114

J. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88211-0719 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

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form C-102

evised February 10,1994

Instructions on back

Submit to Appropriate District Office

☐ AMENDED REPORT

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number Pool Code Pool Name 3004529401 BLANCO MESA VERDE - (EXT.) ⁵ Property Name Well No. Property Code FEDERAL STATE COM 17674 8 Operator Name **OGRID Number** Elevation FOUR STAR OIL AND GAS COMPANY 131994 5893

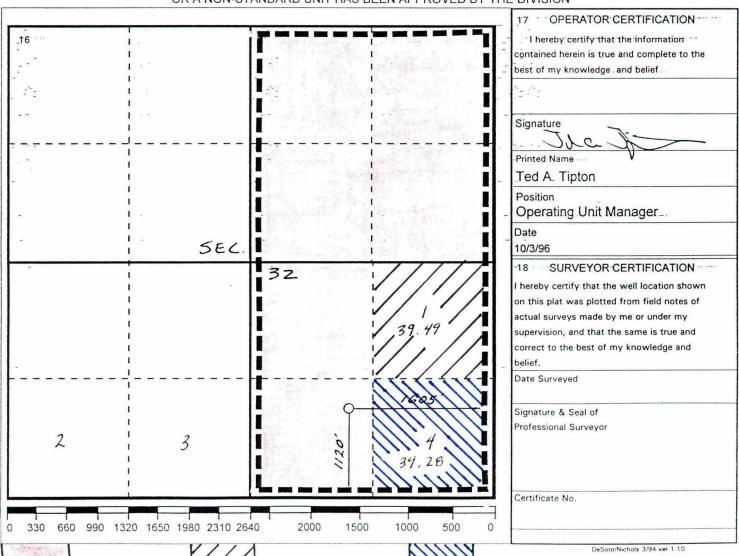
¹⁰ Surface Location

UI or lot no.	Section	Township	Range	Lot.ldn	Feet From The	North/South Line	Feet From The	East/West Line	County
0	32	T30N	R11W		1120	SOUTH	1605	EAST	SAN JUAN

Bottom Hole Location If Different From Surface

Ul or lot noSection	Township		Lot.ldn	Feet From	-	North/South Line	East/West Line	County-
Dedicated Acre 318.77	13 Joint or Infill Yes	14	Consolidation	on Code	15 Ore	der 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



MERIT

TEXACO/FSOG

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. <u>11632</u> Exhibit No. <u>1</u>

Submitted by: <u>Texaco Exploration and Production Inc.</u>

Hearing Date: October 17, 1996

EXHIBIT 'A'

Attached to and made a part of that certain Operating Agreement dated August 1, 1996, by and between Four Star Oil & Gas Company, as Operator and Burlington Resources Oil & Gas Company, et al, as Non-Operators.

CONTRACT AREA:

E/2-Section 32-30N-11W San Juan County, New Mexico Containing 318.77 acres, more or less Mesaverde formation (Gas Rights only)

PARTIES:

Four Star Oil & Gas Company (Operator)

P. O. Box 2100

Denver, Colorado 80201

Burlington Resources Oil & Gas Company

P. O. Box 4289

Farmington, New Mexico 87499-4289

Merit Energy Partners III, L.P.

Merit Partners, L. P.

c/o Merit Energy Company, General Partner

12222 Merit Drive, Ste. 1500

Dallas, TX 75251

75.28940%

12.32236%

1.22644%

11.16180%

LEASES SUBJECT TO AGREEMENT

LESSOR:

State of New Mexico E-3149-8

LESSEE:

The Texas Company December 10, 1949

DATE: RECORDED:

Book 588, Page 115 T-30-N, R-11-W

DESCRIPTION: Section 32: NE/4NE/4

> Containing 40 acres, more or less. Mesaverde formation (Gas Rights only)

LESSOR:

State of New Mexico E-6289-1

LESSEE:

The Texas Company June 10, 1952

DATE

Unrecorded

RECORDED:

T-30-N, R-11-W

DESCRIPTION:

Section 32: S/2NE/4, W/2SE/4 Containing 160 acres, more or less Mesaverde formation (Gas Rights only)

LESSOR:

State of New Mexico 6636-1

LESSEE:

The Texas Company

DATE

November 10, 1952 Unrecorded

RECORDED:

T-30-N, R-11-W

DESCRIPTION:

Section 32: NW/4NE/4

Containing 40 acres, more or less

Mesaverde formation (Gas Rights only)

LESSOR:

USA-SF-078781-A

LESSEE:

Hazel L. Gentle

DATE:

July 1, 1951

RECORDED:

Unrecorded

DESCRIPTION:

T-30-N, R-11-W

Section 32: Lot 4 (SE/4SE/4) Containing 39.28 acres, more or less

Mesaverde formation (Gas Rights only)

LESSOR:

USA-SF-078781-B

LESSEE:

Hazel L. Gentle

DATE:

