HOBBS N	EW MEXICO 867 DEPARTMEN	POOL CODE	43329	ctions on ide)	FORM APPROVED OMB NO. 1004-0136 Expires: February 28, 1995  5. LEASE DESIGNATION AND SERIAL S
		IEFF. CATE		s. <u>-</u>	NM-94189
<del></del>	LICATION FOR	FARMO 36	2.025-33bl	01	6. IF INDIAN, ALLOTTER OR TRIBE NAM
	RILL 🙀	DEEPEN [	]		7. UNIT AGREEMBNT NAME
D. TYPE OF WELL	GAS		SINGLE ( MUL	TIPLE [7	
2. NAME OF OPERATOR	WELL OTHER		SONE X SONI		S. FARM OR LEASE NAME, WELL NO.
SOUTHWEST RO	YALTIES INC.	(Nels	on Patton)	•	Wyatt "A" Federal # 2
3. ADDRESS AND TELEPHONE N			J. Taccomy		
P.O. BOX 113	90 MIDLAND, TEX	XAS 79702	915-686-0027		10. FIELD AND POOL, OR WILDCAT
A T RUTIACO	FNL & 2310' FW		·		MALJAMAR
At proposed prod. so		T. SEC. 34 T.	17S-R33E Lea Co	· NM	11. SBC., T., B., M., OR BLK. AND SURVEY OR AREA
at proposed prod. se	Same		Unit F		Sec. 34 T17S-R33E
	AND DIRECTION FROM NE		FFICE.		12. COUNTY OR PARISH   18. STATE
	neast of Maljama	r New Mexico			LEA CO. NM
LOCATION TO NEARES PROPERTY OF LEARS	et .	990'	8. NO. OF ACRES IN LEASE		F ACRES ASSIGNED
(Also to nearest dr	lg. unit line, if any)		160		40
<ol> <li>DISTANCE FROM PRO TO NEAREST WELL, I OR APPLIED FOR, OH TR</li> </ol>	DRILLING, COMPLETED.	320'	PROPOSED DEPTH	1	T OR CABLE TOOLS
	nether DF, RT, GR, etc.)	320	5500'	I Ro	tary 22. APPROX. DATE WORK WILL START
·	, , , , , , , , , , , , ,	4155' GR.			
3.	·····		AND CEMENTING PROGR		As soon as approved
SIZE OF HOLE	ORADE, SIZE OF CASING	WEIGHT PER POOT		AM	
26"			SETTING DEPTH		QUANTITY OF CEMENT
121,11	Coductor Pipe   -55 * 5/8"	NA 24#		Pomono-	to Surface/W Redi-mix
7 7/8"	J-55 5½"	15.5	5500"		Halco Light + 400 Sx Halco Light + 250 Sx
				Class "	C" + additives
l. Drill 26" h	ole to 40' and a	ant 401 of 20	11 Can d	-	_
2. Drill 12½" 1 Cement with additives co	hole to 1500'. I 500 Sx. Halco I irculate cement	Run and set 1. Light + addit to surface.	500' of 8 5/8" 2 ives tail in wit	4# J-55 : h 400 Sx	ST&C casing. . Class "C" +
2. Drill 12½"   Cement with additives c: 3. Drill 7 7/8'   Cement with "C" + additi	hole to 1500'. H 500 Sx. Halco I irculate cement " hole to 5500'. 350 Sx. Halco I	Run and set 1. Light + addit: to surface. Run and set	500' of 8 5/8" 2	4# J-55 (h 400 Sx.	ST&C casing. Class "C" +
2. Drill 12½" 1 Cement with additives c: 3. Drill 7 7/8' Cement with	hole to 1500'. Hole to 1500'. Hole to 5500'. The state of	Run and set 1. Light + addition to surface.  Run and set 1. Run an	500' of 8 5/8" 20 ives tail in with $5500$ ' of $5\frac{1}{2}$ " 15 $530$ Salt/Sx. tail thring cement back	4# J-55 (h 400 Sx.	ST&C casing. Class "C" +
2. Drill 12½"   Cement with additives c: 3. Drill 7 7/8'   Cement with "C" + additi	hole to 1500'. Hole to 1500'. Hole to 1500'. The state of	Run and set 1. Light + addition to surface.  Run and set 1. Light with 10. Sold to 10. Sol	500' of 8 5/8" 20 ives tail in with $5500$ ' of $5\frac{1}{2}$ " 15 $530$ Salt/Sx. tail thring cement back	4# J-55 (h 400 Sx.	ST&C casing. Class "C" + ST&C casing. C50 Sx. of Class C0'. Verify with
2. Drill 12½"   Cement with additives c: 3. Drill 7 7/8'   Cement with "C" + additi	hole to 1500'. If 500 Sx. Halco I irculate cement hole to 5500'. 350 Sx. Halco I ives, tie into 8	Run and set 1. Light + addition to surface.  Run and set 1. Light with 10. Sold 5/8" casing	500' of 8 5/8" 20 ives tail in with $5500$ ' of $5\frac{1}{2}$ " 15 $530$ Salt/Sx. tail thring cement back	4# J-55 (h 400 Sx.	ST&C casing. Class "C" + ST&C casing. ST&C casing. Class Co'. Verify with
