

• • • • •



DISTRICT I
P. O. Box 1980, Hobbs, NM 88240

DISTRICT II
P. O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P. O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994

Instructions on back

Submit to Appropriate District Office

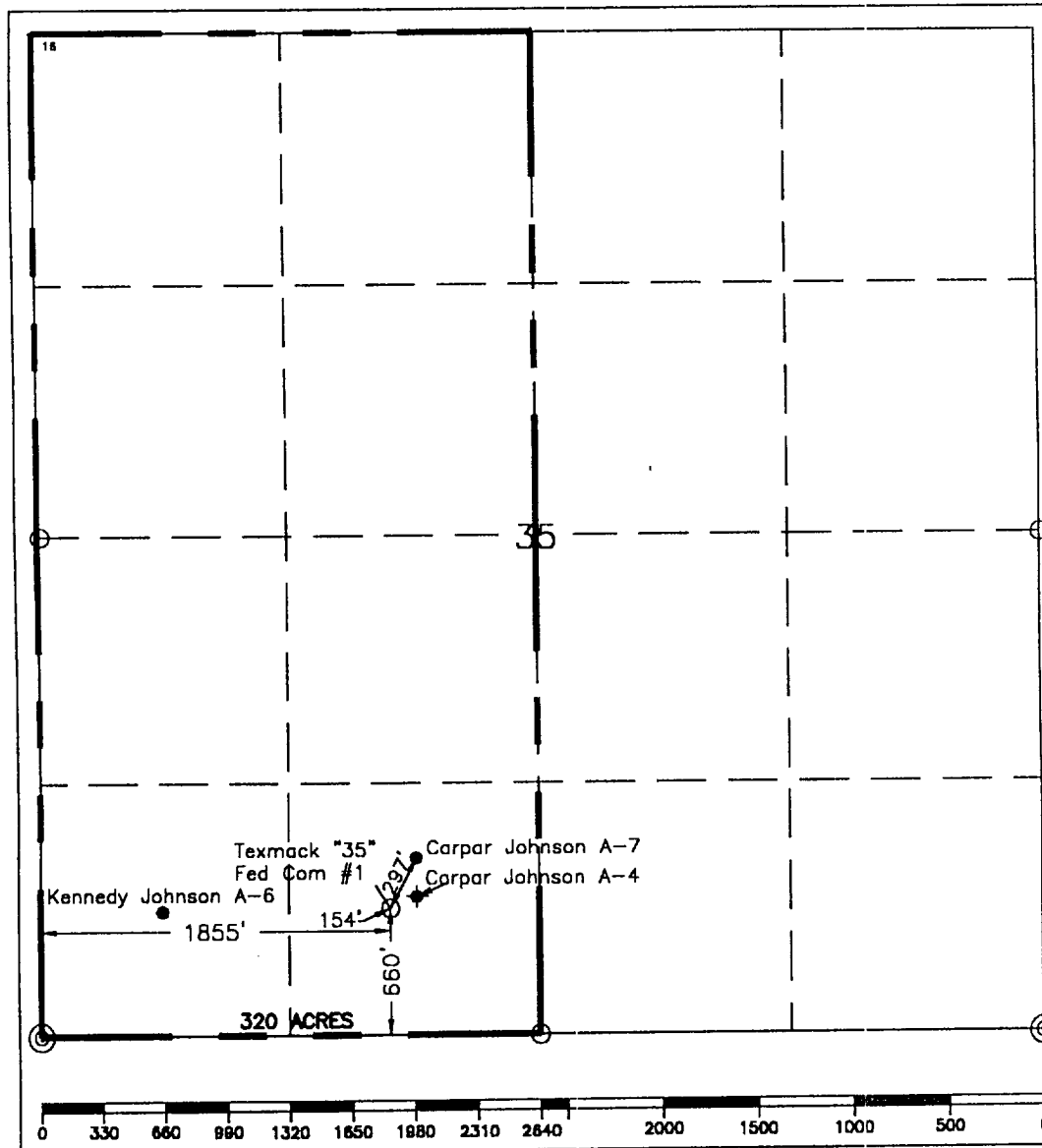
State Lease-4 copies
Fee Lease-3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name Fren, Morrow; UNDESIGNATED, Atoka, Strawn					
⁴ Property Code		⁵ Property Name Texmack "35" Federal Corn.						⁶ Well Number 1	
⁷ DGRID No. 22351		⁸ Operator Name TEXACO EXPLORATION & PRODUCTION, INC.						⁹ Elevation 4025'	
¹⁰ Surface Location									
UL or lot no. N	Section 35	Township 16-S	Range 31-E	Lot Idn	Feet from the 660'	North/South line South	Feet from the 1855'	East/West line West	⁷ County Eddy
¹¹ 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	⁷ County
¹² Dedicated Acres 320		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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.



¹⁷ OPERATOR CERTIFICATION.

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

Signature

A. Phil Ryan

Printed Name

A. Phil Ryan

Position

Commission Coordinator

Company

Texaco Expl. & Prod. Inc.

Date

January 25, 2000

¹⁸ SURVEYOR CERTIFICATION

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

January 18, 2000

Signature & Seal of
Professional Surveyor

John S. Piper

Certificate No.

7254 John S. Piper

Sheet 1 of 1

DRILLING PROGRAM

TEXMACK '35' FEDERAL COM WELL No. 1

SURFACE DESCRIPTION:

See Item 11 (other information) in the attached Surface Use and Operations Plan.

FORMATION TOPS: Estimated KB Elevation: 3963'

<u>Formation</u>	<u>Depth</u>	<u>Lithology</u>	<u>Fluid Content</u>
Rustler	1484'	Anhy, Salt	----
Yates	2739'	Anhy	----
Queen	3584'	Ss, Dolomite	Oil
San Andres	4077'	Dolo, Limestone	----
Glorieta	5849'	Dolomite	----
Tubb	7032'	Sandstone	----
Abo	7573'	Dolomite	----
Wolfcamp Limestone	9109'	Limestone	Oil
Strawn	11224'	Limestone	Gas
Atoka	11625'	Sandstone	Gas
Morrow Limestone	11709'	Limestone	----
Morrow Sand	12040'	Sandstone	Gas
Chester	12240'	Sandstone	----
Total Depth:	12450'		

The base of the salt section is the top of the Yates at 2739'. No abnormal pressures or temperatures are anticipated to be encountered in this well. The Bottom Hole pressure at T.D. is estimated to be 7.9 PPG EMW (5135 PSI).

H2S in the San Andres formation is possible. H2S RADIUS OF EXPOSURE: 100ppm = 199', 500ppm = 91', based on 4300 ppm H2S and 692 MCF (see attached H2S Drilling Operations Plan. H2S equipment to be operational prior to drilling out Surface Casing Shoe.)

Duration of Operation: 46 Days to Drill & 8 Days to Complete

PRESSURE CONTROL EQUIPMENT:

A 3000 psi (or 5000 psi at drilling contractor's option) Dual Ram BOP with rotating head (See Exhibit C) will be installed after surface casing is set. A 5000 psi Dual Ram BOP with a rotating head and annular preventer will be used. (See Exhibit D). It will be installed after intermediate casing is set at 4500'. BOP will be tested each time it is installed on a casing string and at least every 29 days, and operated at least once each 24 hour period during drilling.

A PVT system will not be installed. We will be drilling thru the reserve pit and will circulate the steel pits one hour each tour to check for gains and losses and will be noted on the driller's log, which is Texaco's policy.

We do not plan to run an automatic remote-controlled choke. We will have installed and tested two manual, H2S trimmed, chokes.

CASING AND CEMENT PROGRAM:

The cementing program is detailed on Form 3160-3. All casing will be new.

Casing Program:

Surface Casing - 14 $\frac{3}{4}$ " hole, 11 $\frac{3}{4}$ ", 42#, WC-40, STC, set @ 550'. 800'

Intermediate Casing: 11" hole, 4500' of 8 $\frac{5}{8}$ ", 32#, WC-50, LTC set @ 4500'.

Production Casing: 7 $\frac{7}{8}$ " hole, 8600' of 5 $\frac{1}{2}$ ", 17#, WC-70, LTC & 3850' of 5 $\frac{1}{2}$ ", 17#, SS-95, LTC set @ 12450'.

Centralizer Program:

Surface Casing - Centralize the bottom 3 joints and every 4th to surface.