RECORDED:

July 1, 1951

DESCRIPTION:

Unrecorded T-30-N, R-11-W

Section 32: Lot 1 (NE/4SE/4)

Containing 39.49 acres, more or less Mesaverde formation (Gas Rights only)

Submitted by: Texaco Exploration and Production Inc. Case No. 11632 Exhibit No. Santa Fe, New Mexico

OIL CONSERVATION DIVISION

BEFORE THE



CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 14, 1996

Burlington Resources Oil & Gas Company P.O. Box 4289 Farmington, New Mexico 87499-4289

Attention: Mr. Dean Price

RE: Ownership of Federal Lease SF-078781-A

SE/4 SE/4 (Lot 4) - Section 32-30N-11W

San Juan County, New Mexico

Gentlemen:

Four Star Oil & Gas Company is making preparations to drill its Federal State Com No. 2 well (Mesaverde) in the SE/4 of Section 32-30N-11W, San Juan County, New Mexico. It appears from the records of San Juan County and the BLM in Santa Fe that El Paso Production Company (now Burlington Resources Oil & Gas Company) is the owner of 100% Record Title and Operating Rights (gas rights from the surface to the base of the Mesaverde formation) in Federal Lease SF-078781-A covering the SE/4 SE/4 (Lot 4) of Section 32-30N-11W, San Juan County, New Mexico, containing 39.28 acres, more or less. El Paso's interest is derived from the following assignments:

1) DATE: Approved Effective 4-1-90

LEASE: SF-078781-A

ASSIGNOR: Burk, Bakwin & Henry

ASSIGNEE: El Paso Production Company

RECORDED: Book 1117, Page 628

DESCRIPTION: T-30-N, R-11-W

Section 32: Lot 4 (SE/4 SE/4)

87.5% Record Title

2) DATE: Approved Effective 8-1-90

LEASE: SF-078781-A

ASSIGNOR: Agnes M. Morgan

ASSIGNEE: El Paso Production Company

RECORDED: Book 1120, Page 492

DESCRIPTION: T-30-N, R-11-W

Section 32: Lot 4 (SE/4 SE/4)

12.5% Record Title

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. <u>11632</u> Exhibit No. <u>3</u>

Submitted by: <u>Texaco Exploration and Production Inc.</u>

Hearing Date: October 17, 1996

Eurlington Resources Oil & Gas Company August 14, 1996 Page 2

On February 2, 1953, Nelson & Edward Morris, Ltd., and A.M. Lloyd and wife, Agnes Lloyd entered into an Operating Agreement with El Paso Natural Gas Company covering all gas rights down to the base of the Mesaverde formation in SF-078781-A. There is reference to the termination of said Operating Agreement by such parties in Federal Abstract Company Supplemental Abstract of Title No. 10896, although no instrument terminating said Operating Agreement was contained in the abstracts examined. Additionally, there were no previous reservations or subsequent conveyances of Operating Rights whereby the Operating Rights in SF-078781-A covering gas rights from the surface to the base of the Mesaverde formation were severed from the Record Title. As a result, El Paso (now Burlington) should own said Operating Rights as well as Record Title in SF-078781-A.

Inasmuch as there appears to be some confusion as to the ownership of SF-078781-A, I have enclosed two (2) copies of a Stipulation of Interest for your review and execution. Please execute and notarize both copies and return one (1) executed copy to my attention. I have also enclosed a copy of that certain Kliewer and Roach Title Opinion dated April 12, 1960 that should be helpful in verifying your title to SF-078781-A.

Your prompt review and execution of the enclosed will be appreciated. In the very near future, Four Star will be forwarding the proposed Operating Agreement and AFE for the Federal State Com No. 2 well to your attention. Four Star wishes to drill this well as soon as possible, therefore, your cooperation in this matter will be appreciated.

Should you have any questions, please feel free to contact me at 303-793-4511.

Yours very truly,
CHUUK SNURE

Chuck Snure

Rockies Business Unit

CAS:bw Encl.

6	SENDER:			
ğ	 Complete items 1 and/or 2 for additional services. 		I also wish to receive the	
S	Complete items 3, and 4a & b.		following services for an extra	2
ars(Print your name and address on the reverse of this form so the return this card to you. 	t we can	fee):	
Je Ve	Attach this form to the front of the mailpiece, or on the back it does not permit.	f space	1. 🗌 Addressee's Address 况)
the	Write "Return Receipt Requested" on the mailpiece below the arti The Return Receipt will show to whom the article was delivered as		2. Restricted Delivery Consult postmaster for fee.	į
ä	delivered.			2
þ	3. Article Addressed to:	4a. Arti	icle Number	•
complete	Burlington Resources Oil & Gas	L	319886 287 vice Type	,
ď	_	4b. Ser	vice Type	•
Ö	Company	☐ Regis	stered ⊟ Insured =	
SS	P. O. Box 4289	Certi	'7	ï
ADDRESS	Farmington, NM 87499-4289	☐ Expre	ess Mail Return Receipt for Merchandise	•
5	ATTN: Mr. Dean_Price		of Delivery	!
-1		S-	-16-96	,
S. S.	5. Signature (Addressee)		ressee's Address (Only if requested	:
	Speak Att	and 1	fee is paid)	į
<u> </u>	6. Signature (Agent)		F	
ō	in the second of	, i .	* ±	
S	PS Form 3811 , December 1991 & U.S.G.P.O.: 1992-307	-530 D (OMESTIC RETURN RECEIPT	