2. Drill 12½"   Cement with additives c: 3. Drill 7 7/8'   Cement with "C" + addition.	hole to 1500'. Hole to 1500'. Hole to 1500'. The inculate cement hole to 5500'. 350 Sx. Halco I ives, tie into 8	Run and set 1. Light + addition to surface.  Run and set 1. Light with 10: Solution to surface.  Run and set 1.	of 8 5/8" 20 ives tail in with the stail in with the stail in with the stail in with the stail in the stail i	4# J-55 8 h 400 Sx. 5.5# J-55 in with 2 ck to 140	ST&C casing. Class "C" + ST&C casing. ST&C casing. ST&C verify with
2. Drill 12½"   Cement with additives c: 3. Drill 7 7/8' Cement with "C" + addition.  ABOVE SPACE DESCRIBE per directionally, give perting	hole to 1500'. Hole to 1500'. Hole to 1500'. The inculate cement hole to 5500'. 350 Sx. Halco I ives, tie into 8	Run and set 1. Light + addition to surface.  Run and set 1. Light with 10: Solution to surface.  Run and set 1.	500' of 8 5/8" 20 ives tail in with t 5500' of 5½" 15 Salt/Sx. tail to bring cement backs.	4# J-55 8 h 400 Sx. 5.5# J-55 in with 2 ck to 140	ST&C casing. Class "C" + ST&C casing. ST&C casing. ST&C with
2. Drill 12½"   Cement with additives c: 3. Drill 7 7/8' Cement with "C" + addition.	hole to 1500'. If 500 Sx. Halco I irculate cement hole to 5500'. 350 Sx. Halco I ives, tie into 8 hole for the system of the sys	Run and set 1. Light + addition to surface.  Run and set 1. Run an	of 8 5/8" 20 ives tail in with the stail in with	4# J-55 8 h 400 Sx. 5.5# J-55 in with 2 ck to 140	ST&C casing. Class "C" + ST&C casing. ST&C c
2. Drill 12½"   Cement with additives c: 3. Drill 7 7/8' Cement with "C" + addition.  ABOVE SPACE DESCRIBE per directionally, give perting	hole to 1500'. If 500 Sx. Halco I irculate cement hole to 5500'. 350 Sx. Halco I ives, tie into 8 hole for the system of the sys	Run and set 1. Light + addition to surface.  Run and set 1. Light with 10: Solution to surface.  Run and set 1.	of 8 5/8" 20 ives tail in with the stail in with	4# J-55 8 h 400 Sx. 5.5# J-55 in with 2 ck to 140	ST&C casing. Class "C" + ST&C casing. ST&C casing. ST&C with
2. Drill 12½" 1 Cement with additives c: 3. Drill 7 7/8' Cement with "C" + additionally, give pertinal control of the control	hole to 1500'. Hole to 1500'. Hole to 5500'. 350 Sx. Halco I ives, tie into 8 ives, tie into 8 ives, tie into 8 ives, tie into 8 ives. PROPOSED PROGRAM: If prent data on subsurface locations	Run and set 1. Light + addition to surface.  Run and set 1. Light + addition to surface.  Run and set 1. Light with 10: Light	500' of 8 5/8" 2 ives tail in with the stail in with the stail in with the stail in with the stail in the sta	4# J-55 8 h 400 Sx. 5.5# J-55 in with 2 ck to 140	ST&C casing. Class "C" +  ST&C casing. ST&C
2. Drill 12½"   Cement with additives c: 3. Drill 7 7/8' Cement with "C" + addition log.  ABOVE SPACE DESCRIBE on directionally, give pertine (This space for Federal PERMIT No.	hole to 1500'. Hole to 5500'. The state of t	Run and set 1. Light + addition to surface.  Run and set 1. Light with 10: Sold to the set of the s	500' of 8 5/8" 20 ives tail in with the stail in with the stail in with the stail in with the stail in the st	4# J-55 Sh 400 Sx Sh 400 Sx Sh J-55 in with 2 ck to 140 and proposed nenter program, if a	ST&C casing. Class "C" +  ST&C casing. ST&C
2. Drill 12½" I Cement with additives c: 3. Drill 7 7/8' Cement with "C" + additi log.  ABOVE SPACE DESCRIBE con directionally, give pertine (This space for Federa PERMIT NO.  Application approval does not conditions of APPROVAL I	hole to 1500'. Hole to 5500'. The state of t	Run and set 1. Light + addition to surface.  Run and set 1. Light with 10: Sold to the set of the s	of 8 5/8" 20 ives tail in with the subject leading of 5½" 1.5500' of 5½" 1.5 bring cement back the subject leading to the subject leading	4# J-55 Sh 400 Sx Sh 400 Sx Sh J-55 in with 2 ck to 140 and proposed nenter program, if a	ST&C casing.  Class "C" +  ST&C casing.  ST&