Intermediate Casing - Centralize the bottom 3 joints.

Production Casing - Centralize every other joint from TD to 10800' and above and below the DV Tool @ 8800'.

MUD PROGRAM:

<u>Depth</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>
0'-550'	Fresh Water	8.4	28
550'-4500'	Brine	10.0	29
4500'-12450'	Fresh Water/Starch	8.4-10.1	29-40

LOGGING, TESTING:

GR-CAL-CNL-LDT, GR-CAL-DLL-MSFL, GR-CAL-BHC surveys will be run.

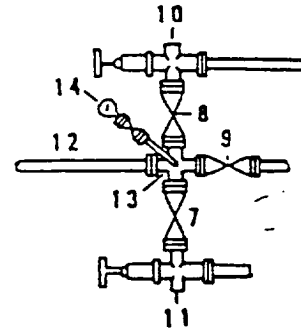
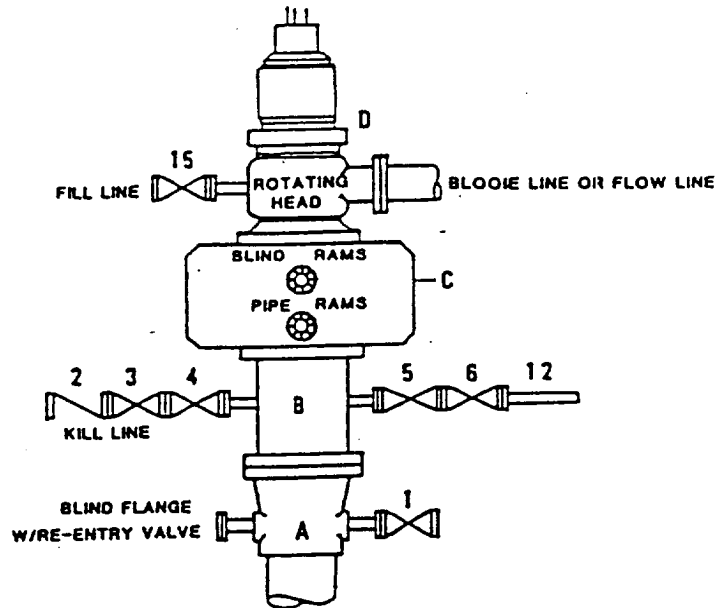
A two-man Mud Logging Unit will be used from 4200' to 12750'.

A drill stem test may be conducted in the Wolfcamp and Morrow, if needed.

Sidewall cores (25) are planned for the Wolfcamp.

**DRILLING CONTROL
CONDITION II-B 3000 WP
FOR AIR DRILLING OR
WHERE NITROGEN OR AIR BLOWS ARE EXPECTED**

H₂S TRIM REQUIRED
YES _____ NO X



DRILLING CONTROL

MATERIAL LIST - CONDITION II - B

- | | |
|------------|---|
| A | Texaco Wellhead |
| B | 3000# W.P. drilling spool with a 2" minimum flanged outlet for kill line and 3" minimum flanged outlet for choke line. |
| C | 3000# W.P. Dual ram type preventer, hydraulic operated with 1" steel, 3000# W.P. control lines (where sub-structure height is adequate, 2 - 3000# W.P. single ram type preventers may be utilized). |
| D | Rotating Head with fill up outlet and extended Blooe Line. |
| 1,3,4,7,8, | 2" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve. |
| 2 | 2" minimum 3000# W.P. back pressure valve. |
| 5,6,9 | 3" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve. |
| 12 | 3" minimum schedule 80, Grade "B", seamless line pipe. |
| 13 | 2" minimum x 3" minimum 3000# W.P. flanged cross. |
| 10,11 | 2" minimum 3000# W.P. adjustable choke bodies. |
| 14 | Cameron Mud Gauge or equivalent (location optional in choke line). |
| 15 | 2" minimum 3000# W.P. flanged or threaded full opening steel gate valve, or Halliburton Lo Torc Plug valve. |



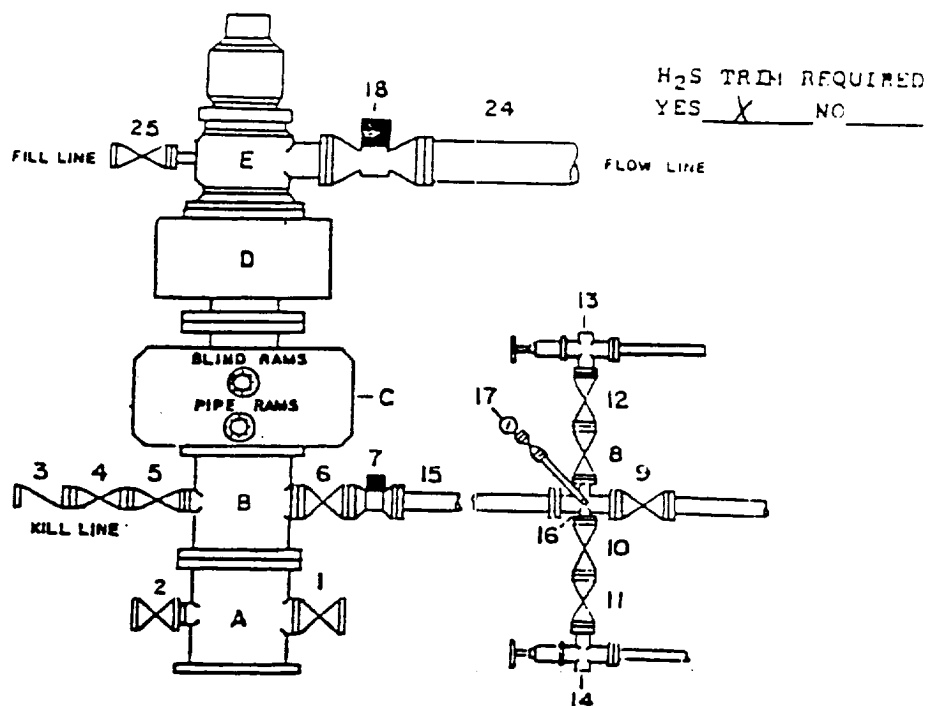
TEXACO, INC.
MIDLAND DIVISION
MIDLAND, TEXAS



SCALE	DATE	EST. NO.	DRG. NO.
DRAWN BY			
CHECKED BY			
APPROVED BY			

EXHIBIT C

DRILLING CONTROL CONDITION IV-B-5000 PSI WP



DRILLING CONTROL

MATERIAL LIST - CONDITION IV - B

- A Texaco Wellhead
- B 5000# W.P. drilling spool with a minimum 2" flanged outlet for kill line and 1" minimum flanged outlet for choke line.
- C 5000# W.P. Dual ram type preventer, hydraulic operated with 1" steel, 5000# W.P. control lines.
- D 5000# W.P. Annular preventer, hydraulic operated with 1" steel, 5000# W.P. control lines.
- E Rotating Head with fill up outlet and extended Blooie line.
- 1,2,4,5, 2" minimum 5000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
- 6,9 3" minimum 5000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
- 7 3" minimum 5000# W.P. flanged hydraulic valve
- 15 3" minimum Schedule 160, Grade B, seamless line pipe
- 16 2" minimum x 1" 5000# W.P. flanged cross
- 13,14 2" minimum 5000# W.P. adjustable chokes with carbide trim.
- 17 Cameron Mud Gauge or equivalent (location in choke line optional).
- 18 6" minimum 1000# hydraulic flanged valve.
- 24 8" minimum steel flow line.
- 25 2" minimum 5000# W.P. flanged or threaded full opening steel gate valve, or Halliburton Lo Torc Plug valve.



