

Submit to Appropriate District Office
State Lease -- 6 copies
Fee Lease -- 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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

API NO. (assigned by OCD on New Wells) <u>30-025-30843</u>
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 857948

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work: DRILL <input checked="" type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>	7. Lease Name or Unit Agreement Name VACUUM GRAYBURG SAN ANDRES UNIT
b. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>	8. Well No. 142
2. Name of Operator TEXACO PRODUCING INC.	9. Pool name or Wildcat VACUUM GRAYBURG SAN ANDRES
3. Address of Operator P. O. Box 3109, Midland, Texas 79702	
4. Well Location Unit Letter <u>F</u> : <u>2628</u> Feet From The <u>WEST</u> Line and <u>1980</u> Feet From The <u>NORTH</u> Line Section <u>1</u> Township <u>18-SOUTH</u> Range <u>34-EAST</u> NMPM LEA County	

10. Proposed Depth 5000'	11. Formation GRAYBURG-S.A.	12. Rotary or C.T. R
13. Elevations (Show whether DF, RT, GR, etc.) GR-3993'	14. Kind & Status Plug. Bond BLANKET	15. Drilling Contractor BASIN
16. Approx. Date Work will start 04-15-90		

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
24	20	94#	400'	650	SURFACE
17 1/2	13 3/8	48# & 54.5#	1550'	1500	SURFACE
12 1/4	9 5/8	36#	2800'	1100	SURFACE
8 3/4	7	26#	5000'	650	SURFACE

CEMENTING PROGRAM

CONDUCTOR CASING - 26 IN., 94#, SET AT 40' AND CEMENTED WITH REDI-MIX.
SURFACE CASING - 650 SACKS CLASS H WITH 2% CaCl2, 1/4# FLOCELE AT 15.6ppg, 1.19 f3/sx, 5.2 gal wtr/sx.
1st INTERMEDIATE - 1500 SACKS CLASS H WITH 2% CaCl2, 1/4# FLOCELE AT 15.6ppg, 1.19 f3/SX, 5.2 gal wtr/SX.
2nd INTERMEDIATE - 350 SACKS 50/50 POZ CLASS H WITH 2% CaCl2, 5% SALT AT 14.25ppg, 1.28 f3/SX, 5.75 gal wtr/SX. FOLLOWED BY 250 SACKS CLASS H WITH 2% CaCl2 AT 15.6ppg, 1.19 f3/SX, 5.2 gal wtr/SX.
DV TOOL AT 1600' - 500 SACKS CLASS H WITH 2% CaCl2 AT 15.6ppg, 1.19 f3/SX, 5.2 gal wtr/SX.
PRODUCTION CASING - 400 SACKS 35/65 POZ CLASS H WITH 6% GEL, 5% SALT 1/4# FLOCELE AT 12.8ppg, 1.87 f3/SX, 9.9 gal wtr/sx. FOLLOWED BY 250 SACKS CLASS H WITH 1/4# FLOCELE AT 15.6ppg, 1.18 f3/SX, 5.2 gal wtr/SX.

THERE ARE NO OTHER OPERATORS IN THIS QUARTER/QUARTER SECTION.

UNORTHODOX LOCATION - 10 ACRE SPACING.

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.

SIGNATURE C. Wade Howard TITLE ENGINEERING ASSISTANT DATE 03-23-90

TYPE OR PRINT NAME C. WADE HOWARD TELEPHONE NO. 915-688-4606

(This space for State Use) ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR

MAY 16 1990

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Permit Expires 6 Months From Approval
Date Unless Drilling Underway.

NSL-2791

Submit to Appropriate District Office
 State Lease - 4 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

