Copy to SF

Form 9-331 C
(May 1963)

N. M. O. C. C. SUBMIT IN TRIP. ATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-015-21664

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER — SINGLE ZONE [ ] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR: General American Oil Company of Texas

3. ADDRESS OF OPERATOR: P. O. Box 416, Loco Hills, New Mexico 88255

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 2615' FSL and 25' FWL of Section 24, T-17-S, R-29-E, Eddy County, New Mexico
At proposed prod. zone:

5. LEASE DESIGNATION AND SERIAL NO.: LC-028784-a
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT AGREEMENT NAME:
8. FARM OR LEASE NAME: Keely A
9. WELL NO.: #26
10. FIELD AND POOL, OR WILDCAT: Grayburg Jackson
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec.24,T-17-S,R-29-E
12. COUNTY OR PARISH: Eddy
13. STATE: N. M.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 3 1/4 miles West of Loco Hills

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 25'
16. NO. OF ACRES IN LEASE: 640
17. NO. OF ACRES ASSIGNED TO THIS WELL: 40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: 700'
19. PROPOSED DEPTH: 3600'
20. ROTARY OR CABLE TOOLS: Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3590' GL
22. APPROX. DATE WORK WILL START*: November 3, 1975

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	375'	100 sacks
7 7/8@	4 1/2"	9.5#	3600'	350 sacks

We propose to drill this well to 3600' and complete in the Grayburg and San Andres.

All zones indicating porosity will be acidized or fraced.

Mud Program: Water and native mud will be used, and approximately 100' from T.D.

We will mud up to get hole in shape to log.

A 10" 3000# blowout preventer will be used in the drilling of this well.

This unorthodox location was approved by NMOCC Order No. R-4795.

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U. S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.
SIGNED: Roy Cisco — TITLE: District Superintendent — DATE:

(This space for Federal or State office use)

PERMIT NO. — APPROVAL DATE:

APPROVED BY — TITLE — DATE:

CONDITIONS OF APPROVAL, IF ANY:

APPROVED
OCT 22 1975
R. L. BEAUCHAMP
ACTING DISTRICT ENGINEER

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OCT 22 1975
U. S. G. S.
ARTESIA, OFFICE

THIS APPROVAL IS RESCINDED IF OPERATIONS ARE NOT COMMENCED WITHIN 3 MONTHS.
EXPIRES JAN 21 1976

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator	Lease	Well No.
GENERAL AMERICAN OIL COMPANY	Keely A	26

Unit Letter	Section	Township	Range	County
L	24	17 South	29 East	Eddy

Actual Footage Location of Well:
2615 feet from the South line and 25 feet from the West line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3590	Grayburg & San Andres	Grayburg-Jackson	40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