Standard Loc Inside Maljamar 68/5A

OPER. OGRID NO. 2/355
PROPERTY NO. 19368
FOOL CODE 43329
EFF. DATE 9/23/96
API NO. 30- D25-33601

DISTRICT I P.O. Box 1980, Hobbs, NM 68241-1980

# State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised February 10, 1994 Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT II P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 OIL CONSERVATION DIVISION
P.O. Box 2088

DISTRICT IV P.O. BOX 2088, SANTA FE, N.M. 87504-2086 Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

# WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025-33601	Pool Code 43329  MALJAMAR GRAYBURG SAN ANDRES  Property Name WYATT A FEDERAL		
Property Code 19368			Well Number
0GRID No. 021355	SOUTHW	Operator Name /EST ROYALTIES, INC.	Elevation 4155'

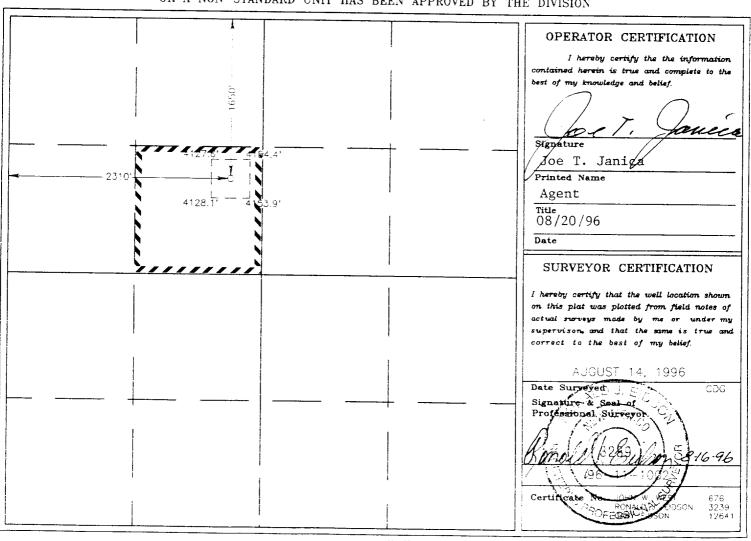
#### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	34	17 S	33 E		1650	NORTH	2310	WEST	LEA

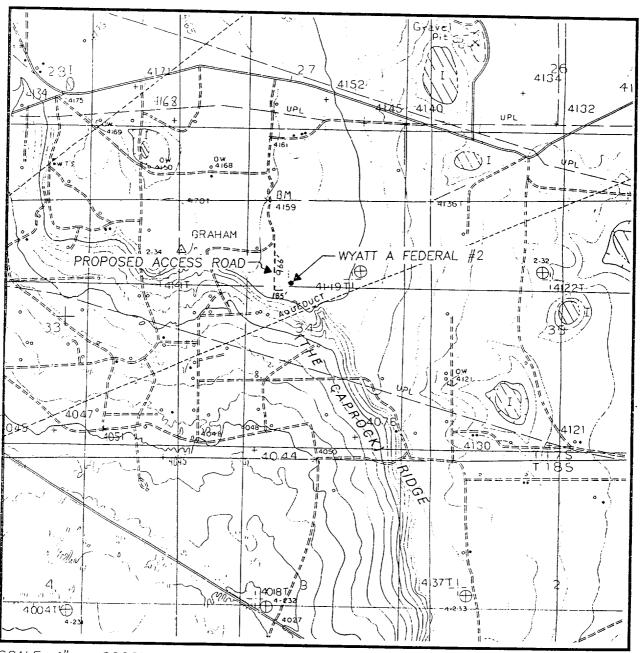
# Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint o	r Infill Co	nsolidation	Code Oro	der No.				
40									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



# LOCATION VERIFICATION MAP



SCALE: 1'' = 2000'

SEC. 34 TWP. 17-S RGE. 33-E

SURVEY\_\_\_\_\_N.M.P.M

COUNTY\_\_\_\_LEA

DESCRIPTION 1650' FNL & 2310' FWL

ELEVATION 4155'

OPERATOR <u>SOUTHWEST ROYALTIES</u>, INC. LEASE <u>WYATT A FEDERAL</u>

U.S.G.S. TOPOGRAPHIC MAP

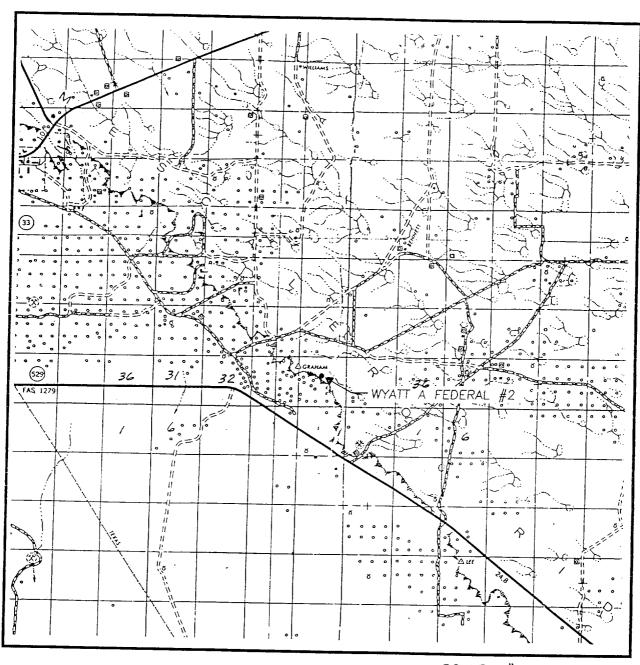
DOG LAKE, N.M.

CONTOUR INTERVAL: DOG LAKE - 10' WITH 5' SUPPLEMENTAL

JOHN WEST ENGINEERING HOBBS, NEW MEXICO (505) 393-3117



# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. <u>34</u>	TWP. <u>17-S</u> RGE. <u>33-E</u>
SURVEY	N.M.P.M.
COUNTY	LEA
DESCRIPTION	N 1650' FNL & 2310' FWL
ELEVATION_	4155'
OPERATOR_	SOUTHWEST ROYALTIES, INC
LEASE	WYATT A FEDERAL

JOHN WEST ENGINEERING HOBBS, NEW MEXICO (505) 393-3117

#### APPLICATION TO DRILL

# SOUTHWEST ROYALTIES INC. WYATT "A" FEDERAL # 2 1650' FNL & 2310' FWL SEC. 34 T17S-R33E LEA CO. NM

In response to questions asked under Section II B of Bulletin NTL-6, the following information is provided for your consideration:

- 1. Location: 1650' FNL & 990' FWL SEC. 34 T17S-R33E Lea Co. New Mexico
- 2. Elevation Above Sea Level: 4155' GR.
- 3. Geologic Name of Surface Formation: Quaternery Aeolian Deposits
- 4. Drilling Tools and Associated Equipment: Conventional rotary drilling rig using mud for the circulation medium.
- 5. Proposed Drilling Depth: 5500'
- Estimated Geological Marker Tops:

Rustler Anhydrite Top of Salt Base of Salt	1450' 1605' 2634' 2926'	Top Queen Top of Grayburg Top of San Andres	3776' 4209' 4510'
Top of Yates	2926'		

# 7. Possible Mineral Bearing Formation:

Grayburg- San Andres

0i1

# 8. Casing Program:

Hole Size	Intreval	OD Csg	Weight	Thread	Collar	Grade	Cond.	
			NA	NA	NA	NA	New	
26"	0-40	20	NA 24#	8-R	ST&C	J-55	New	
124"	•	8 5/8"	15.5#	8-R	ST&C	J-55	New	
7 7/8''	1500-5500 <b>'</b>	5½"	13.3#	O K	2240			

#### APPLICATION TO DRILL

SOUTHWEST ROYALTIES INC.
WYATT "A" FEDERAL # 2
1650' FNL & 2310' FWL SEC. 34
T17S-R33E LEA CO. NM

## 9. Casing Cementing & Setting Depth:

20"	Conductor	Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
8 5/8"	Surface Casing	Set 1500' of 8 5/8" 24# J-55 8-R ST&C casing. Cement with 500 Sx. Halco Light tail in with 400 Sx. Class "C" + 2% CaCl circulate cement to surface.
5½"	Production Casing	Set 5500' of $5\frac{1}{2}$ " 15.5# J-55 8-R ST&C casing. Cement with 400 Sx. of Halco Light tail in with 350 Sx. Premium Plus + .4% F1 + 10# M-cro Bond/Sx. Bring cement back to 1400' and verify with log.

10. Pressure Control Equipment: Exhibit "E" shows a Blow-out preventor sketch.

A 900 series preventor 3000 PSI working pressure consisting of double rams with an annular type preventor will be used on this well all units will be hydraulically operated. Blind rams on top, pipe rams on bottom to corrospond to the size drill pipe being used. The BOP will be nippled up on 8 5/8" casing and remain on well until production casing is run and cemented. BOP will be worked at least once daily and blind rams will be worked on trips when drill pipe is out of hole. The BOP will be tested as well as the choke manifold to API specs. Exhibit "E-1" shows the choke manifold and closing unit. Flow sensor PVT, full opening stabbing valve and upper kelley cock will be utilized.

## 11. Proposed Mud Circulating System:

 Depth	Mud Wt.	Mud Visc.	Fluid Loss	Type Mud
40-1500'	8.6-9	30-35	NC	Fresh water Spud mud use paper for seepage.
1500-5500'	10-10.2	29-34	NC	Brine water add lime for pH control and paper for seepage control

Sufficient mud materials to maintain mud properties, meet lost circulation, weight increase requirments will be kept at wellsite at all times. In order to run casing and log well the viscosity may have to be raised and the water loss may have to be lowered.

#### APPLICATION TO DRILL

SOUTHWEST ROYALTIES INC.
WYATT "A" FEDERAL # 2
1650' FNL & 2310' FWL SEC. 34
T17S-R33E LEA CO. NM

# 12. Testing, Logging and Coring Program:

- A. No planned DST'S
- B. Open Hole Logs: DLL/LDT-CNL from TD to 1500 with Gamma-Ray and Caliper from TD to Surface.
- C. No cores are planned & no Mud Logger will be used.

## 13. Potential Hazards:

No abnormal pressures or temperatures are expected. Hydrogen Sulfide gas may be encountered,  $H_2S$  detectors will be in place to detect any presence. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used. Estimated BHP 2000 PSI, estimated BHT  $120^{\circ}$ .

# 14. Anticipated Starting Date and Duration of Operation:

Road and location construction will begin after BLM approval of APD. Anticipated spud date as soon as approved. Drilling expected to take 8-10 days. If production casing is run an additional 30 days to complete and construct surface facility and place well on production.

# 15. Other Facets of Operations:

After running casing, cased hole gamma ray neutron collar logs will be run from total depth over possible pay intervals. The Grayburg-San Andres pay will be perforated and stimulated. The well will be swab tested and potentialed as

# CONTINGENCY PLAN SHOULD H2S BE ENCOUNTERED WHILE DRILLING

- 1. All Company and Contract personnel admitted on location must be trained by a qualified  $H_2S$  safety instructor to the following:
  - A. Characteristics of H<sub>2</sub>S
  - B. Physical effects and hazzards
  - C. Proper use of safety equipment and life support systems.
  - D. Principle and operation of H2S detectors, warning system and briefing areas.
  - E. Evacuation procedure, routes and first aid.
  - F. Proper use of 30 minute pressure demand air pack.
- 2. H<sub>2</sub>S Detection and Alarm Systems
  - A. H<sub>2</sub>S detectors and audio alarm system to be located at bell nipple, end of blooie line (mud pit) and on derrick floor or doghouse.
- 3. Windsock and/or wind streamers
  - A. Windsock at mudpit area should be high enough to be visible.
  - B. Windsock at briefing area should be high enough to be visible.
  - C. There should be a windsock at entrance to location.
- 4. Condition Flags and Signs
  - A. Warning sign on access road to location.
  - B. Flags to be displayed on sign at entrance to location. Green flag, normal safe condition. Yellow flag indicates potential pressure and danger. Red flag, danger, H<sub>2</sub>S present in dangerous concentration. Only emergency personnel admitted to location.
- 5. Well control equipment
  - A. See exhibit "E"
- 6. Communication
  - A. While working under masks chalkboards will be used for communication.
  - B. Hand signals will be used where chalk board is inappropriate.
  - C. Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephoned will be available at most drilling foreman's trailer or living quarters.
- 7. Drillstem Testing
  - A. All testing will be done in daylight hours.
  - B. Exhausts will be watered
  - C. Flare line will be equipped with an electric ignitor or a propane pilot light in case gas reaches the surface.
  - D. If location is near any dwelling a closed D.S.T. will be performed.