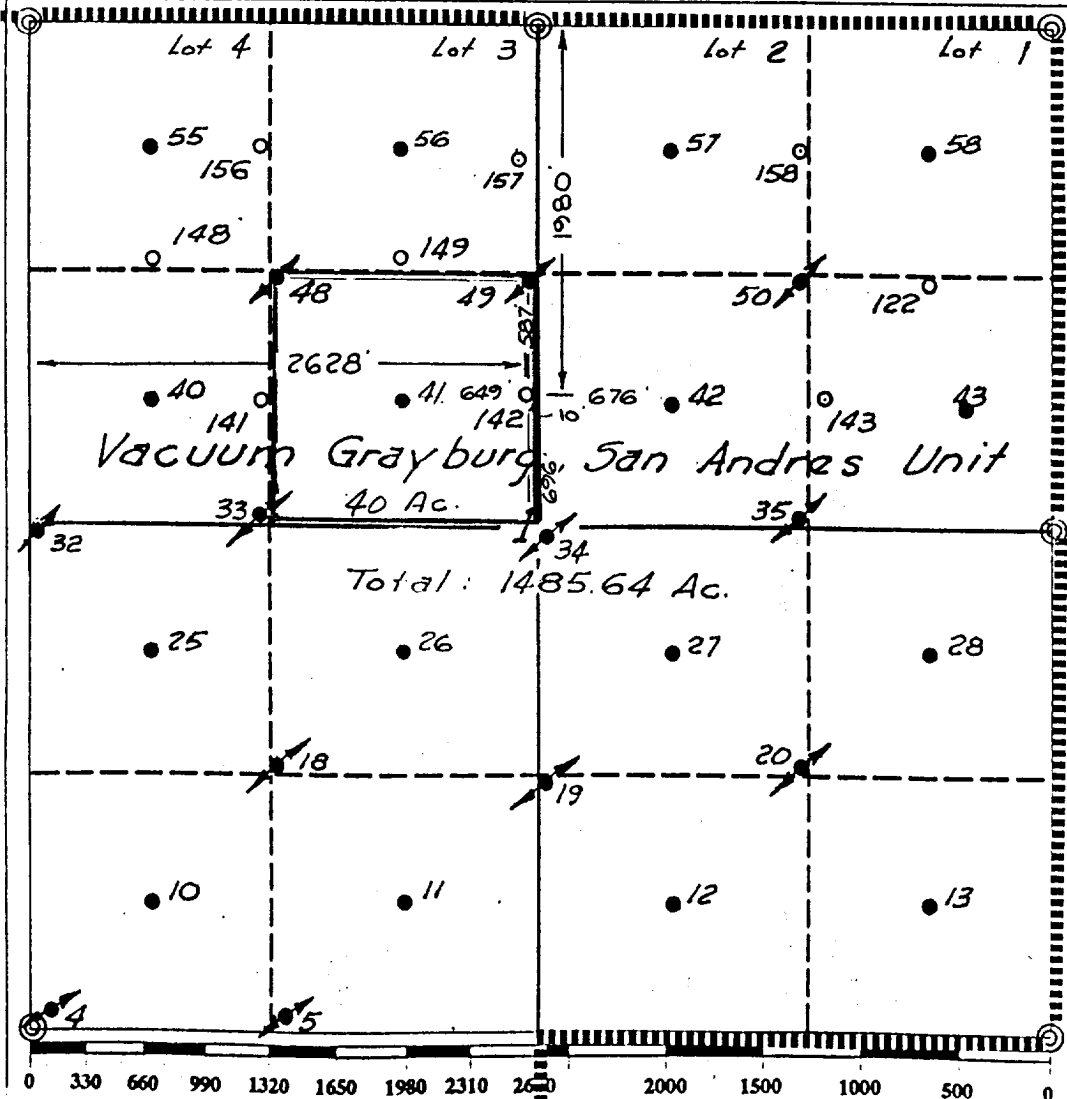
All Distances must be from the outer boundaries of the section

Operator TEXACO PRODUCING INC.		Lease Vacuum Grayburg, San Andres Unit		Well No. 142
Unit Letter F	Section 1	Township 18 South	Range 34 East	County Lea
Actual Footage Location of Well: 2628 feet from the West line and 1980 feet from the North line				
Ground level Elev. 3993	Producing Formation Grayburg - San Andres	Pool Vacuum Grayburg - San Andres	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure 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 interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 - Yes No If answer is "yes" type of consolidation Unitization

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 interest, has been approved by the Division.



