DISTRICT I
P.O. 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

5F

Form C-10
Revised February 10,199
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Submit to Appropriate District Offic
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☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1 Operator Name and Address	2 OGRID Number
TEXACO EXPLORATION & PRODUCTION INC. 205 E. Bender, HOBBS, NM 88240	022351 3 API Number 30-015-29284

4 Property Code	5 Property Name	6 Well No.
11032	NEW MEXICO DF STATE COM	3

7 Surface Location

Ul or lot no	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
G	32	21-S	23-E		2000	NORTH	1650	EAST	EDDY

8 Proposed 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
G	32	21-S	23-E		1672	NORTH	1879	EAST	EDDY

9 Proposed Pool 1	10 Proposed Pool 2
Indian Basin [redacted]; Upper Penn.	

11 Work Type Code	12 WellType Code	13 Rotary or C.T.	14 Lease Type Code	15 Ground Level Elevation
E	G	ROTARY	S	4059' GR
16 Multiple	**17 Proposed Depth**	**18 Formation**	**19 Contractor**	**20 Spud Date**
No	6924 TVD	CISCO		5/10/00

21 Proposed Casing and Cement Program

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	9 5/8"	24#	1500'	650 SX, CIRC 15	SURFACE
7 7/8"	7"	26#	6920'	1050 SX, CIRC 201	SURFACE
				DV TOOL @ 3600'	

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zoneand proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

TEXACO INTENDS TO DRILL A HORIZONTAL RE-ENTRY USING A CONVENTIONAL RIG. THE OVERVIEW AND INTENDED PROCEDURE IS ATTACHED.

RECEIVED
OCD - ARTESIA

23 I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature J. Denise Leake

Printed Name J. Denise Leake

Title Engineering Assistant

Date 3/20/00 Telephone 397-0405

OIL CONSERVATION DIVISION

Approved By: Jim W. Gum BGA

Title: SUPERVISOR, DISTRICT II

Approval Date: 4-6-00 Expiration Date: 4-6-01

Conditions of Approval:
Attached ☐

DeSoto/Nichols 3-94 ver 1.10

DISTRICT I
P.O. 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

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
30-015-29284	79040	INDIAN BASIN UPPER PENN

4 Property Code	5 Property Name	6 Well No.
11032	NEW MEXICO DF STATE COM	3

7 OGRID Number	8 Operator Name	9 Elevation
022351	TEXACO EXPLORATION & PRODUCTION INC.	4059' GR

10 Surface Location

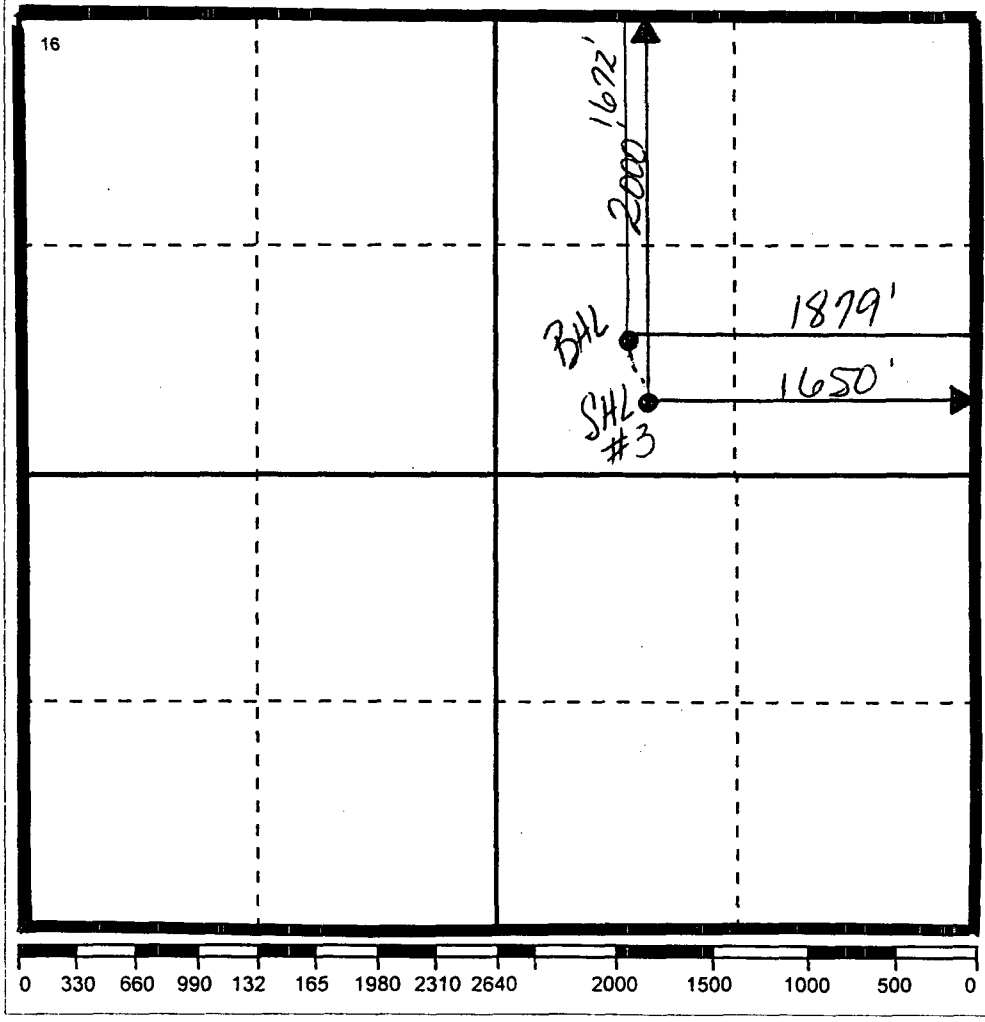
Ul or lot no	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
G	32	21-S	23-E		2000	NORTH	1650	EAST	EDDY

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	County
G	32	21-S	23-E		1672	NORTH	1879	EAST	EDDY

12 Dedicated Acre	13 Joint or Infill	14 Consolidation Code	15 Order No.
640	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: J. Denise Leake

Printed Name: J. Denise Leake

Positio: Engineering Assistant

Date: 3/20/00

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

Signature & Seal of Professional Surveyor

Certificate No.

DeSoto/Nichols 3/94 ver 1.10

DISTRICT I
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WELL LOCATION AND ACREAGE DEDICATION PLAT

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30-015-29284	79040	INDIAN BASIN UPPER PENN

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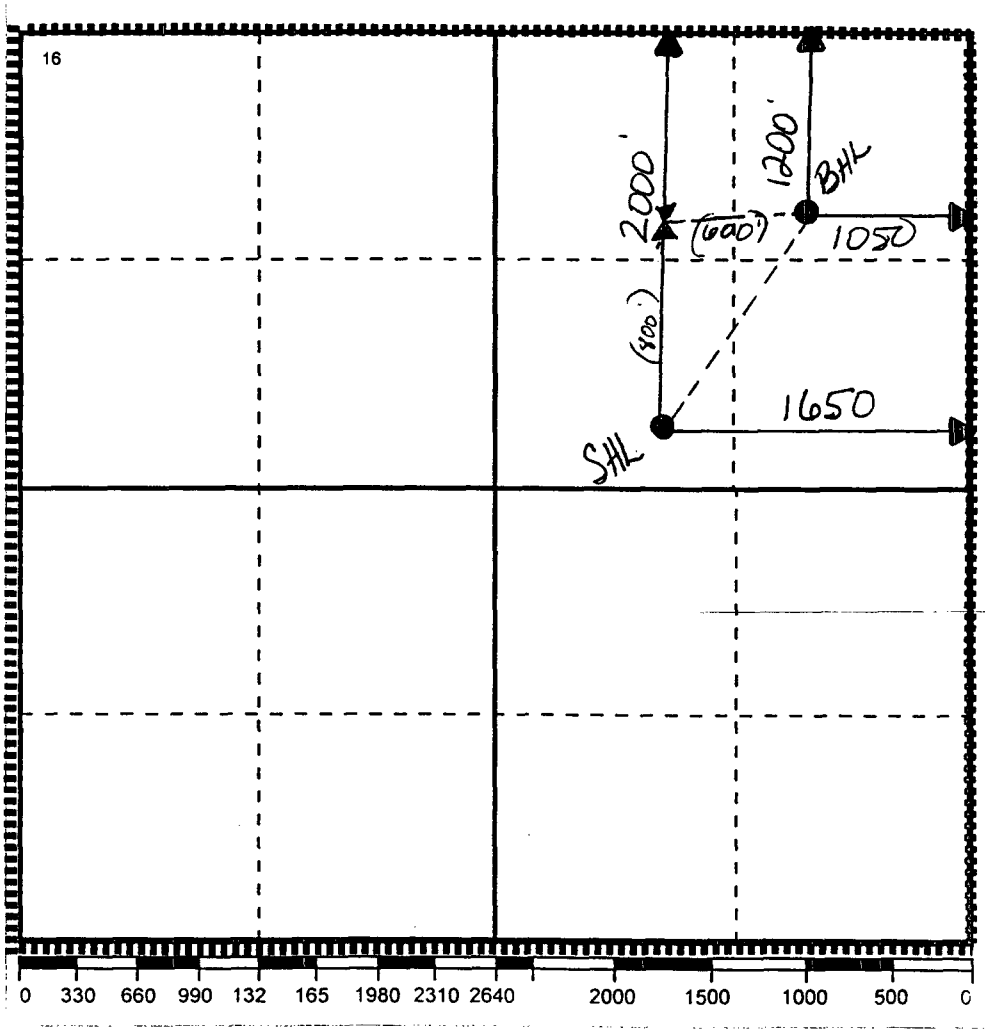
11 Bottom Hole Location If Different From Surface

Ul or lot no	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
A	32	21-S	23-E		1200	NORTH	1050	EAST	EDDY

12 Dedicated Acre	13 Joint or Infill	14 Consolidation Code	15 Order No.
640	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



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Signature: J. Denise Leake

Printed Name: J. Denise Leake

Positio: Engineering Assistant

Date: 12/20/99

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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

Signature & Seal of Professional Surveyor

Certificate No.

