

ALCO.D. COPY

SUBMIT IN TRIPLICATE\*  
(Other instructions on  
reverse side)Form approved.  
Budget Bureau No. 42-R1425.UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM-22998	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR DyAd Associates ✓			7. UNIT AGREEMENT NAME	
3. ADDRESS OF OPERATOR P.O. Box 8425 Midland, Texas 79703			8. FARM OR LEASE NAME Gulf Federal	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1650' FNL, 330' FEL At proposed prod. zone same			9. WELL NO. 1	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 20 miles southwest of Malaga, N.M.			10. FIELD AND POOL, OR WILDCAT Welch Delaware	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 330'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 20, T-26S R-27E	
16. NO. OF ACRES IN LEASE 40			12. COUNTY OR PARISH Eddy	
17. NO. OF ACRES ASSIGNED TO THIS WELL 20 40			13. STATE N.M.	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2500'			20. ROTARY OR CABLE TOOLS rotary air	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3255' GL			22. APPROX. DATE WORK WILL START* June 1, 1980 or before	

## 23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
6 3/4"	4 1/2"	9.5#	2500'	340 sks. BJ Lite
				120 sks. Class C
				(more or less as required to circulate to surface)

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APR 23 1980

U.S. GEOLOGICAL SURVEY  
ARTESIA, NEW MEXICO

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JUN 6 1980

O. C. D.  
ARTESIA, OFFICE

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 Tom D. Dychar TITLE Partner DATE 4-22-80  
(This space for Federal or State office use)PERMIT NO. \_\_\_\_\_ APPROVAL DATE June 5, 1980  
APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY: \_\_\_\_\_

\*See Instructions On Reverse Side

NEW 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.

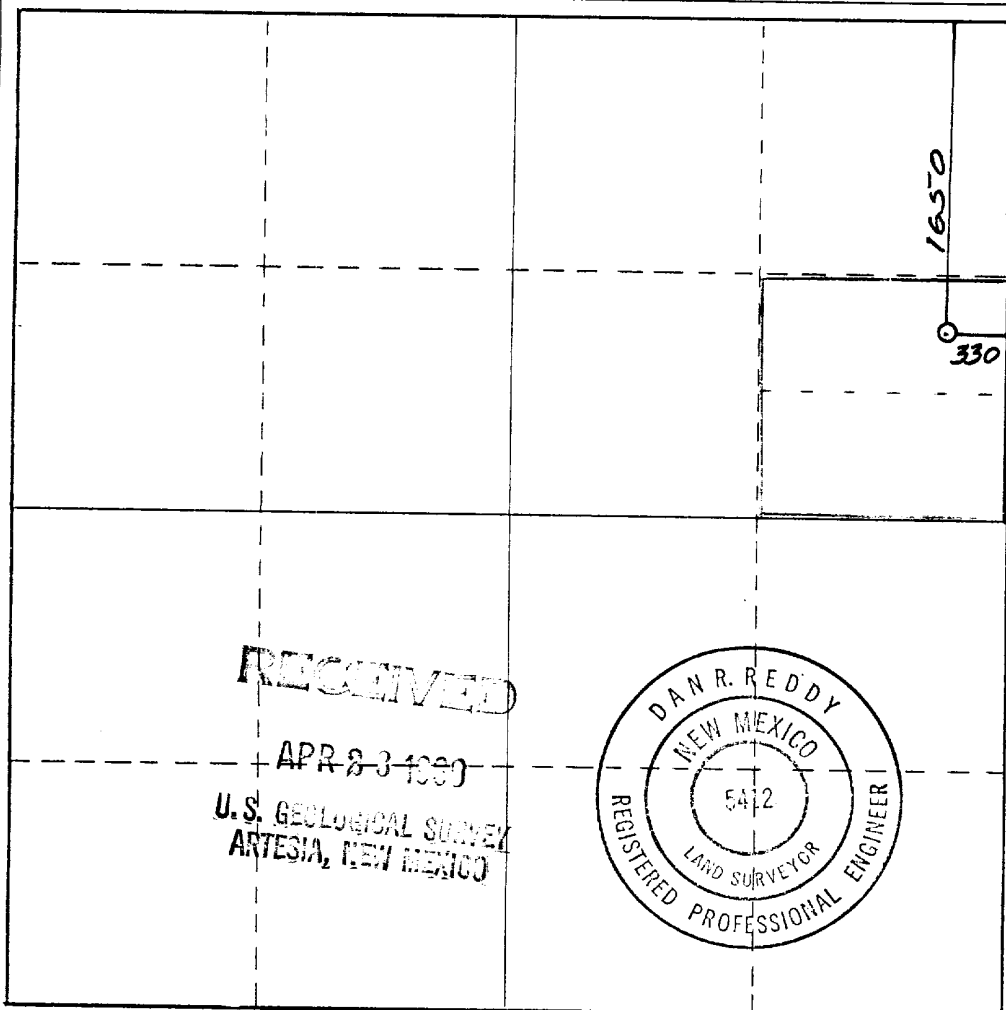
Operator <b>DYAD ASSOCIATES</b>			Lease <b>Gulf Federal</b>		Well No. <b>1</b>
Unit Letter <b>H</b>	Section <b>20</b>	Township <b>26 South</b>	Range <b>27 East</b>	County <b>Eddy</b>	
Actual Footage Location of Well: <b>1650</b> feet from the <b>North</b> line and <b>330</b> feet from the <b>East</b> line					
Ground Level Elev. <b>3255.</b>	Producing Formation <b>Delaware sand</b>		Pool <b>Welch Delaware</b>	Dedicated Acreage: <b>20</b> 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.

