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NEW MEXICO OIL CONSERVATION COMMISSION

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MAY 31 1978

O. C. C.
ARTESIA, OFFICE

30-015-22598

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease

STATE ☒ LEASE ☐

5. State Oil & Gas Lease No.

NM-ST-E 1287-6

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		8. Farm or Lease Name State 14	
2. Name of Operator Holly Energy, Inc. ✓		9. Well No. #1	
3. Address of Operator P. O. Box 726, Artesia, New Mexico 88210		10. Field and Pool, or Wildcat Undesignated Morrow	
4. Location of Well UNIT LETTER A LOCATED 990 FEET FROM THE North LINE AND 660 FEET FROM THE East LINE OF SEC. 14 TWP. 18-S RGE. 28-E NMPM		12. County Eddy	
19. Proposed Depth 11,500		19A. Formation Morrow	
21. Elevations (Show whether DF, RT, etc.) 3602' GL		20. Rotary or C.T. Rotary	
21A. Kind & Status Plug. Bond Blanket		22. Approx. Date Work will start As Soon As Possible	
21B. Drilling Contractor McVay			

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2"	13 3/8"	48#	450'	300	Circ. Surface
12 1/4"	9 5/8"	36#	2800'	900	Circ. Surface
7 7/8"	5 1/2"	17# & 20#	TD		Cement w/Sulfate Resistant Cement to cover all producti zones.

Will commence drilling this well about June 20, 1978. The 13 3/8" casing will be set at approximately 450' with 300 sacks Class C 2% CaCl and circulated to surface. After waiting 18 hours will drill out with 12 1/4" cement followed by 200 sacks Class C 2% CaCl cement. After waiting 18 hours casing will be tested to 1500# PSI and held for 30 minutes. Drill out to approximately 11,300' and set 5 1/2" 17# and 20# casing and cement to cover all productive zones.

Gas is not dedicated

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED

EXPIRES 10-3-78

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed Robert Loyd Title Superintendent Date May 18, 1978

(This space for State Use)

APPROVED BY W. A. Gressett TITLE SUPERVISOR, DISTRICT II DATE JUL - 3 1978

CONDITIONS OF APPROVAL, IF ANY:

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

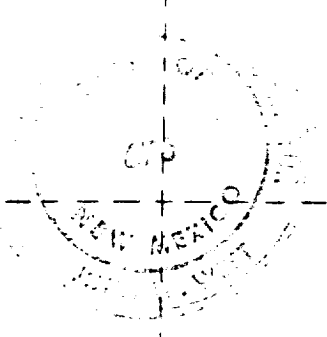
Holly Energy Inc.		State 14		1	
A	14	18South	28East	Eddy	
Actual Section Containing Well					
990	feet from the North	line and	660	feet from the East	
3602	Producing Formation	Undesignated Morrow		Dedicated Acreage	
	Morrow			320	A.

- 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) H.E.I., N/2 of NW/4 Sec 14 T-18-S, R-28-E & H.E.I., S/2 of N/2 Sec 14, T-18-S, R-28-E.
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.

Holly Energy Inc NM-ST-B6474-11	Holly Energy INC NM-ST-E1287-6
Holly Energy INC. NM-ST-B11594-6	



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Robert Loyd

Robert Loyd

Superintendent

Holly Energy Inc.

May 18, 1978

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.