DeSoto/Nichols 3/94 ver 1.10

OVERVIEW

The New Mexico "DF" State Com #3 well was drilled in late 1996 as a test of the Cisco Dolomite formation. After setting casing, 55 feet of open hole was drilled with air at a rate of 25 feet per hour. The zone potentialed for 0 BOPD, 0 BWPD and 3134 MCFD. It is proposed to drill a single ± 400' (VS) horizontal lateral in this formation employing nitrogen to drill this well as under balanced or close to balance as possible (BHP projected at less than 500 psi). The basic well plan is as follows:

a) Kill well. TOOH with tubing and packer. Run a bit and scraper to ±6900 (bottom of 7" at 6920'). TOOH. TIH with a CIBP and set at ±6854' (top). TOOH.

b) TIH with a 3 degree bottom set whipstock (top of window ±6839', bottom of window ±6846') and set at a 325 degree azimuth.

c) Drill a short radius curve using a 4-3/4" bit to a measured depth of ±6950' (TVD ±6924'). The final angle will be 72.51 degrees from vertical. After milling through the casing, change hole over to nitrogen.

d) Drill ±359'. End point will be 7309' MD, 7032' TVD, 328' north, 229' west, 325 degree azimuth.

e) Depending on productivity, a coiled tubing acid wash may be needed. Place well on production.

PARTIAL LOST IN HOLE INSURANCE FOR THE DOWNHOLE MOTOR AND MWD IS INCLUDED WITH THE DAILY RATE FROM SCIENTIFIC DRILLING.

PROPOSED WORK

PRODUCTION HOLE:

1. Kill well. TOOH with the tubing and packer. TIH with a bit and scraper to 6900' (bottom of 7" at 6920'). TOOH. TIH with a CIBP and set at ±6854' (top of CIBP). TIH and circulate the hole with fresh water and pressure test the casing and CIBP to 1000 psi. TOOH. TIH with a Smith 3 degree bottom set retrievable whipstock, starting mill, orienting sub and drill pipe. Stop at a point 5-10' above the CIBP, reciprocate pipe and rig up a wireline to run the gyro. Take a gyro reading and determine the direction of the whipstock face. Rotate the pipe as needed to achieve the required direction. Reciprocate and lower the pipe to within one foot of the CIBP and take another gyro reading. Rotate pipe again if needed to achieve the required direction (325 degrees). This step may need to be repeated several times until confidant the whipstock is oriented in the correct direction.

2. Lower drill pipe to set the whipstock. The weight indicator will jump indicating lower plunger shear pin is sheared (3600 #'s)and the whipstock is set. Continue setting down to shear the starting mill bolt (20,000#'s). The weight indicator will jump again indicating the bolt is sheared. Commence milling operations.

3. Pick up the power swivel and begin circulating. Pick up drill pipe until starting mill has cleared the whipstock and start rotation. Lower the drill pipe slowly until the torque gauge suggest the starting mill is contacting the casing. Adjust weight and speed until satisfied with the penetration rate. Mill to a predetermined depth that will assure the setting lug is completely removed and a cutout in the casing has been initiated. TOOH.

4. TIH with the bi-mill. Resume milling operations and mill until the complete assembly has cleared the casing. Pick up and lower the string several times without rotation to assure a good clean window has been obtained. Circulate the hole clean. TOOH.

5. Inspect the mill on the surface. If extreme wear is evident, consideration should be given to repeating the above step.

HORIZONTAL PRODUCTION HOLE:

1. Rig up Scientific Drilling. Adjust plan to target as necessary. Trip in the hole with Scientific Drilling's curve building assembly. This will be a 4-3/4" insert, 3-3/4" PDM, float sub/orienter combo, 2-flexable monel collars 2-7/8" PH-6 drill pipe below the window and 2-7/8" AOH drill pipe above the window. Change the hole over to nitrogen.

2. Build curve to estimated target depths and angles as follows:

   True Vertical Depth .....6924'
   Measured Depth ..... 6950'
   Final Angle ..... 72.51 degrees
   Target Azimuth .....325 degrees
   Build Rate .....70 degrees/100'

   Drill the curve sliding as necessary to stay on target. It is recommended that after each slide, the bit be pulled back and washed through the slide. Once the curve is built, rotate through the curve section noting tight spots and fill. Make at least one short trip prior to tripping out of the hole.

3. Trip in the hole with Scientific Drilling's lateral assembly. This will be a 4-3/4" insert or PDC bit , 3-3/4" motor, float sub/orienting combo, 2 - flexible monel collars and 2-7/8" PH-6 and AOH drill pipe.

4. Drill ±359' of hole per the attached well plan. Keep bottom hole pressures as low as possible. Formation gas contains 0.6 mole percent H2S.

5. Continue drilling the horizontal section per the Texaco Engineer recommendations.

6. Clean the hole up. Trip out of the hole with the drilling assembly. RIH and set a Baker packer with a plug in the on-off tool at ±6800'. Test packer to 1000 psi.

7. Lay down the drill pipe. Nipple down the BOP stack. Install a manual 3000 psig BOP equipped with blind rams and 2-7/8" pipe rams. Release the rig. Rig down and move out rotary tools.

COMPLETION PROCEDURE:

1. Back drag the location and set pulling unit anchors.
2. Move in and rig up a pulling unit.
3. TIH with tubing and circulate packer fluid into annular area. Tie into packer and swab fluid level down to packer. Pull equalizing prong and plug.
4. Swab well on production.
5. Rig up Dowell and acid stimulate (Foam Mat) with 23,000 gallons of 15% HCl if needed.
6. Flow back immediately. Flow test.

POTENTIAL PROBLEMS:

Production Hole:

a) No problems anticipated.

Horizontal Production hole:

a) Loss circulation material and/or other plugging agents are not to be used in this portion of the hole.

b) The horizontal lateral will be drilled with nitrogen. Care should be taken to minimize bottom hole pressures in order to drill the lateral under balanced (BHP is expected to be less than 500 psi),

c) Hydrogen sulfide is expected, and H2S detection equipment is to be installed.

MUD PROGRAM:

Interval	Type	Weight	Viscosity	Remarks
Window	Fresh Water	8.4 ppg	35	Raise visc. with starch and gel
Curve, Horizontal	Nitrogen 1350 SCFM, 8 BPH fluid			BHP to be minimized

Weatherford will supply air equipment and chemicals, International Nitrogen Services will supply N2 units.

EVALUATION PROGRAM

Coring:

No cores are anticipated.

Mud Loggers:

No mud logging is anticipated.

Horizontal Hole Logs:

No logs are anticipated.

