

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-015-23780

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐OTHER ☐SINGLE
ZONE ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Holly Energy Inc.

3. ADDRESS OF OPERATOR

P.O. Box 726 Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

1100' FNL 2300' FWL Sec 29 T-17S R-30E

At proposed prod. zone

same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

1 mile west of Loco Hills New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drg. unit line, if any)

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

16. NO. OF ACRES IN LEASE

80

19. PROPOSED DEPTH

3330

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3610.75

22. APPROX. DATE WORK WILL START*

As soon as possible after
approval

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#	500'	circ surface pipe
7-7/8	4-1/2	10.50#	3300'	430 sx

We propose to drill this well to 3300' and complete in the Seven Rivers Grayburg-San Andres.

All Zones indicating porosity will be acidized or sand fraced.

Mud Program: Water and native mud will be used to approximately 100' of TD and then mud up to get hole in shape to log.

A 10" series schaffer type F Double B.O.P. will be used in drilling this well.

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 Robert Loyd TITLE Superintendent DATE 4-3-81

(This space for Federal or State office use)

PERMIT NO.

APPROVED

APPROVAL DATE

OCT 1 1981 GEORGE H. STEVENS

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL IF ANY

FOR
JAMES A. GILHAM
DISTRICT SUPERVISOR

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form No. 1
Superseded 6-22-78
Effective 1-1-79

All distances must be from the outer boundaries of the Section

Holly Energy Corp.		Barton D. Felt		2
C	29	17 South	30 East	Eddy

1100	North	2300	West
3610.75'	Grayburg-San Andres	Grayburg-Jackson	40

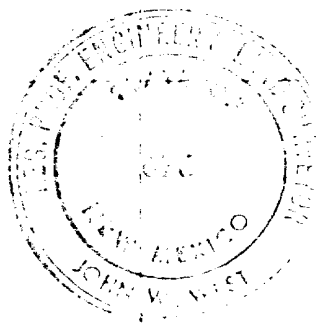
- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, forced-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.

Holly LC-028936		2300'
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CERTIFICATION

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

Robert Loyd

Robert Loyd

Superintendent

Holly Energy Inc.

4-3-81

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.

Mar. 11, 1981

John W. West

Certified by	JOHN W. WEST	876
	PATRICK A. ROMERO	8883
	Ronald J. Edson	3239

APPLICATION FOR DRILLING

Holly Energy Inc.
Beeson "D" Federal #2
Section 29 T-17S R-30E
Eddy County, New Mexico

In conjunction with form 9-331-C, application for permit to drill subject well in Section 29 Township 17 South, Range 30 East, Eddy County, New Mexico, Holly Energy Inc., submits the following 12 items of pertinent information in accordance with U.S.G.S. requirements:

1. The geologic surface formation is quaternary alluvium.

2. The estimated tops of geologic marker are as follows:

1778' Fren
1942' Seven Rivers
3038' San Andres

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

Water: Water at approximately 300' base 500'
Oil or Gas: Oil or gas at approximately 1700'

4. Proposed Casing Program: See form 9-331C

5. Pressure Control Equipment: See form 9-331C

6. Mud Program: See form 9-331C

7. Auxiliary Equipment: Blowout Preventer

8. Testing, Logging & Coring Program:

Pressure Test: Surface casing to 1500 psig
Drilling Samples: 10' samples 500' to TD
Electric Logging: DLL & CNL

9. No abnormal pressures or temperatures are anticipated.

10. Anticipated Starting Date: As soon as possible after approval.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Holly Energy Inc.
Beeson "D" Federal #2
1100' FNL and 2300' FWL
Section 29 T-17S R-30E
Eddy County, New Mexico

RECEIVED
APR - 8 1981

This plan is submitted with Form 9-331C, Application for Permit to Drill covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effects associated with the operations.