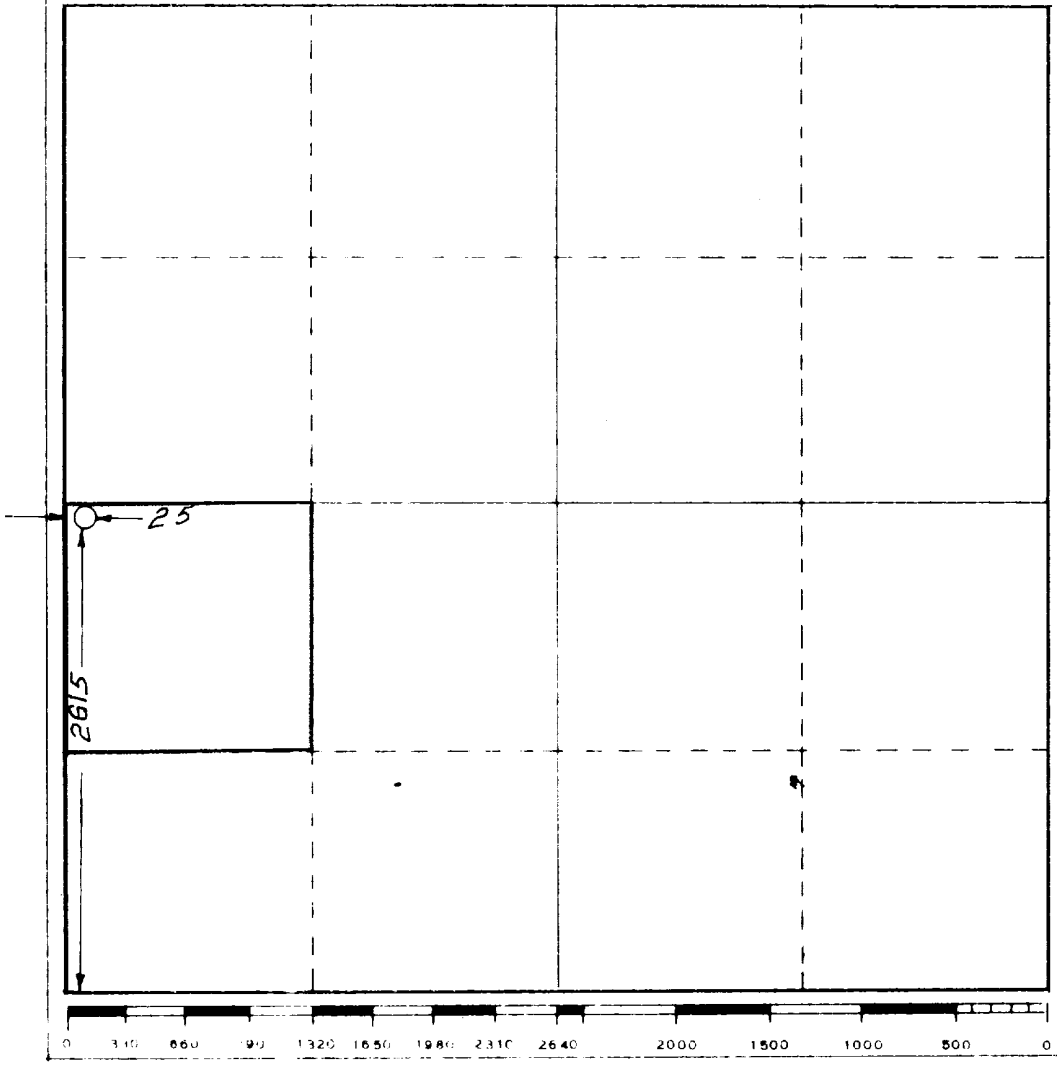
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name: Roy Crow

Position: District Superintendent

Company: General American Oil Co. of Texas

Date: October 3, 1975

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

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ARTESIA, NEW MEXICO

Date Surveyed: September 12, 1975

Registered Professional Engineer and/or Land Surveyor: Herschel L. Jones 3640

Certificate No.

NEW MEXICO
REGISTERED LAND SURVEYOR
HERSCHEL L. JONES
3640

SURFACE USE PLAN
GENERAL AMERICAN OIL COMPANY OF TEXAS, WELL: KEELY A-25
LEASE LC 028784-a, EDDY COUNTY, NEW MEXICO

The subject well is located approximately 23 ½ miles East of Artesia, New Mexico on highway U. S. 82 on the south side of the road. The following is a discussion of the pertinent information concerning possible effect, which the drilling of the well may have on the environment, of the well and road sites and surrounding acreage. A copy will be posted on the derrick floor so that all contractors and sub-contractors will be aware of all items on this plan.

1. AERIAL ROAD MAP - Exhibit "A" is a portion of the Artesia Quadrangle Map # 106 and Maljamar Quadrangle Map # 107 Showing well site in relation to U. S. Highway 82. Access road, which is colored in red, exits the highway about 22 miles East of Artesia, New Mexico.

2. LOCATION OF EXISTING WELLS - The location of existing wells in the immediate area of the proposed well is shown on Exhibit "B".