CERTIFIED MAIL --- RETURN RECEIPT REQUESTED

August 15, 1996

NM-134077, NM-146711, NM-146854

T-30-N, R-11-W, Section 32: E/2 San Juan County, New Mexico Federal State Com No. 2

Burlington Resources Oil & Gas Company

Attn: Dean Price P.O. Box 4289

Farmington, New Mexico 87499-4289

Dean Price:

Enclosed for your review and approval, please find one original Operating Agreement, plus one additional set of signature/notary pages for the Operating Agreement, and two copies of the AFE for the captioned well. Please return the executed signature/notary pages and one copy of the AFE. Inasmuch as Four Star Oil & Gas Company wishes to drill and complete this well prior to year end, your approval and response within 30 days from receipt of same will be appreciated.

You have previously been furnished with a Stipulation of Interest covering Burlington's leasehold interest contributed to the captioned well. Your prompt review and execution of same will be appreciated.

Should you have any questions, please feel free to call me at (303) 793-4784

Respectfully,

Rocky D. Holly Rocky D. Holly Denver Division

Rockies Business Unit

RDH

line.

on the reverse side?	SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, and 4a & b. Print your name and address on the reverse of this form so that return this card to you. Attach this form to the front of the mailpiece, or on the back it does not permit. Write "Return Receipt Requested" on the mailpiece below the artic. The Return Receipt will show to whom the article was delivered at delivered.	f space cle number.	I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee.	leceipt Service.
V ADDRESS completed	3. Article Addressed to: Burlington Resources Oil and Gas Come Attention: Mr. Dean Frice P. O. Box 4239 Farmington, NM 87499-4239	4b. Ser Regis Certi	ess Mail (X) Return Receipt for Merchandise of Delivery 1 - 1G - G/2	you for using Return R
Is your RETURA	5. Signature (Addressee) 6. Signature (Agent) PS Form 3811, December 1991 & U.S.G.P.O.: 1992-307		ressee's Address (Only if requested fee is paid) OMESTIC RETURN RECEIPT	Thank

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STIPULATION OF INTEREST

STATE OF NEW MEXICO }
COUNTY OF SAN JUAN }

WHEREAS, some confusion exists with respect to the ownership of the oil and gas lease described below pursuant to instruments of record in San Juan County, New Mexico, and the Bureau of Land Management in Santa Fe, New Mexico and by various assignments of said oil and gas lease

WHEREAS, the undersigned parties desire to enter into this Stipulation of Interest to clarify any confusion that may exist as a result of the aforementioned assignments of the parties' interests in said oil and gas lease, to-wit:

OIL & GAS LEASE

 LESSOR:
 USA-SF-078781-A

 LESSEE:
 Hazel L. Gentle

 DATE:
 July 1, 1951

 DESCRIPTION:
 T-30-N, R-11-W

Section 32: Lot 4 (SE/4SE/4)

Containing 39.28 acres, more or less

NOW THEREFORE, for good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby stipulate and agree that the following parties are the owners of the oil and gas lease referenced above:

RECORD TITLE:

Burlington Resources Oil & Gas Company 100%

OPERATING RIGHTS - SURFACE TO BASE OF MESAVERDE FORMATION (GAS RIGHTS ONLY):

Burlington Resources Oil & Gas Company	100%
Burk, Bakwin & Henry	0%
Agnes M. Morgan, Individually & as Trustee u/w/o A. M. Lloyd	0%
Frank C. Davis, III	0%

No warranty of title is made by any party hereto and in the event that title to any interest described herein should fail, in whole or in part, the balance shall be owned by each of the said parties in the proportions above stated.

The parties hereto do grant and convey unto each of the above named owners the undivided interest set opposite the name of each of said owners in and to the oil and gas lease described above.

This Stipulation of Interest may be executed in counterparts and the provisions hereof shall be binding upon and inure to the benefit of each party hereto, his heirs, representatives, successors and assigns.