1. EXISTING ROADS

- A. Exhibit A is a portion of U.S.G.S. map on a 1/2" to a mile, showing the proposed location and the surrounding area.
Exhibit B is a topographical map, on a scale of approximately 1" to a mile, showing the wellsite area and existing roads in the immediate vicinity of the proposed location.

- (1) Proceed east from the intersection of highway 82 and 285 in Artesia, New Mexico for a distance of 24 miles. On the south side of highway 82 is the Holly Energy Inc. field yard, go thru the camp to the south you will pass Holly Energy Inc., McIntyre B-1,2,3,4, Tank battery. Proceed south on lease road to the McIntyre B-2, at this point turn east (left) down old lease road to a old junk yard. Proposed location is on the north side. The existing road from McIntyre B-2 will be topped with calachie.

2. PLANNED ACCESS ROAD

- A. There will be no planned access road

3. LOCATION OF EXISTING WELLS

- A. Existing wells in the vicinity are shown on Exhibit C.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. There is a existing tank battery at Beeson #1 that will be utilized and is located 330' from the north line and 330' from the west line of Section 29 T-17S R-30E.

5. LOCATION AND TYPE OF WATER

- A. Any water used in the drilling operation will be fresh or brine water. The water will be purchased from commercial sources and will be hauled to the location by truck over the existing roads shown on Exhibits A and B.

6. SOURCE OF CONSTRUCTION MATERIALS

- A. Calachie for construction of the drilling pad and existing road will be obtained from 1650' FSL and 1600' FWL of Section 20 T-17S R-30E

7. METHODS OF HANDLING WASTE DISPOSAL

- A. Drill cuttings will be disposed of in the reserve pit.
- B. Drilling fluids well be allowed to evaporate in the reserve pits until the pit is dry.
- C. Water procuced during operations will be disposed of in the reserve pit. Oil produced during operations will be stored in tanks until sold.
- D. Current laws and regulations pertaining to the disposal of human waste well be complied with.
- E. Trash, waste paper, garbage and junk will be buried in a seperate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind.
- F. All trash and debris will be burried or removed from the wellsite within 30 days after finishing drilling and/or completion of opertations.

8. ANCILLARY FACILITIES

- A. None required

9. WELLSITE LAYOUT

- A. Exhibit D shows the relative location and demensions of the well pad, reserve pit and major rig components.
- B. Minor leveling will be required to construct the location. The ground surface at the wellsite is composed of sand dunes ranging from 0' to 5' in height with the major slope from north to south. The pad surface will be covered with 6 inches of compacted calachie.
- C. The reserve pit will not be plastic lined.
- D. The pad and pit area has been staked and flagged.

10. PLANS FOR RESTORATION OF THE SURFACE

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operation will be removed. Pits will be filled and the location will be cleaned of all trash and junk to leave the wellsite in as aesthetically pleasing a condition as possible..
- B. Any ungraded pits containing fluids well be fenced until they have been filled.
- C. If the proposed well in non productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management and the United States Geological Survey will be complied with and will be accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment.

11. OTHER INFORMATION

- A. Topography: The proposed wellsite is located in a relatively flat flat area with undulation of 0' to 5' in height.
- B. The topsoil at the wellsite is moderately soft sand.
- C. Flora and Fauna: The vegetation cover at the wellsite is moderately sparse, consisting of mesquite, shinnery oak, prairie flowers and weeds. The only wildlife observed were lizards and rabbits, but it is likely that other wildlife typical of simi-arid desert land also inhabit the area. The area is used for cattle grazing.
- D. The proposed well is on the West edge of Loco Hills, New Mexico
- E. The wellsite is on Federal surface, with Federal control of minerals.
- F. There is no evidence of any archeological, historical or cultural sites in the area of the wellsite.

12. OPERATOR'S REPRESENTATIVE

- A. The field representative responsible for assuring compliance with the approved surface use and operations plan is:

Robert Loyd
Superintendent
Holly Energy Inc.
P.O. Box 726
Artesia, New Mexico 88210
Telephone: 505-748-1356 (Office)
505-365-2521 (Mobil)
505-365-2391 (Home)

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 Holly Energy Inc. and its contractors and its subcontractors in conformity with this plan and terms and conditions under which it is approved.