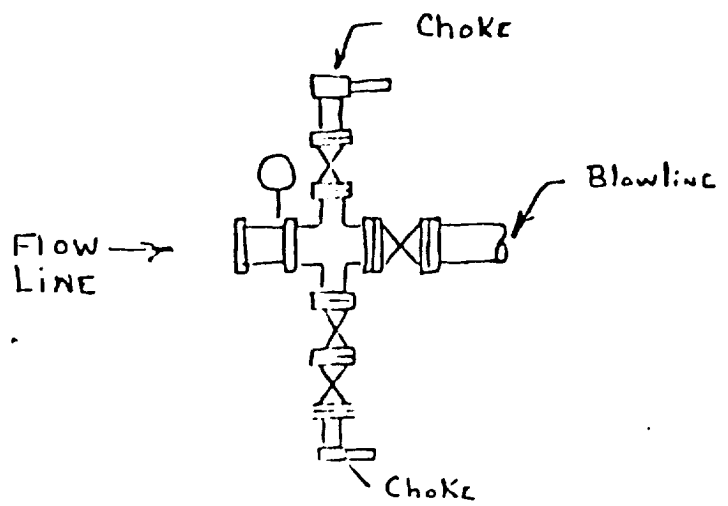
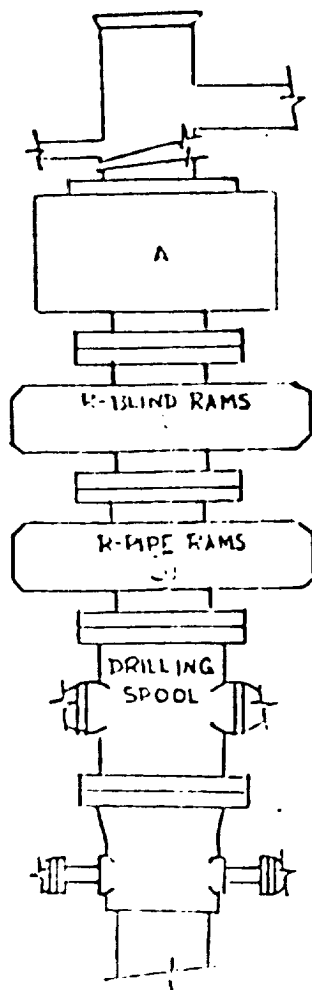
Date Surveyed

May 6, 1978

Registered Professional Engineer and/or Land Surveyor

John W. West
Certificate No. John W. West 676

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



Arrangement SRRA (Optional w/ operator)
 API Class 5M-10" w/ 4" Manifold

28

TX 372
EX 672

Holly Energy, Inc.
P. O. Box 726
Artesia, New Mexico 88210

May 18, 1978

Mr. Joe D. Ramey
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. J. E. Kapteina

Re: Non-Standard Oil Well Location
Sec. 14, T-18-S, R-28-E
Eddy County, New Mexico
State 14-1

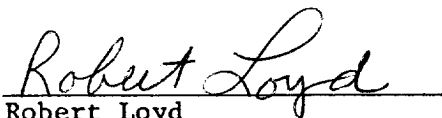
Gentlemen:

Holly Energy, Inc. respectfully requests that a hearing be called to consider Holly's application for a permit to drill State 14-1 at a non-standard location, which will require an exception to Paragraph C-II of Rule 104, New Mexico Oil Conservation Commission Rules and Regulations.

The requested location is 990 feet FNL and 660 feet FEL of Section 14, T-18-S, R-28-E. Rule 104, Paragraph CII requires that a well will be not closer than 1980 feet to the nearest end boundary.

The proposed well is projected to a depth of 11,500 feet to test the gas reservoirs to a depth sufficient to test the Morrow.

Your truly,


Robert Loyd
Superintendent



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

JERRY APODACA
GOVERNOR

NICK FRANKLIN
SECRETARY

P.O. DRAWER DD
ARTESIA, NEW MEXICO 88210
(505) 748-4861

May 23, 1978

Holly Energy, Inc.
P.O. Box 726
Artesia, NM 88210

Re: State 14
#1-A-14-18-28
Eddy County, NM

Gentlemen:

We are returning the enclosed Forms C-101 and C-102 on the subject well for corrections and additional information. On Form C-101, the state lease number, lease name and pool name are incorrect and you failed to state whether the gas is or is not dedicated. Also, the original and five copies are required. On Form C-102, the lease and pool name are incorrect and you did not answer #3 and the lease numbers are not correct.

Further, this is an unorthodox location and can only be approved after Notice and Hearing in Santa Fe.

If you have any questions concerning this matter, please feel free to call upon me.

Sincerely yours,

W. A. Gressett
Supervisor, District II

WAG:ro

Enclosure