N. M. D. L. SUBMIT IN FIPLICATE.

Copy to SF

Form approved.
Budget Bureau No. 42-R1425.

SO 015-21719

5. LEASE DESIGNATION AND SERIAL NO.

UNITED STATES DEPARTMENT OF THE INTERIOR (Other ins lions on reverse lide)

GEOLOGICAL SURVEY						NM 19841	
APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK						6. IF INDIAN, ALLOTT	TEE OR TRIBE NAME
DRILL XX DEEPEN DEEPEN PLUG BACK						7. UNIT AGREEMENT NAME	
b. TYPE OF WELL OIL TO CAS SINGLE SINGLE ZONE ZONE						6. FARM OR LEASE !	VAME
OIL GAS SINGLE ZONE ZONE ZONE ZONE						Federal	
I. W. LOVELADY V						9. WELL NO.	
3. ADDRESS OF OPERATOR						1	
P.O. Drawer 2666; Midland, Texas 79701 2						10 FIELD AND POOL	, OR WILDCAT
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)							aw (Delawar
At surface 660 FNL 660 FEL of Section						11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA	
At proposed prod. zone Same 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*						Sec. 24, T22S, R27E	
	st and 3 mile	es south				<u> </u> Eddy	New Mexico
15. DISTANCE FROM PROPOS LOCATION TO NEAREST PROPERTY OR LEASE LI (Also to nearest drlg.	660		80	17. NO. OF ACRES ASSIGNED TO THIS WELL 40			
18. DISTANCE FROM PROPO TO NEAREST WELL, DR				19. PROPOSED DEPTH		ARY OR CABLE TOOLS	
OR APPLIED FOR, ON THU	None 3		500	<u> </u>	Rotary		
21. ELEVATIONS (Show when	ther DF, RT, GR, etc.)					22. APPROX. DATE	WORK WILL START*
		30	073.8	' GR		12/22/7	5
23.	P	ROPOSED CAS	ING ANI	CEMENTING PROGR	RAM.		
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT		SETTING DEPTH		QUANTITY OF CEMENT	
8-3/4"	7''	23#		450'	_220_C	220 Cu.Ft./Sufficient to	
6-1/4"	4-1/2"	9.5#		3500'		330 Cu.Ft. — Ci	
			•				4501
to 3500', controls	eventor progi Will be a 10'	am to 4	900 C	ameron doub	le hyd	lraulic W/Ko	oomy
		R		EIVED 14 1976	18)	ductive zone and proped and true vertical de	LEO
IN ABOVE SPACE DESCRIBE zone. If proposal is to o preventer program, if any	irill or deepen directiona	proposal is to de lly, give pertine	eberte 9	C. C. lia, OFFICE ling back, give data on on subsurface locations	present pro and measure	ductive zone and proped and true vertical de	osed new productive pths. Give blowout
24.	P. Hamm	A	TITLE P	roduction S	upt.	DATE 12	/4/75

APPROVAL DATE

OPERATION

OPERATI ACTING DISTRICT ENGINEER APR*See Instructions On Reverse Side

NL MEXICO DIL CONSERVATION COMMISSI WELL LOCATION AND ACREAGE DEDICATION FLAT

All distances must be from the outer beunducies of the Section Federa I. W. Lovelady County Romae Unit Latte 22 South 27 East Eddy 3073.8 1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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? 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 Commis-CERTIFICATION. I hareby certify that the information - 660'-Production Supt 12/4/7

I.W. LOVELADY DEVELOPMENT PLAN FOR SURFACE USE

LEASE NAME FEDERAL NO. 1

1. Existing roads including location of the exit from the main highway

SEE ATTACHED MAP

- 2. PLANNED ACCESS ROADS
 - (A) Upgrading 2300' of existing road
 - (B) SEE ATTACHED MAP
- 3. LOCATION OF EXISTING WELLS

None on This LEASE

4. LATERAL ROADS TO WELL LOCATION

SEE ATTACHED MAP

5. LOCATION OF TANK BATTERIES AND FLOWLINES

NONE REQUIRED YET

6. LOCATION AND TYPE OF WATER SUPPLY

WATER WILL BE HAULED TO LOCATION

- 7. METHODS FOR HANDLING WASTE DISPOSAL
 - (A) WELL CUTTINGS WILL BE DISPOSED OF IN THE RESERVE PIT SHOWN ON LOCATION PLAT LAYOUT WHICH WILL BE COVERED WITH SOIL AFTER DRYING OUT.
 - (B) TRASH AND JUNK WILL BE BURIED IN A SEPARATE TRASH PIT AND COVERED WITH 24" OF SOIL
- 8. AND 9. LOCATION OF CAMPS AND AIRSTRIPS

No camp site will be employed.

No Airstrips will be constructed.

