

February 16, 1974

The Government "Y" No. 1 is located approximately one mile north-west of a shallow waterflood operated by Barber Oil Company and is 1/2 mile east and 1/2 mile north of Cities Service Oil Company's Government "T" No. 1, currently completing.

The nearest inhabited residence is 1-1/4 miles southeast of our location. This is the home of Mr. A. H. Rains who has a Federal grazing lease on our proposed location and access road.

The well is scheduled to test the Morrow with a projected TD of 11,600'. Other shallower zones will be tested as the well is being drilled.

If completed as a producer, producing equipment will be set no closer than 150' from the well with tanks installed to collect both oil and water which will be trucked to sale or disposal. The gas purchaser will install necessary gas measuring equipment and gathering pipeline.

The reserve pit will be lined when it is built. If the well is completed as a producer, the pits will be backfilled, levelled, debris removed and surface equipment fenced. If it is a dry hole, the well will be plugged as per United States Geological Survey requirements, the pits backfilled and levelled and all debris removed.

The proposed casing program consists of:

13-3/8" casing set at 400' with cement circulated

8-5/8" casing set at 3000' with cement circulated

5-1/2" casing set at 11,600' with sufficient cement
to fill annular space to 9000'

In addition to the blowout preventer program shown on the attached plat, the following equipment will be in use before drilling into the Wolfcamp formation:

1. Swaco adjustable choke in choke manifold
2. Pit volume totalizer
3. Flow line sensor
4. Degasser

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