3. PROPOSED WELL MAT AND IMMEDIATE AREA - Refer to Exhibit "C" for direction orientation and road access.

   a. MAT SIZE - 140' x 180'.

   b. SURFACED - Will be topped with 6" of caliche, bladed, watered, and compacted. Caliche to be purchased from B.L.M. by dirt contractor.

   c. RESERVE PIT - 60' X 70' pit unlined, joining mat to South.

   d. CUT & FILL - Location is basically small sand dunes, 3' to 5' high. No fill will be needed except existing sand dunes leveled and topped with caliche.

   e. DRILL SITE LAYOUT - Exhibit "C" shows the location and layout including position of the Rig, Mud Tanks, Reserve Pits, Pipe Racks, etc. The Rig will be errected with the V-Door to the West.

   f. SETTING AND ENVIRONMENT

      (1) Terrain - Low rolling sand dunes.

      (2) Soil - Sandy soil.

      (3) Vegetation - Sparse vegetation, being mostly mesquite, shennery, weeds, and other semi-desert plants with some grass.

      (4) Surface Use - Grazing.

      (5) Other - Drillsite - which is in sandy semi-arid desert country, is in a low environmental risk area. The total effect of drilling and producing this and other wells in this area would be very minimal.

   g. DISTANCES TO:

      (1) Ponds and Streams - There are no surface waters within 1 mile.

      (2) Water Wells - There are no water wells within 1/2 mile.

      (3) Residences and Building - There are no residences or buildings within 1/2 mile.

      (4) Arroyos, Canyons, Hills, etc. - Outside of small sand dunes there are no surface features.

   h. WELL SIGN - Sign identifying and locating proposed well will be maintained at the drill site commencing with the spudding of the well.

   i. OPEN PITS - All pits containing mud or other liquids will be guarded.

4. ROADS

a. EXISTING ROADS - All existing roads within the immediate area of well site on Exhibit "B".

b. PLANNED ROADS - No new road will be needed. A suggested route to the location is colored red on Exhibit "B". Little improvement will be required on existing access road.

c. FENCES, GATES AND CATTLE GUARDS - Will be maintained as General American already operates several hundred wells in the immediate area.

5. TANK BATTERY - If production is encountered no additional battery will be required as sufficient facilities are already on the lease.

6. LEASE - PIPELINES

a. EXISTING - All existing pielines are shown on Exhibit "B".

b. PLANNED - If production is encountered, proposed flowline, which will consist of about 900' of steel line is colored orange on Exhibit "D".

7. WASTE DISPOSAL - Barrel trash containers will be in accessible locations within the drill site area during drilling and completion operations. A waste disposal pit will be deep enough to handle waste and will be covered with a minimum of 2 feet of top soil. See Exhibit "C" for pit location. If well is productive, maintenance waste will be placed in special trash cans and hauled away periodically. Any produced water will be disposed of through the currently existing S.W.D. system.

8. WATER SUPPLY - Water supply to drill this well will be furnished through a steel line already laid through the drilling area.

9. ARCHAEOLOGICAL RESOURCES - None were observed.

10. RESTORATION OF SURFACE - If well is productive, pits will be backfilled and leveled as soon as practical. Upon final abandonment of well, well site will be leveled and cleaned, with land returned as near as possible to original condition.

11. OPERATOR'S REPRESENTATIVES - Field personnel who can be contacted concerning compliance of this surface use plan are as follows:

DRILLING AND PRODUCTION

Roy Crow
P. O. Box 416
Loco Hills, New Mexico 88255
Office Phone: 505 677-2481
Home Phone: 505 677-2271

OR

Lendell Hawkins
P. O. Box 416
Loco Hills, New Mexico 88255
Office Phone: 505 677-2481
Home Phone: 505 677-3421

12. 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 as they actually exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the proposed work performed by General American Oil Company and its Contractors and Sub-Contractors will conform to this plan.

