

EXHIBIT D

Harvey E. Yates Company

McMillan Scarp #1

Section 6, T-20S, R-27E

Eddy County, N.M.

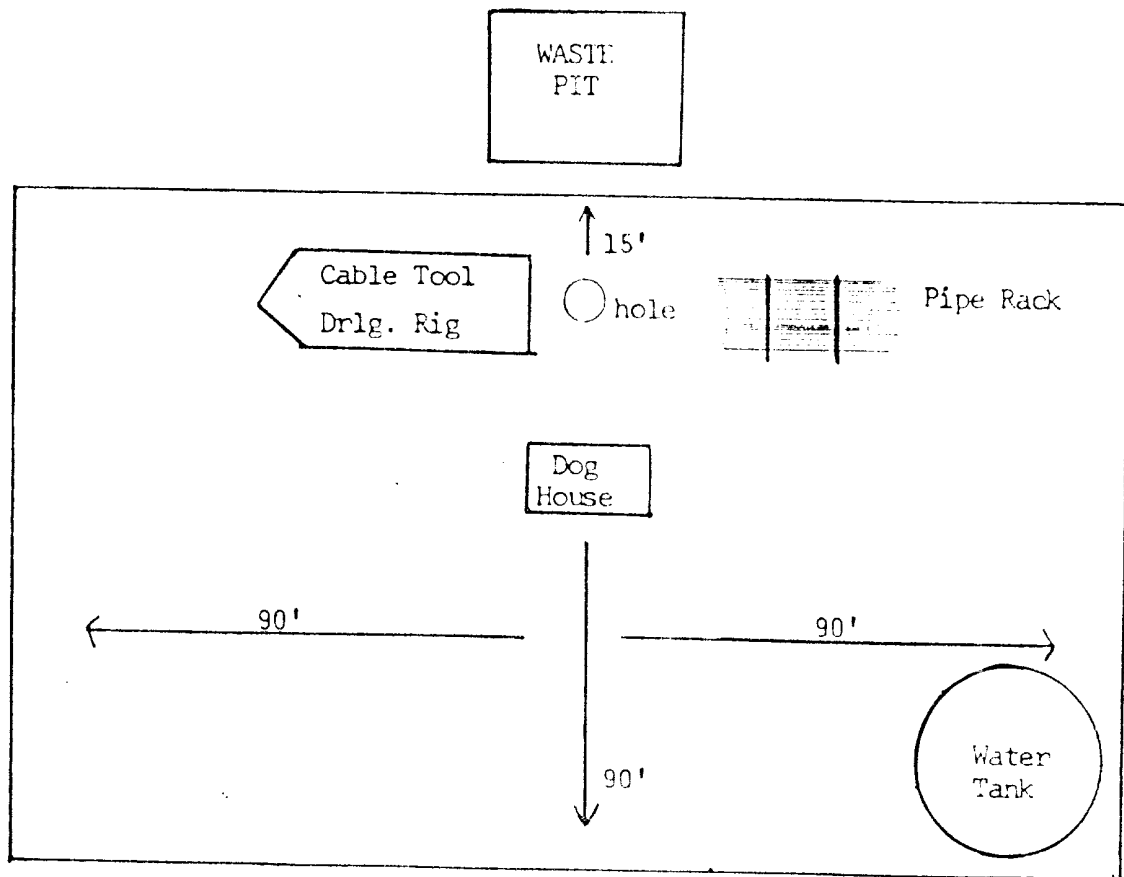
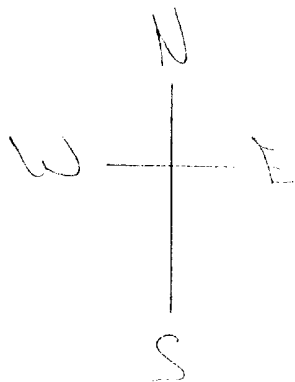


EXHIBIT C
Harvey E. Yates Company
McMillan Scarp #1
Section 6, T-20S, R-27E
Eddy County, N.M.