4-3-81
DATE

Robert Lyd Superintendent
NAME AND TITLE

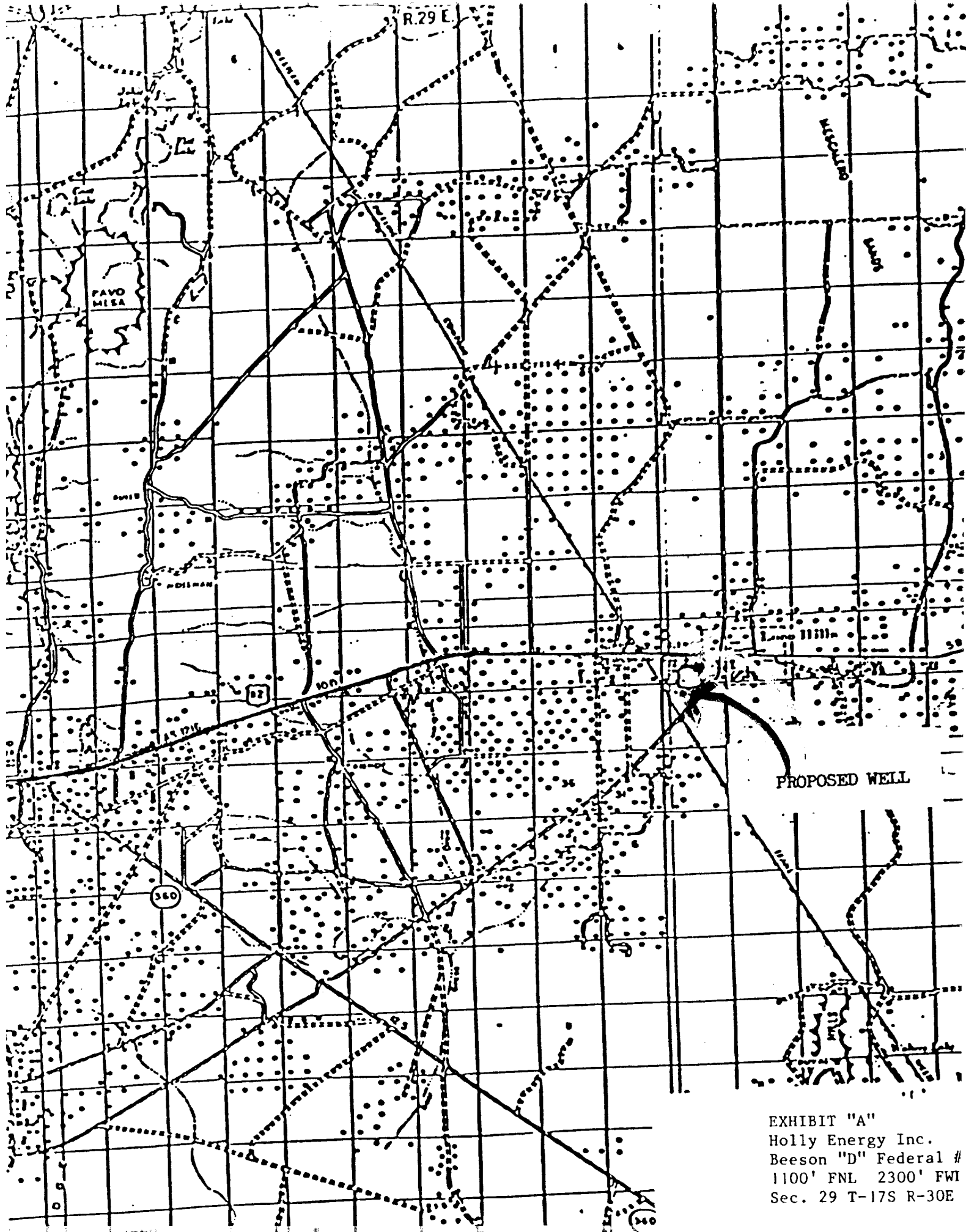
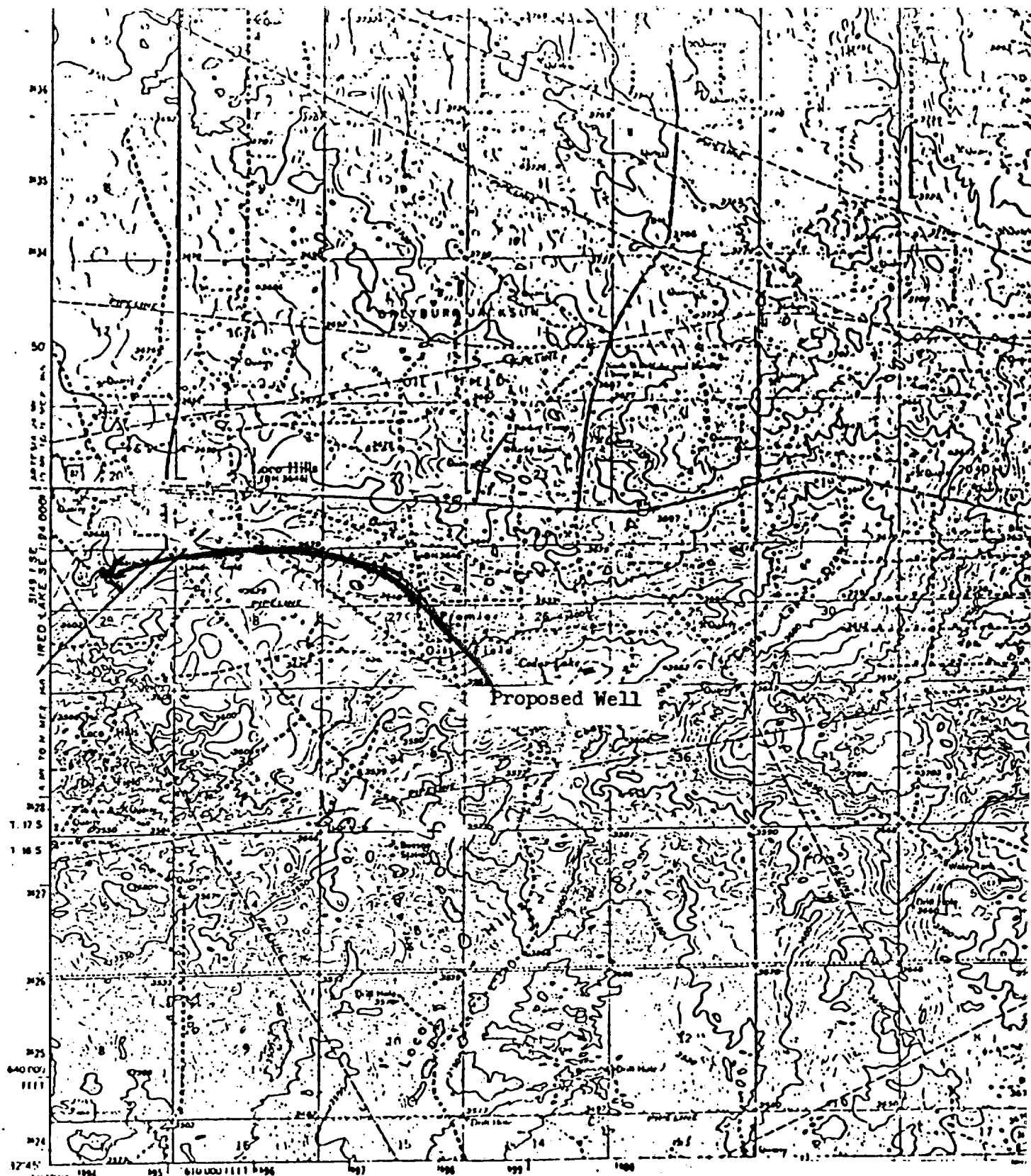