This Stipulation of Interest and shall be effective August	st is executed this 20th day of <u>September</u> , 1996, 1, 1990
	BURLINGTON RESOURCES OIL & GAS COMPANY
	BY:
	BURK, BAKWIN & HENRY
	AGNES M. MORGAN, Individually & as Trustee U/W/O A. M. Lloyd
	FRANK C. DAVIS, III Zranh C Davis TO
STATE OF Texas }	SS.
On the	the signer of the above instrument, who
WITNESS My hand and o	official seal.
JUDY HERRING MY COMMISSION EXPIRES May 17, 1999	Notary Public Residing at: 1042 Z Suffeele
My commission expires:	417, 1998

This Stipulation of Interest and shall be effective August 1,	t is executed this <u>30th</u> day of <u>August</u> , 1996, 1990
	BURLINGTON RESOURCES OIL & GAS COMPANY
	BY:
	BURK, BAKWIN & HENRY Fatinhall General Paperson
	AGNES M. MORGAN, Individually & as Trustee U/W/O A. M. Lloyd
	FRANK C. DAVIS, III
STATE OF }	
STATE OF } county of }	S.
On the day of th	of, 19, personally appeared, the signer of the above instrument, who executed the same.
WITNESS My hand and of	ficial seal.
•	Notary Public Residing at:
My commission expires:	

• .

This Stipulation of Interest and shall be effective <u>August 1</u>	t is executed this <u>17th</u> day of <u>September</u> , 19 <u>96</u> , <u>1990</u> .
	BURLINGTON RESOURCES OIL & GAS COMPANY
	BY:
	BURK, BAKWIN & HENRY
	TO STATE OF AGNES M. MORGAN, HONDIVIDUO MARKA XELE XALE XALE XALE XALE XALE XALE XAL
	Jane L. Muchman Exator of Estate of Agrees M. Morgan
	FRANK C. DAVIS, III
STATE OF }	
STATE OF } COUNTY OF }	S.
On the day of before me day of duly acknowledged to me that he	of, 19, personally appeared, the signer of the above instrument, who executed the same.
WITNESS My hand and of	ficial seal.
	Notary Public Residing at:
My commission expires:	

STATE OF <u>TEXAS</u> } s	SS.
COUNTY OF DALLAS }	S.
On the 30th day before me Patrick Henry duly acknowledged to me that he	of <u>hugust</u> , 19 <u>96</u> , personally appeared, the signer of the above instrument, who executed the same.
WITNESS My hand and of	
VALLIE S. CAMPBELL Notary Public State of Texas Commission Expires 1-28-97	Notary Public Residing at: 8144 Walnut Hill Ln., Suite 650, Pallas, Texas 75231
My commission expires:	
STATE OF } COUNTY OF }	SS.
COUNTY OF }	33.
On the day before me duly acknowledged to me that he	of, 19, personally appeared, the signer of the above instrument, who executed the same.
WITNESS My hand and of	fficial seal.
	Notary Public Residing at:
My commission expires:	
STATE OF } COUNTY OF }	SS.
COUNTY OF }	
On the day before me duly acknowledged to me that he	of, 19, personally appeared, the signer of the above instrument, who executed the same.
WITNESS My hand and of	fficial seal.
	Notary Public Residing at:
My commission expires:	

• .

STATE OF }	
COUNTY OF }	SS.
On the d before me duly acknowledged to me tha WITNESS My hand an	ay of, 19, personally appeared, the signer of the above instrument, who the executed the same.
WITHEOS My Harid an	u Official Seal.
	Notary Public Residing at:
My commission expires:	
duly acknowledged to me that WITNESS My hand an	ay of September, 1996, personally appeared the signer of the above instrument, who when executed the same. d official seal. Alerathy Henrichs
My commission expires:	
STATE OF }	
STATE OF } COUNTY OF }	SS.
On the d before me duly acknowledged to me that	ay of, 19, personally appeared, the signer of the above instrument, who he executed the same.
WITNESS My hand an	d official seal.
	Notary Public Residing at:
My commission expires:	

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

IN THE MATTER OF THE APPLICATION OF TEXACO EXPLORATION AND PRODUCTION INC. FOR COMPULSORY POOLING. SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 11632

AFFIDAVIT

STATE OF NEW MEXICO)
) ss
COUNTY OF SANTA FE)

Paul R. Owen, attorney in fact and authorized representative of Texaco Exploration and Production Inc., the Applicant herein, being first duly sworn, upon oath, states that in accordance with the notice provisions of Rule 1207 of the New Mexico Oil Conservation Division the Applicant has attempted to find the correct addresses of all interested persons entitled to receive notice of this application and that notice has been given at the addresses shown on Exhibit "A" attached hereto as provided in Rule 1207.

SUBSCRIBED AND SWORN to before me this 16 day of October, 1996.

<u>Lacue Rivera</u> Notary Public

My Commission Expires:

June 33 1998

EXHIBIT A

Burlington Resources, Inc. Post Office Box 4289 Farmington, NM 87499

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. <u>11632</u> Exhibit No. <u>4</u>

Submitted by: <u>Texaco Exploration and Production Inc.</u>

Hearing Date: October 17, 1996

AFFIDAVIT, Page 2

CAMPBELL, CARR, BERGE 8 SHERIDAN, P.A.