*Tom D. Dykes*

Name

Partner

Position

DYAD Associates

Company

4-22-80

Date

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

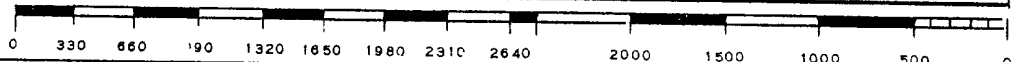
April 17, 1980

Registered Professional Engineer and/or Land Surveyor

*Dan R. Reddy*

Certificate No.

NM PER.S #5412





## United States Department of the Interior

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GEOLOGICAL SURVEY

P. O. Drawer U  
Artesia, New Mexico 88210

JUN 6 1980

O. C. D.  
ARTESIA, OFFICE

June 5, 1980

DyAd Associates  
P. O. Box 8425  
Midland, Texas 79703

Gentlemen:

DYAD ASSOCIATES Gulf Fed No. 1 1650 FNL 330 FEL Sec. 20 T.26S R.27E Eddy County Lease No. NM-22998
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Above Data Required on Well Sign
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Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 2,500 feet to test the Delaware formation is hereby approved subject to compliance with the OIL AND GAS OPERATING REGULATIONS (30 CFR 221) and the following conditions:

1. Drilling operations authorized are subject to compliance with the GENERAL REQUIREMENTS FOR OIL AND GAS OPERATIONS ON FEDERAL LEASES, dated July 1, 1978.
2. Prior to commencing construction of road, pad, or other associated developments, operator will provide the dirt contractor with a copy of the SURFACE USE PLAN and this approval including the GENERAL REQUIREMENTS.
3. All access roads will be limited to a 12 foot wide driving surface, excluding turnarounds. Surface disturbance associated with road construction will be limited to 20 feet in width.
4. Submit a Daily Report of Operations from spud date until the Well Completion Report (form 9-330) is filed. The progress report should be not less than 8" x 5" in size and each page should identify the well.
5. All permanent above-ground structures and equipment shall be painted in accordance with the attached Painting Requirements. The color used should simulate Sandstone Brown (Federal Standard No. 595A, color 20318 or 30318).
6. Notify the Survey by telephone 24 hours prior to spudding well.
7. Cement behind the 4-1/2" casing must be circulated.
8. Notify Survey in sufficient time to witness the cementing of the 4-1/2" casing.

9. Please have anyone contacting the Survey in regard to this well to identify the well with all of the information required above for the well sign.

Sincerely yours,

George H. Stewart  
Acting District Engineer

DyAd Associates  
P.O. Box 8425  
Midland, Texas 79703  
915/683-9290

Application for Drilling

DyAd Associates  
No. 1 Gulf Federal  
Section 20; 1650' FNL, 330' FEL  
Township 26 South, Range 27 East, N.M.P.M.

