

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

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

2001 Bryan Tower, Dallas, Texas 75201

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

At surface

660' FNL and 660' FEL

At proposed prod. zone

Same

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

Approximately 5 miles Southeast of Lakewood, N.M.

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

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

660'

18. DISTANCE FROM PROPOSED LOCATION*

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

None

16. NO. OF ACRES IN LEASE

120

19. PROPOSED DEPTH

800'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Cable Tools

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

3325.8' Ground Level

22. APPROX. DATE WORK WILL START*

January 31, 1977

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"	20#	150'	Circulate
8"	7"	17#	Est. 500'	
6"	4-1/2"	9.5#	800'	

Mud Program: None

B O Program: Cable Tool Control Head.

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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

TITLE

Operations Manager

DATE January 22, 1977

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

THIS APPROVAL IS RESCINDED IF OPERATIONS
ARE NOT COMPLETED WITHIN 3 MONTHS.
EXPIRES APR 25 1977

*See Instructions On Reverse Side

Instructions

General: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

Item 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

Items 15 and 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

Item 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-1
Supersedes L-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator HOLLY ENERGY, INC.		Lease Holly-Federal 23		Acres 1
Unit Letter A	Section 23	Township 20 South	Range 26 East	County Eddy
Actual Footage Location of Well: 660 feet from the north line and 660 feet from the east line				
Ground Level Elev. 3325.8	Producing Formation Queen	Pool William +	Estimated Acreage 40	

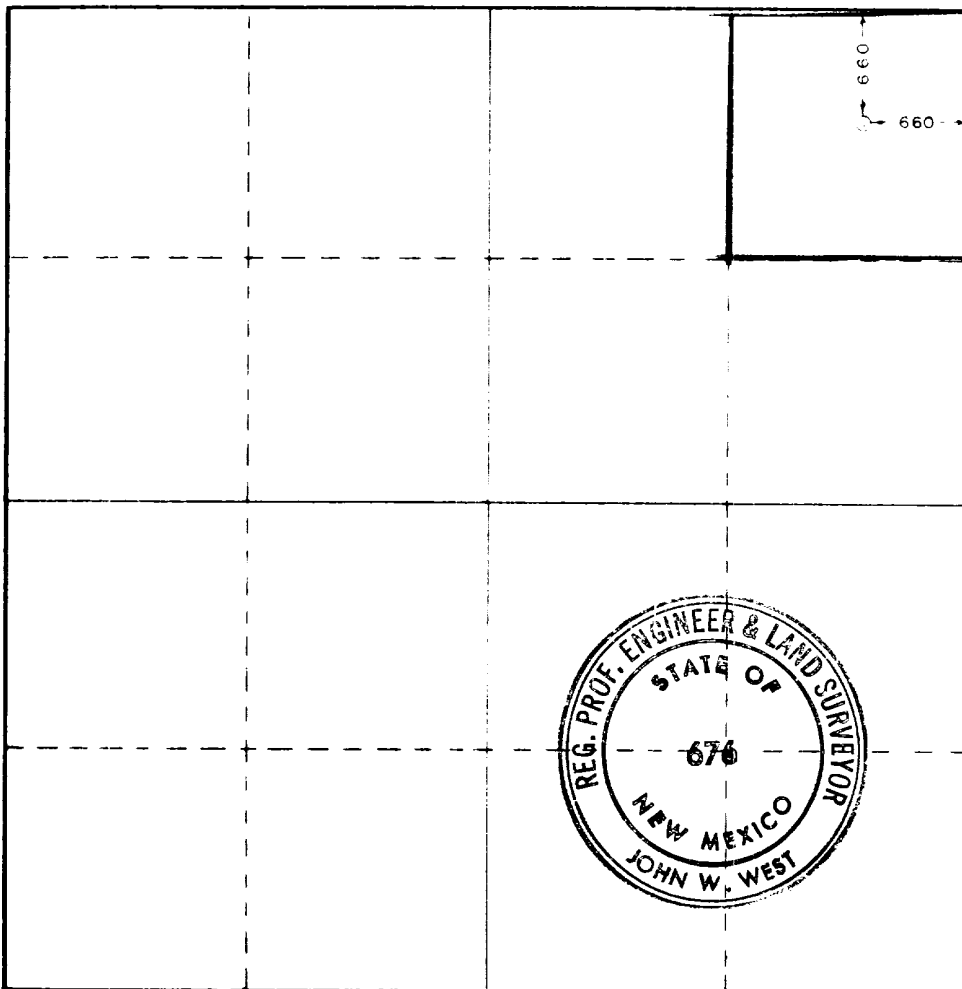
- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated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

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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 Lloyd

Supt.