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

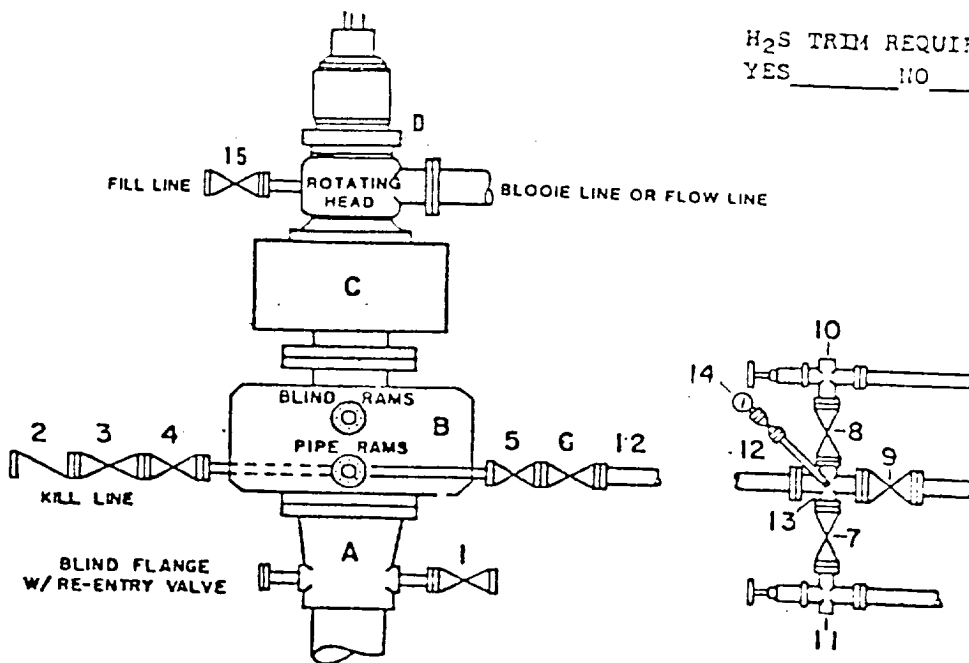
Signature: *Royce Mariott*
 Printed Name: Royce Mariott
 Position: Division Surveyor
 Company: Texaco Producing Inc.
 Date: March 19, 1990

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: March 13, 1990
 Signature & Seal of Professional Surveyor: *John S. Piper*
 Certificate No.: 7254
 John S. Piper

DRILLING CONTROL CONDITION III-B 3000 PSI WP

H₂S TRIM REQUIRED
YES _____ NO _____



DRILLING CONTROL MATERIAL LIST - CONDITION III - B

- | | |
|----------------|--|
| A | Texaco Wellhead |
| B | 3000# W.P. Dual ram type preventer, hydraulic operated with 1" steel, 3000# W.P. control lines (where substructure height is adequate, 2 - 3000# W.P. single ram preventers may be utilized with 3000# W.P. drilling spool with 2" minimum flanged outlet for kill line and 1" minimum flanged outlet for choke line. The drilling spool is to be installed below the single ram type preventers). |
| C | 3000# W.P. Annular Preventer with 1" steel, 3000# W.P. control lines. |
| D | Rotating Head with fill up outlet and extended Blooie 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 | 1" 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	DPO NO
DRAWN BY			
CHECKED BY			
APPROVED BY			

EXHIBIT E

RECEIVED

MAR 26 1990

OFFICE
HOSPITALITY



Texaco USA
Producing Department
Midland Division

P O Box 3109
Midland TX 79702

March 21, 1990

GOV-STATE AND LOCAL GOVERNMENTS

Unorthodox Locations

Vacuum Grayburg San Andres Unit
Well Nos. 137, 142, 143, 144, & 149
Lea County, New Mexico

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501-2088

Attention: Mr. Michael E. Stogner

Gentlemen:

An exception to rule 104 F.I. by administrative approval is requested for Texaco Producing Inc.'s Vacuum Grayburg San Andres Unit Well Nos. 137, 142, 143, 144, and 149. The wells are located as follows:

Well No. 137:	1980' FNL,	1310' FWL,	SEC. 2,	T-18-S,R-34-E
Well No. 142:	1980' FNL,	2628' FWL,	SEC. 1,	T-18-S,R-34-E
Well No. 143:	1980' FNL,	1250' FEL,	SEC. 1,	T-18-S,R-34-E
Well No. 144:	1360' FNL,	660' FWL,	SEC. 2,	T-18-S,R-34-E
Well No. 149:	1310' FNL,	1980' FWL,	SEC. 1,	T-18-S,R-34-E

The wells must be drilled in these locations to ensure proper development of 10-acre spacing. Wells drilled previously on 10-acre spacing have proven to be viable wells. These wells will be completed in the Grayburg San Andres formation. Texaco Producing and Texaco Inc. are the only affected offset operators and we grant ourselves a waiver for Well nos. 137, 143, 144, and 149. Attached is Form C-102 for each well and a lease plat showing existing wells, locations of the subject wells, and the affected offset operator.

Yours very truly,

C.P. Basham
Drilling Superintendent
on behalf of Texaco Producing Inc.

CWH;

CC: NMOCD

P.O. Box 1980
Hobbs, New Mexico 88240

recd 9-26-90
ELF

recd 9-26-90
ELF