CASING PROPERTIES

PIPE	DEPTH	BURST Rated	BURST (75%)	COLLAPSE Rated	COLLAPSE (75%)	ORIG. TEST PRESSURE
9-5/8", 36#/ft, WC50	0'-1500'	3200	2400	1930	1447	1000
7", 26#/ft, S-95	0'-6920'	8600	6450	7800	5850	2500

Scientific Drilling Inc.
Planning Report

Company:	Texaco E & P, Inc.	**Date:** 02/28/2000 **Time:** 10:54:22	**Page:** 1
Field:	Indian Basin Penn	**Co-ordinate(NE) Reference:**	Site: Eddy County, New Mexico, True Nort
Site:	Eddy County, New Mexico	**Vertical (TVD) Reference:**	SITE 0.0 above Mean Sea Level
Well:	New Mexico "DF" State Com #3	**Section (VS) Reference:**	Site (0.0E,0.0N,325.0Azi)
Wellpath:	Lateral Air	**Plan:**	Plan #1

Field: Indian Basin Penn

Map System:	US State Plane Coordinate System 1927	**Map Zone:**	New Mexico, Central Zone
Ellipsoid:	Clarke - 1866	**North Reference:**	True
Sys Datum:	Mean Sea Level	**Geomagnetic Model:**	igrf2000

Site: Eddy County, New Mexico

Site Position:		**Northing:**	m	**Latitude:**	
From:	Local Only	**Easting:**	m	**Longitude:**	
Position Uncertainty:	0.0 ft			**Magnetic Declination:**	0.00 deg
Water Depth:	0.0 ft			**Grid Convergence:**	deg

Well: New Mexico "DF" State Com #3

Well Position:	+N/-S	0.0 ft	**Northing:**	m	**Latitude:**	
From Slot:	+E/-W	0.0 ft	**Easting :**	m	**Longitude:**	
Position Uncertainty:		0.0 ft				

Wellpath:	Lateral Air			**Drilled From:**	Surface
				Tie-on Depth:	ft
Vertical Section:	+N/-S	0.0 ft		**V.Section Direction:**	325.00 deg
From:	Site +E/-W	0.0 ft			
Measured Depth Reference:	SITE	0.0 ft		**Above System Datum:**	Mean Sea Level

Plan:	Plan #1	**Date Composed:**	10/06/1999
		Version:	1
Principal:	Yes	**Locked:**	No

Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
6200.0	0.00	325.00	6200.0	0.0	0.0	0.00	0.00	0.00	0.00	
6846.0	0.00	325.00	6846.0	0.0	0.0	0.00	0.00	0.00	325.00	
6949.6	72.51	325.00	6924.1	46.9	-32.8	70.00	70.00	0.00	325.00	
6949.8	72.51	325.00	6924.1	47.1	-33.0	0.00	0.00	0.00	0.00	
7308.9	72.51	325.00	7032.0	327.7	-229.4	0.00	0.00	0.00	0.00	DF #3 toe

Section 1 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
6200.0	0.00	325.00	6200.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00
6300.0	0.00	325.00	6300.0	0.0	0.0	0.0	0.00	0.00	0.00	325.00
6400.0	0.00	325.00	6400.0	0.0	0.0	0.0	0.00	0.00	0.00	325.00
6500.0	0.00	325.00	6500.0	0.0	0.0	0.0	0.00	0.00	0.00	325.00
6600.0	0.00	325.00	6600.0	0.0	0.0	0.0	0.00	0.00	0.00	325.00
6700.0	0.00	325.00	6700.0	0.0	0.0	0.0	0.00	0.00	0.00	325.00
6800.0	0.00	325.00	6800.0	0.0	0.0	0.0	0.00	0.00	0.00	325.00
6846.0	0.00	325.00	6846.0	0.0	0.0	0.0	0.00	0.00	0.00	325.00

Section 2 : Start Build 70.00

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
6850.0	2.80	325.00	6850.0	0.1	-0.1	0.1	70.00	70.00	0.00	0.00
6855.0	6.30	325.00	6855.0	0.4	-0.3	0.5	70.00	70.00	0.00	0.00
6860.0	9.80	325.00	6859.9	1.0	-0.7	1.2	70.00	70.00	0.00	0.00
6865.0	13.30	325.00	6864.8	1.8	-1.3	2.2	70.00	70.00	0.00	0.00
6870.0	16.80	325.00	6869.7	2.9	-2.0	3.5	70.00	70.00	0.00	0.00
6875.0	20.30	325.00	6874.4	4.2	-2.9	5.1	70.00	70.00	0.00	0.00
6880.0	23.80	325.00	6879.0	5.7	-4.0	7.0	70.00	70.00	0.00	0.00
6885.0	27.30	325.00	6883.5	7.5	-5.2	9.1	70.00	70.00	0.00	0.00
6890.0	30.80	325.00	6887.9	9.5	-6.6	11.5	70.00	70.00	0.00	0.00

Scientific Drilling Inc.
Planning Report

Company:	Texaco E & P Inc.	**Date:** 02/28/2000 **Time:** 10:54:22	**Page:** 2
Field:	Indian Basin Penn	**Co-ordinate(NE) Reference:**	Site: Eddy County, New Mexico, True Nort
Site:	Eddy County, New Mexico	**Vertical (TVD) Reference:**	SITE 0.0 above Mean Sea Level
Well:	New Mexico "DF" State Com #3	**Section (VS) Reference:**	Site (0.0E,0.0N,325.0Azi)
Wellpath:	Lateral Air	**Plan:**	Plan #1

Section 2 : Start Build 70.00

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
6895.0	34.30	325.00	6892.1	11.7	-8.2	14.2	70.00	70.00	0.00	0.00
6900.0	37.80	325.00	6896.2	14.1	-9.9	17.2	70.00	70.00	0.00	0.00
6905.0	41.30	325.00	6900.0	16.7	-11.7	20.4	70.00	70.00	0.00	0.00
6910.0	44.80	325.00	6903.7	19.5	-13.6	23.8	70.00	70.00	0.00	0.00
6915.0	48.30	325.00	6907.1	22.4	-15.7	27.4	70.00	70.00	0.00	0.00
6920.0	51.80	325.00	6910.3	25.6	-17.9	31.2	70.00	70.00	0.00	0.00
6925.0	55.30	325.00	6913.3	28.9	-20.2	35.3	70.00	70.00	0.00	0.00
6930.0	58.80	325.00	6916.0	32.3	-22.6	39.5	70.00	70.00	0.00	0.00
6935.0	62.30	325.00	6918.5	35.9	-25.1	43.8	70.00	70.00	0.00	0.00
6940.0	65.80	325.00	6920.7	39.6	-27.7	48.3	70.00	70.00	0.00	0.00
6945.0	69.30	325.00	6922.6	43.3	-30.4	52.9	70.00	70.00	0.00	0.00
6949.6	72.51	325.00	6924.1	46.9	-32.8	57.3	70.00	70.00	0.00	0.00

Section 3 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
6949.8	72.51	325.00	6924.1	47.1	-33.0	57.5	0.00	0.00	0.00	0.00

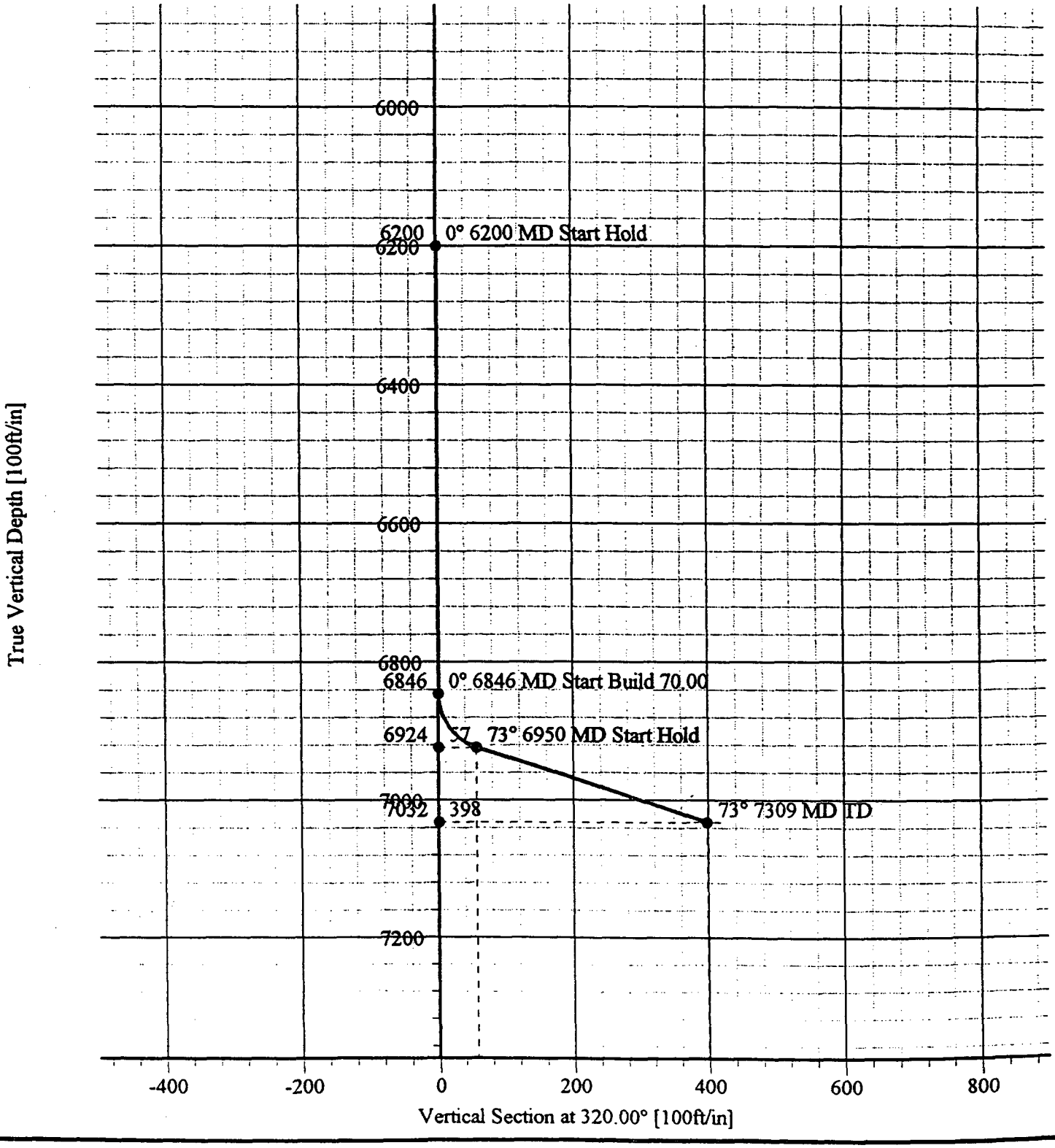
Section 4 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
7000.0	72.51	325.00	6939.2	86.3	-60.4	105.3	0.00	0.00	0.00	0.00
7100.0	72.51	325.00	6969.3	164.4	-115.1	200.7	0.00	0.00	0.00	0.00
7200.0	72.51	325.00	6999.3	242.5	-169.8	296.1	0.00	0.00	0.00	0.00
7308.9	72.51	325.00	7032.0	327.7	-229.4	400.0	0.00	0.00	0.00	0.00

Scientific Drilling

Texaco E & P, Inc.