Holly Energy

1-22-77

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

Jan. 21, 1977

Registered Professional Engineer and or Land Surveyor

John W. West

Certificate No.

676

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600

APPLICATION FOR DRILLING

Holly Energy, Inc.
Holly Federal #2 Well No. 2
Eddy County, New Mexico

In conjunction with Form G-331 G, Application for Permit to Drill, subject well is Section 23, Township 23 South, Range 24 East, Eddy County, New Mexico, Holly Energy, Inc., submits the following non-technical information in accordance with U. S. G. S. requirements:

1. The geologic surface formation is the Tansill Formation.
2. The estimated tops of geologic markers are as follows:

550'	Queen
1400'	San Andres
4200'	Lone Springs
5200'	1st Lone Springs Sand
5900'	2nd Lone Springs Sand
7100'	3rd Lone Springs Sand
7500'	Holbrook
8100'	Clare
8500'	Canyon
8700'	Acme
9400'	Atoka
9400'	Monterey
10200'	Darnett
10400'	Mississippian

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

Water: At approximately 200' or less.

Oil or Gas: Queen at approximately 575' to 800'.

4. Proposed casing program: See Form G-331 G.
5. Pressure Control Equipment: See Form G-331 G.
6. Mud Program: None (Cable Tool Bit)
7. Auxiliary Equipment: Flowport control head.
8. Logging, Coring and Sealing programs: Sample of the log.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated Starting Dates: January 21, 1977 or sooner.

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MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Harry Egan, Inc.
 Harry Egan, 21 Wall St.
 460 PNL and 4601 PNL Cross St. - 1905 - Room
 Harry Egan, Inc.
 (Address omitted)

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This plan is submitted with Form G-201-C, Application for Permit to Drill, cover of the above paper, and will be a part of this plan. It is the purpose of this plan to show the location of the proposed well and the location of the proposed well. It is the purpose of this plan to show the location of the proposed well and the location of the proposed well. It is the purpose of this plan to show the location of the proposed well and the location of the proposed well.

1. EXISTING ROADS.

A. Exhibit A is a road map showing the proposed location and the surrounding area on a scale of 1/2 inch to a mile. Exhibit B is a portion of a topographical map of the wellsite area on a scale of 1 inch for 100 feet, showing the roads in the immediate vicinity of the location. The wellsite is a driving distance of approximately 8.2 miles from Lakewood, New Mexico, or approximately 12.2 miles from Artesia, New Mexico.

- (1) Proceed south from Artesia on Highway 285 for approximately 12.2 miles to Highway 381, which meets Highway 285 at first point, on the east side of Highway 285.
- (2) Turn left (east) onto Highway 381 and proceed approximately 2.0 miles, at which point the highway dead ends at a crossroad at Lakewood, New Mexico.
- (3) Turn right (south) on this crossroad and proceed approximately 1.0 mile to the dam at the southern end of Lake McKinnon.
- (4) Continue in the same direction for approximately 1.1 miles, then turn right (south) on another dirt road. As a landmark in identifying this road, there is a railroad pile and a dry hole location on the left side of the road, the opposite of which are the same.
- (5) Proceed in a generally southward direction for approximately 1.2 miles. In passing, you will pass the following landmarks - location points:
 - (a) You will cross a railroad track approximately 0.20 of a mile after entering the south-bound road.
 - (b) Shortly after crossing the railroad track, you will encounter a low fence line. Turn the right hand, remaining on the same road.
 - (c) After passing over a curved area of the road, you will find a small lake. This is the same lake. This is the same lake. This is the same lake.

(d) Approximately 6/10 of a mile beyond the Citizen Service well, the road will dead end at a crossroad.

(4) Turn right at this crossroad and proceed approximately 1/10 of a mile. There will be a windmill on your left at this point.

(5) Continue beyond the windmill in the same direction for approximately 2/10 of a mile.

