

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEYForm approved.
Budget Bureau No. 42-B1425.30-015-24298
5. LEASE DESIGNATION AND SERIAL NO.
LC
063621-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Holly Federal

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Undesignated (Morrow)

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

Sec. 8, T-18-S, R-30-E

12. COUNTY OR PARISH 13. STATE

Eddy

N.M.

1a. TYPE OF WORK

DRILL ☒

RECEIVED BY

OIL & GAS
PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒

OTHER

2. NAME OF OPERATOR

Southland Royalty Company

3. ADDRESS OF OPERATOR

21 Desta Drive, Midland, Texas

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

At surface

1980' FNL & 1980' FEL, Sec. 8, T-18-S, R-30-E

At proposed prod. zone

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

3 miles South of Loco Hills, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

1980'

16. NO. OF ACRES IN LEASE

2083.04

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION*

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

N.A.

19. PROPOSED DEPTH

11,900'

20. ROTARY OR CABLE TOOLS

Rotary

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

3515.8' GR

22. APPROX. DATE WORK WILL START*

3-1-84

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	48#	275'	500 sx. Circulate
12 1/4"	8 5/8"	28-24#	3350'	2000 sx. Circulate
7 7/8"	5 1/2"	17#	11,700'	Volume may vary w/upper zone development (TOC by Temp Survey)

Set surface csg @ 275' Anhydrite. Circ cmt. Drl 12 1/4" hole w/brine wtr & set 8 5/8" csg @ 3350'. Circ cmt. Drl to TD to tst Morrow & intermediate horizons. If commercial, run 5 1/2" csg to TD. Cmt w/sufficient volume to bring above all prospective zones. Estimated TOC @ 8500'. Perf & stimulate Morrow for production.

MUD PROGRAM: 0-275' spud mud; 275-3350' brine wtr; 3350-8300' cut brine wtr; 8300-10,500' cut brine, gel, Drispac; 10,500-TD cut brine, gel, Drispac & 3% KCl. MW 9.3-9.5, VIS 34-35, FL 6 cc thru Morrow. BHP @ TD expected to be 4000 psi.

BOP PROGRAM: BOP to be installed on 13 3/8" Double 10" Ser 900. BOP to be installed on 8 5/8" Double 10" Ser 900 plus 10" Ser 900 Hydril plus drilling head. Test BOP w/Yellow Jacket, Inc. after setting on 8 5/8". Test BOP @ 8000'.

GAS NOT DEDICATED.

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 Danell D. RobertsTITLE Operations EngineerDATE 2/6/84

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY 'Orig. Sgd.' Earl R. Cunningham

TITLE

District Manager

CONDITIONS OF APPROVAL, IF ANY:

DATE MAR 07 1984

**This Approval does not constitute
authority to communitize.**

***See Instructions On Reverse Side**

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED**

WELL LOCATION AND ACREAGE DEDICATION PLAT

Supersedes C-128
Effective 1-1-85

All distances must be from the outer boundaries of the Section

Operator SOUTHLAND ROYALTY CO.			Lease HOLLY FED. #		Well No. 1
Tract Letter G	Section 8	Township 18 SOUTH	Range 30 EAST	County EDDY	
Actual Plotage Location of Well.					
1980 feet from the NORTH line and		1980 feet from the EAST line		Use	
Ground Level Elev. 3515.8	Producing Formation Morrow	Pool Undesignated		Estimated Acreage 320 Acres	