Field: Indian Basin Penn
Site: Eddy County, New Mexico
Well: New Mexico "DF" State Com #3
Wellpath: Lateral Air
Plan: Plan #1



Scientific Drilling

Field: Indian Basin Penn
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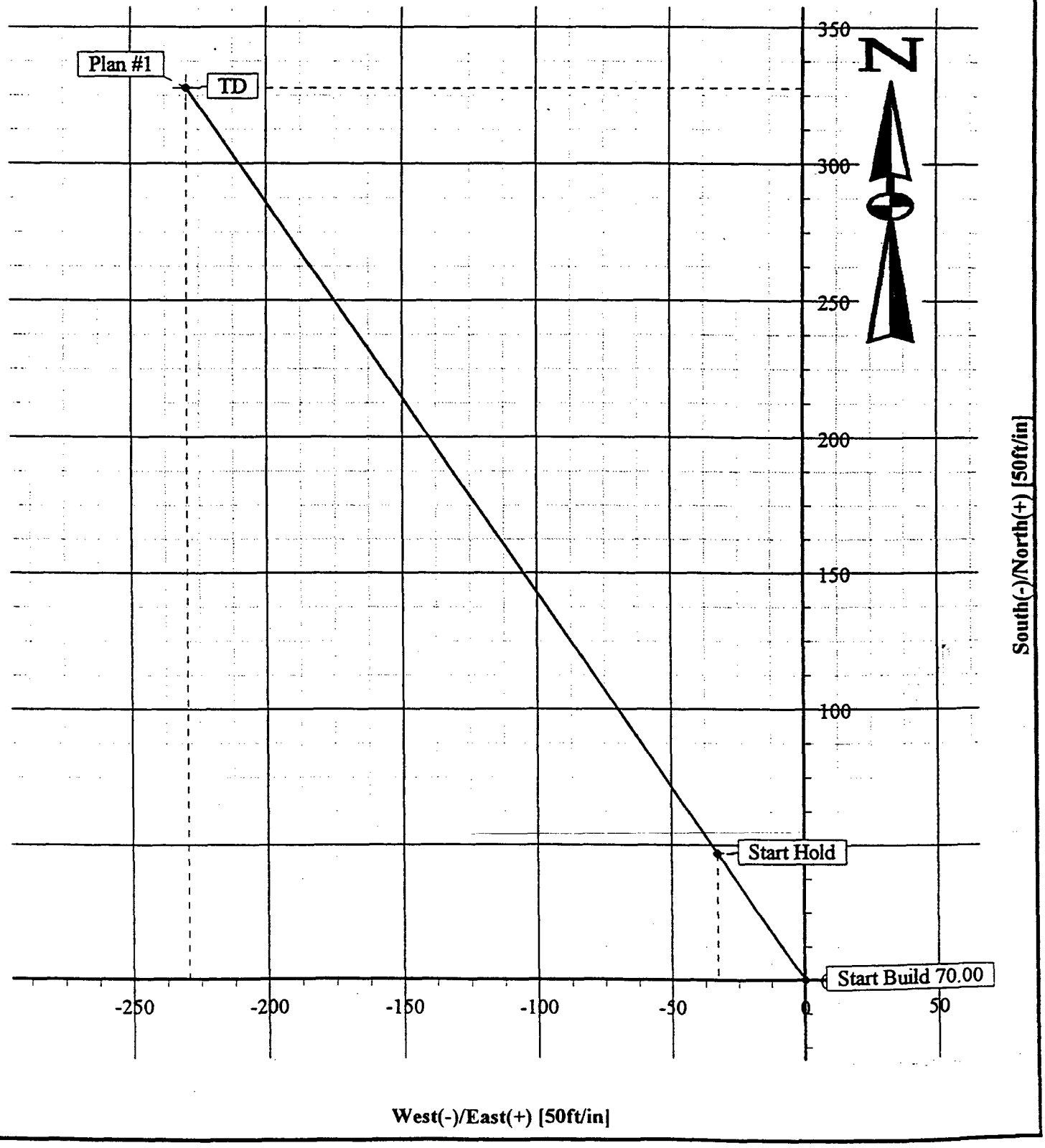

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P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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11032	NEW MEXICO DF STATE COM	3

7 Surface Location

Ul or lot no	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
G	32	21-S	23-E		2000	NORTH	1650	EAST	EDDY

8 Proposed 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
A	32	21-S	23-E		1200	NORTH	1050	EAST	EDDY

9 Proposed Pool 1	10 Proposed Pool 2
CISCO	

11 Work Type Code	12 WellType Code	13 Rotary or C.T.	14 Lease Type Code	15 Ground Level Elevation
P	G	ROTARY	S	4059' GR
16 Multiple	**17 Proposed Depth**	**18 Formation**	**19 Contractor**	**20 Spud Date**
No	6980'TVD	CISCO		1/10/00

21 Proposed Casing and Cement Program

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	9 5/8"	24#	1500'	650 SX, CIRC 15	SURFACE
7 7/8"	7"	26#	6920'	1050 SX, CIRC 201	SURFACE
				DV TOOL @ 3600'	

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zoneand proposed new productive zone.
Describe the blowout prevention program, if any. Use additional sheets if necessary.

TEXACO INTENDS TO DRILL A HORIZONTAL RE-ENTRY USING A CONVENTIONAL RIG. THE OVERVIEW AND INTENDED PROCEDURE IS ATTACHED. NSL needed To produce BOO

NSL #

RECEIVED
OCD ARTESIA

23 I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature J. Denise Leake

Printed Name J. Denise Leake

Title Engineering Assistant

Date 12/20/99 Telephone 397-0405

OIL CONSERVATION DIVISION

Approved By: Jim W. Sum BOO

Title: District Supervisor

Approval Date: 1-3-00 Expiration Date: 1-3-01

Conditions of Approval: Attached ☐ Drill Cntl BOO

DeSoto/Nichols 3/94 ver 1.10

OVERVIEW

The New Mexico "DF" State Com #3 well was drilled in late 1996 as a test of the Cisco Dolomite formation. After setting casing, 55 feet of open hole was drilled with air at a rate of 25 feet per hour. The zone potentialed for 0 BOPD, 0 BWPD and 3134 MCFD. It is proposed to drill a single ± 1000' (VS) horizontal lateral in this formation employing air to drill this well as under balanced or close to balance as possible (BHP projected at less than 500 psi). The basic well plan is as follows:

a) Kill well. TOOH with tubing and packer. Run a bit and scraper to ±6900 (bottom of 7" at 6920'). TOOH. TIH with a CIBP and set at ±6811'. TOOH.

b) TIH with a 3 degree bottom set whipstock (top of window ±6843', bottom of window ±6850') and set at a 36.9 degree azimuth.

c) Drill a short radius curve using a 4-3/4" bit to a measured depth of ±7052' (TVD ±6980'). The final angle will be 88.7 degrees from vertical.

d) Change the hole over to air. Drill ±873'. End point will be 7925' MD, 7000' TVD, 800' north, 600' east, 36.9 degree azimuth.

e) Depending on productivity, a coiled tubing acid wash may be needed. Place well on production.

PARTIAL LOST IN HOLE INSURANCE FOR THE DOWNHOLE MOTOR AND MWD IS INCLUDED WITH THE DAILY RATE FROM SCIENTIFIC DRILLING.

PROPOSED WORK

PRODUCTION HOLE:

1. Kill well. TOOH with the tubing and packer. TIH with a bit and scraper to 6900' (bottom of 7" at 6920'). TOOH. TIH with a CIBP and set at ±6811'. TIH and circulate the hole with fresh water and pressure test the casing and CIBP to 1000 psi. TOOH. TIH with a Smith 3 degree bottom set retrievable whipstock, starting mill, orienting sub and drill pipe. Stop at a point 5-10' above the CIBP, reciprocate pipe and rig up a wireline to run the gyro. Take a gyro reading and determine the direction of the whipstock face. Rotate the pipe as needed to achieve the required direction. Reciprocate and lower the pipe to within one foot of the CIBP and take another gyro reading. Rotate pipe again if needed to achieve the required direction (36.9 degrees). This step may need to be repeated several times until confidant the whipstock is oriented in the correct direction.