DEVELOPMENT PLAN FOR SURFACE USE (CONTINUED)
PAGE #2

10. LOCATION OF LAYOUT TO INCLUDE POSITION OF THE RIG, MUD TANKS, RESERVE PITS, BURN PITS, PIPE RACKS, ETC.

SEE ATTACHED PLAT

- (A) SIZE OF DRILLING PAD 160'x250'
- (B) DRILLING PAD- 1) COMPACTED
- 11. PLANS FOR RESTORATION OF THE SURFACE

THE SURFACE AROUND THE LOCATION PAD WILL BE LEVELED AND SOIL BLADED BACK OVER IT AFTER THE COMPLETION OF DRILLING OPERATIONS. THE ROADS AND LOCATION ARE SUCH THAT THE SURFACE MATERIAL CAN BE GRADED OFF AND BURIED, AND SOIL FROM SURROUNDING AREA GRADED AND LEVELED OVER THE AREA AT COMPLETION OF PRODUCTION OPERATIONS IF THIS IS DEEMED DESIRABLE AT THAT TIME AND THERE IS NO FURTHER NEED OF THE ROADS BY ANY INTERESTED PARTY.

12. OTHER INFORMATION THAT MAY BE USED IN EVALUATING THE IMPACT ON ENVIRONENT

THIS AREA IS SEMI-ARID WITH SHALLOW TOP-SOIL. THERE IS A SPARCE COVERING OF NATIVE GRASS. ANY UNCOVERED AREA IS SUBJECT TO MILD WIND EROSION. RESEEDING OF BARREN AREAS WITH NATIVE GRASS IS DESIRABLE IF DONE AT THE TIME OF RAINS.

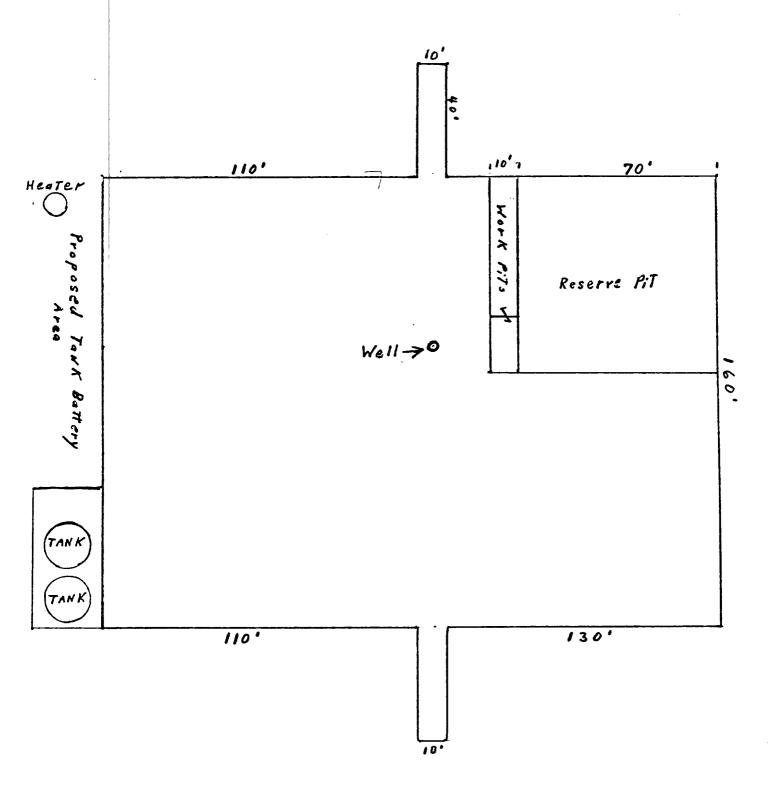
13. BLOW OUT PREVENTOR PROGRAM

SEE ATTACHED SCHEMATIC

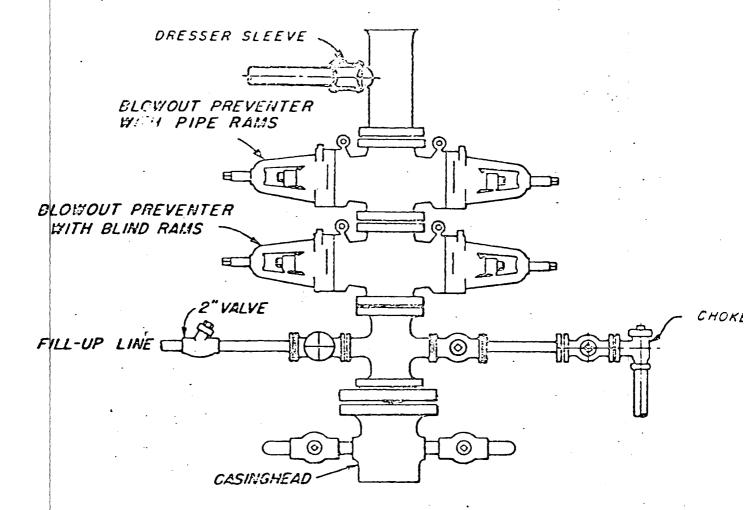
MR. I. W. LOVELADY, 915-682-5275, MIDLAND, TEXAS, IS RESPONSIBLE FOR COMPLIANCE WITH THE DEVELOPMENT PLAN.

I. W. LOVELADY FEDERAL # 1

Sec. 24, T-22S, R-27E Diagrammatic Sketch Of Drilling Location & Proposed Tank Battery



I. W. LOVELADY FEDERAL # 1



BLOWOUT PREVENTER HOOK-UP 2,000 psi Working Pressure EXHIBIT D-2

B.O.P. TO BE INSTALLED IS A 10" SERIES 900 CAMERON "SPACE SAVER" W/ KOOMY CONTROLS