10/3/75
DATE

Roy Crow, District Superintendent

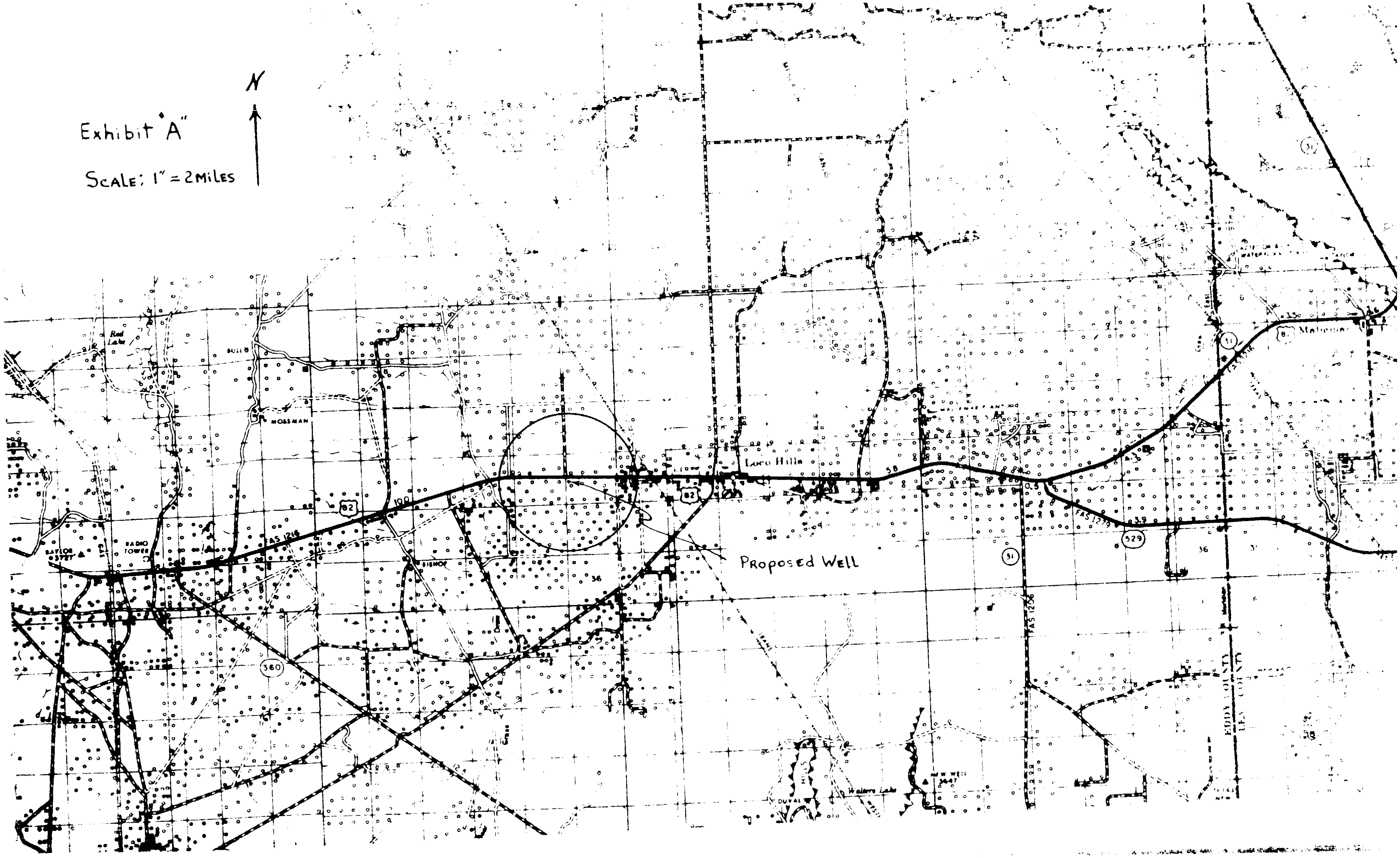

Exhibit "A"
Scale: 1" = 2 Miles
N
Proposed Well
Loco Hills
Maljamar
Red Lake
Mossman
Bishop
Radio Tower
FAS 1216
FAS 1206
FAS 1279
82
360
529
31
EDDY COUNTY
LEA COUNTY

EXHIBIT "B"

GENERAL AMERICAN OIL COMPANY OF TEXAS

Proposed Keely A-26
Section 24-17S-29E

- Existing Oil Wells
- Existing Roads
- U.S. Highway 82
- Existing Flowlines
- Proposed Road Approx. - NONE
- Proposed Flowline (2 inch steel on top of ground)
- Water Supply Line
- Suggested Route To Location
- Section Lines