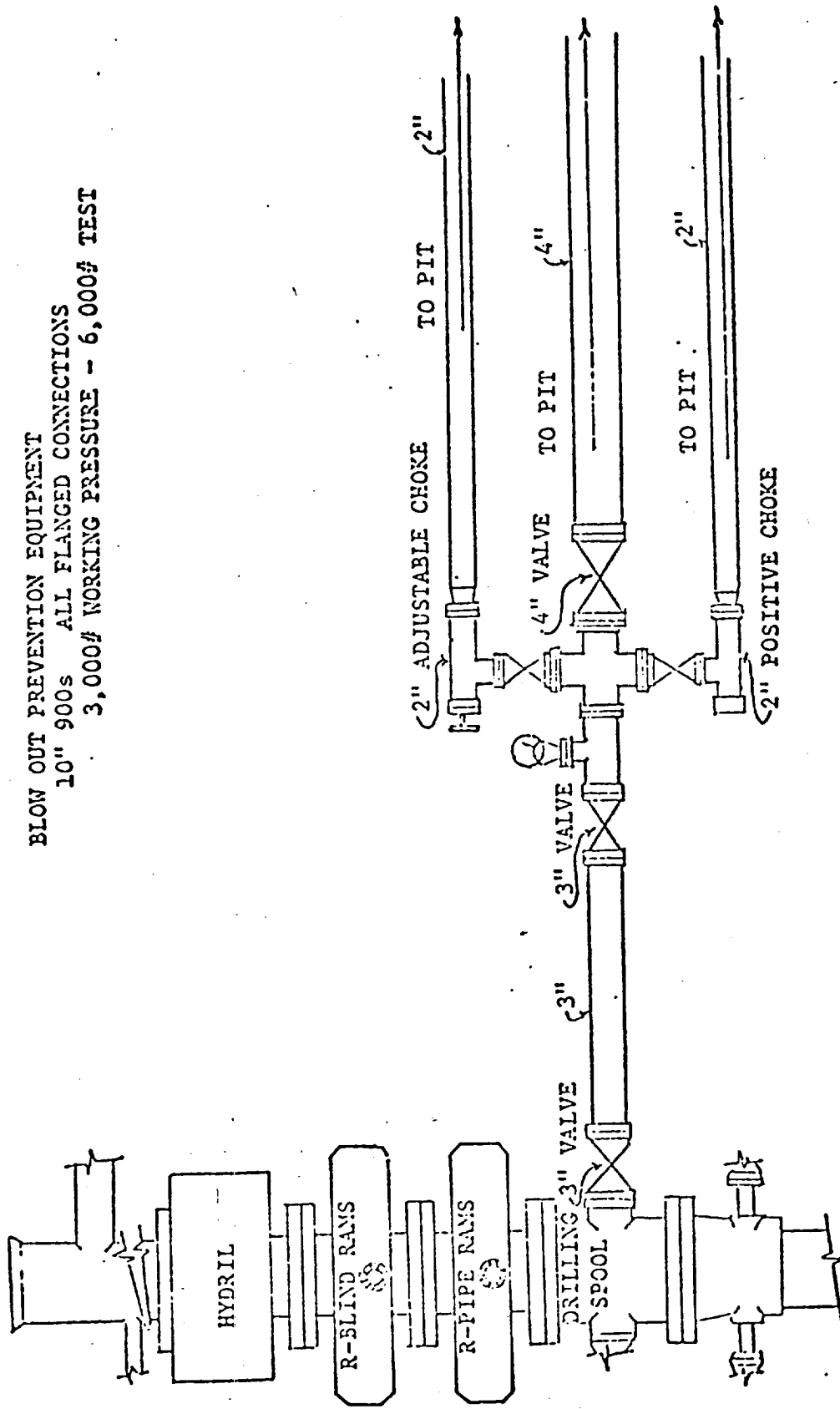
1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty)
3. If more than one lease of different ownership is 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 Communitization

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 ENERGY ET AL 063621		SOUTHLAND ROYALTY COMPANY (HOLLY ENERGY ET AL) 063621A		CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. F. N. Rad District Operations Engineer Southland Royalty Company Company 9-23-82 Date	
U.S.		U.S.		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. Date Surveyed 9-11-82 Registered Professional Engineer and/or Land Surveyor John W. West Certificate No. JOHN W. WEST 676 PATRICK A. ROMERO 8863 Ronald J. Eidson 3239	
FRANKLIN ET AL		SOUTHLAND ROYALTY COMPANY (HOLLY ENERGY ET AL) 063621		063621A 063621A	
U.S.		U.S.			



