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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.



Form 9-331 C (May 1963)		N.M.O.C.D. CO	SUBMIT IN (Other inst.	PLICATE	Form approved. Budget Bureau No. 42-R1	(425.		
CLEF	UNITED STATES (Other mast ions on 30-015-23576							
Jul	DEFARTMENT OF THE INTERIOR					NO.		
APPLICATION	N FOR PERMIT T	O DRILL, DEEF	PEN, OR PLUG I	BACK	6. IF INDIAN, ALLOTTEE OR TRIBE NA	.ME		
1a. TYPE OF WORK		DEEPEN	PLUG BA	ск 📋	7. UNIT AGREEMENT NAME			
	ELL OTHER		SINGLE MULTH	PLE	8. FARM OR LEASE NAME			
2. NAME OF OPERATOR	/	<u>.</u>			McMillan Scarp			
Harvey E. Yate 3. Address of Operator			RECEIVED		9. WELL NO. 1	_		
P. O. Box 193 4. LOCATION OF WELL (R At surface	3, Roswell, New eport location clearly and	Mexico 88201 in accordance with any	State DE Congents. 1981	7	10. FIELD AND POOL, OR WILDCAT McMillan S. R. Queen 11. SEC., T., R., M., OR BLK.	n		
		& 430' FWL		,	AND SURVEY OR AREA			
At proposed prod. zon	SAME		O. C. D. ARTESIA, OFFICE		Mint. L Sec. 6, T-20S, R-2	7E		
	AND DIRECTION FROM NEAR				12. COUNTY OR PARISH 13. STATE			
2 1/4 air mile 10. DISTANCE FROM PROPE LOCATION TO NEAREST PROPERTY OR LEASE I	r		NO. OF ACRES IN LEASE	тот	Eddy N.M.			
(Also to nearest drig 18. DISTANCE FROM PROP	z. unit line, if any)		CODL.JI		O ARY OR CABLE TOULS			
TO NEAREST WELL, D or applied for, on th		1980'	610'		able Tool			
21. ELEVATIONS (Show who	ether DF, RT, GR, etc.)	3343.46	'GL	22. APPROX. DATE WORK WILL START* Dec. 15, 1980		arr*		
23.	P	ROPOSED CASING AN	D CEMENTING PROGR	АМ				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH		QUANTITY OF CEMENT			
11"	8 5/8"	24#	380'	Circ	ulate			
7 7/8"	4 1/2"	9.5#	610'	Circ	ulate	·		
IN ABOVE SPACE DESCRIBE zone. If proposal is to preventer program, if an. 24.	drill or deepen directional y.	roposal is to deepen or		present proc	fuctive zone and proposed new produ ed and true vertical depths. Give blo			
BIGNED	ral or State office use)	- TITLE	Vice Presider	nt	DATE November 21,	<b>_19</b> 80		
			APPROVAL DATE		·			
					APPROVED			
APPROVED BY CONDITIONS OF APPROV	AL, IF ANY :	TITLE			DATE			
		*See Instruction	s On Reverse Side	forb	DEC \$ 1980 San E Santa ISTRICT SUPERVISOR			

# 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.

applicable State or Federal regulations concerning subsequent work proposals or reports on the well. 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

State or Federal office for specific instructions. 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

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 COMMISE H

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1. Outline the acreage dedicated to the subject well by colored pencil of hachare 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 workin interest and rovally).         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?			All distan		the outer boundaries of	the Section	
Image: Interview of the set	heta.or			Le			Well No.
A the intervent fact     20 South     27. East     Eddy County N.M.       1980     reverse South     use out     430     reverse Mest       3343.3.6     Queen     McMillan S. R. Queen     400 \$7.2.6 Arr       1 Outher the acreage dedicated to the well outline each and identify the ownership thereof (both as to workin interest and royalty).     If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to workin interest and royalty).       3 If more than one lease is different ownership is dedicated to the well, bave the interests of all owners been consolidated to communitization, unitization force-pooling, etc?       Yes     No     If answer is "toe" list the owners and tract descriptions which have actually been consolidated (Use reverse side of this form of acceasery)       No     If answer is "no" list the owners and tract descriptions which have actually been consolidated (Use reverse side of this form of acceasery)       No     If answer is "no" list the owners and tract descriptions which have actually been consolidated the commitization, unitization force-pooling, or otherwise tor unit a non-standard unit, eliminating such interests, has been approved by the Commission.       If answer is "no" list the owners and tract descriptions which have actually been consolidated the commitization, unitization force and angles to the form of acceasery in the information consolidated the commitization.       No     If answer is "No" list the ownership is dedicated to the well and the form of a consolidated the commitization.       No     If answer is the form of acceasery in the actuno	Harvey	E. Yate	s Cp.			Scarp	1
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#### 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'

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

Queen 610'

- 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



#### 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 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.

12525 3.

SURFACE USE PLAN Harvey E. Yates Company McMillan Scarp #1 Page Two

#### 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	Bob Williams			
Harvey E. Yates Company	Harvey E. Yates Company			
P. O. Box 1933	P. O. Box 1933			
Roswell, New Mexico 88201	Roswell, New Mexico 88201			
Office: 505/623-6601	Office: 505/623-6601			
Home: 505/623-8980	Home: 505/623-9160			
Mobile: 505/623-0989 #4109	Mobile: 505/623-0989 #4122			

SURFACE USE PLAN Harvey E. Yates Company McMillan Scarp #1 Page Three

#### 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

Mult Grite Vice President Name and Title





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