# CONTINGENCY PLAN SHOULD H2S BE ENCOUNTERED WHILE DRILLING

- 8. Drilling contractor supervisor will be required to be familiar with the effects H2S has on tubular goods and other mechanical equipment.
- 9. If  ${\rm H_2S}$  is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas seperator will be brought into service along with  ${\rm H_2S}$  scavengers if necessary.

# SOUTHWEST ROYALTIES INC. WYATT "A" FEDERAL # 2 1650' FNL & 2310' FWL SEC 34 T17S-R33E LEA CO. NM

- 1. EXISTING ROADS. Area map, Exhibit "B" is a reproduction of the New Mexico General Hi-way Co. Map. Exhibit "C" is a reproduction of a topographic map. Existings roads and proposed roads are shown on each exhibit. All roads will be maintained in a condition equal to or better than esisted prior to start of construction.
  - A. Exhibit "A" shows the proposed development well as staked.
  - B. Take High-way 62-180 west out of Hobbs to junction of State High-way 529. Turn right take 529 West for 2.4 miles to Co road 238 turn North co 10.9 miles to Co. road 125 turn West go 8.5 mi, turn South go .8 mi then turn East, go 400' to location
  - C. Flow line to be laid along road ROW from # 2 to the production facility located at well # 1 990' FWL & 1650' FNL Sec. 34.
- 2. PLANNED ACCESS ROADS: Approximately 1200' of new road will be constructed.
  - A. The access road will be crowned and ditched to a 12'00" wide travel surface with 40' right-of-way.
  - B. Gradient on all roads will be less than 5.00%.
  - C. No turnouts will be necessary.
  - D. If needed, road will be surfaced with a minimum of 4" of caliche. This material will be obtained from a local source.
  - E. Centerline for the new access road has been flagged. Earthwork will be as required by field conditions.
  - F. Culverts in the access road will not be used. The road will be constructed to utilize low water crossings for drainage as required by the Lopography.
- 3. LOCATION OF EXISTING WELLS IN A ONE-MILE RADIUS EXHIBIT "A-1"
  - A. Water wells None known
  - B. Disposal wells As shown on Exhibit "A-1"
  - C. Drilling wells None Known
  - D. Producing wells -As shown on Exhibit "A-1"
  - E. Abandoned wells -" " " " "

SOUTHWEST ROYALTIES INC.
WYATT "A" FEDERAL # 2
1650' FNL & 2310' FWL SEC. 34
T17S-R33E LEA CO. NM

- 4. If, upon completion, the well is a producer, Southwest Royalties, Inc. will furnish maps or plats showing On Well Pad facilities and Off Well Pad facilities (if needed) on a Sundry Notice before construction of these facilities starts.
- 5. LOCATION AND TYPE OF WATER SUPPLY

Water will be purchased locally from a commercial source and trucked over the access roads or piped in flexible lines laid on top of the ground.

6. SOURCE OF CONSTRUCTION MATERIALS

If needed, construction materials will be obtained from the drill site's excavations or from a local source. These materials will be transported over the access route as shown on Exhibit "C".

- 7. METHODS FOR HANDLING WASTE DISPOSAL
  - Drill cuttings will be disposed of in the reserve pit.
    - All trash, junk and other waste material will be contained in trash cages or bins to prevent scattering. When the job is completed all contents will be removed and deposited in an approved sanitary landfill.
    - 3. Salts remaining after completion of the well will be picked up by the supplier, including broken sacks.
    - 4. Sewage from trailer houses will drain into holes with minimum depth of 10'00". These holes will be covered during drilling and backfilled upon completion. A "porta John" will be provided for the rig crews. This will be properly maintained during the drilling operations and removed upon completion of the well.
  - B. Remaining drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for backfilling. In the event drilling fluids will not evaporate in a reasonable period of time they will be transported by tank truck to a state approved disposal site. Pits will then be broken out to speed drying.

Water produced during testing of the well will be disposed of in the reserve pit. Oil produced during testing of the well will be stored in test tanks until sold and hauled from the site.

### 8. ANCILLARY FACILITILS

No camps or airstrips will be constructed.

SOUTHWEST ROYALTIES INC.
WYATT "A" FEDERAL # 2
1650' FNL & 2310' FWL SEC. 34
T17S-R33E LEA CO. NM

#### 9. WELL SITE LAYOUT

- A. Exhibit "D" shows the proposed well site layout.
- B. This exhibit indicated proposed location of reserve and sump pits and living facilities.
- C. Mud pits in the active circulating system will be steel pits and the reserve pit is proposed to be unlined, unless subsurface condition encountered during pit construction indicate that lining is needed for lateral containment of fluids.
- D. If needed, the reserve pit is to be lined with polyethylene. The pit liner will be 6 mils thick. Pit liner will extend a minimum 2'00" over the reserve pits dikes where the liner will be anchored down.
- E. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. The fourth side will be fenced after all drilling operations have ceased. If the well is a producer, the reserve pit fence will be torn down. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

# 10. PLANS FOR RESTORATION OF SURFACE

Rehabilitation of the location and reserve pit will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole.