2. Lower drill pipe to set the whipstock. The weight indicator will jump indicating lower plunger shear pin is sheared (3600 #'s)and the whipstock is set. Continue setting down to shear the starting mill bolt (20,000#'s). The weight indicator will jump again indicating the bolt is sheared. Commence milling operations.

3. Pick up the power swivel and begin circulating. Pick up drill pipe until starting mill has cleared the whipstock and start rotation. Lower the drill pipe slowly until the torque gauge suggest the starting mill is contacting the casing. Adjust weight and speed until satisfied with the penetration rate. Mill to a predetermined depth that will assure the setting lug is completely removed and a cutout in the casing has been initiated. TOOH.

4. TIH with the bi-mill. Resume milling operations and mill until the complete assembly has cleared the casing. Pick up and lower the string several times without rotation to assure a good clean window has been obtained. Circulate the hole clean. TOOH.

5. Inspect the mill on the surface. If extreme wear is evident, consideration should be given to repeating the above step.

HORIZONTAL PRODUCTION HOLE:

1. Rig up Scientific Drilling. Adjust plan to target as necessary. Trip in the hole with Scientific Drilling's curve building assembly. This will be a 4-3/4" insert, 3-3/4" PDM, float sub/orienter combo, 2-flexable monel collars and 2-7/8" AOH drill pipe.

2. Build curve to estimated target depths and angles as follows:

   True Vertical Depth .....6980'
   Measured Depth ..... 7052'
   Final Angle ..... 88.7 degrees
   Target Azimuth .....36.9 degrees
   Build Rate .....44 degrees/100'

   Drill the curve sliding as necessary to stay on target. It is recommended that after each slide, the bit be pulled back and washed through the slide. Once the curve is built, rotate through the curve section noting tight spots and fill. Make at least one short trip prior to tripping out of the hole.

3. Trip in the hole with Scientific Drilling's lateral assembly. This will be a 4-3/4" insert or PDC bit , 3-3/4" motor, float sub/orienting combo, 2 - flexible monel collars and 2-7/8" AOH drill pipe. Change the hole over to air.

4. Drill ±873' of hole per the attached well plan. Keep bottom hole pressures as low as possible. Formation gas contains 0.6 mole percent H2S.

5. Continue drilling the horizontal section per the Texaco Engineer recommendations.

6. Clean the hole up and then pump enough 2% KCl water to yield 600psi bottom hole hydrostatic pressure. Trip out of the hole with the drilling assembly. TIH and set a Baker packer with a plug in the on-off tool at ±6800'. Test packer to 1000 psi.

7. Lay down the drill pipe. Nipple down the BOP stack. Install a manual 3000 psig BOP equipped with blind rams and 2-7/8" pipe rams. Release the rig. Rig down and move out rotary tools.

COMPLETION PROCEDURE:

1. Back drag the location and set pulling unit anchors.
2. Move in and rig up a pulling unit.
3. TIH with tubing and circulate packer fluid into annular area. Tie into packer and swab fluid level down to packer. Pull equalizing prong and plug.
4. Swab well on production.
5. Rig up Dowell and acid stimulate (Foam Mat) with 23,000 gallons of 15% HCl if needed.
6. Flow back immediately. Flow test.

POTENTIAL PROBLEMS:

Production Hole:

a) No problems anticipated.

Horizontal Production hole:

a) Loss circulation material and/or other plugging agents are not to be used in this portion of the hole.

b) The horizontal lateral will be drilled with air. Care should be taken to minimize bottom hole pressures in order to drill the lateral under balanced (BHP is expected to be less than 500 psi),

c) Hydrogen sulfide is expected, and H2S detection equipment is to be installed.

MUD PROGRAM:

Interval	Type	Weight	Viscosity	Remarks
Curve	Fresh Water	8.4 ppg	35	Raise visc. with starch and gel
Horizontal	Air			BHP to be minimized

EVALUATION PROGRAM

Coring:

No cores are anticipated.

Mud Loggers:

No mud logging is anticipated.

Horizontal Hole Logs:

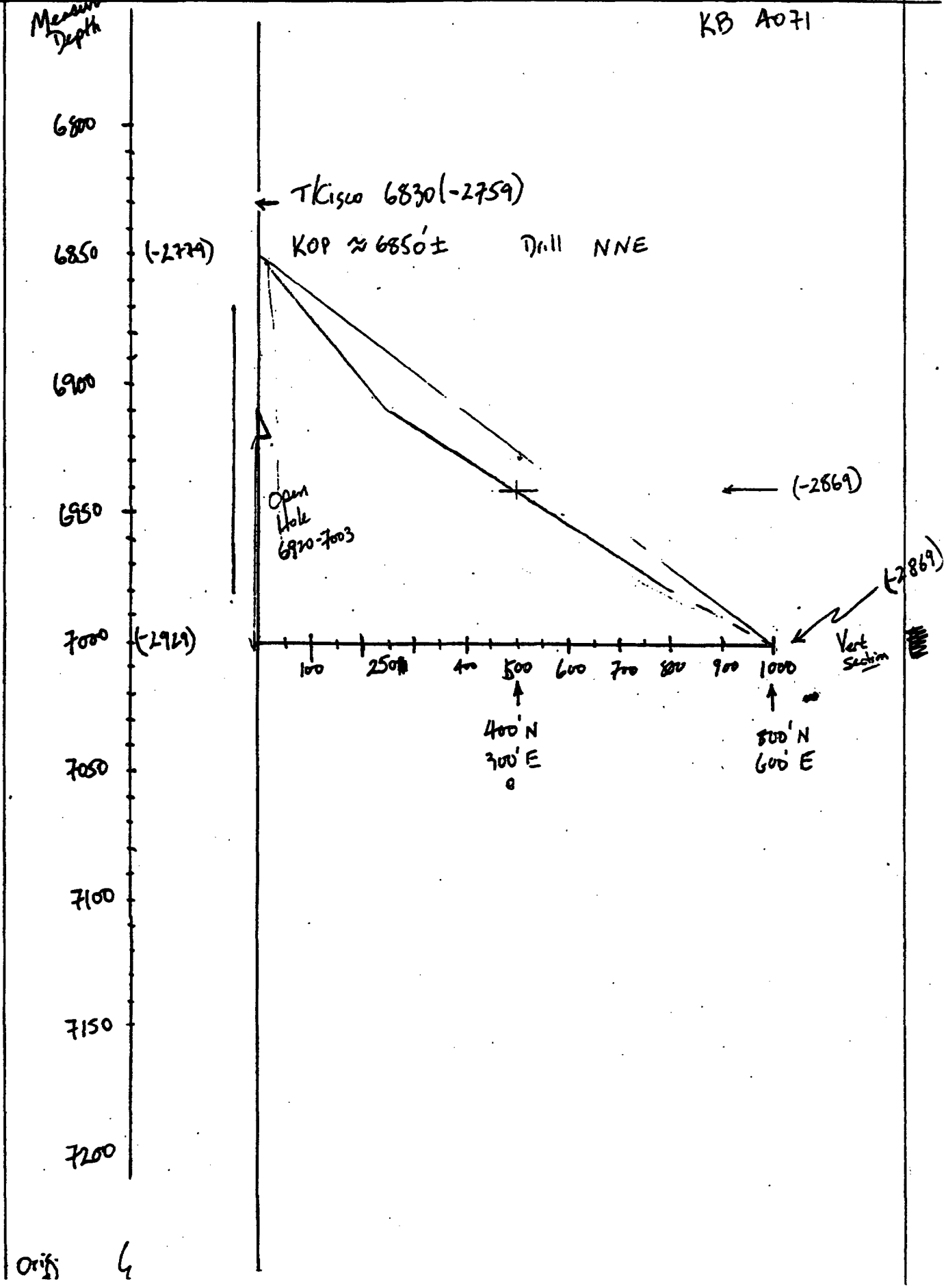
No logs are anticipated.