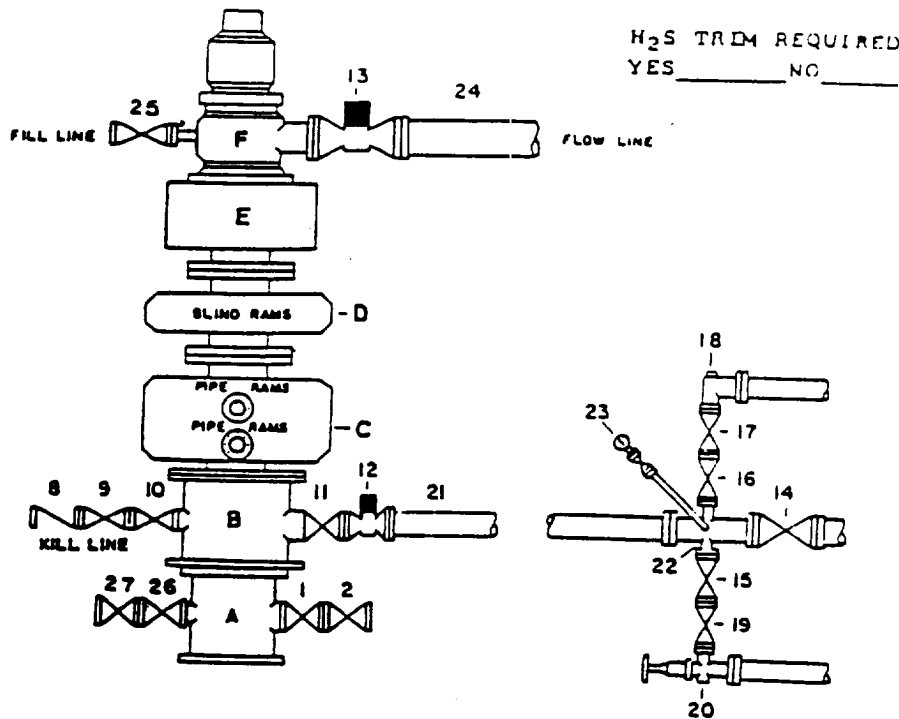
TEXACO, INC
MIDLAND DIVISION
MIDLAND, TEXAS



SCALE	DATE	EST NO	DRG NO
DRAWN BY			
CHECKED BY			
APPROVED BY			

EXHIBIT F-1

DRILLING CONTROL **CONDITION V-B - 10,000 PSI WP**



H₂S TRDM REQUIRED
 YES _____ NO _____

DRILLING CONTROL **MATERIAL LIST - CONDITION V-B**

- A Texaco Wellhead
- B 10,000# W.P. Drilling Spool with a minimum 2" flanged outlet for kill line and 4" minimum flanged outlet for choke line
- C 10,000# W.P. Dual Variable Ram Type preventer, hydraulic operated with 1" steel, 5000# W.P. control line
- D 10,000# W.P. Single Ram Type preventer, hydraulic operated with 1" steel, 5000# W.P. control lines
- E 10,000# W.P. Annular preventer, hydraulic operated with 1" steel, 5000# W.P. control lines
- F When Required - Rotating Head with fill up outlet and extended sleeve line
- 1,2,9,10, 13,14,17, 19,24,27 2" minimum 10,000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve
- 8 2" minimum 10,000# W.P. back pressure valve
- 11,14 4" minimum 10,000# W.P. flanged full opening steel gate valve
- 12 4" minimum 10,000# W.P. flanged full opening hydraulic valve
- 13 When Required - 10" minimum 1000# W.P. flanged full opening hydraulic valve
- 21 4" minimum 10,000# W.P. 4130 mechanical tubing with flanged ends, or equivalent
- 22 2" minimum X 4" minimum 10,000# W.P. flanged cross
- 18 2" minimum 10,000# W.P. automatic choke
- 20 2" minimum 10,000# W.P. adjustable choke equipped with carbide trim
- 23 Cameron Mud Gauge or equivalent (location in choke line optional)
- 24 When Required - 10" steel flow line
- 25 2" minimum 1000# W.P. flanged or threaded full opening steel gate valve or Halliburton Lo Torc plug valve



TEXACO, INC.
 MIDLAND DIVISION
 MIDLAND, TEXAS



SCALE:	DATE	EST NO	DRG NO
DRAWN BY:			
CHECKED BY:			
APPROVED BY:			

EXHIBIT G-1

OPERATOR - LANDOWNER AGREEMENT

COMPANY: TEXACO EXPLORATION AND PRODUCTION INC.

PROPOSED WELL: Texmack '35' Fed Com #1

FEDERAL LEASE No. NM 912632

This is to advise that Texaco Exploration and Production Inc. has an agreement with:

Holeman Trust, % Jimmy Wilbanks, P. O. Box 84, Jal, NM 88264

the surface owner, concerning entry and surface restoration after completion of drilling operations at the above described well.

After abandonment of the well, all pits will be filled and leveled, all equipment and trash will be removed from well site. No other requirements were made concerning restoration of the well site.

1/31/2000

Date



A. Phil Ryan
Commission Coordinator
Midland, Texas

SURFACE USE AND OPERATIONS PLAN
FOR
TEXACO EXPLORATION AND PRODUCTION, INC.

TEXMACK "35" FEDERAL COM. NO. 1
660' FSL & 1855' FWL SECTION 35,
TWP. 16 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

LOCATED: 5.0 miles Northwesterly of Maljamar, New Mexico

FEDERAL LEASE NUMBER: NM-912632

LEASE ISSUED: Lease is in a producing status

ACRES IN LEASE: 320 Acres

RECORD LESSEE: TEXACO EXPLORATION AND PRODUCTION, Inc.

SURFACE OWNERSHIP: U.S.A.

GRAZING PERMITTEE: Holeman Trust
%Jimmy Wilbanks
P.O. Box 84
Maljamar, NM 88264

POOL: Fren Morrow; Undesignated Atoka & Strawn;

POOL RULES: Field Rules are for no wells to be located closer than 10' to any quarter-quarter section, 660' from any quarter section line and to be 660' from the lease line.

EXHIBITS: A. Access Road and Facilities Map

B. Drilling Rig Layout Diagram

C. Well Location and Acreage Dedication Plat - 320 Acres

1. EXISTING ACCESS ROADS

A. Exhibit "A" is an enlarged portion of a 7.5 minute U.S.G.S. topographic map showing the proposed well site and the existing roads in the area. Point "A" is at the intersection of an existing resource road and Eddy County Road 252 1.7 miles Northwesterly of its intersection with Lea and Eddy County Line, which is approximately 1.7 miles Northwesterly along Lea County Road No. 124 from its intersection with U.S. Highway 82 just 2 Miles West of Maljamar, New Mexico and 18 miles East of Loco Hills, New Mexico both along U.S. Highway 82. From Point "A" as shown on Exhibit "A" go Westerly 0.05 miles, crossing Federal Lands to a point on the East boundary line of said lease, continuing Westerly for 0.10 miles and Southerly 0.30 miles to the Point "B" at the Northeast corner of the proposed as shown on Exhibits "A" and "B".

2. PLANNED RESOURCE ROAD

- A. Length and Width: None planned.
- B. Surfacing Material: Not applicable.
- C. Maximum Grade: Not applicable.
- D. Turnouts: Not applicable.
- E. Drainage Design: Not applicable.
- F. Culverts: Not applicable.
- G. Cuts and Fills: Not applicable.
- H. Gates and Cattle Guards: Not applicable.

3. LOCATION OF EXISTING WELLS

A. Existing wells on the lease and in the immediate area are shown on Exhibit "A".

4. LOCATION OF EXISTING AND PROPOSED FACILITIES

A. The oil or condensate that this well produces will be transported by a 2" poly flowline laying on the surface to the production facilities located at the Texmack "11" Federal Com No. 1 well, the portion in Section 35 is shown on Exhibit "A". The remaining line will require right of ways in Sections 2 and 11, T-17-S, R-31-E. The gas produced will be separated by a stackpack and sold through a meter run located on the well pad, as shown on Exhibit "B".

B. An electric line will be built approximately 800 feet Easterly to an existing Central Valley Electric Coop. electric line (Shown on Exhibits "A and B".

5. LOCATION AND TYPE OF WATER SUPPLY

A. It is not contemplated that a water well will be drilled. Water necessary for drilling operations will be purchased and trucked to the well site or will be transported to the well site by a temporary pipeline laid on the ground along side existing and proposed roads.

6. SOURCE OF CONSTRUCTION MATERIALS

A. Caliche needed for the well pad will be taken from the proposed borrow pit located within the 400 x 400 archaeologically cleared tract at the proposed well site (See Exhibit "B" for the location) If sufficient quality or quantity of caliche is not available, it will be transported to the proposed well site from the existing pit in the Northeast quarter of the Southwest quarter of Section 35, T-16-S, R-31-E, Eddy County, as shown on Exhibit "A" along the existing resource roads.