LAWYERS

MICHAEL B CAMPBELL
WILLIAM F CARR
BRADFORD C BERGE
MARK F SHERIDAN
MICHAEL H FELDEWERT
TANYA M TRUJILLO
PAUL R OWEN
JACK M CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE HO NORTH GUADALUPE
POST OFFICE BOX 220B

SANTA FE, NEW MEXICO 87504-2208
TELEFHONE (505) 988-4421
TELECOPIER (505) 983-6043

September 26. 1996

CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO AFFECTED INTEREST OWNERS:

Re: Application of Texaco Exploration and Production Inc. for Compulsory

Pooling, San Juan County, New Mexico

Gentlemen:

This letter is to advise you that Texaco Exploration and Production Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests in the E/2 of Section 32, Township 30 North, Range 11 West, N.M.P.M., San Juan County, New Mexico. Texaco proposes to dedicate the referenced pooled unit to its Fed. State Com Well No. 2 well to be drilled to the Mesaverde formation at a standard location 850 feet from the South line and 1,700 feet from the East line of said Section 32.

This application has been set for hearing before a Division Examiner on October 17, 1996. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,

WILLIAM F. CARR

PAUL R. OWEN

ATTORNEY FOR TEXACO EXPLORATION & PRODUCTION COMPANY

WFC:mlh Enclosure

P 176 017 106

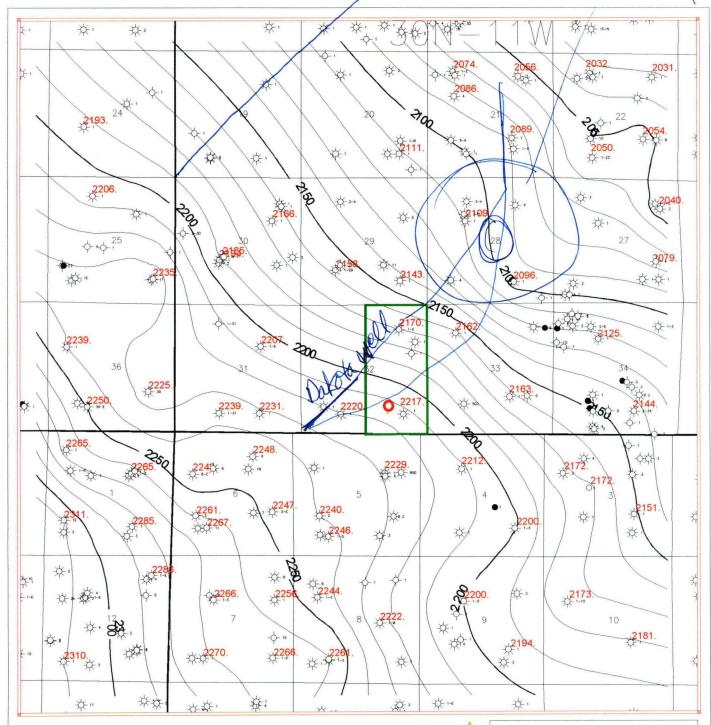
Receipt for Certified Mail

Burlington Resources, Inc. Post Office Box 4289 Farmington, NM 87499

	\$
5.0	
86	
	\$ 752
	9/24/96

PS Form 3811, December 1994	6. Signatura: (Addressee or Agent) X	S. DECENSED BY (FINITIONAL POPULATION)		7		Farmington, NM 87499	•		Burlington Resources Inc	3. Article Addressed to:	delivered.	 Write 'Return Receipt Requested' on the malipiece below the article number. The Return Receipt will show to whom the article was delivered and the date 	 Attach this form to the front of the mailpiece, or on the back if space does not permit 	SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and address on the reverse of this form so that we can return this care to your.
Domestic Return Receipt		and fee is paid)	19.30-96	7. Date of Delivery	☐ Return Receipt for Merchandise ☐ COD	☐ Express Mail ☐ Insured	☐ Registered 📉 Certified	4b. Service Type	170 017 100	4a. Article Number	Consult postmaster for fee.	number. 2. Aestricted Delivery	does not 1. Addressee's Address	l also wish to receive the following services (for an extra fee):

Blanco-Memberde



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 11632 Exhibit No. 5

Submitted by: Texaco Exploration and Production Inc.

Hearing Date: October 17, 1996



Texaco USA

STRUCTURE MAP TOP OF MESAVERDE FED STATE COM NO. 2 WELL 32-T30N-R11W

Huxol, Dave L		10/15/96
	Scale 1:48000.	

LARGE FORMAT EXHIBIT HAS BEEN REMOVED AND IS LOCATED IN THE NEXT FILE

TEXACO EXPLORATION AND PRODUCTION INC.