CASING PROPERTIES

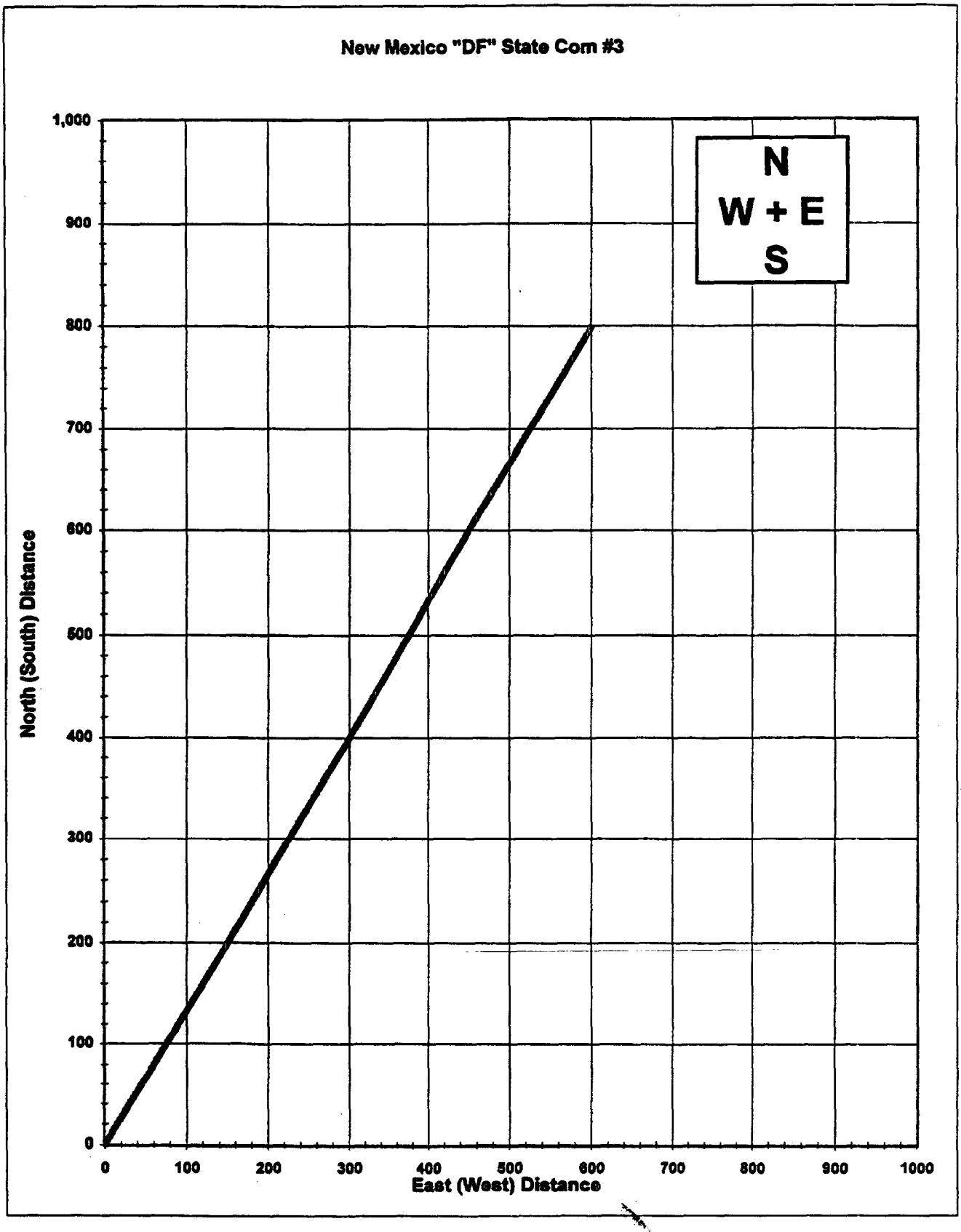
PIPE	DEPTH	BURST Rated	BURST (75%)	COLLAPSE Rated	COLLAPSE (75%)	ORIG. TEST PRESSURE
9-5/8", 36#/ft, WC50	0'-1500'	3200	2400	1930	1447	1000
7", 26#/ft, S-95	0'-6920'	8600	6450	7800	5850	2500

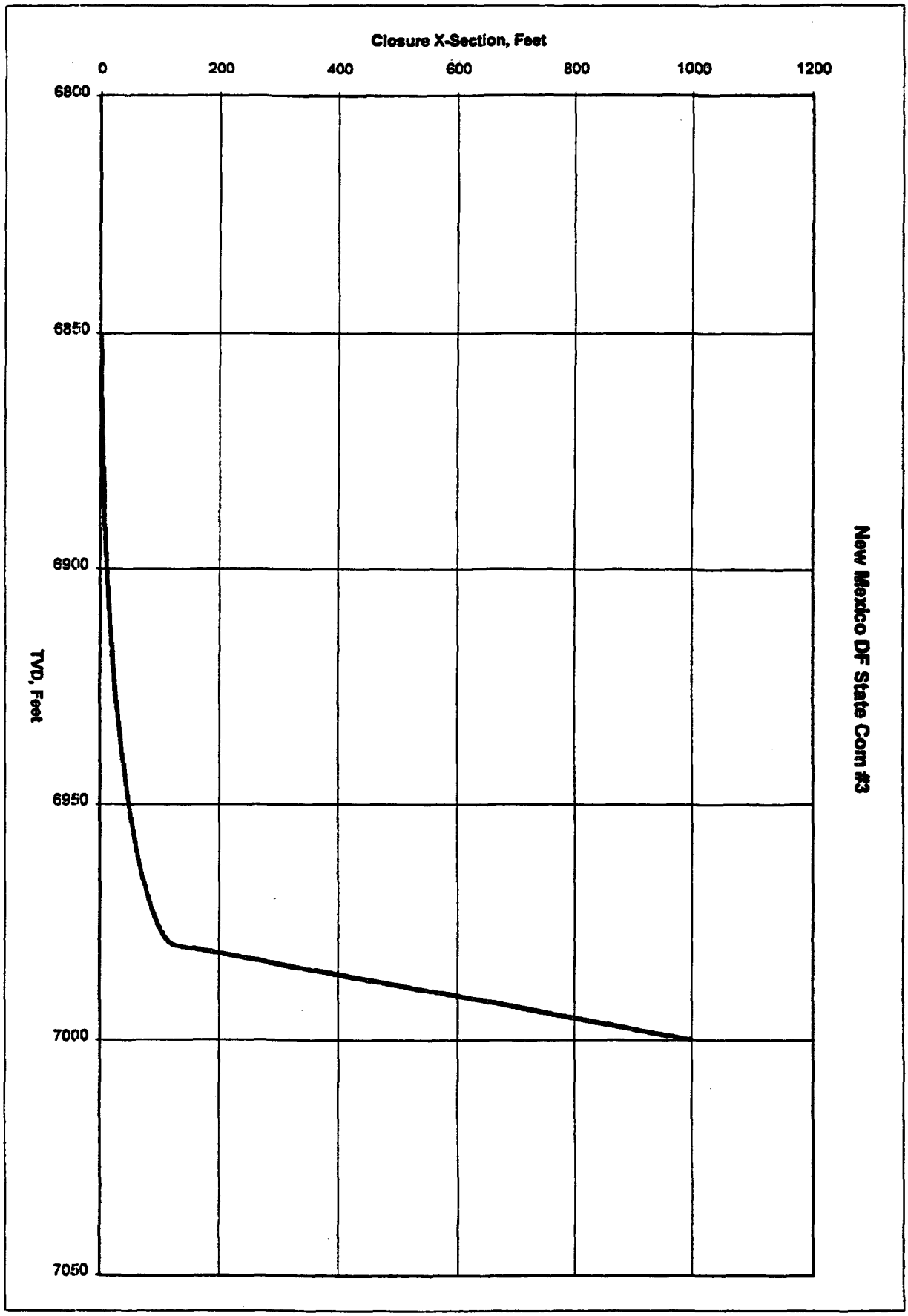
NM DF Stole Com No. 3

KB A071



Orig 4


New Mexico "DF" State Com #3
N
W + E
S
North (South) Distance
East (West) Distance
0
100
200
300
400
500
600
700
800
900
1,000
1000


Closure X-Section, Feet
0
200
400
600
800
1000
1200
6800
6850
6900
6950
7000
7050
TVD, Feet
New Mexico DF State Com #3