7. METHOD OF HANDLING WASTE DISPOSAL

A. Drill cuttings will be disposed of in the drilling pits.

B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.

C. Water produced during tests will be disposed of at commercial or company facilities.

D. Oil produced during tests will be stored in test tanks until sold.

E. Trash, waste paper, garbage and junk will be placed in a trash bin located on the drill site pad. It will be transported to an approved landfill for disposal within 30 days after completion of drilling and/or completion of operations. All waste material will be contained to prevent scattering by the wind.

8. ANCILLARY FACILITIES

A. None required.

9. WELL SITE LAYOUT

A. Exhibit "B" shows the relative location and dimensions of the well pad, mud pits, borrow pit, and the location of the major rig components.

B. Cut and Fill requirements will be minor, but clearing and leveling of the well site will be necessary.

10. PLANS FOR RECLAMATION OF THE 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 and the location will be cleaned of all trash and junk to leave the well site in an as aesthetically pleasing condition as possible.

B. Any unguarded pits containing fluids will be fenced until the pits are dry.

C. After abandonment, all equipment, trash and junk will be removed and the well site will be cleaned. Any special reclamation and/or special revegetation requirements of the Surface Management Agency will be complied with and will be accomplished as rapidly as possible.

11. OTHER INFORMATION

A. Topography: The land surface in the area of the well is relatively level. Regionally, the land slopes to the southwest with an average slope of approximately three percent.

B. Soil: Top soil at the well site is a shallow sandy loam.

C. Flora and Fauna: The vegetation cover is moderate. It includes range grasses, weeds, and mesquite bushes. Wildlife in the area is that typical of a semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, hawks, dove, quail and other small birds.

D. Ponds and Streams: There are no rivers, lakes, ponds, or streams in the area.

E. Residences and Other Structures: There is no occupied dwelling and other structures within 3/4 of a mile from the proposed well site.

F. Archaeological, Historical, or other Cultural Sites: None were observed in the area.

G. Land Use: Grazing, oil and gas production, and wildlife habitat.

H. Surface Ownership: Federal (BLM)

12. OPERATOR'S REPRESENTATIVE

A. Phil Ryan
Commission Coordinator
Texaco Exploration and Production, Inc.
P. O. Box 3109
Midland, Texas 79702
Office Phone: (915) 688-4606

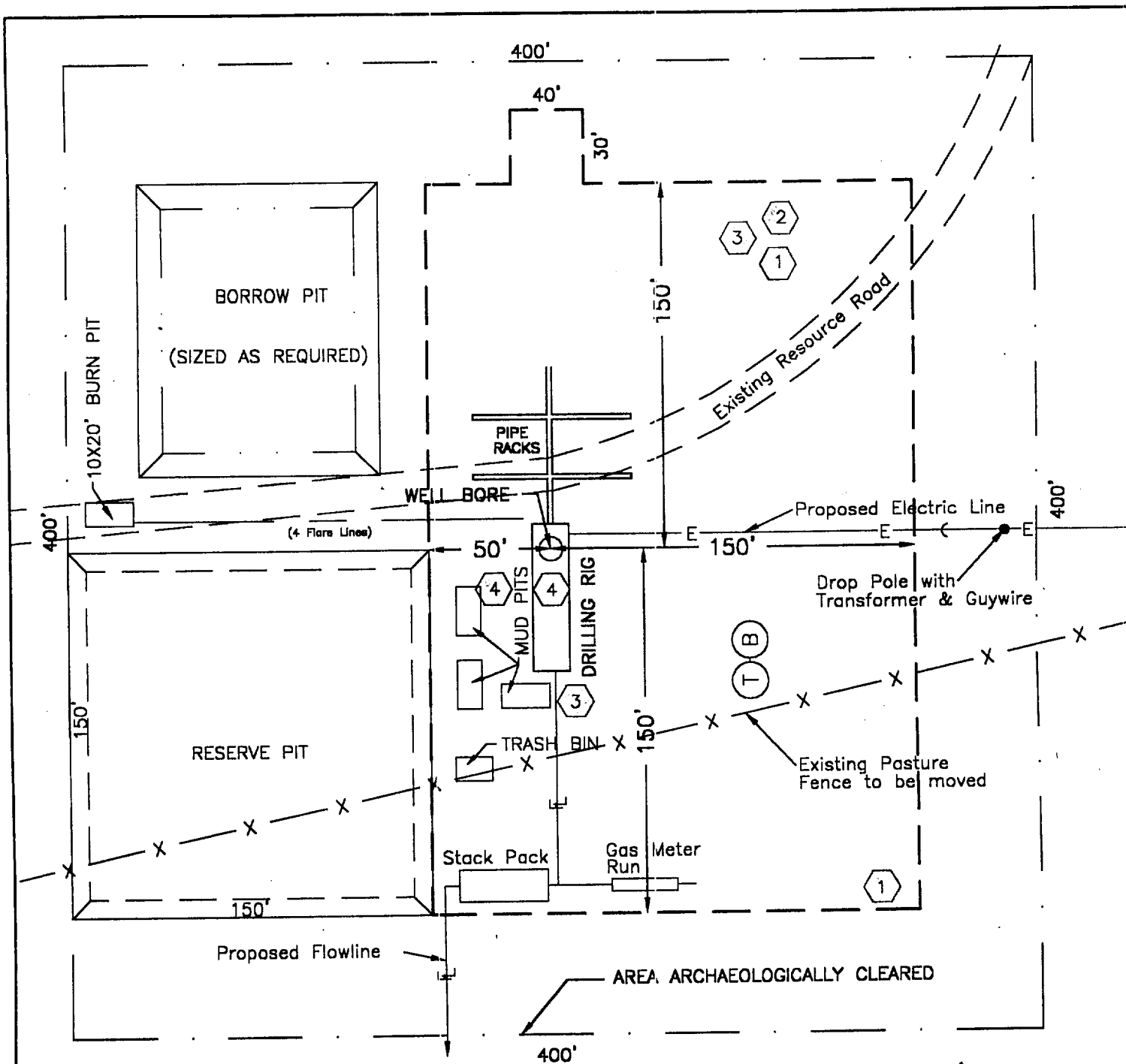
CERTIFICATION

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, true and correct; and, that the work associated with the operations proposed herein will be performed by Texaco Exploration and Production, Inc. and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U. S. C. 1001 for the filing of a false statement.

1/31/00
Date

A. Phil Ryan
A. Phil Ryan
Commission Coordinator
Midland, Texas





Enclosures
jsp



To Texmack "11" Fed Tank Battery



H₂S DRILLING OPERATION PLAN

-  Briefing Station
-  H₂S Safety Trailer
-  Windsacks
-  H₂S Detectors, Shale Shaker, Rotating Head, Rig Floor

Prevailing Wind from the South

EXHIBIT "B" DRILLING RIG LAYOUT

TEXACO EXPLORATION AND PRODUCTION INC.

TEXMACK "35" FEDERAL No. 1
Located 660 FSL & 1855 FWL, Section 35,
T-16-S, R-31-E, NMPM, Eddy County, NM

Dwg File: Tex_fed35.Dwg
Drawn by: Gene M. Rodriguez

Scale: 1" = 80'

Date: January 21, 2000
Checked by: J.S. Piper

Phil Ryan

Revised:

Sheet 1 of 1

DISTRICT I
P. O. Box 1980, Hobbs, NM 88240

DISTRICT II
P. O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P. O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994