(6) At this point, the road curves to the left. Follow this curve for approximately 3/10 of a mile. You will then be adjacent to the proposed location, at the point at which the main constructed access road will begin.

7. The existing roads are satisfactory for carrying the necessary traffic to and from the property well location, and no repairs or resurfacing will be necessary.

2. PLANNED ACCESS ROADS.

A. A newly constructed access road of approximately 317 feet in length will be constructed in north to south direction, and will join the well pad at the southeast corner of the pad, as shown on Exhibit 1. The road will be 12 feet wide and will be constructed by hand - scrapers and hand grading. The lane surface is sand gravel and no scale curbs or ditches are necessary on either side.

B. The north-south part of the road is over relatively level surface, and no curve or ditch will be required. No drainage or culverts will be required.

C. The route of the proposed new road has been staked and flagged.

3. LOCATION OF EXISTING WELLS.

A. Existing wells in the area of the wellbore are shown on Exhibit 2.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

A. There are no existing production facilities on the lease or within 1 mile of the wellbore.

B. In the event that the proposed well is productive, the necessary production facilities will be installed on the wellbore as shown on Exhibit 3. The source of power, in the event of a gas or propane power source, will be a generator.

5. LOCATION AND TYPE OF WATER SUPPLY.

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

6. SOURCE OF CONSTRUCTION MATERIALS.

- A. It is anticipated that no caliche or other surface materials will be required in the construction of the drilling pad or the new access road. The ground surface is hard sand and will not require caliche to make it serviceable.

7. METHODS OF HANDLING WASTE DISPOSAL.

- A. Drill cuttings will be disposed of in the reserve pit.
- B. Drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry.
- C. Water produced 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 will be complied with.
- E. Trash, waste paper, garbage and junk will be buried in a separate 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 buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES.

- A. None required.

9. WELLSITE LAYOUT.

- A. Exhibit C shows the relative location and dimensions of the well pad, reserve pits and major pit components.
- B. The ground elevation at the wellsite location rises from north to south at the rate of approximately one foot over a lateral distance of 150 feet. It will be necessary to cut and remove the higher portions of the ground surface in order to produce a level drilling pad.
- C. There are no plans to line the earthen reserve pit, since it would seal quite rapidly with drill solids and bentonite. Any water used in operations will be of discharge quality.
- D. The pad and pit area and the proposed new access road have been staked and flagged.

10. PLANS FOR RESTORATION OF THE SURFACE.

- A. After completion of drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the wellsite in as aesthetically pleasing a condition as possible.
- B. Any unguarded pits containing fluids will be fenced until they have been filled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation required out 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 land surface at the wellsite rises from north to south at a rate of approximately one foot over 150 lateral feet, with only minor undulations. The elevation at the wellsite is 3245.0 feet.
- B. Soil: The topsoil at the wellsite is hard sand.
- C. Flora and Fauna: The vegetation cover is moderately heavy, consisting of typical semi-arid growth such as prairie grasses, etc. Wildlife in the area is typical of semi-arid desert land, including coyotes, rabbits, rodents, reptiles, etc. The area is used for cattle grazing.
- D. There are no streams, rivers, ponds or lakes within two miles or more of the wellsite. Lake McMillan is slightly more than two miles to the north of the wellsite.
- E. There are no occupied dwellings in the area of the wellsite. The nearest windmill is located approximately a mile west east of the wellsite.
- F. Surface Ownership: The wellsite is on "Reclamation and Water User Project: Highdental" surface. The surface is used for cattle grazing.
- G. There is no evidence of any pre ecological, historical, or cultural sites in the area.

12. OPERATOR'S REPRESENTATIVES.

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

Robert Loyd
Production Superintendent
Holly Energy, Inc.
P. O. Box 726
Artesia, New Mexico 80210

Telephone: 505-677-3241 (Office)
505-746-3422 (Home)

13. CERTIFICATION:

- A. See Attachment.

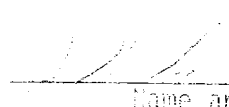
Holly Energy, Inc.
Fed 23, Well No. 1

CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite 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 subcontractors in conformity with this plan and the terms and conditions under which it is approved.

