notified on Form 9-331a in triplicate, giving thereon all necessary details of the proposed operation or test for proper consideration and action sufficiently in advance of making casing or formation tests, shooting or acidizing, running or cementing casing, other than the surface or conductor string, to permit approval of the notice prior to date of proposed work. If there is insufficient time for such notification, prior approval shall be obtained by telephone to one of our engineers at the numbers listed below:

District Office: 297 - 3211 Area Code: 303

Residence: 477 - 0256  
233 - 0944