EXHIBIT "A"
Holly Energy Inc.
Beeson "D" Federal #
1100' FNL 2300' FWI
Sec. 29 T-17S R-30E



Mapped, edited, and published by the Geological Survey

Control by USCGS and USC&GS

Planimetry by photogrammetric methods from aerial photographs before 1957 Topography by planimetric surveys 1963

Polystyrene properties 1927 North American edition
[17, 18] had grid based on New Mexico coordinate system, east zone
[18] under Universal Transverse Mercator grid table,
page 11, shown in blue



1970-1971 (1971) 1970-1971 (1971) 1970-1971 (1971)
 1970-1971 (1971) 1970-1971 (1971) 1970-1971 (1971)

EXHIBIT "B"

Holly Energy Inc.
Beeson "D" Federal #2
1100' FNL 2300' FWL
Sec 29 T-17S R-30E

FOR SALE BY U.S. GEOLOGICAL
A FORMER DELIVERED TO

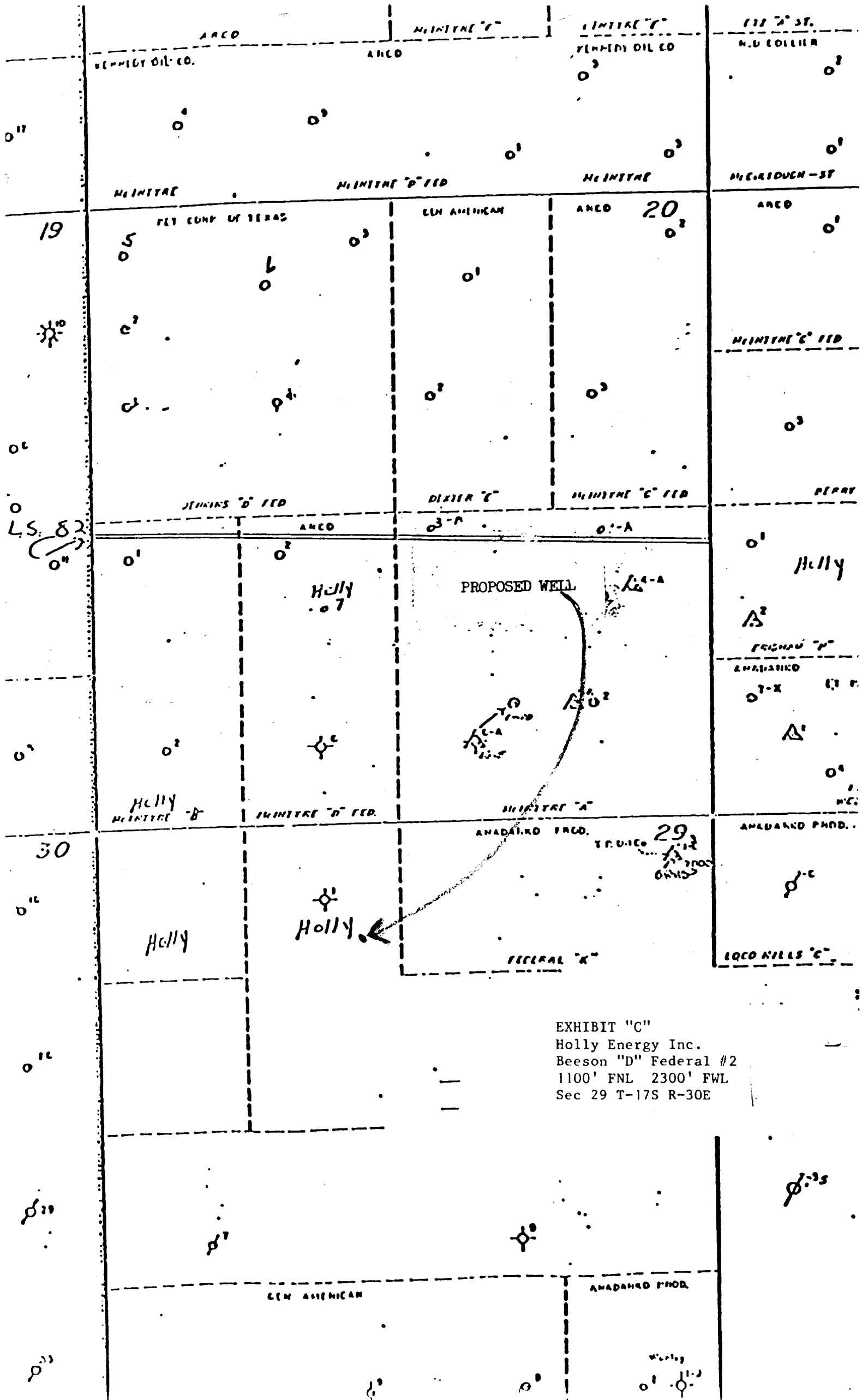
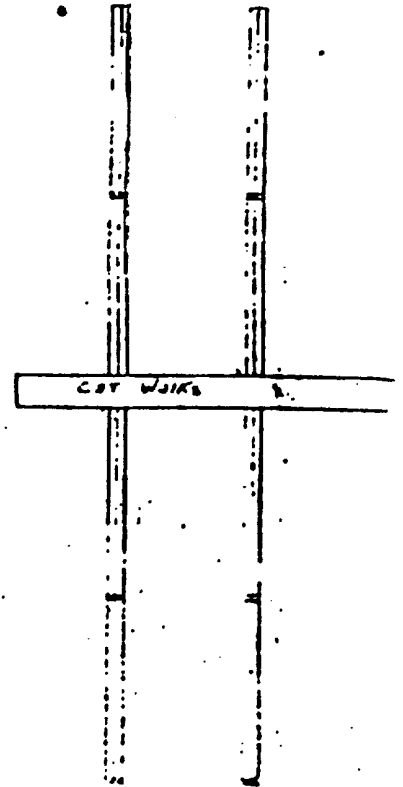