Instructions on back

Submit to Appropriate District Office

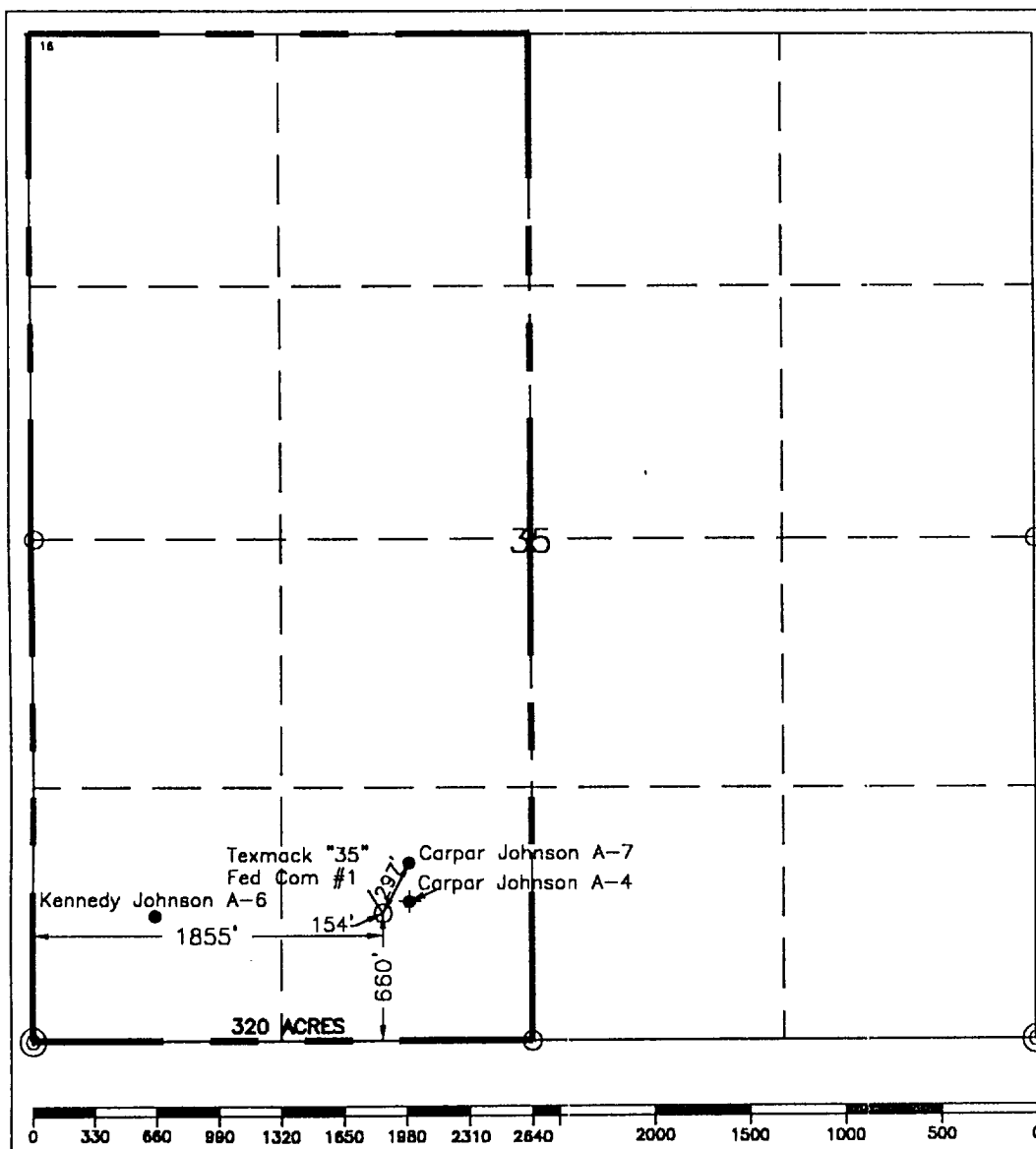
State Lease-4 copies
Fee Lease-3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name Fren, Morrow; UNDESIGNATED, Atoka, Strawn					
⁴ Property Code		⁵ Property Name Texmack "35" Federal Corn.						⁶ Well Number 1	
⁷ DGRID No. 22351		⁸ Operator Name TEXACO EXPLORATION & PRODUCTION, INC.						⁹ Elevation 4025'	
¹⁰ Surface Location									
UL or lot no. N	Section 35	Township 16-S	Range 31-E	Lot Idn	Feet from the 660'	North/South line South	Feet from the 1855'	East/West line West	⁷ County Eddy
¹¹ 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	⁷ County
¹² Dedicated Acres 320		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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.



¹OPERATOR CERTIFICATION.

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

Signature

Printed Name

Position

Commission Coordinator

Company

Texaco Expl. & Prod. Inc.

Date

January 25, 2000

¹SURVEYOR CERTIFICATION

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

January 18, 2000

Signature & Seal of
Professional Surveyor

Certificate No.

7254 John S. Piper

Sheet 1 of 1

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

TEXMACK '35' FEDERAL COM WELL No. 1

RADIUS OF EXPOSURE

100 PPM: 199 feet

500 PPM: 91 feet Based on 4300 PPM H₂S and 692 MCF.

TRAINING

Every person involved in the wellsite operation will be informed of the characteristics of hydrogen sulfide, its danger, safe procedures to be used when it is encountered, use of detection equipment, use of protective breathing equipment, and first aid procedures for regular rig personnel.

On site training will be provided by Texaco prior to reaching Order 6 compliance depth. The Texaco Drilling Supervisor is responsible for insuring all persons working on location have been provided training.

EXHIBIT A

Topographic map of location and surrounding area.

EXHIBIT B

The wellsite layout contains the following information:

1. Drill rig orientation
2. Prevailing wind direction
3. Location of all briefing areas
4. Location of access road
5. Location of flare line
6. Location of windsocks
7. Location of H₂S Safety Trailer

EXHIBIT C

Well Control Equipment

PROTECTIVE EQUIPMENT

4 - 30 minute SCBA's: 2 located at each Briefing Station. An additional SCBA will be located at the Tool Pusher's trailer, if used.

5 - 5 minute escape packs will be located in the Dog House.

Means of communication while using protective equipment will be hand signals.

H2S SENSORS

H2S sensors will be located at (1) Shale Shaker (2) Rotating Head and (3) Rig Floor.

A light will be located on the rig floor. It will be set to go off at 10 PPM. It will be visible from anywhere on the location.

A siren will be located on the rig floor. It will be set to go off at 15 PPM.

Texaco Drilling Supervisor will maintain a portable H2S monitor.

MUD PROGRAM

A Fresh Water/ Brine system will be used. Ph will be maintained at 10 or higher if H2S is encountered. Sufficient quantities of H2S scavenger will be on location for use as required.

Drilling will be through an on site gas separator to separate gas from the drilling fluid with gas vented down a flare line equipped with an igniter.

METALLURGY

All wellheads, trees, BOP's, rotating heads, choke manifolds and piping will be constructed/trimmed with materials suitable for H2S service.

All casing and tubing will be no greater than 80000 psi yield strength and no greater than a Rockwell C-22 hardness.

OTHER REQUIREMENTS OF ORDER 6

The flare line (item 4 of exhibit I) will be equipped with a propane ignition.

The flare gun and flares will be located in the H2S Safety Trailer.

Communications for the location will be by Rig Telephone.