However, in either event, the reserve pit will be allowed to dry properly, and fluid removed and disposed of in accordance with Article 7.B as previously noted. The pit area will then be leveled and contoured to conform to the original and surrounding area. Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

If the well is a dry hole, the pad and road area will be contoured to match the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

Should the well be a producer, the previously noted procedures will apply to those areas which are not required for production facilities.

SOUTHWEST ROYALTIES INC.
WYATT "A" FEDERAL # 2
1650' FNL & 2310' FWL SEC. 34
T17S-R33E LEA CO. NM

#### 11. OTHER INFORMATION:

- A. The topography consists of flat low dip Caliche and Limestone caprock of the Mescalero Ridge. Dip is 10' to 15' per mile to the West. Vegetation is native grasses and mesquite.
- B. The surface is used primarily for grazing livestock and lease roads for access to producing oil and gas wells.
- C. The surface is owned by Gary Caviness, East Star Route, Maljamar New Mexico 88264. Phone 505-676-4201. The minerals are owned by the U. S. Department of Interior.
- D. An archaeological survey will be conducted on the road and location and the results will be sent to the BLM in Carlsbad New Mexico.
- E. There are no dwellings within 2 miles of this location.

# 12. OPERATOR'S REPRESENTATIVE:

#### Before APD is approved:

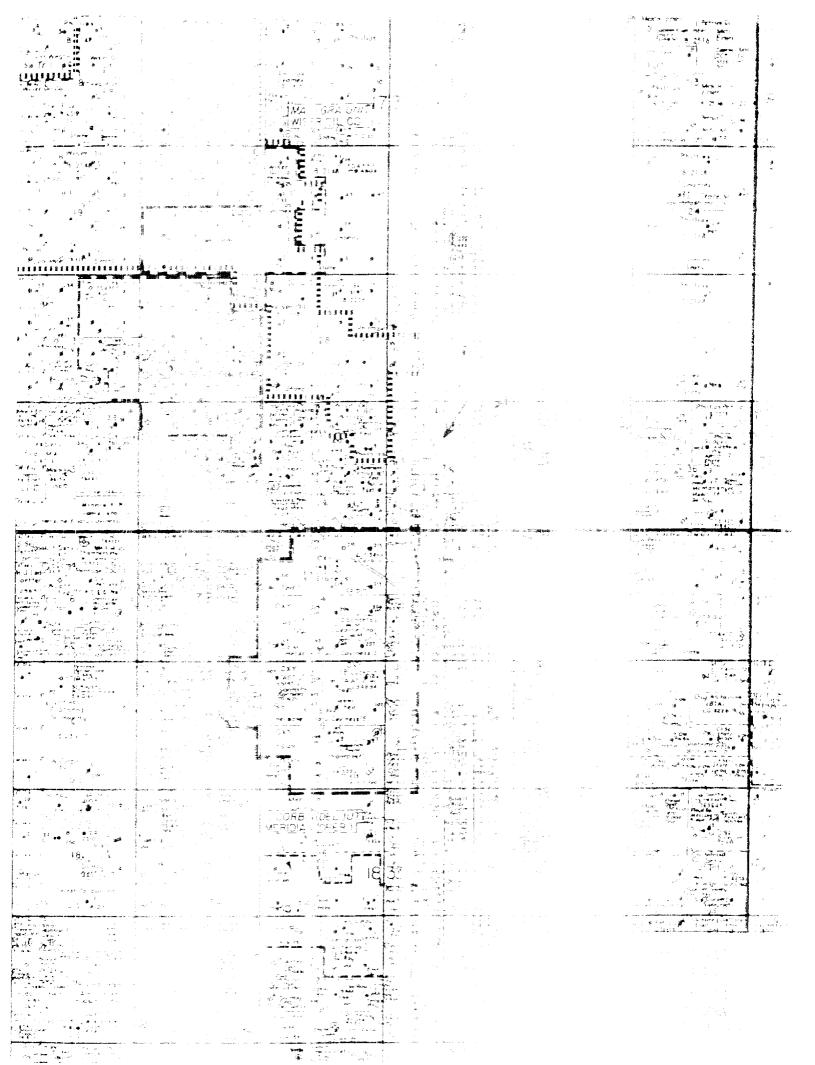
Tierra Exploration Inc. P.O. Box 2188 Hobbs, New Mexico 88241 Office Phone 505=392-2112 Joe T. Janica