DENVER PRODUCING DIVISION
DRILLING/COMPLETION WELL COST ESTIMATE

LEASE NAME & NO.: FIELD: AREA: LOCATION CALL:	Fed. State Com. No. 2 Crouch Mesa COUNTY: San County:	ON: Mesaverde	DATE: WELL CLASS: STATE: TVD	06/13/95 Devlopment Texas 3,950'
LOGATION CALL.			MD FRSID NO.:	3,950'
WELL AND LEASE EQ WELL HEAD & MISC. EQUIP.		DRY HOLE 5	COMPLETION 8	TOTAL 13
Wijoc. Edoir .	flanged, flowing " Conductor	\$ 2,000	7,000	9,000
300	8-5/8 " Casing, 24#, WC50, L" 4-1/2 " Casing, 11.6#, LS65, L" " Casing " Casing		18,000	3,000 18,000 0
3,950	" Tubing 2-3/8 " Tubing, 4.7#,WC50,E	\$	8,000	000,8
3,930	TOTAL TANGIBLE COSTS	\$ 5,000	33,000	38,000
INTANGIBLE DRILLING 60 - Transportation 61 - Roads, Dirt Work	, Pits	\$ 2,000 \$ 10,000	2,000	4,000
62/63/64 - Rig 65 - Bits	\$12.5/ft, \$4M/day(1)2 day)	\$ 52,000	10,000	62,000 1,000
67 - Tx. Sal. Non Rig 69 - Drill Pipe Rental 70 - Directional Tools 71 - Fishing Tools & S	& Serv.	\$ 3,000	4,000	7,000 0 0
72 - Other Rental & E	quipment	\$ 3,000	4,000	7,000
73 - Drlg Mud, Additiv 74 - Cement & Cemer 75 - Water 76 - Fuel 77 - Coring	/ /	\$ 2,000 \$ \$	7,000	9,000 1,000 0
78 - Testing 79 - Perforating 80 - Stimulation 81 - Electric Logging 8	k Survious	\$ \$ \$ \$ 5,000	2,000 4,000 25,000	2,000 4,000 25,000
82 - Waste Disposal83 - Damages89 - Other Drilling Cos	its V	\$ 2,000 \$ 2,000 \$ 5,000	1,000	5,000 3,000 2,000 9,000
93 - Pollution control	TOTAL INTANGIBLE COSTS	\$ \$ \$ \$ \$ 86,000	66,000	0 0
	MPLETION COSTS (Est. No) TED PRODUCTION EQUIPMENT COST TOTAL CO	\$ 91,000	99,000	\$ 152,000 190,000 \$ 190,000
APPROVAL	DATE		Texaco	Texaco
Orlg. Prepared by	M. R. Marquez 379 6/13/95	W&L\$ IDC	Gross Int	Gross Int
Comp. Prepared by	M. R. Marquez	Totals		
Drlg. Team Leader Asset Asst: Div. Manager Other	D. E. Cox 8/14/96	Approved this / COMPANY: / BY: /	on, and Reserves ar 3th day of Septe 1er: + Energy (- be - , 19 96

CC-OWNER: The costs listed on this AFE are only estimates. By executing this AFE, you agree that the estimates do not establish any limit on the amount of monies that will be spent by the operator to perform the proposed operations or establish any limit on the amount of monies you will be responsible for paying in conjunction with the proposed operations.

PRELIMINARY DRILLING PROGRAM

	n Lease	Lease Line_								
No. Acres A Distance to	_	_	Fed State Com #1							
		_		MUD PROG	CD A NA					
Depth		Түр	e	Weight	GRAIVI		Remarks			
0-300'		Fresh wat		8.4	Circ rese	rve, pH 9 v	v/lime			
300'-TD		Fresh wat	ter/gel	8.4-8.5		rve, pH 9 v	v/lime			
		·			20 cc W	L near TD				
						., 				
										