Scale: 1" = 1,000'

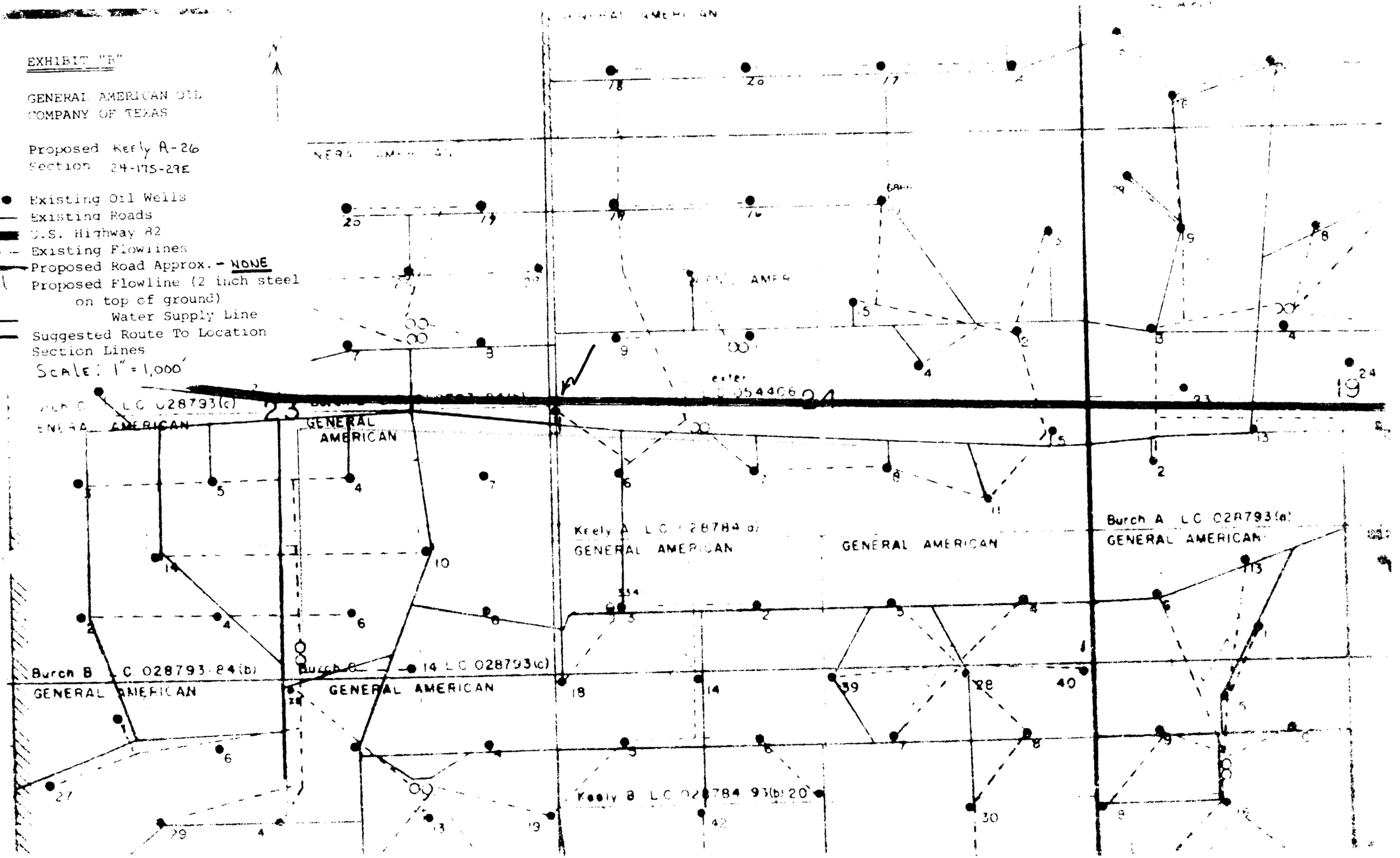

Exhibit "C"