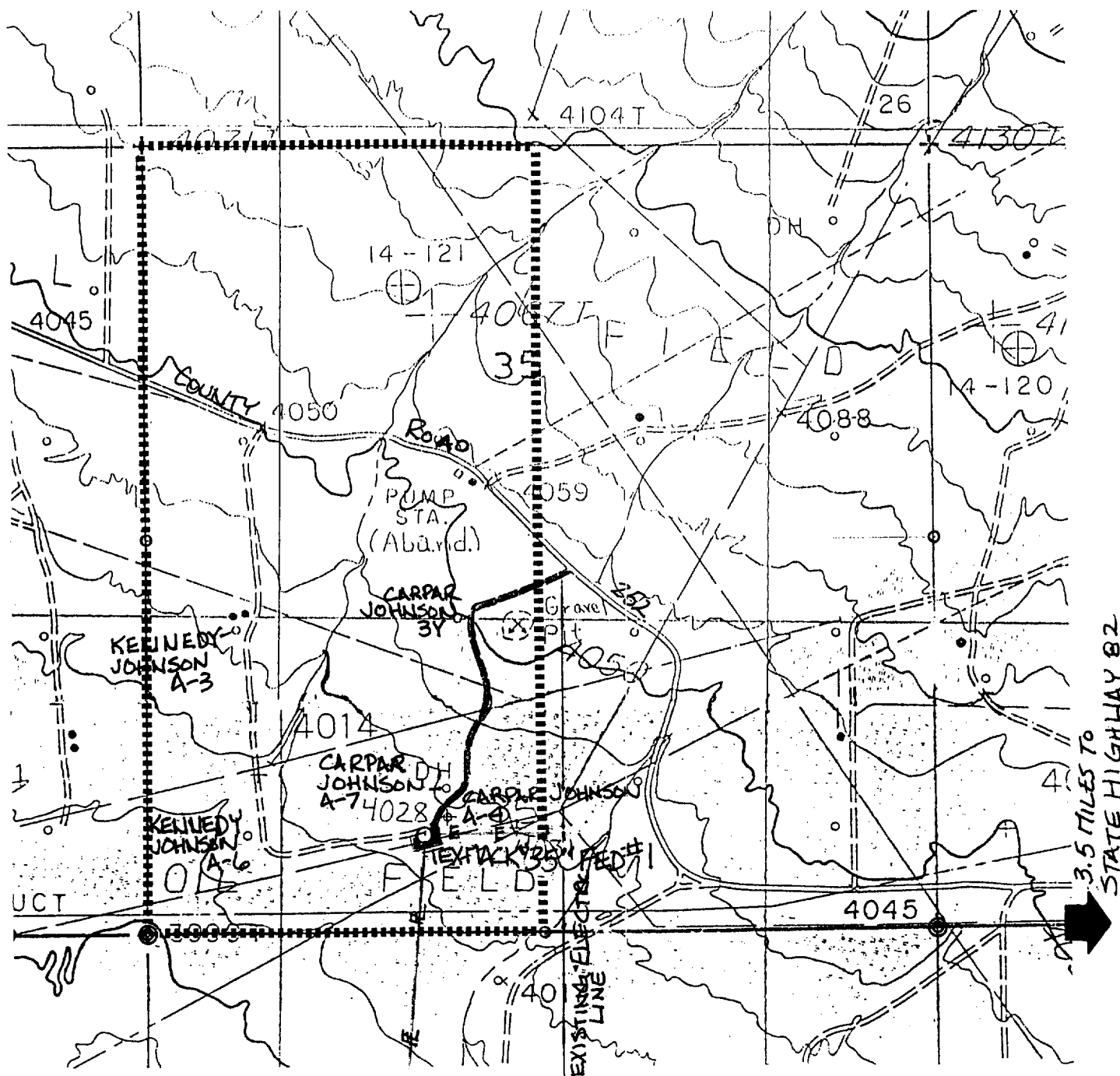
Wind direction indicators will be on the rig floor and at one briefing station with at least one visible from all points on the location.

Caution/danger signs and flags will be maintained at all entrances into the location.

An automatic remote-controlled choke will not be used. We will have installed and tested two manual, H2S trimmed, chokes.

WELL TESTING

DST's may be conducted in the Morrow formation.



LEGEND OF SYMBOLS

- == Access Road (Yellow)
- == Resource Road on Federal Land (Blue)
- == Resource Road on Private Land (Pink)
- == Resource Road on Lease (Brown)
- == Proposed Resource Road (Red)
- == Proposed Electric Line (Orange)
- == Proposed Production Flowline (Green)
- o Staked Well Location
- o Producing Well Location
- o Water Injection Well
- o Found 1 1/2" Iron Pipe with Brass Cap
- o Found 2" or 3" Iron Pipe With Brass Cap
- Unit or Lease Boundary

EXHIBIT "A" ACCESS ROAD AND FACILITIES MAP

TEXACO EXPLORATION AND PRODUCTION INC.

TEXMAC "35" FEDERAL No. 1
Located 660 FSL & 1855 FWL, Section 35,
T-16-S, R-31-E, NMPM, Eddy County, NM

Drawn by: Gene M. Rodriguez

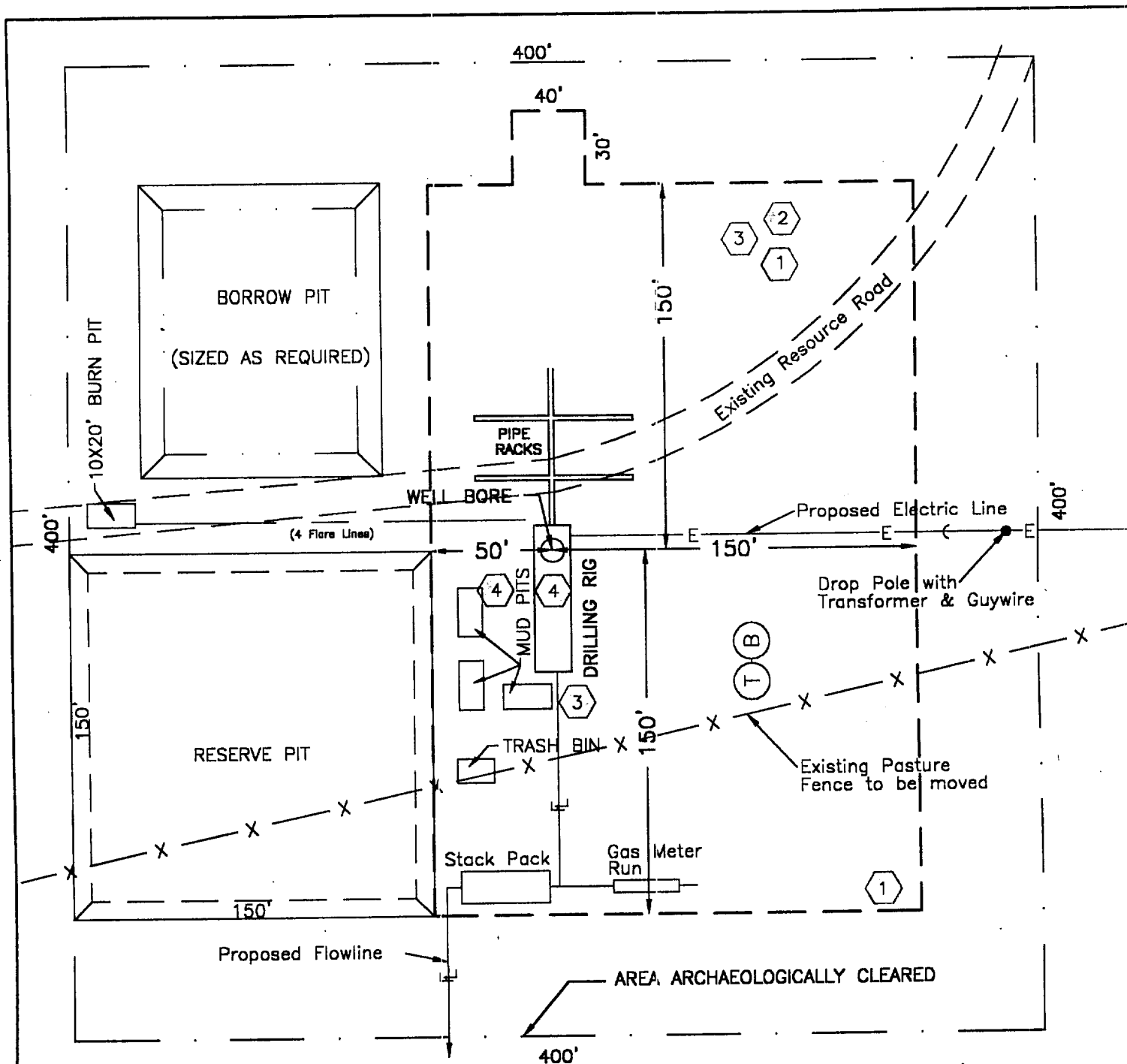
Scale: 1" = 1000'

Date: January 21, 2000

Phil Ryan

Checked by: J.S. Piper

Sheet 1 of 1



To Texmack "11" Fed Tank Battery



H₂S DRILLING OPERATION PLAN

- ① Briefing Station
- ② H₂S Safety Trailer
- ③ Windssocks
- ④ H₂S Detectors, Shale Shaker, Rotating Head, Rig Floor

Prevailing Wind from the South

EXHIBIT "B" DRILLING RIG LAYOUT

TEXACO EXPLORATION AND PRODUCTION INC.