1-23-77

Date

 C. B. MONTGOMERY
Name and Title

17 S.

18 S.

19 S.

20 S.

21 S.

EXHIBIT A
Holly Energy, Inc.
Holly Federal 23 Well No. 1
Eddy County, New Mexico

Proposed Access Route

Proposed New Road

Proposed Location

Control by U.S. Coast and Geodetic Survey; U.S. Geological
Survey; U.S. Forest Service; Bureau of Land Management and
Planning; Survey—Modified Conic Projection Standard
Datum—NAD 83 North American Datum

Longitude West from Greenwich
Scale 1/16250 or 1 inch = 2 M
1 2 3 4 5 6 7 8 9 10
STATUTE MILES

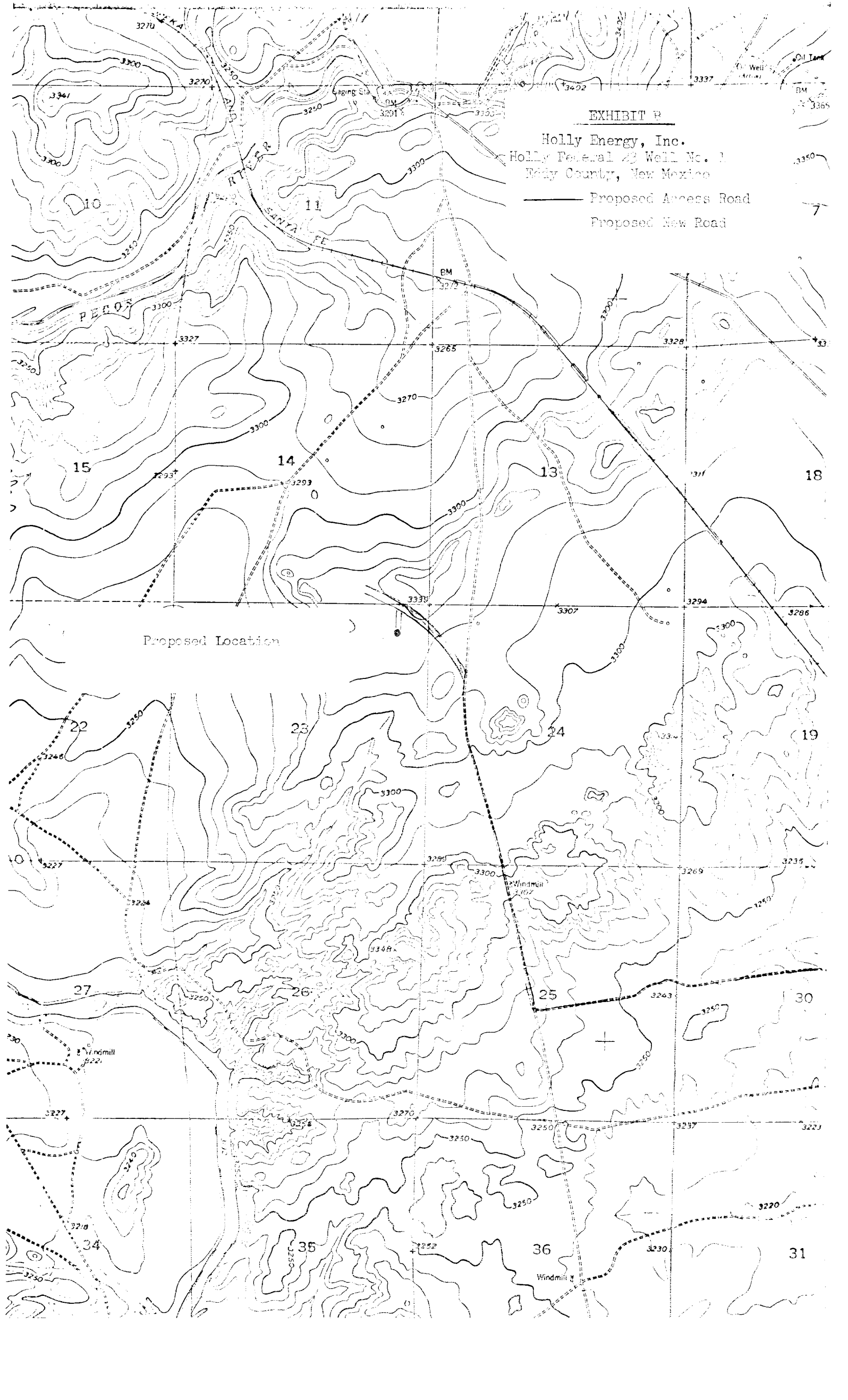
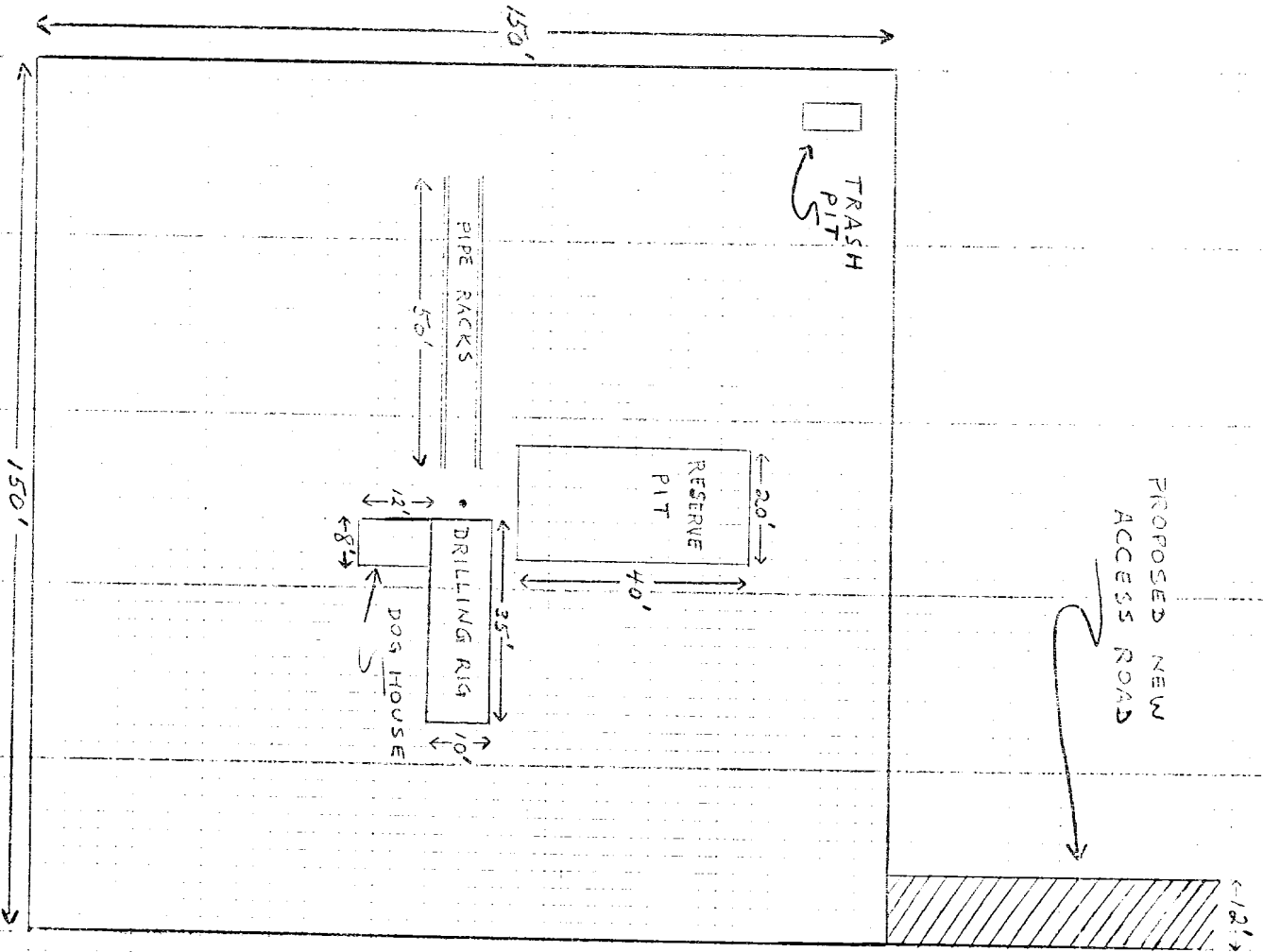