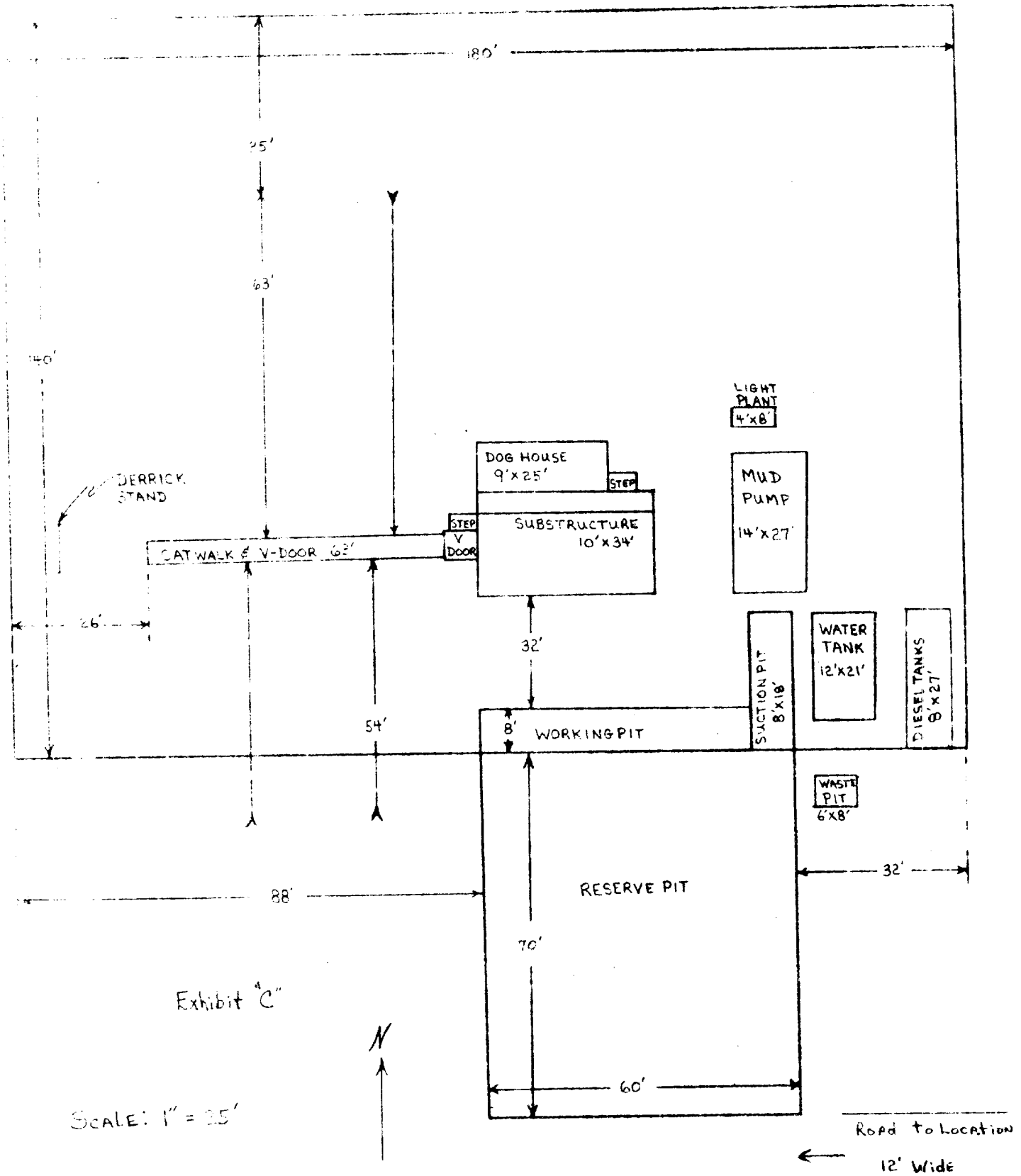

Exhibit "C"

SCALE: 1" = 25'