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-015-23576

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

Harvey E. Yates Company

3. ADDRESS OF OPERATOR

P. O. Box 1933, Roswell, New Mexico 88201

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

At surface

1980' FSL & 430' FWL

At proposed prod. zone

SAME

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

2 1/4 air 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)

430'

18. DISTANCE FROM PROPOSED LOCATION*

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

1980'

16. NO. OF ACRES IN LEASE

2551.51

19. PROPOSED DEPTH

610'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Cable Tool

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

3343.46' GL

22. APPROX. DATE WORK WILL START*

Dec. 15, 1980

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8"	24#	380'	Circulate
7 7/8"	4 1/2"	9.5#	610'	Circulate

MUD PROGRAM: 0 - 610' Spud Mud

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

Paul E. Yates

TITLE

Vice President

DATE November 21, 1980

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

APPROVED

DATE

DEC 5 1980

DISTRICT SUPERVISOR

*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.

**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

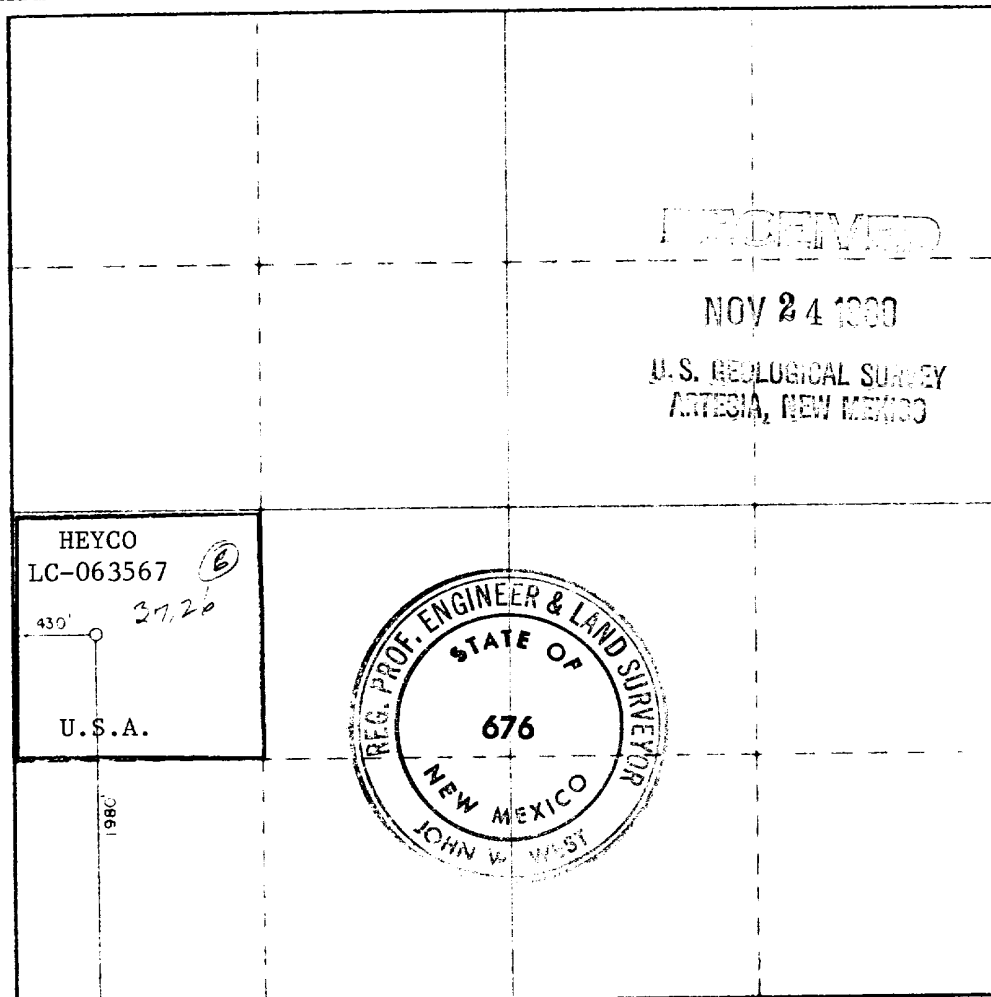
Lessee Harvey E. Yates Co.			Lease McMillian Scarp			Well No. 1		
Section L	Section 6	Township 20 South	Range 27 East	County Eddy County N.M.				
Actual Location of Well: 1980 feet from the South line and 430 feet from the West line								
Ground Level Elev 3343.46	Producing Formation Queen		Pool McMillan S. R. Queen			Dedicated Acreage: 37.26 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 _____

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.

