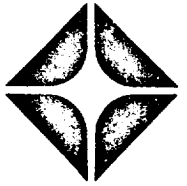


North American Producing Division  
Permian District — West Area  
Post Office Box 1710  
Hobbs, New Mexico 88240  
Telephone 505 393-7163

George V. Ricks, Superintendent  
Production & Drilling



December 5, 1974

U.S.G.S.  
P. O. Box 1157  
Hobbs, New Mexico 88240

Re: Young Federal #1  
1980' FNL & 1980' FEL  
Sec 20, T18S, R32E, Lea County, New Mexico  
Application for Permit to Drill

1. We will exit off SR 33 to the East. Attached is exhibit #1 on which Sec 20 is outlined in red.
2. Planned access roads:  
We will build 1000' of new road as indicated on exhibit #1 and #2. The road to be 12' wide with 6" caliche compacted.
3. Location of existing wells:  
Exhibit #1 & #2 shows existing wells
4. Lateral roads to well locations:  
These roads are shown on both exhibits #1 & #2.
5. Location of tank battery:  
Tank battery will be located on SW corner of drilling pad.
6. Location and type of water supply:  
The fresh water for the surface hole and for cementing will be supplied by a trucking company. The brine water will also be trucked.
7. Methods for handling waste disposal:  
All solid waste from the drilling operation will be buried.
8. Location of camp:  
No camp intended
9. Location of air strip:  
No airstrip intended
10. Location of layout of rig, etc.  
Rig will have engines facing south, "V" door and racks to the east as shown on plat #3.