(This space for Federal or State office use)

CONDITIONS OF APPROVAL, IF ANY:

PERMIT NO. _

APPROVED BY

MOCD. COPY

SUBMIT IN TRL (Other instructions on reverse side)

DATE

Form approved. Budget Bureau No. 42-R1425.

UNITED STATES

30-015-23318

	DEPARTMENT	5. LEASE DESIGNATION AND SERIAL NO.							
	GEOLOG	NM-38459							
	FOR PERMIT TO	ACK	6. IF INDIAN, ALLOTTEE OR TRIBE NAME						
1a. TYPE OF WORK DRI b. TYPE OF WELL	DRILL 🖾 DEEPEN 🗌 PLUG BACK 🗌						7. UNIT AGREEMENT NAME		
OIL CA WELL CA WELL CA WI 2. NAME OF OPERATOR	CAS WELL OTHER ZONE ZONE ZONE							8. FARM OR LEASE NAME Yates Federal	
	sociates $oldsymbol{ u}'$		9. WELL NO.						
3. ADDRESS OF OPERATOR	- 040E M		<u> </u>						
	x 8425 Midland	Welch Deleware							
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14. distance in miles a 20 miles	and direction from neares southwest of		12. COUNTY OR PARISH Eddy	13. STATE N.M.					
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)			16. NO. OF ACRES IN LEASE 17. N			17. NO. (of ACRES ASSIGNED THIS WELL 20		
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.			19. PROPOSED DEPTH 2500'				O. ROTARY OR CABLE TOOLS rotary air		
21. ELEVATIONS (Show whe 3228 ' G	ther DF, RT, GR, etc.)				•		June 1, 19	80 or before	
23.	PR	OPOSED CASI	NG AND	CEMENTING	PROGRA	М		**	
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signed Jom L	V. Vychas		rle_Pa	artner			DATE 4-22	-80	
Sidilab		TI	rrs				DATE		

*See Instructions On Reverse Side

.M.O.C.D. COPY



United States Department of the Interior

GEOLOGICAL SURVEY
P. O. Drawer U
Artesia, New Mexico 88210

May 13, 1980

DyAd Associates
P. O. Box 8425
Midland, Texas 79703

Gentlemen:

DYAD ASSOCIATES
Yates Fed No. 1
330 FNL 990 FWL Sec. 21 T.26S R.27E
Eddy County Lease No. NM-38459

Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 2,500 feet to test the Delaware formation is hereby approved subject to compliance with the OIL AND GAS OPERATING REGULATIONS (30 CFR 221) and the following conditions:

- Drilling operations authorized are subject to compliance with the GENERAL REQUIREMENTS FOR OIL AND GAS OPERATIONS ON FEDERAL LEASES, dated July 1, 1978.
- Prior to commencing construction of road, pad, or other associated developments, operator will provide the dirt contractor with a copy of the SURFACE USE PLAN and this approval including the GENERAL REQUIREMENTS.
- 3. All access roads will be limited to a 12 foot wide driving surface, excluding turnarounds. Surface disturbance associated with road construction will be limited to 20 feet in width.
- 4. Submit a Daily Report of Operations from spud date until the Well Completion Report (form 9-330) is filed. The progress report should be not less than 8" x 5" in size and each page should identify the well.
- 5. All permanent above-ground structures and equipment shall be painted in accordance with the attached Painting Requirements. The color used should simulate Sandstone Brown (Federal Standard No. 595A, color 20318 or 30318).
- 6. Notify the Survey by telephone 24 hours prior to spudding well.
- 7. Cement behind the 4-1/2" casing must be circulated.
- 8. Notify Survey in sufficient time to witness the cementing of the 4-1/2" casing.

RECEIVED

MAY 1 4 1980

O. C. D.

9. Please have anyone contacting the Survey in regard to this well to identify the well with all of the information required above for the well sign.

Sincerely yours,

(Orig. Sgd.) OFORGE Ed. original and

George H. Stewart Acting District Engineer

Surface Use Plan

DyAd Associates No. 1 Yates Federal Lease No. NM-38459



Township 26 South, Range 27 East, N.M.P.M. Section 21, 330' FNL, 990' FWL Eddy County, New Mexico

This plan is submitted by the operators, DyAd Associates of Midland, Texas, along with the application for permit to drill a 2500' test on the above described location. The following information describes all intent with regard to location of proposed well, construction activities, operations, surface disturbance, and rehabilitation of surface after well completion.

1. Existing Roads:

A. Exhibit "A" is a map showing the location of the proposed well and existing roads in a one mile radius.

2. Planned Access Roads:

- A. Access within 3 miles of well site will be by an existing pipe line road.
- B. No culverts, cattle guards or gates will be installed.
- C. Ranch road serving as access from pipe line road to drill site will be improved only slightly to accomodate movement of equipment and personnel. No additional dirt or caliche work will be done.