Fred G. Yates

Name

Fred G. Yates

Position

Vice President

Company

Harvey E. Yates Company

Date

November 21, 1980

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
11-19-80

Registered Professional Engineer
and Professional Surveyor

John W. West

Certificate No. **JOHN W. WEST 676**
PATRICK A. ROMERO 6868
Ronald J. Eidson 3239

APPLICATION FOR DRILLING

Harvey E. Yates Company
McMillan Scarp #1
Section 6, T-20S, R-27E
1980' FSL & 430' FWL
Eddy County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well in Section 6, Township 20 South, Range 27 East, Eddy County, New Mexico, Harvey E. Yates Company submits the following ten items of pertinent information in accordance with the U.S.G.S. requirements:

1. The geologic surface formation is quaternary alluvium and bolsun deposits and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

Top of Queen	590'
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3. We do not anticipate finding water but have listed the formation in which we anticipate finding oil or gas:

Queen	610'
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4. Proposed casing program: See Form 9-331C
5. Pressure control equipment: See Exhibit C
6. Mud program: See Form 9-331C
7. Auxiliary equipment: None
8. Testing, logging and coring program: No DST's or coring are planned. CNL-FDC, Dual LL, RXo, & Temperature Survey logs are planned.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval (but no later than December 15, 1980).

SURFACE USE PLAN

Harvey E. Yates Company
McMillan Scarp #1
1980' FSL & 430' FWL
Section 6, Township 20 South, Range 27 East
Eddy County, New Mexico

47
21
13

1. EXISTING ROADS

- A. Exhibit A is a portion of New Mexico's Highway map showing the proposed location of the McMillan Scarp #1. The distance from Artesia, New Mexico to our proposed wellsite is approximately 28 1/2 miles. To reach our location, drive east 9 miles on highway 82 and turn right at the Artesia Gas Plant sign - go 3.5 miles and turn right again. Go 5.5 miles and turn right on a caliche road (there will be a sign "Southland Royalty"). Go 8.6 miles and turn back to the right again and travel 2/10 of a mile and turn left - go another 2/10 of a mile and turn right. From there you go another 2/10 of a mile and turn right to our location.
- B. The 9 miles of existing road from the "Southland Royalty" sign to our location will have to be watered and bladed.

2. PLANNED ACCESS ROADS

- A. We propose to build 600' of new road from the southwest corner of the pad in a southwesterly direction which will run into the existing road.

3. LOCATION OF EXISTING WELLS

- A. There are several producing wells along with several dry holes in this section and they are so marked on Exhibit B.

4. LOCATION OF TANK BATTERIES, ETC.

- A. In the event we drill a producing well, the production facilities will be located on the pad that will be constructed for the drilling operation. Exhibit D is a plat of proposed production facilities.

5. LOCATION AND TYPE OF WATER SUPPLY

- A. Water will be obtained from commercial sources and trucked to our location.

6. SOURCE OF CONSTRUCTION MATERIAL

- A. If caliche is needed for the road and pad construction, it will be obtained from a federal pit located in the NE/4 NW/4 of Section 7, T-20S, R-27E, Eddy County, New Mexico.

7. METHODS OF HANDLING WASTE MATERIAL

- A. Waste will be buried in reserve pits at a depth of 24". The wellsite will be cleaned of all waste and this will be done within 30 days after completion of the well.

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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 rig components.
- B. There will be about 2' of cut on the west side of the pad and fill 2' to the east of the pad.
- C. The pad and pit area have been staked.

10. PLANS FOR RESTORATION OF THE SURFACE

- A. After finishing 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 as pleasant in appearance as possible.
- B. If the proposed well is non-productive, all restoration 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 quickly as possible. All pits will be filled and leveled within 90 days after abandonment.

11. OTHER INFORMATION

- A. The surface is federal.
- B. The topography is generally flat area with scattering of mesquite, bear grass and native grasses. Sandy top soil with small amounts of gyp.
- C. There are no occupied dwellings or windmills in the immediate area of the wellsite.
- D. There is no evidence of any archaeological, historical or cultural sites in the area.