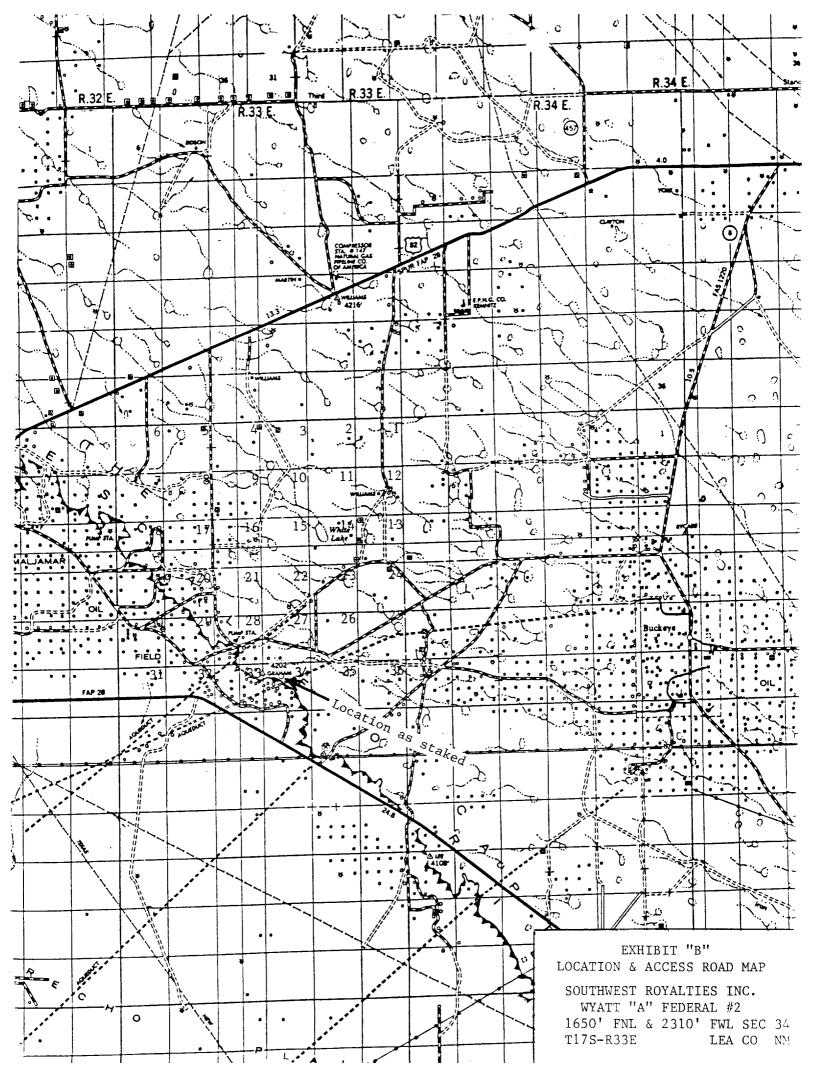
# After APD is approved:

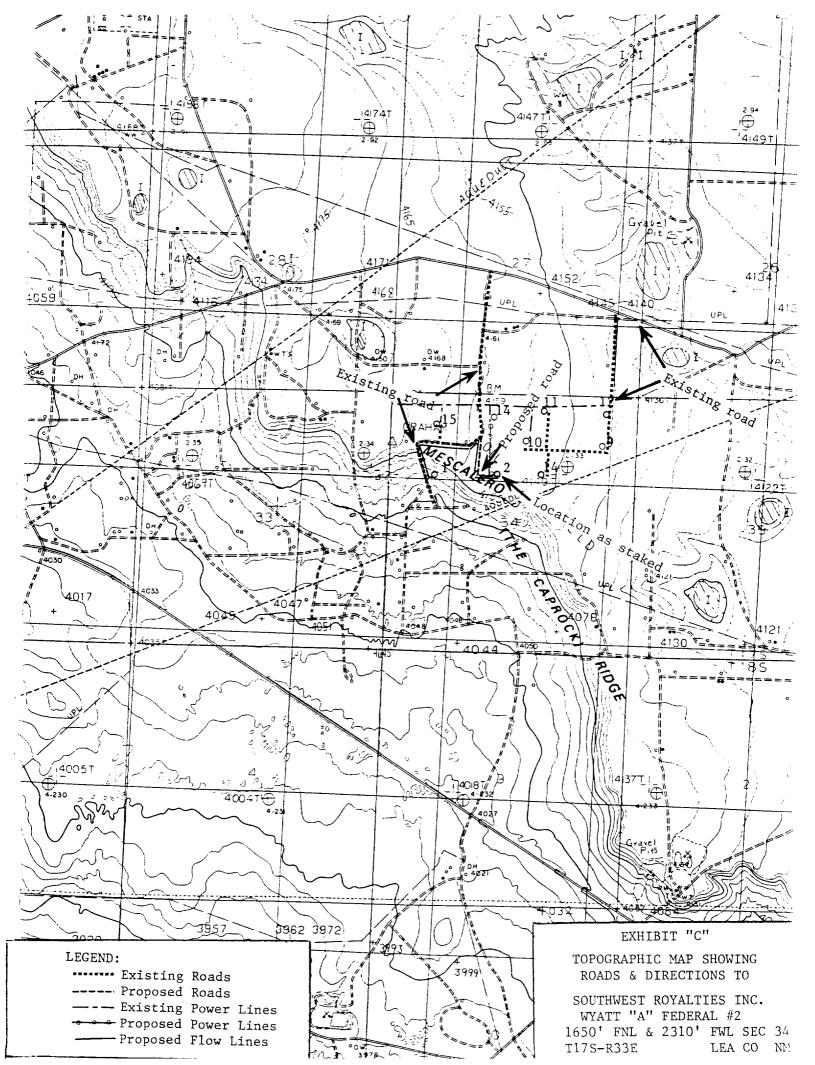
Southwest Royalties Inc. P.O. Box 11390 Midland, Texas 79702 Office Phone 915-686-9927 Nelson Patton