3. Location of Existing wells:

A. One existing, producing well lies within a two mile radius. Subject well is owned and operated by this firm. Abandoned & plugged wells are shown on Exibit "A".

4. Location of Existing and/or Proposed Facilities:

A. Exhibit "B" outlines location of production equipment if well is commercial. Flowing & tank battery will be located on well site & no additional surface disturbance will be required.

6. Mud Program:

Well will be drilled by rotary-air rig.

7. Auxiliary Equipment:

Rotary-air drilling rig owned and operated by Brushy Creek Drilling Co., San Angelo, Texas.

8. Testing, Logging & Coring Program:

Gamma ray compensated neutron log from surface to 2500' TD.

- 9. No abnormal pressures or temperatures are anticipated.
- 10. Anticipated starting date:

June 1, 1980 (or before)

DyAd Associates
P.O. Box 8425
Midland, Texas 79703
915/683-9290

Application for Drilling

DyAd Associates
No. 1 Yates Federal

Township 26 South, Range 27 East, N.M.P.M. Section 21, 330' FNL, 990' FWL Eddy County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well, DyAd Associates of Midland, Texas, submits the following ten (10) items of pertinent information in accordance with United States Geological Survey requirements:

- 1. The geologic surface formation is Permian.
- 2. Estimated tops of geologic markers are as follows:

-	Brown shale
	Anhydrite & Shale
	Top salt
	Base salt
	Delaware lime
	Delaware sand
	-

3. The estimated depths at which anticipated water, oil, and/or gas formations are expected to be encountered:

Based on history of abandoned wells in the area, oil and small amounts of water should be encountered at approximately 2300'. The well will be produced from this zone.

4. Proposed Casing Program:

4 ½", 9.50#/ft. New or acceptable used casing will be run and cemented with Class "C" neat cement from surface to TD of 2500'.

5. Pressure Control Equipment:

Due to shallow depth, no pressures are expected; a conductor pipe with an air drilling head for pressure control will be set. Plugged wells 660' from proposed site were drilled w/cable tools & encountered no pressures.

5. Location & Type of Water Supply:

A. Well will be drilled by a rotary/air rig thereby requiring very little water. Minimum amounts of water will be transported by truck. Any additional water required for well completion will be transported by truck.

6. Source of Construction Materials:

A. No materials will be required.

7. Methods of Handling Waste Disposal:

- A. Drill cuttings will be disposed of in drilling pit. See Exhibit "B".
- B. Fluids will be allowed to evaporate in drilling pit; pit will be buried upon completion.
- C. Any water produced from well during drilling will be placed in drilling pit; oil produced will be stored in tanks until sold. Water produced after well completion will be stored in a tank.
- D. Laws & regulations pertaining to human waste will be complied with.
- E. All trash, garbage, junk, and debries will be properly contained & removed.

8. Auxiliary Facilities:

A. None required.

9. Well Site Layout:

. 1

- A. Exhibit "B" shows relative location & dimensions of well site, cuttings pit, & major components of drilling equipment.
- B. Due to flatness of land, only minimal improvement will be required. No caliche or construction work.
- C. Pad & pit area stated & flagged as outlined in Exhibit "B".

10. Plans for Restoration of Surface:

A. After completion of drilling and/or completion of operations, all equipment and other material not needed for operations will be removed. Pits will be filled, location cleaned to leave well site as aesthetically pleasing as possible.

47.7 °

- B. Any pits containing fluids will be fenced until they are filled.
- C. Any special revegetation requirement of Surface Management Agency will be complied with and accomplished as expeditiously as feasible.

11. Other Information:

- A. Land surface is relatively flat and smooth. Elevation is 3228' at well site. No gullies, washes, or depressions in immediate area.
- B. Soil: Sand red clay underlain by caliche.

Flora and Fauna:

A. Vegetative cover is relatively spare consisting mainly of broom weed and perenial native range. Grass dotted with mesquite. Wildlife is typical of semi-arid desert in New Mexico; rabbits, rodents, reptiles, dove, quail and occasional coyote.

Ponds and Streams:

A. None in area.

Residence and Other Structures:

A. No occupied structures in 3 mile radius.

Land Use:

A. Grazing.

Surface Ownership:

A. Well site is on Federal surface. Existing roads on State and Bureau of Land Management land. The access route to well site in Bureau of Land Management surface.

12. Operator's Representative:

The field representatives responsible for assuring compliance with approved surface use and operations plan are as follows:

Tom D. Dyches Chas. A. Adkisson P. O. Box 8425 Midland, TX 79703 Phone: 912/683-9290

13. Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by DyAd Associates and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Date: 4-22-80

DyAd Associates

Agent

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