													Total Feet N (S)	Total Feet E (W)	Closure Distance Feet	Dog Leg Severity Degrees per 100'	Closure Azimuth
6850	0.00	N	36.9	E	275	0	0.0	0.00	0.00	0.00	0.00	0.00	6850.00	0.00	0.00	0.00	0.00	N 0.00 E
					36.9	10	311.9	2.20	0.38	9.99	0.31	0.23	6859.99	0.31	0.23	0.38	43.97	N 36.90 E
					36.9	10	36.9	6.60	1.15	9.93	0.92	0.69	6869.91	1.23	0.92	1.53	43.97	N 36.90 E
					36.9	10	36.9	11.00	1.91	9.81	1.52	1.14	6879.72	2.75	2.06	3.44	43.97	N 36.90 E
					36.9	10	36.9	15.40	2.65	9.63	2.12	1.59	6889.35	4.87	3.66	6.09	43.97	N 36.90 E
					36.9	10	36.9	19.80	3.38	9.40	2.71	2.03	6898.75	7.58	5.69	9.48	43.97	N 36.90 E
					36.9	10	36.9	24.20	4.10	9.11	3.28	2.46	6907.87	10.85	8.15	13.57	43.97	N 36.90 E
					36.9	10	36.9	28.60	4.78	8.77	3.83	2.87	6916.64	14.68	11.02	18.36	43.97	N 36.90 E
					36.9	10	36.9	33.00	5.44	8.38	4.35	3.27	6925.02	19.03	14.29	23.80	43.97	N 36.90 E
					36.9	10	36.9	37.40	6.07	7.94	4.85	3.64	6932.96	23.89	17.93	29.87	43.97	N 36.90 E
					36.9	10	36.9	41.80	6.66	7.45	5.33	4.00	6940.41	29.21	21.93	36.53	43.97	N 36.90 E
					36.9	10	36.9	46.20	7.21	6.92	5.77	4.33	6947.33	34.98	26.26	43.74	43.97	N 36.90 E
					36.9	10	36.9	50.60	7.72	6.34	6.17	4.64	6953.67	41.15	30.90	51.46	43.97	N 36.90 E
					36.9	10	36.9	55.00	8.19	5.73	6.55	4.91	6959.40	47.70	35.81	59.65	43.97	N 36.90 E
					36.9	10	36.9	59.40	8.60	5.09	6.88	5.16	6964.49	54.58	40.98	68.25	43.97	N 36.90 E
					36.9	10	36.9	63.80	8.97	4.41	7.17	5.38	6968.90	61.75	46.36	77.22	43.97	N 36.90 E
					36.9	10	36.9	68.20	9.28	3.71	7.42	5.57	6972.61	69.17	51.93	86.49	43.97	N 36.90 E
					36.9	10	36.9	72.60	9.54	2.99	7.63	5.73	6975.60	76.79	57.66	96.03	43.97	N 36.90 E
					36.9	10	36.9	77.00	9.74	2.25	7.79	5.85	6977.85	84.58	63.50	105.77	43.97	N 36.90 E
					36.9	10	36.9	81.40	9.88	1.49	7.90	5.93	6979.34	92.48	69.44	115.65	43.97	N 36.90 E
					36.9	10	36.9	85.80	9.97	0.73	7.97	5.98	6980.07	100.45	75.42	125.61	43.97	N 36.90 E
					36.9	2	36.9	88.35	2.00	0.06	1.60	1.20	6980.13	102.05	76.62	127.61	35.00	N 36.90 E
					36.9	373	36.9	88.70	372.90	8.46	298.21	223.90	6988.59	400.25	300.52	500.51	0.00	N 36.90 E
					36.9	10	36.9	88.70	10.00	0.23	7.99	6.00	6988.82	408.25	306.52	510.51	0.00	N 36.90 E
					36.9	490	36.9	88.70	489.87	11.12	391.74	294.13	6999.94	799.99	600.65	1000.39	0.00	N 36.90 E

Submit 3 copies to Appropriate District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

SF

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Box Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

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

WELL API NO. 30-015-29284

5. Indicate Type of Lease STATE ☒ FEE ☐

6. State Oil / Gas Lease No. NM-192330

SUNDRY NOTICES AND REPORTS ON WELL

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name: NEW MEXICO DF STATE COM

1. Type of Well: OIL WELL ☐ GAS WELL ☒ OTHER

2. Name of Operator: TEXACO EXPLORATION & PRODUCTION INC.

8. Well No. 3

3. Address of Operator: 205 E. Bender, HOBBS, NM 88240

9. Pool Name or Wildcat: INDIAN BASIN UPPER PENN

4. Well Location

Unit Letter G : 2000 Feet From The NORTH Line and 1650 Feet From The EAST Line

Section 32 Township 21-S Range 23-E NMPM EDDY COUNTY

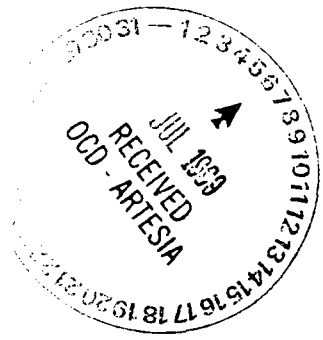
10. Elevation (Show whether DF, RKB, RT,GR, etc.) 4059' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☒	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPERATION	☐	PLUG AND ABANDONMENT	☐
PULL OR ALTER CASING	☐			CASING TEST AND CEMENT JOB	☐		
OTHER:	☐			OTHER: Add perfs, Acidize	☒		

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

3-22-99: MIRU. INSTL FULL LUBRICATOR ON 5K TREE. TIH W/GUN & PERF UPPER PENN FORMATION FR 6846-48, 6851-60, 6873-93, 6909-17'.
3-23-99: TIH W/DSP TOOL ON COILED TBG. ACIDIZE UPPER PENN PERFS 6846-6909' W/4000 GALS 15% NEFE HCL & 355,066 SCF N2 FOAMED GAS WELL ACID. PUMPED IN 4 STAGES. JET HOLE DRY FR 6975-3000'. FLOW & CLEAN UP WELL. TURNED DOWN LINE @ 2:00 AM.
6-16-99: ON 24 HR OPT. FLOW 0 BO, 30 BW, & 767 MCF.
FINAL REPORT



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

SIGNATURE J. Denise Leake TITLE Engineering Assistant DATE 6/22/99

TYPE OR PRINT NAME J. Denise Leake Telephone No. 397-0405

(This space for State Use)

APPROVED BY Tim W. Gum BCR TITLE District Supervisor DATE 7-8-99

CONDITIONS OF APPROVAL, IF ANY:

DeSoto/Nichols 12-93 ver 1.0

Submit 3 copies to Appropriate District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

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P.O. Box Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

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

WELL API NO. 30-015-29284

5. Indicate Type of Lease STATE ☒ FEE ☐

6. State Oil / Gas Lease No. NM-192330

SUNDRY NOTICES AND REPORTS ON WELL

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PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☒	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPERATION	☐	PLUG AND ABANDONMENT	☐
PULL OR ALTER CASING	☐			CASING TEST AND CEMENT JOB	☐		
OTHER:	☐			OTHER:			☐

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

4-08-98: MIRU. TIH W/PLUG & SET IN NIPPLE @ 6829'. BLED 480# OFF TBG. LOAD 3 1/2" TBG W/58 BBLS 2% KCL. LOAD BACKSIDE W/1 BBL. ND 3000# TREE. NUBOP & CHOKE MANIFOLD. REL ON/OFF TOOL FR PKR. TOH LD TBG.
4-09-98: REDRESS ON/OFF TOOL. UNLOAD & RACK 215 JTS 2 7/8" TBG.
4-10-98: TIH W/ON/OFF TOOL, X-OVER, 2 7/8" TBG. LD 2 JTS TBG.
4-13-98: LATCH ONTO PKR @ 6820'. TEST ANNULAS TO 500 PSI-OK. REM BOP. REM TBG COLLAR. INSTL TREE. TEST TREE FLANGE TO 2500 PSI-OK. SWAB FL TO 3400'. REM TREE. INSTL BOP. LOAD TBG W/2% KCL FW.
4-14-98: REL ON/OFF TOOL. LD 1 JT TBG. RUN 2 7/8" S.S. NIPPLE & 1 JT 2 7/8" IPC TBG. LATCH ONTO PKR. PMP DN CSG & TEST ON/OFF TOOL TO 500#-OK. NDBOP. NU TREE. TEST TREE TO 2500#-OK. SWAB FLUID IN TBG TO 3400'. TIH W/GAUGE RING TO 6824'. TIH W/EQUALIZER PRONG & EQUALIZE TBG. TBG ON VAC. TIH W/NEW TOOL. FSH PLUG.
4-15-98: ACIDIZE UPPER PENN O.H. FR 6920-6975' W/5000 GALS GAS WELL ACID & FLSH W/2600 GALS DIESEL. FL @ 5300'. WELL FLOWING ON 25# TP. END FL @ 5400'.
4-16-98: TBG PRESS FELL TO 120#. TIE INTO SALES LINE @ 4:00 PM.
4-17-98: RIG DOWN. OPEN WELL ON FULL CHOKE. FTP-350#. COMPRESSOR DOWN. START COMPRESSOR. WELL FLOWING.
5-30-98: ON 24 HR OPT. FLOWING 0 BO, 3 BW, & 1920 MCF.
FINAL REPORT

JUL [illegible]
RECEIVED
OCD - ARTESIA

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

SIGNATURE J Denise Leake TITLE Engineering Assistant DATE 7/20/98

TYPE OR PRINT NAME J. Denise Leake Telephone No. 397-0405

(This space for State Use)

APPROVED BY Jim W. Gum BLP TITLE District Supervisor DATE 7-27-98

CONDITIONS OF APPROVAL, IF ANY:

DeSoto/Nichols 12-93 ver 1.0

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TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPERATION	☐	PLUG AND ABANDONMENT	☐
PULL OR ALTER CASING	☐			CASING TEST AND CEMENT JOB	☐		
OTHER:	☐			OTHER:	☐		

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

TEXACO INTENDS TO REPLACE 3 1/2" TUBING STRING WITH A 2 7/8" TUBING STRING. GAS VELOCITIES IN THE 3 1/2" STRING ARE NOT FAST ENOUGH TO LIFT THE WELLS 1.3 BBL/MMCF OF PRODUCED FLUIDS. A 2 7/8" TUBING STRING WILL FACILITATE THE REMOVAL OF PRODUCED FLUIDS FROM THE WELLBORE THEREBY INCREASING THE WELLS GAS PRODUCTION RATE AND LOWERING CONTROLLABLE EXPENSES ASSOCIATED WITH SWABBING. PRIOR TO THE ABOVE, AN ACID STIMULATION WILL BE PERFORMED TO REMOVE ANY SKIN DAMAGE THAT MAY HAVE OCCURRED DURING DRILLING.