			-		100DA44					
String	Hole		1	UBULAR PR	ROGRAM		Connecti	o ERW/	Critica	
Туре	Size	Depth	Feet	Diameter	Weight	Grade	Type	Seamless	Inspec	
Conductor		Drilling co	ontractors	option & ex	pense					
Surface 1	11"	300	300	8-5/8"	24	WC50	LTC	ERW	No	
-		Run float	shoe & ce	ntralize bott	to <u>m 3 jts</u>					
Productio 1	7-7/8"	3950	3950	4-1/2"	11.6	LS65	LTC	ERW	No	
		Run guide	e <u>shoe</u> , ins	sert valve						
		Centralize	every oth	ner jt from 3	5 <u>00' - TD</u>					
		1					t .			
Tubing		3950	3950	2-3/8"	4.7	WC50	EUE	ERW	No	
		3950	3950	2-3/8"	4.7	WC50	EUE	ERW	No	
	to end u					WC50	EUE	ERW	No	
Tubing	to end u		om top to l	cottom as s	hown.	WC50	EUE	ERW	No	
Tubing Note: Pipe		p in hole fro	om top to t	cottom as s	hown.				No	
Tubing Note: Pipe String	to end u		om top to l	cottom as s	hown.	WC50 Cement Type	EUE Cement Yield	Cernent Weight	No	
Tubing Note: Pipe String	DV	p in hole fro	om top to t	CEMENT PR	hown. OGRAM No	Cement	Cement	Cernent	No	
Tubing Note: Pipe String Type	DV	p in hole fro	Cement Bottom	CEMENT PR Cement Top	hown. OGRAM No Sacks 215	Cement Type "G"	Cement Yield 1.15	Cernent Weight	No	
Tubing Note: Pipe String Type Surface	DV	Stage Lead/Tail	Cement Bottom 300 2% CaC	CEMENT PR Cement Top Surface 12, 1/4# Flo	hown. OGRAM No Sacks 215 cele, 200%	Cement Type "G" 6 excess O	Cement Yield 1.15 H	Cement Weight 	No	
Tubing Note: Pipe String Type	DV	p in hole fro	Cement Bottom 300 2% CaC	CEMENT PR Cement Top Surface 12, 1/4# Flo	hown. OGRAM No Sacks 215 cele, 200%	Cement Type "G" 6 excess Ol	Cement Yield 1.15 H	Cernent Weight	No	
Tubing Note: Pipe String Type Surface	DV	Stage Lead/Tail	Cement Bottom 300 2% CaC	CEMENT PR Cement Top Surface 12, 1/4# Flo	hown. OGRAM No Sacks 215 cele, 200%	Cement Type "G" 6 excess Of	Cement Yield 1.15 H	Cement Weight 	No	
Tubing Note: Pipe String Type Surface	DV	Stage Lead/Tail	Cement Bottom 300 2% CaC 3000 6% gel, 3950	CEMENT PR Cement Top Surface 12, 1/4# Flo Surface 10#/sk gilso	hown. OGRAM No Sacks 215 cele, 200% 700 onite, 2% (Cement Type "G" 6 excess Of 35/65 Pc CaC12, 1/4#	Cement Yield 1.15 H Dz 1.89 Flocele Dz 1.22	Cement Weight 15.8		
Tubing Note: Pipe String Type Surface	DV	Stage Lead/Tail	Cement Bottom 300 2% CaC 3000 6% gel, 3950	CEMENT PR Cement Top Surface 12, 1/4# Flo Surface 10#/sk gilso	hown. OGRAM No Sacks 215 cele, 200% 700 onite, 2% (Cement Type "G" 6 excess Of 35/65 Pc CaC12, 1/4#	Cement Yield 1.15 H Dz 1.89 Flocele Dz 1.22	Cement Weight		
Tubing Note: Pipe String Type Surface	DV	Stage Lead/Tail	Cement Bottom 300 2% CaC 3000 6% gel, 3950	CEMENT PR Cement Top Surface 12, 1/4# Flo Surface 10#/sk gilso	hown. OGRAM No Sacks 215 cele, 200% 700 onite, 2% (Cement Type "G" 6 excess Of 35/65 Pc CaC12, 1/4#	Cement Yield 1.15 H Dz 1.89 Flocele Dz 1.22	Cement Weight		
Tubing Note: Pipe String Type Surface	DV	Stage Lead/Tail	Cement Bottom 300 2% CaC 3000 6% gel, 3950	CEMENT PR Cement Top Surface 12, 1/4# Flo Surface 10#/sk gilso	hown. OGRAM No Sacks 215 cele, 200% 700 onite, 2% (Cement Type "G" 6 excess Of 35/65 Pc CaC12, 1/4#	Cement Yield 1.15 H Dz 1.89 Flocele Dz 1.22	Cement Weight		
Tubing Note: Pipe String Type Surface	DV	Stage Lead/Tail	Cement Bottom 300 2% CaC 3000 6% gel, 3950	CEMENT PR Cement Top Surface 12, 1/4# Flo Surface 10#/sk gilso	hown. OGRAM No Sacks 215 cele, 200% 700 conite, 2% (350) chite, 2% Ca	Cement Type "G" 6 excess Of 35/65 Pc CaC12, 1/4#	Cement Yield 1.15 H Dz 1.89 Flocele Dz 1.22	Cement Weight		