Eddy County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well, DyAd Associates of Midland, Texas, submits the following ten (10) items of pertinent information in accordance with United States Geological Survey requirements:

1. The geologic surface formation is Permian.
2. Estimated tops of geologic markers are as follows:

Surface	-	Brown shale
65'-1290'		Anhydrite & Shale
1290'		Top salt
1864'		Base salt
2040'		Delaware lime
2080'		Delaware sand

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

Based on history of abandoned wells in the area, oil and small amounts of water should be encountered at approximately 2300'. The well will be produced from this zone.

4. Proposed Casing Program:

4 ½", 9.50#/ft. New or acceptable used casing will be run and cemented with Class "C" neat cement from surface to TD of 2500'.

5. Pressure Control Equipment:

Due to shallow depth, no pressures are expected; a conductor pipe with an air drilling head for pressure control will be set. Plugged wells 660' from proposed site were drilled w/cable tools & encountered no pressures.

6. Mud Program:

Well will be drilled by rotary-air rig.

7. Auxiliary Equipment:

Rotary-air drilling rig owned and operated  
by Brushy Creek Drilling Co., San Angelo,  
Texas.

8. Testing, Logging & Coring Program:

Gamma ray compensated neutron log from  
surface to 2500' TD.

9. No abnormal pressures or temperatures are anticipated.

10. Anticipated starting date:

June 1, 1980 (or before)

Surface Use Plan

DyAd Associates  
No. 1 Gulf Federal  
Lease No. NM-22998

Township 26 South, Range 27 East, N.M.P.M.  
Section 20, 1650' FNL, 330' FEL  
Eddy County, New Mexico

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This plan is submitted by the operators, DyAd Associates of Midland, Texas, along with the application for permit to drill a 2500' test on the above described location. The following information describes all intent with regard to location of proposed well, construction activities, operations, surface disturbance, and rehabilitation of surface after well completion.

1. Existing Roads:

- A. Exhibit "A" is a map showing the location of the proposed well and existing roads in a one mile radius.

2. Planned Access Roads:

- A. Access within 3 miles of well site will be by an existing pipe line road.
- B. No culverts, cattle guards or gates will be installed.
- C. Ranch road serving as access from pipe line road to drill site will be improved only slightly to accommodate movement of equipment and personnel. No additional dirt or caliche work will be done.

3. Location of Existing wells:

- A. One existing, producing well lies within a two mile radius. Subject well is owned and operated by this firm. Abandoned & plugged wells are shown on Exhibit "A".

4. Location of Existing and/or Proposed Facilities:

- A. Exhibit "B" outlines location of production equipment if well is commercial. Flowing & tank battery will be located on well site & no additional surface disturbance will be required.

5. Location & Type of Water Supply:

- A. Well will be drilled by a rotary/air rig thereby requiring very little water. Minimum amounts of water will be transported by truck. Any additional water required for well completion will be transported by truck.

6. Source of Construction Materials:

- A. No materials will be required.

7. Methods of Handling Waste Disposal:

- A. Drill cuttings will be disposed of in drilling pit. See Exhibit "B".
- B. Fluids will be allowed to evaporate in drilling pit; pit will be buried upon completion.
- C. Any water produced from well during drilling will be placed in drilling pit; oil produced will be stored in tanks until sold. Water produced after well completion will be stored in a tank.
- D. Laws & regulations pertaining to human waste will be complied with.
- E. All trash, garbage, junk, and debris will be properly contained & removed.

8. Auxiliary Facilities:

- A. None required.

9. Well Site Layout:

- A. Exhibit "B" shows relative location & dimensions of well site, cuttings pit, & major components of drilling equipment.
- B. Due to flatness of land, only minimal improvement will be required. No caliche or construction work.
- C. Pad & pit area stated & flagged as outlined in Exhibit "B".



10. Plans for Restoration of Surface:

- A. After completion of drilling and/or completion of operations, all equipment and other material not needed for operations will be removed. Pits will be filled, location cleaned to leave well site as aesthetically pleasing as possible.
- B. Any pits containing fluids will be fenced until they are filled.
- C. Any special revegetation requirement of Surface Management Agency will be complied with and accomplished as expeditiously as feasible.

11. Other Information:

- A. Land surface is relatively flat and smooth. Elevation is 3255' at well site. No gullies, washes, or depressions in immediate area.
- B. Soil: Sand red clay underlain by caliche.

Flora and Fauna:

- A. Vegetative cover is relatively spare consisting mainly of broom weed and perenial native range. Grass dotted with mesquite. Wildlife is typical of semi-arid desert in New Mexico; rabbits, rodents, reptiles, dove, quail and occasional coyote.