BLOW OUT PREVENTION EQUIPMENT
 10" 900s ALL FLANGED CONNECTIONS
 3,000# WORKING PRESSURE - 6,000# TEST

SOUTHLAND ROYALTY COMPANY

Holly Federal "8" No. 1
1980' FNL & 1980' FEL
Sec. 8, T-18-S, R-30-E
Eddy County, New Mexico
NM 063621

To supplement USGS Form 9-331C "Application to Drill" the following additional information is submitted concerning questions on Page 5 of NTL-6:

1. See Form 9-331C.
2. See Form 9-331C.
3. The geological name of surface formation is: Ochoa
4. See Form 9-331C.
5. See Form 9-331C.
6. The estimated tops of important geological markers are:

Anhydrite	260'	Glorietta	4640'	Atoka	10,750'
T/Salt	500'	1st Bone Springs	6725'	Atoka Lime	10,995'
B/Salt	1260'	2nd Bone Springs	7225'	Morrow	11,175'
Yates	1425'	3rd Bone Springs	8000'	B/Morrow	11,650'
Queen	2420'	Wolfcamp	8450'		
Grayburg	2800'	Cisco	9530'		
San Andres	3260'	Lower Strawn	10,490'		
7. The estimated depths at which anticipated water, oil, gas and mineral bearing strata are as follows:

San Andres	3260'	(Oil)
Wolfcamp	8450'	(Oil)
Cisco	9530'	(Gas)
Strawn	10,490'	(Gas)
Atoka	10,750'	(Gas)
8. See Form 9-331C. All casing will be new.
9. See Form 9-331C for depths of strings. Cement volumes and additions as follows:
 - a. 13 3/8" csg: Cement w/500 sxs Class "C" cmt w/2% CaCl. Circ to surface.
 - b. 8 5/8" csg: Cement w/1600 sxs lite wt cmt & 400 sxs Class "C". Circ cmt to surface. Caliper log to be run in conjunction w/GR/CNL/DLL/CDL/BVI/ Caliper log to determine open hole volume for computation of actual cement volume to circ to surface.
 - c. 5 1/2" csg: Cement w/435 sxs lite wt cmt & 300 sxs Class "H" 50-50 Pozmix
A. Run caliper log in conjunction w/open hole logs to determine exact hole volume. Top of cmt anticipated at 8500'. Cmt volume could vary w/development of intermediate horizons.
10. The pressure control diagram is attached to Form 9-331C. The following additional information is as follows:

13 3/8" casing installation: 10" Ser 900 3000 psi double hydraulic pipe and blind rams.