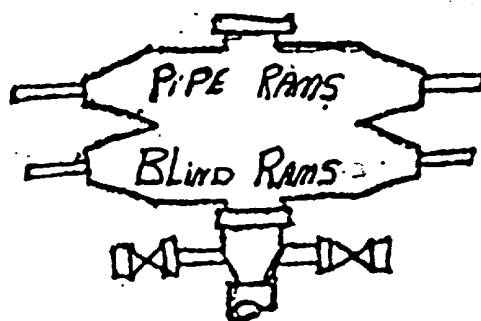
EXHIBIT "C"
Holly Energy Inc.
Beeson "D" Federal #2
1100' FNL 2300' FWL
Sec 29 T-17S R-30E

[illegible]

A hand-drawn map showing a site layout. At the top, a vertical rectangle is labeled "Water Storage". Below it, a horizontal rectangle is divided into two sections: the top section is labeled "Sewer pits" and "Water Storage", and the bottom section is labeled "300 holes" and "Water Storage". Below this, a horizontal rectangle is labeled "Water Storage". Further down, a horizontal rectangle is labeled "1st Plant". At the bottom, a large arrow-shaped rectangle points to the left and is labeled "Trailer House". A road, represented by a line with cross-ticks, runs vertically along the right side of the map, passing between the "Water Storage" and "1st Plant" areas.

North	50'
East	100'
South	150'
West	100'

EXHIBIT "E"
Holly Energy Inc.
Beeson "D" Federal #2
1100' FNL 2300' FWL
Sec 29 T-17S R-30E



10" 1500S SHAFFER