TEXMACK "35" FEDERAL No. 1
Located 660 FSL & 1855 FWL, Section 35,
T-16-S, R-31-E, NMPM, Eddy County, NM

Dwg File: Tex_fed35.Dwg
Drawn by: Gene M. Rodriguez

Scale: 1" = 80'

Date: January 21, 2000
Checked by: J.S. Piper

Phil Ryan

Revised:

Sheet 1 of 1

DISTRICT I
P. O. Box 1980, Hobbs, NM 88240

DISTRICT II
P. O. Drawer 00, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P. O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994

Instructions on back

Submit to Appropriate District Office

State Lease-4 copies
Fee Lease-3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

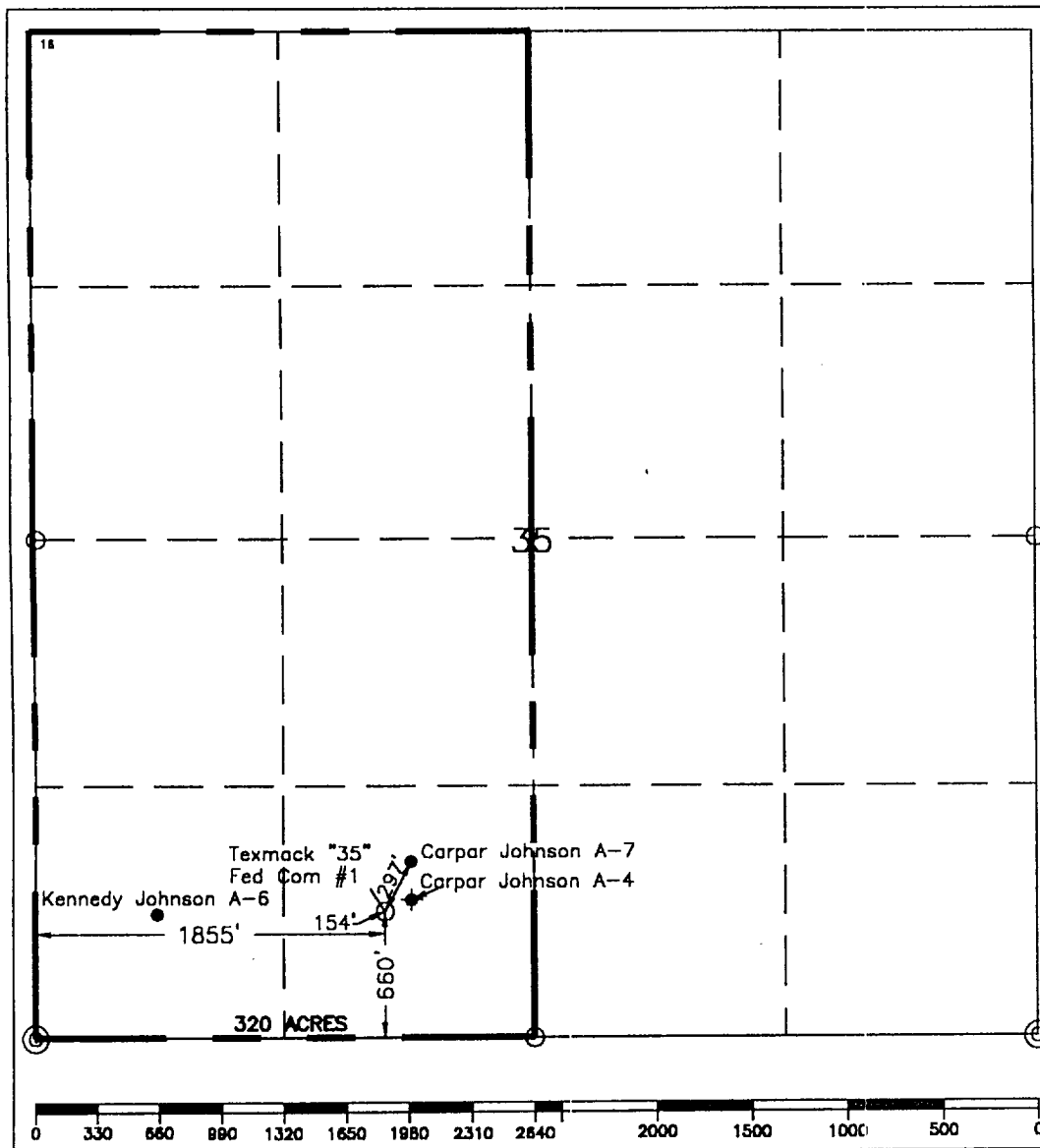
¹ API Number		² Pool Code		³ Pool Name Fren, Morrow; UNDESIGNATED, Atoka, Strawn	
⁴ Property Code		⁵ Property Name Texmack "35" Federal Corn.			⁶ Well Number 1
⁷ OGRID No. 22351		⁸ Operator Name TEXACO EXPLORATION & PRODUCTION, INC.			⁹ Elevation 4025'

¹⁰ Surface Location									
UL or lot no. N	Section 35	Township 16-S	Range 31-E	Lot Idn	Feet from the 660'	North/South line South	Feet from the 1855'	East/West line West	⁷ County Eddy

¹¹ 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	⁷ County

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

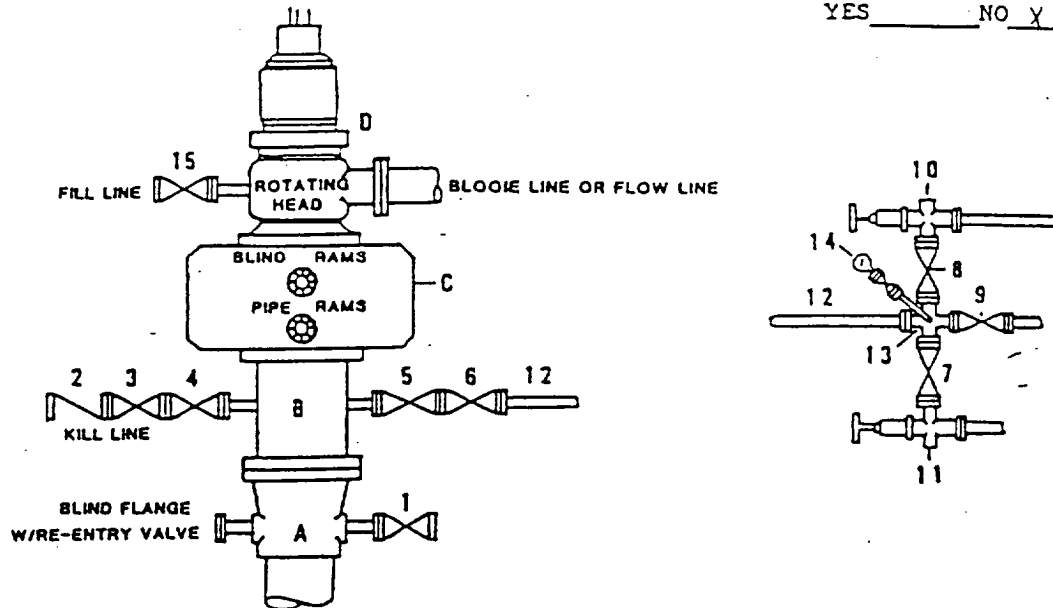
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION.



¹⁷ OPERATOR CERTIFICATION. I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature <i>A. Phil Ryan</i>	Printed Name A. Phil Ryan
Position Commission Coordinator	
Company Texaco Expl. & Prod. Inc.	
Date January 25, 2000	
¹⁸ SURVEYOR CERTIFICATION 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 January 18, 2000	
Signature & Seal of Professional Surveyor <i>John S. Piper</i>	
Certificate No. 7254 John S. Piper	
Sheet 1 of 1	

**DRILLING CONTROL
CONDITION II-B 3000 WP
FOR AIR DRILLING OR
WHERE NITROGEN OR AIR BLOWS ARE EXPECTED**

H₂S TRIM REQUIRED
YES _____ NO X



DRILLING CONTROL

MATERIAL LIST - CONDITION II - B

- | | |
|------------|---|
| A | Texaco Wellhead |
| B | 3000# W.P. drilling spool with a 2" minimum flanged outlet for kill line and 3" minimum flanged outlet for choke line. |
| C | 3000# W.P. Dual ram type preventer, hydraulic operated with 1" steel, 3000# W.P. control lines (where sub-structure height is adequate, 2 - 3000# W.P. single ram type preventers may be utilized). |
| D | Rotating Head with fill up outlet and extended Bloop Line. |
| 1,3,4,7,8, | 2" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve. |
| 2 | 2" minimum 3000# W.P. back pressure valve. |
| 5,6,9 | 3" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve. |
| 12 | 3" minimum schedule 80, Grade "B", seamless line pipe. |
| 13 | 2" minimum x 3" minimum 3000# W.P. flanged cross. |
| 10,11 | 2" minimum 3000# W.P. adjustable choke bodies. |
| 14 | Cameron Mud Gauge or equivalent (location optional in choke line). |
| 15 | 2" minimum 3000# W.P. flanged or threaded full opening steel gate valve, or Halliburton Lo Torc Plug valve. |