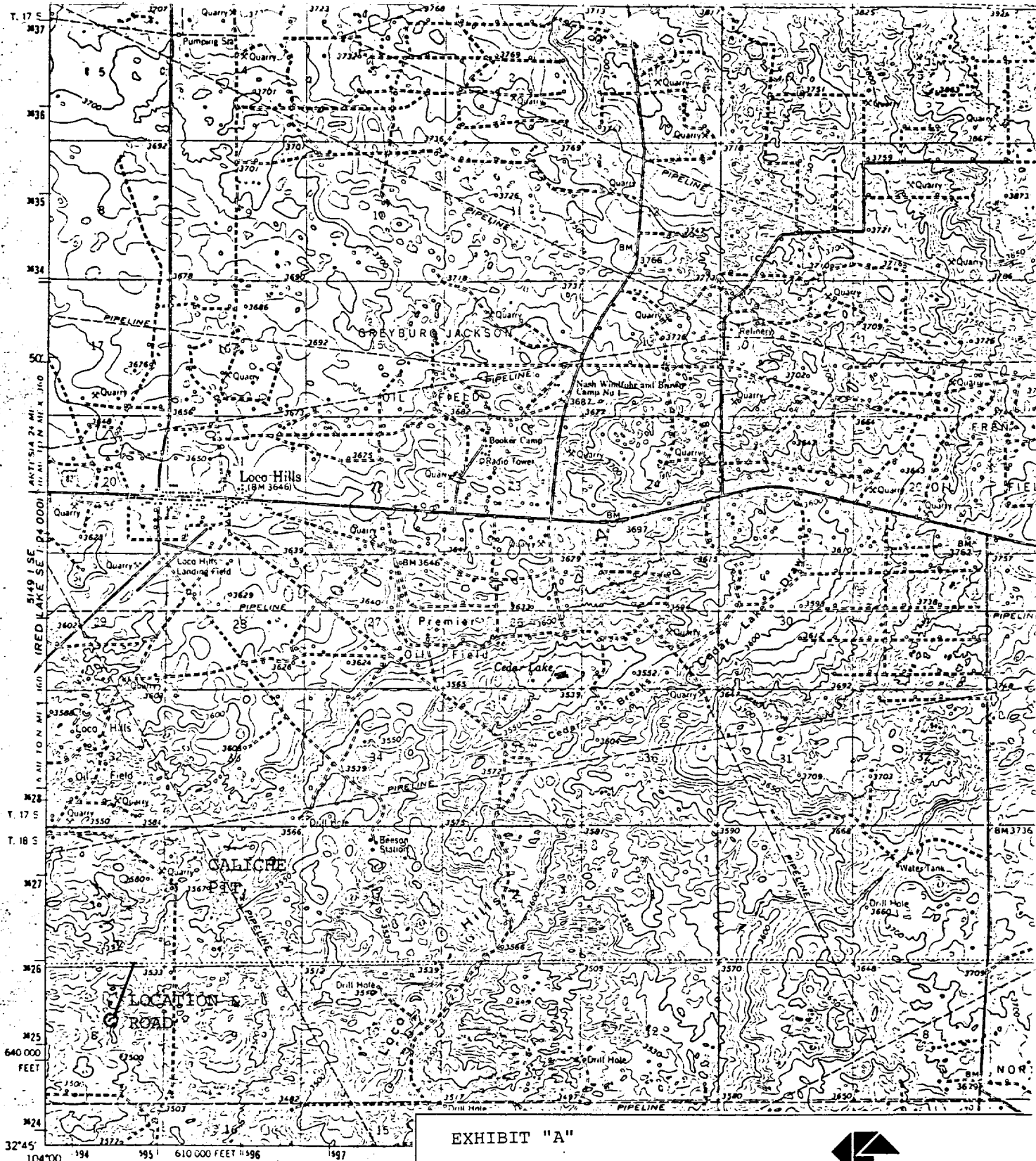


EXHIBIT "A"



Southland Royalty Company

21 DESTA DRIVE, MIDLAND, TEXAS 79701

HOLLY FEDERAL "8" NO. 1
1980' FNL & 1980' FEL
Section 8, T-18-S, R-30-E
EDDY COUNTY, NEW MEXICO

Map Reference: U.S.G.S. Topography Map 1979

Mapped, edited, and published by the Geological Survey

Control by USGS and USC&GS

Planimetry by photogrammetric methods from aerial photographs
taken 1957 Topography by planetable surveys 1963