Ponds and Streams:

- A. None in area.

Residence and Other Structures:

- A. No occupied structures in 3 mile radius.

Land Use:

- A. Grazing.

Surface Ownership:

- A. Well site is on Federal surface. Existing roads on State and Bureau of Land Management land. The access route to well site in Bureau of Land Management surface.

12. Operator's Representative:

The field representatives responsible for assuring compliance with approved surface use and operations plan are as follows:

Tom D. Dyches  
Chas. A. Adkisson  
P. O. Box 8425  
Midland, TX 79703  
Phone: 912/683-9290

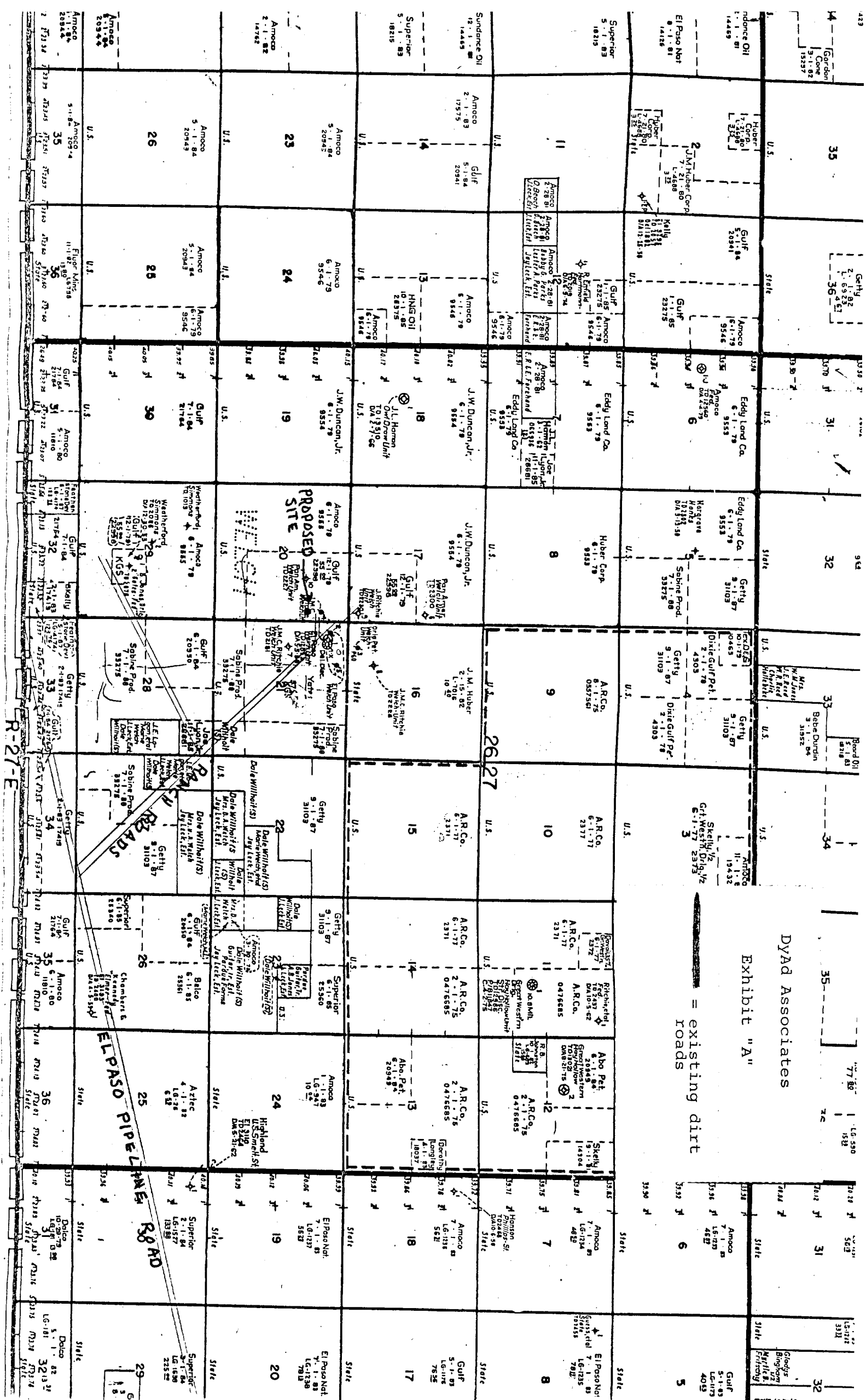
13. Certification:

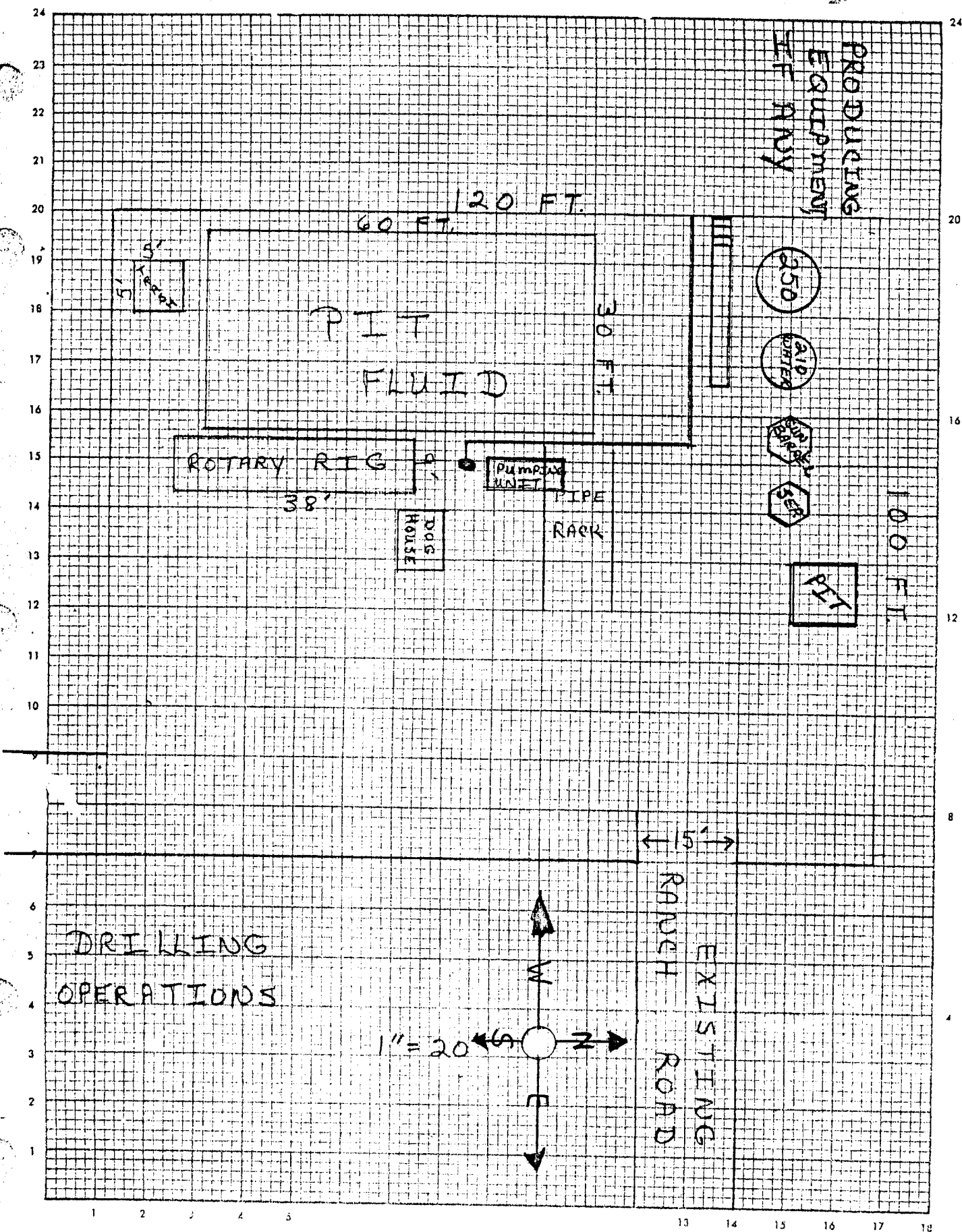
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by DyAd Associates and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Date: 4-22-80

DyAd Associates

By: Tom D. Dyches  
Agent





DyAd Associates

Exhibit "B"