EXHIBIT B

Holly Energy, Inc.
Holly Federal 23 Well No. 1
Holly County, New Mexico

Proposed Access Road
Proposed New Road

Proposed Location



101
17
Bddy

EXHIBIT D

Holly Energy, Inc.
Holly Federal 25 Well No. 1
Eddy County, New Mexico

- Producing Oil Well
- * Producing Gas Well
- + POW Abandoned
- ⊙ Injection Well
- ⊙ Dry Hole
- ⊙ Proposed Location

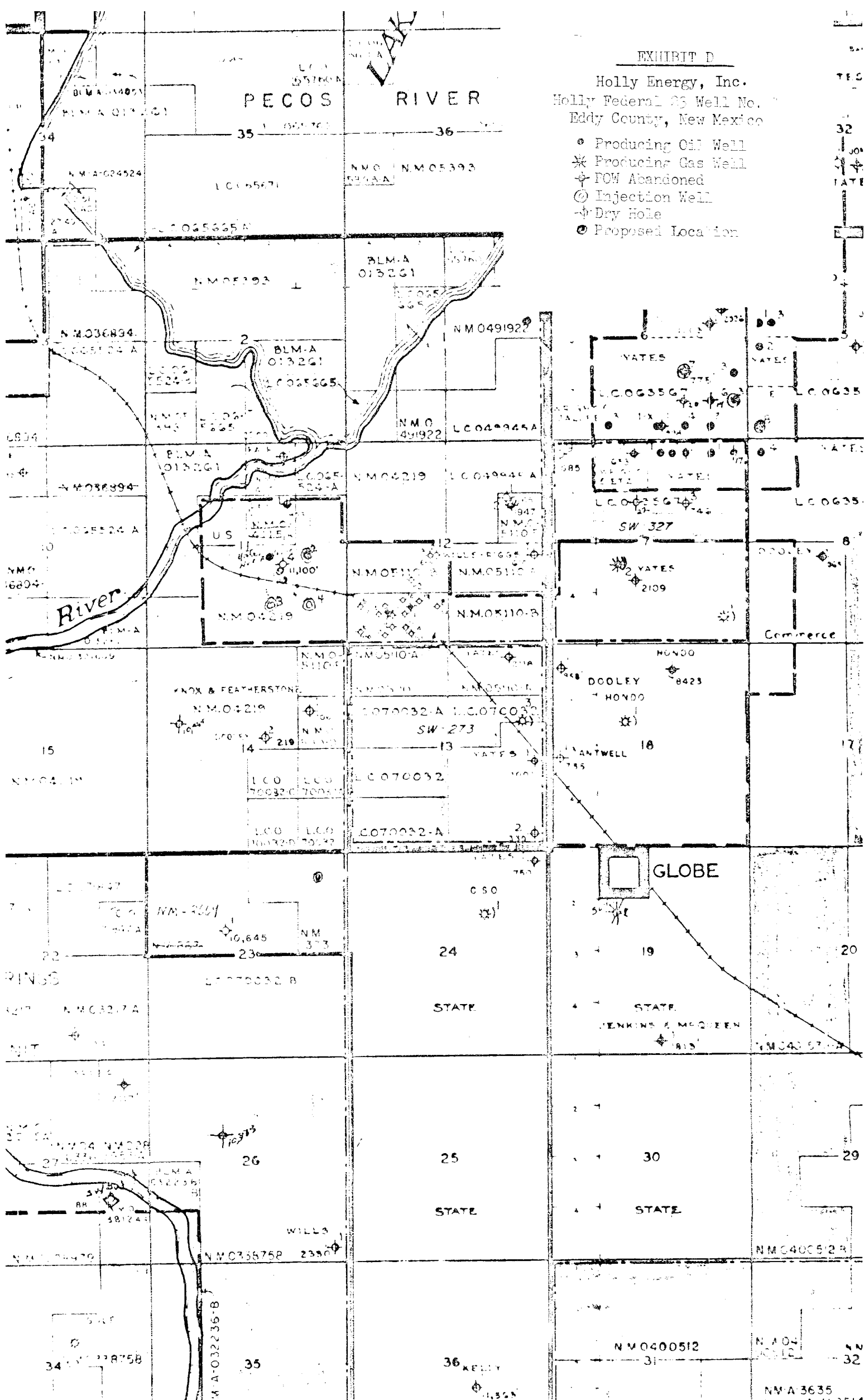


EXHIBIT E
Holly Energy, Inc.
Holly Field #3 Well No. 1
Emery County, New Mexico