Polyconic projection, 1927 North American datum

10 000 foot grid based on New Mexico coordinate system, east zone
1000 meter Universal Transverse Mercator grid ticks,

zone 13, shown in blue

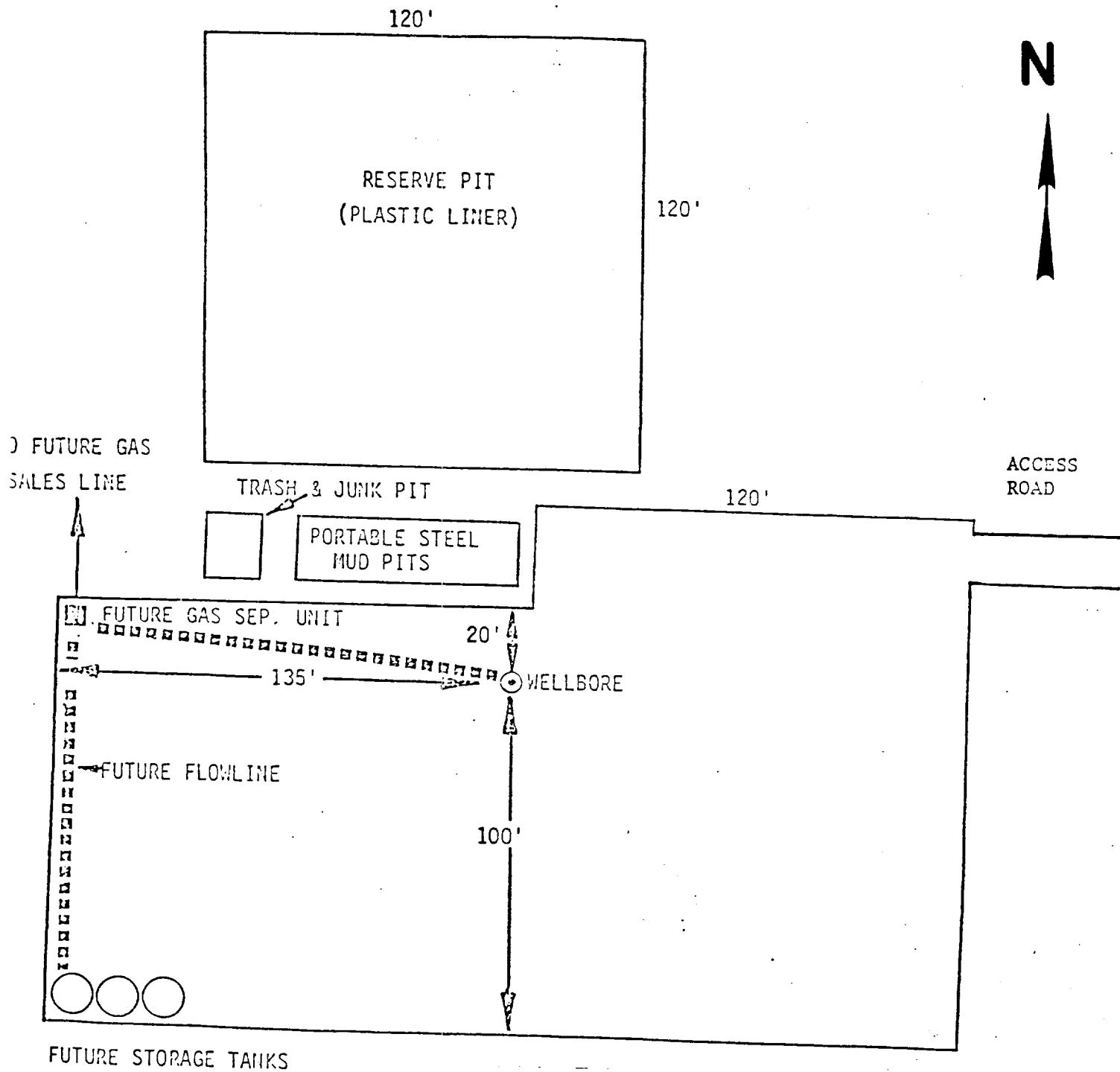


EXHIBIT "C"



Southland Royalty Company

21 DESTA DRIVE, MIDLAND, TEXAS 79701

HOLLY FEDERAL "8" NO. 1
1980' FNL & 1980' FEL
Section 8, T-18-S, R-30-E
EDDY COUNTY, NEW MEXICO

Scale 1" = 40'