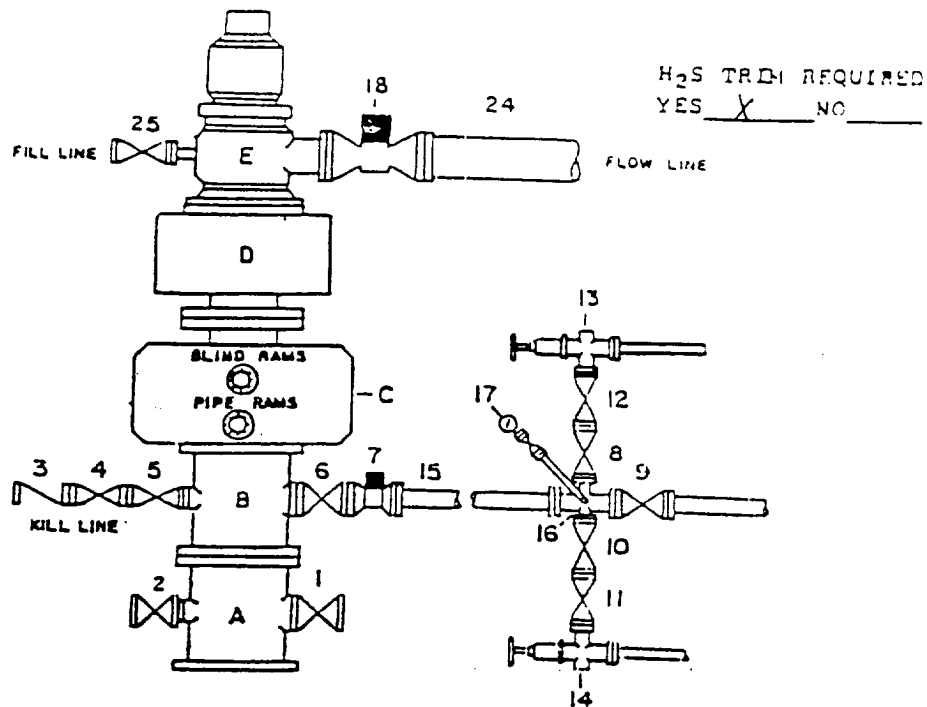
TEXACO, INC.
MIDLAND DIVISION
MIDLAND, TEXAS



SCALE	DATE	EST. NO.	DRG. NO.
DRAWN BY			
CHECKED BY			
APPROVED BY			

EXHIBIT C

DRILLING CONTROL CONDITION IV-8-5000 PSI WP



DRILLING CONTROL

MATERIAL LIST - CONDITION IV - 8

- A Texaco Wellhead
- B 5000# W.P. drilling spool with a minimum 2" flanged outlet for kill line and 3" minimum flanged outlet for choke line.
- C 5000# W.P. Dual ram type preventer, hydraulic operated with 1" steel, 5000# W.P. control lines.
- D 5000# W.P. Annular preventer, hydraulic operated with 1" steel, 5000# W.P. control lines.
- E Rotating Head with fill up outlet and extended Blooe line.
- 1,2,4,5, 2" minimum 5000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
- 8,10,11, 12
- 3 2" minimum 5000# W.P. back pressure valve.
- 6,9 3" minimum 5000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
- 7 3" minimum 5000# W.P. flanged hydraulic valve
- 15 3" minimum Schedule 160, Grade B, seamless line pipe
- 16 2" minimum x 3" 5000# W.P. flanged cross
- 13,14 2" minimum 5000# W.P. adjustable chokes with carbide trim.
- 17 Cameron Mud Gauge or equivalent (location in choke line optional).
- 18 6" minimum 1000# hydraulic flanged valve.
- 24 6" minimum steel flow line.
- 25 2" minimum 3000# W.P. flanged or threaded full opening steel gate valve, or Halliburton Lo Torc Plug valve.



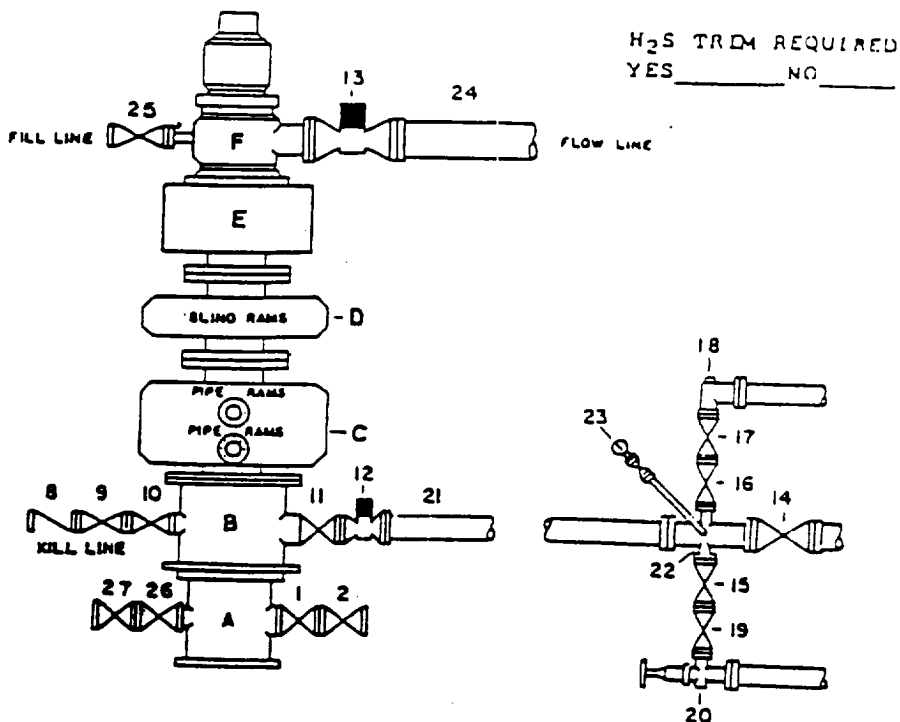
TEXACO, INC
MIDLAND DIVISION
MIDLAND, TEXAS



SCALE	DATE	EST NO	DRU NO
DRAWN BY			
CHECKED BY			
APPROVED BY			

EXHIBIT F-1

DRILLING CONTROL **CONDITION V-B - 10,000 PSI WP**



H₂S TRDM REQUIRED
 YES _____ NO _____

DRILLING CONTROL

MATERIAL LIST - CONDITION V-B

- A Texas Wellhead
- B 10,000 W.P. Drilling Spool with a minimum 2" flanged outlet for kill line and 4" minimum flanged outlet for choke line
- C 10,000 W.P. Dual Variable Ram Type preventer, hydraulic operated with 1" steel, 10000 W.P. control line
- D 10,000 W.P. Single Ram Type preventer, hydraulic operated with 1" steel, 10000 W.P. control lines
- E 10,000 W.P. Annular preventer, hydraulic operated with 1" steel, 10000 W.P. control lines
- F **When Required** - Rotating Head with fill up outlet and extended Bore line
- 1,2,9,10, 13,16,17, 19,24,27 2" minimum 10,000 W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve
- 8 2" minimum 10,000 W.P. back pressure valve
- 11,14 4" minimum 10,000 W.P. flanged full opening steel gate valve
- 12 4" minimum 10,000 W.P. flanged full opening hydraulic valve
- 13 **When Required** - 10" minimum 10000 W.P. flanged full opening hydraulic valve
- 21 4" minimum 10,000 W.P. 4130 mechanical tubing with flanged ends, or equivalent
- 22 2" minimum X 4" minimum 10,000 W.P. flanged cross
- 18 2" minimum 10,000 W.P. automatic choke
- 20 2" minimum 10,000 W.P. adjustable choke equipped with carbide trim
- 23 Cameron Mud Gauge or equivalent (location in choke line optional)
- 24 **When Required** - 10" steel flow line
- 25 2" minimum 10000 W.P. flanged or threaded full opening steel gate valve or Halliburton Lo Torc plug valve



TEXACO, INC.
 MIDLAND DIVISION
 MIDLAND TEXAS



SCALE:	DATE	EST NO	ORD NO
DRAWN BY:			
CHECKED BY:			
APPROVED BY:			

EXHIBIT G-1