12. OPERATOR'S REPRESENTATIVES

Peck Hardee
Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201
Office: 505/623-6601
Home: 505/623-8980
Mobile: 505/623-0989 #4109

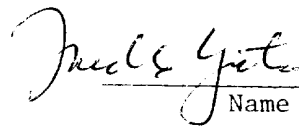
Bob Williams
Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201
Office: 505/623-6601
Home: 505/623-9160
Mobile: 505/623-0989 #4122

13. 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 Harvey E. Yates Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

November 21, 1980

Date



Vice President

Name and Title

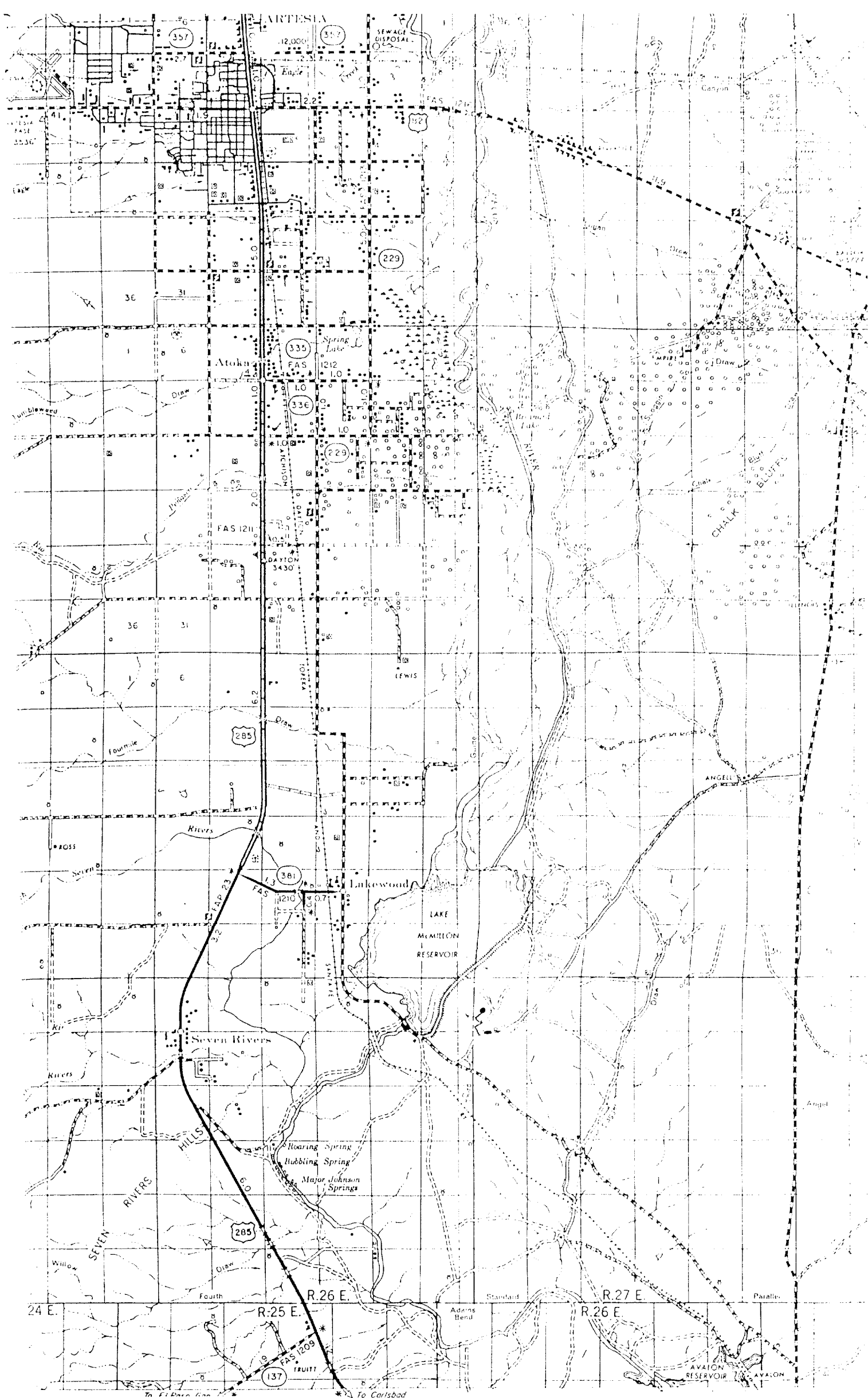


EXHIBIT A

Harvey E. Yates Company
McMillan Scarp #1
Section 6, T-20S, R-27E

- EXISTING ACCESS ROADS
- PROPOSED NEW ROAD
- ✓ PROPOSED DRILLSITE
- ✓ CALICHE PIT

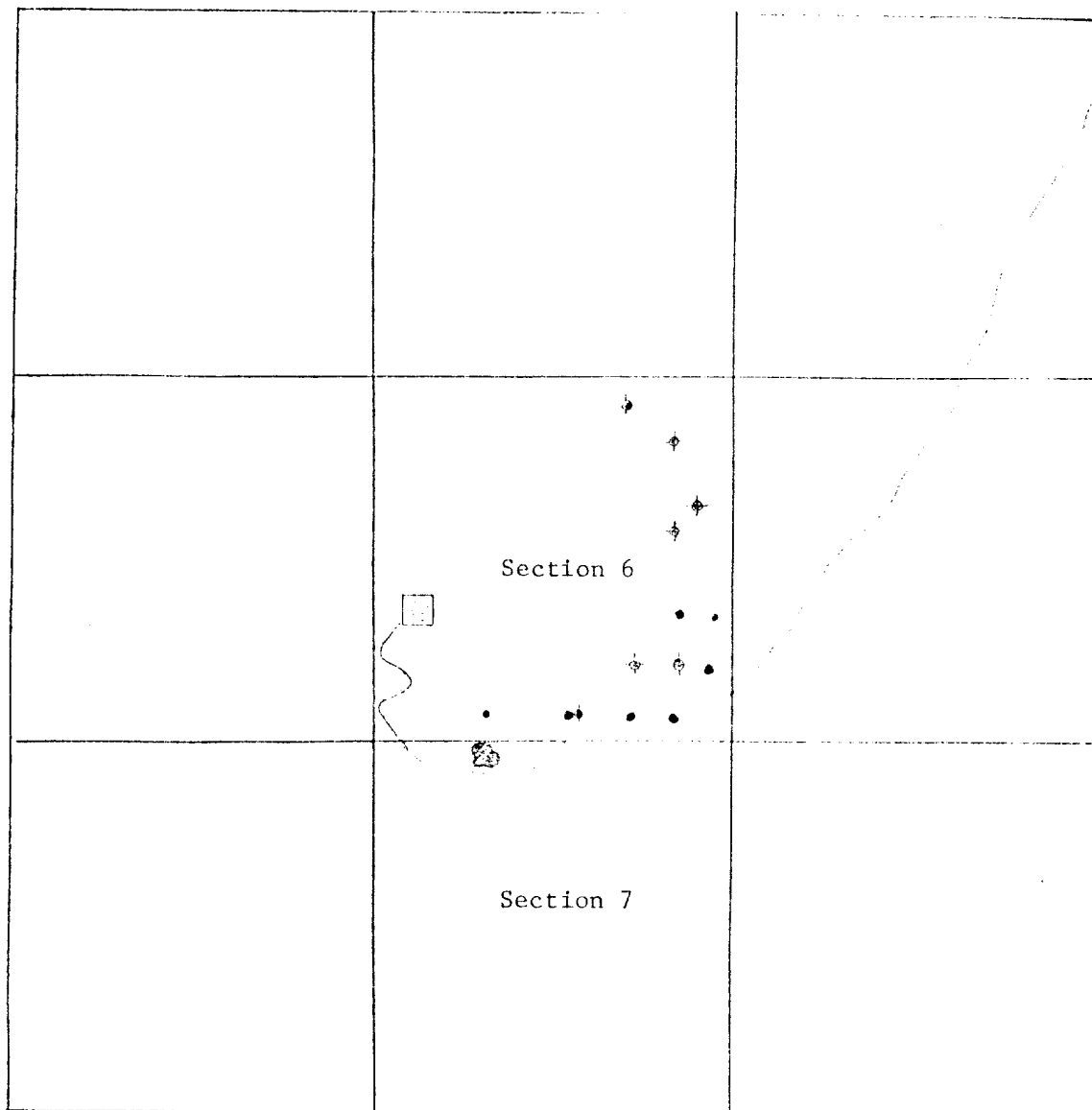


EXHIBIT B

Harvey E. Yates Company
 McMillan Scarp #1
 Section 6, T-20S, R-27E
 Eddy County, N.M.

- EXISTING ACCESS ROADS
- - - PROPOSED NEW ROAD
- PROPOSED DRILLSITE
- ✓ PRODUCING WELLS
- ✓ DRY HOLES
- ✓ CALICHE PIT