Tubing Note: Pipe String Type Surface	DV	Stage Lead/Tail Lead Tail	Cement Bottom 300 2% CaC 3000 6% gel, 3950	CEMENT PR Cement Top Surface 12, 1/4# Flo Surface 10#/sk gilso 3000 5#/sk gilsor	hown. OGRAM No Sacks 215 cele, 200% 700 conite, 2% (350) chite, 2% Ca	Cement Type "G" 6 excess Of 35/65 Pc CaC12, 1/4#	Cement Yield 1.15 H Dz 1.89 Flocele Dz 1.22	Cement Weight		
Tubing Note: Pipe String Type Surface	DV	Stage Lead/Tail Lead Tail Hole Size	Cement Bottom 300 2% CaC 3000 6% gel, 3950 2% gel,	CEMENT PR Cement Top Surface 12, 1/4# Flo Surface 10#/sk gilso 3000 5#/sk gilsor	hown. OGRAM No Sacks 215 cele, 200% 700 conite, 2% (350) chite, 2% Ca	Cement Type "G" 6 excess Of 35/65 Pc CaC12, 1/4# 50/50 Pc aC12, 1/4# Pressure Rating	Cement Yield 1.15 H Dz 1.89 Flocele Dz 1.22	Cement Weight		
Tubing Note: Pipe String Type Surface	DV	Stage Lead/Tail Lead Tail	Cement Bottom 300 2% CaC 3000 6% gel, 3950	CEMENT PR Cement Top Surface 12, 1/4# Flo Surface 10#/sk gilso 3000 5#/sk gilsor	hown. OGRAM No Sacks 215 cele, 200% 700 conite, 2% (350) chite, 2% Ca	Cement Type "G" 6 excess Of 35/65 Pc CaCl2, 1/4# 50/50 Pc aCl2, 1/4#	Cement Yield 1.15 H Dz 1.89 Flocele Dz 1.22	Cement Weight		
Tubing Note: Pipe String Type Surface	DV	Stage Lead/Tail Lead Tail Hole Size	Cement Bottom 300 2% CaC 3000 6% gel, 3950 2% gel,	CEMENT PR Cement Top Surface 12, 1/4# Flo Surface 10#/sk gilso 3000 5#/sk gilsor	hown. OGRAM No Sacks 215 cele, 200% 700 conite, 2% (350) chite, 2% Ca	Cement Type "G" 6 excess Of 35/65 Pc CaC12, 1/4# 50/50 Pc aC12, 1/4# Pressure Rating	Cement Yield 1.15 H Dz 1.89 Flocele Dz 1.22	Cement Weight		
Tubing Note: Pipe String Type Surface	DV	Stage Lead/Tail Lead Tail Hole Size	Cement Bottom 300 2% CaC 3000 6% gel, 3950 2% gel,	CEMENT PR Cement Top Surface 12, 1/4# Flo Surface 10#/sk gilso 3000 5#/sk gilsor	hown. OGRAM No Sacks 215 cele, 200% 700 conite, 2% (350) chite, 2% Ca	Cement Type "G" 6 excess Of 35/65 Pc CaC12, 1/4# 50/50 Pc aC12, 1/4# Pressure Rating	Cement Yield 1.15 H Dz 1.89 Flocele Dz 1.22	Cement Weight		
Tubing Note: Pipe String Type Surface	DV	Stage Lead/Tail Lead Tail Hole Size	Cement Bottom 300 2% CaC 3000 6% gel, 3950 2% gel,	CEMENT PR Cement Top Surface 12, 1/4# Flo Surface 10#/sk gilso 3000 5#/sk gilsor	hown. OGRAM No Sacks 215 cele, 200% 700 conite, 2% (350) chite, 2% Ca	Cement Type "G" 6 excess Of 35/65 Pc CaC12, 1/4# 50/50 Pc aC12, 1/4# Pressure Rating	Cement Yield 1.15 H Dz 1.89 Flocele Dz 1.22	Cement Weight		
Tubing Note: Pipe String Type Surface Production	DV Depth	Stage Lead/Tail Lead Tail Hole Size 7-7/8"	Cement Bottom 300 2% CaC 3000 6% gel, 3950 2% gel,	CEMENT PR Cement Top Surface 12, 1/4# Flo Surface 10#/sk gilsor 5#/sk gilsor BOP PROG Exhibit Rd	hown. OGRAM No Sacks 215 cele, 200% 700 conite, 2% (350 cite, 2% Ca	Cement Type "G" 6 excess Of 35/65 Pc CaCl2, 1/4# 50/50 Pc aCl2, 1/4# Pressure Rating 3M	Cement Yield 1.15 H Dz 1.89 Flocele Dz 1.22 Flocele, 10	Cement Weight 15.8 12.6 14 00% excess		
Tubing Note: Pipe String Type Surface	DV Depth	Stage Lead/Tail Lead Tail Hole Size 7-7/8"	Cement Bottom 300 2% CaC 3000 6% gel, 3950 2% gel,	CEMENT PR Cement Top Surface 12, 1/4# Flo Surface 10#/sk gilso 3000 5#/sk gilsor	hown. OGRAM No Sacks 215 cele, 200% 700 conite, 2% (350 cite, 2% Ca	Cement Type "G" 6 excess Of 35/65 Pc CaCl2, 1/4# 50/50 Pc aCl2, 1/4# Pressure Rating 3M	Cement Yield 1.15 H Dz 1.89 Flocele Dz 1.22 Flocele, 10	Cement Weight 15.8 12.6 14 00% excess		

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 11632 Exhibit No. 7

Submitted by: <u>Texaco Exploration and Production Inc.</u>

Hearing Date: October 17, 1996