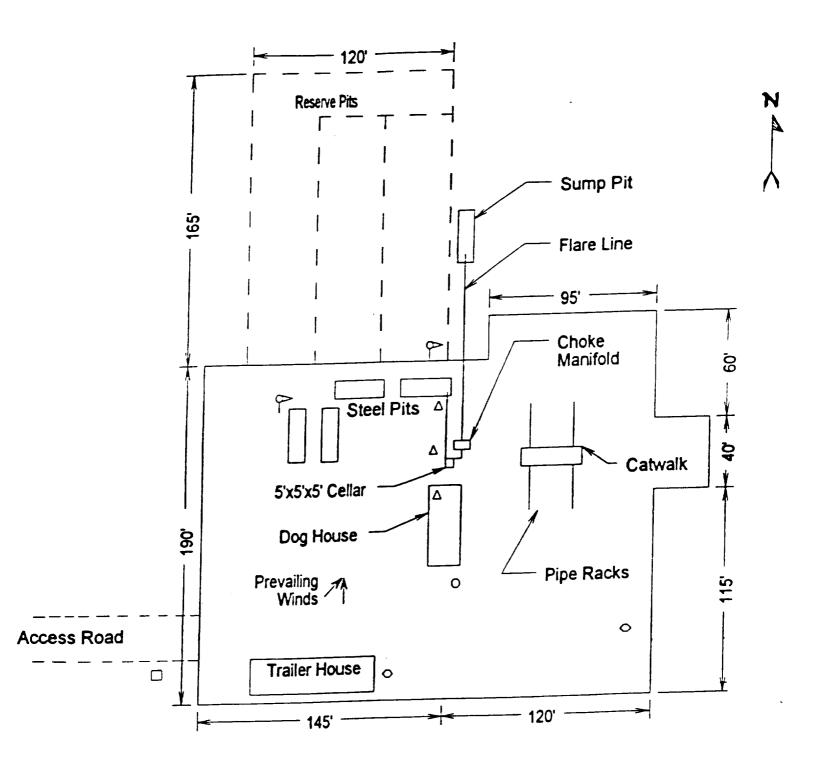
13. CERTIFICATION: I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge, are true and correct; and that the the work associated with the operations proposed herein will be performed by Southwest royalties Inc., its contractors/subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of 18 U.S.C. 1001 for the filing of a false statement.

NAME: Agent
DATE: 08/20/96









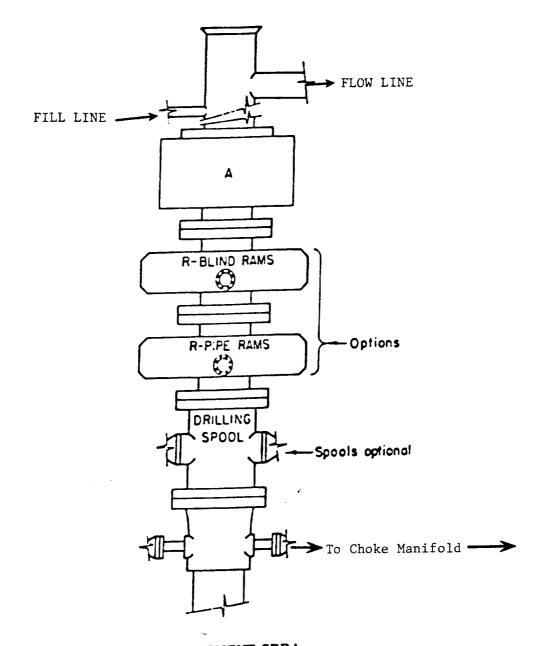
- Wind Direction Indicators (wind sock or streamers)
- △ H2S Monitors (alarms at bell nipple and shale shaker)
- Briefing Areas
- O Remote BOP Closing Unit
- □ Sign and Condition Flags

EXHIBIT "D"
RIG LAYOUT PLAT

SOUTHWEST ROYALTIES INC.
WYATT "A" FEDERAL #2

1650' FNL & 2310' FWL SEC 34

T17S-R33E LEA CO NM



# ARRANGEMENT SRRA

900 Series 3000 PSI WP

EXHIBIT "E"

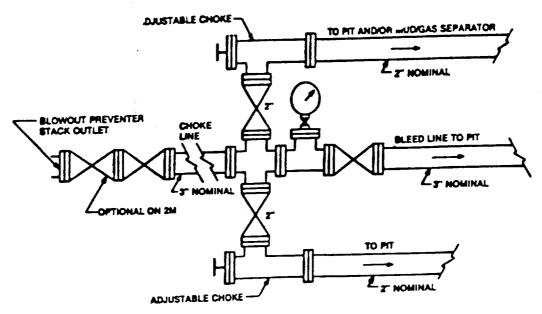
B.O.P. SKETCH TO BE USED ON

SOUTHWEST ROYALTIES INC.

WYATT "A" FEDERAL #2

1650' FNL & 2310' FWL SEC 34

T17S-R33E LEA CO NM



Typical choke manifold assembly for  $3M\ WP\ system$ 

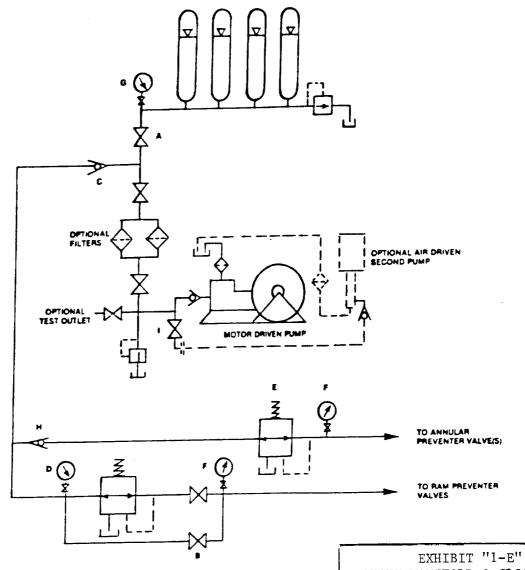


EXHIBIT "1-E"
CHOKE MANIFOLD & CLOSING UNIT

SOUTHWEST ROYALTIES INC.
WYATT "A" FEDERAL #2

1650' FNL & 2310' FWL SEC 34

T17S-R33E LEA CO NM