INTENDED PROCEDURE:

ACIDIZE UPPER PENN OPEN HOLE (6920-6975) W/5000 GALS 15% HCL & METHANOL. FLSH W/DIESEL TO BTM OF OPEN HLE.
SET 1.875" PLUG IN R PROFILE @ 6829'.
RUPU. TOH & LD 216 JTS 3 1/2" 9.3#, L-80 TBG. SEND 3 1/2" TBG TO WAREHOUSE.
TIH W/2 7/8", 6.5# POLYETHYLENE LINED TBG. LAND TBG IN 7" RETR CSG PKR @ 6810'. RDPU.
REM 1.875" PLUG IN R PROFILE @ 6829'. RETURN WELL TO PRODUCTION.

MAR 1998
RECEIVED
OCD - ARTESIA

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

SIGNATURE J. Denise Leake TITLE Engineering Assistant DATE 3/16/98

TYPE OR PRINT NAME J. Denise Leake Telephone No. 397-0405

(This space for State Use)

APPROVED BY Tim W. Gum TITLE District Supervisor DATE 3/20/98

CONDITIONS OF APPROVAL, IF ANY:

DeSoto/Nichols 12-93 ver 1.0

Submit in duplicate to appropriate district office
See Rule 401 & Rule 1122

Energy, Minerals and Natural Resources Department

Form C-122
Revised 4-1-91

SF

OIL CONSERVATION DIVISION

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

MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

RECEIVED
APR 03 1997
OIL CON. DIV.
DIST. 2

Operator: Texaco					Lease or Unit Name: New Mexico DF State				
Type Test: [X] Initial [ ] Annual [ ] Special					Test Date: 3/20/97			Well No.: 3	
Completion Date: 1/26/97		Total Depth: 7000		Plug Back TD: 7000	Elevation: 4059			Unit Ltr. - Sec. - TWP - Rge.: G 32 21S 23-E	
Csg. Size: 7"	Wt.: 26#	d: 6.276	Set At: 6920	Perforations: From: OH 6920	To: 6810			County: Eddy	
Tbg. Size: 3 1/2	Wt.: 9.2	d: 2.992	Set At: 6807	Perforations: From:	To:			Pool: Indian Basin U/Penn	
Type Well - Single - Bradenhead - G.G. or G.O. Multiple: Single				Packer Set At: 6907				Formation: Upper Penn	
Producing Thru: Tbg	Reservoir Temp. °F: 143.2	Mean Annual Temp. °F: 60°		Baro. Press - P_a: 13.2				Connection: Sales	
L: 6920	H: 6920	Gg: .625	% CO_2: .82	% N_2: .61	% H_2S: 0	Prover: 0		Meter Run: 4.026	Taps: F/G

NO.	FLOW DATA: Prover Line Size X Orifice Size	Press. p.s.i.g.	Diff. h_w	Temp. °F	TUBING DATA: Press. p.s.i.g.	Temp. °F	CASING DATA: Press. p.s.i.g.	Temp. °F	Duration of Flow
SI					609				
1.	4.026 x 1.500	393.4	90		415.1				24 hrs.
2.									
3.									
4.									
5.									

RATE OF FLOW CALCULATIONS

NO.	COEFFICIENT (24 HOUR)	$\sqrt{h_w P_m}$	Pressure P_m	Flow Temp. Factor Ft.	Gravity Factor Fg.	Super Compress. Factor, F pv.	Rate of Flow Q, Mcfd
1.							
2.		Volume Takes from total flow meter					2.797
3.							
4.							
5.							

NO.	P_r	Temp. °R	T_r	Z
1.				
2.				
3.				
4.				
5.				

Gas Liquid Hydrocarbon Ratio 399.571 Mcf/bbl.
A.P. I. Gravity of Liquid Hydrocarbons 50.1 Deg.
Specific Gravity Separator Gas .633 XXXXXXXXX
Specific Gravity Flowing Fluid N/A XXXXX
Critical Pressure 674 P.S.I.A. 673 P.S.I.A.
Critical Temperature 361 R 364 R

P_c 609 P_c^2 370.9

NO.	P_t^2	P_w	P_w^2	$P_c^2 - P_w^2$
1.	154.8	421.7	177.9	193.0
2.				
3.				
4.				
5.				

1) $\frac{P_c^2}{P_c^2 - P_w^2}$ = 1.921 (2) $\left[\frac{P_c^2}{P_c^2 - P_w^2}\right]^n$ = 1.921

AOF = Q $\left[\frac{P_c^2}{P_c^2 - P_w^2}\right]^n$ = 5.374

Absolute Open Flow 5.374 Mcfd @ 15.025 | Angle of Slope θ 45° | Slope, n 1.000

Remarks: *Well on Compressor will not break line Press.
*Well made 7 BBLS of Condensate 50.1 API Gravity.

Approved By Division	Conducted By:	Calculated By:	Checked By:
	Pro Well Tester	MB	BM

COMPANY :TEXACO E.&P. LEASE :NM. DF ST. WELL NO. :3

UNIT :G SECTION : 32 TOWNSHIP : 21

L : 6920 H : 6920 L/H : 1 G/GMIX : 0.633

%CO2 : 0.82 %N2 : 0.61 H2S : DATE :3/27/97

d : 2.992 Fr :0.006324 GH : 4380.4 RANGE : 23

VOL 1 : 2797 PSIA 1 : 393.4 RESV.TEMP 143.2

VOL 2 : 2797 PSIA 2 : 393.4

VOL 3 : 2797 PSIA 3 : 393.4 SHUT-IN PR= 609

VOL 4 : 2797 PSIA 4 : 393.4

PCR : 673

TCR : 364

LINE	RATE 1		RATE 2		RATE 3		RATE 4	
	1ST	2ND	1ST	2ND	1ST	2ND	1ST	2ND
1 QM	2.797	2.797	2.797	2.797	2.797	2.797	2.797	2.797
2 TW	534	534	534	534	534	534	534	534
3 Ts	603.2	603.2	603.2	603.2	603.2	603.2	603.2	603.2
4 T	568.6	568.6	568.6	568.6	568.6	568.6	568.6	568.6
PR (est)	0.58		0.58		0.58		0.58	
5 Z(est)	0.926	0.920	0.926	0.920	0.926	0.920	0.926	0.920
6 TZ	526.8	523.4	526.8	523.4	526.8	523.4	526.8	523.4
7 GH/TZ	8.315	8.370	8.315	8.370	8.315	8.370	8.315	8.370
8 eS	1.366	1.369	1.366	1.369	1.366	1.369	1.366	1.369
9 1-e-S	0.268	0.269	0.268	0.269	0.268	0.269	0.268	0.269
10 Pt	393.4	393.4	393.4	393.4	393.4	393.4	393.4	393.4
11 Pt2 /1000	154.8	154.8	154.8	154.8	154.8	154.8	154.8	154.8
12 Fr	0.006324	0.006324	0.006324	0.006324	0.006324	0.006324	0.006324	0.0063248
13 Fc=FrTZ	3.332	3.310	3.332	3.310	3.332	3.310	3.332	3.310
14 FcQa	9.32	9.26	9.32	9.26	9.32	9.26	9.32	9.26
15 L/H(FcQa)	86.8	85.7	86.8	85.7	86.8	85.7	86.8	85.7
16 Fw	23.26583	23.09188	23.26583	23.09188	23.26583	23.09188	23.26583	23.091882
17 Pw2	178.0	177.9	178.0	177.9	178.0	177.9	178.0	177.9
18 Ps2	243.2	243.4	243.2	243.4	243.2	243.4	243.2	243.4
19 Ps	493.1	493.4	493.1	493.4	493.1	493.4	493.1	493.4
20 P	443.3	443.4	443.3	443.4	443.3	443.4	443.3	443.4
21 Pr	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66
22 Tr	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56
23 Z	0.920	0.920	0.920	0.920	0.920	0.920	0.920	0.920

Pc = 609 Pc2 = 370.9

Pt2 = 154.8 Pw = 421.7

154.8 421.7

154.8 421.7

154.8 421.7

Pc2-Pw2= 193.0 Pw2 = 177.9

193.0 177.9

193.0 177.9

193.0 177.9

n = 1.000

Pc2/(Pc2-Pw2) = 1.921

1.921

1.921

1.921

[Pc2/Pc2-Pw2]n = 1.921

1.921

1.921

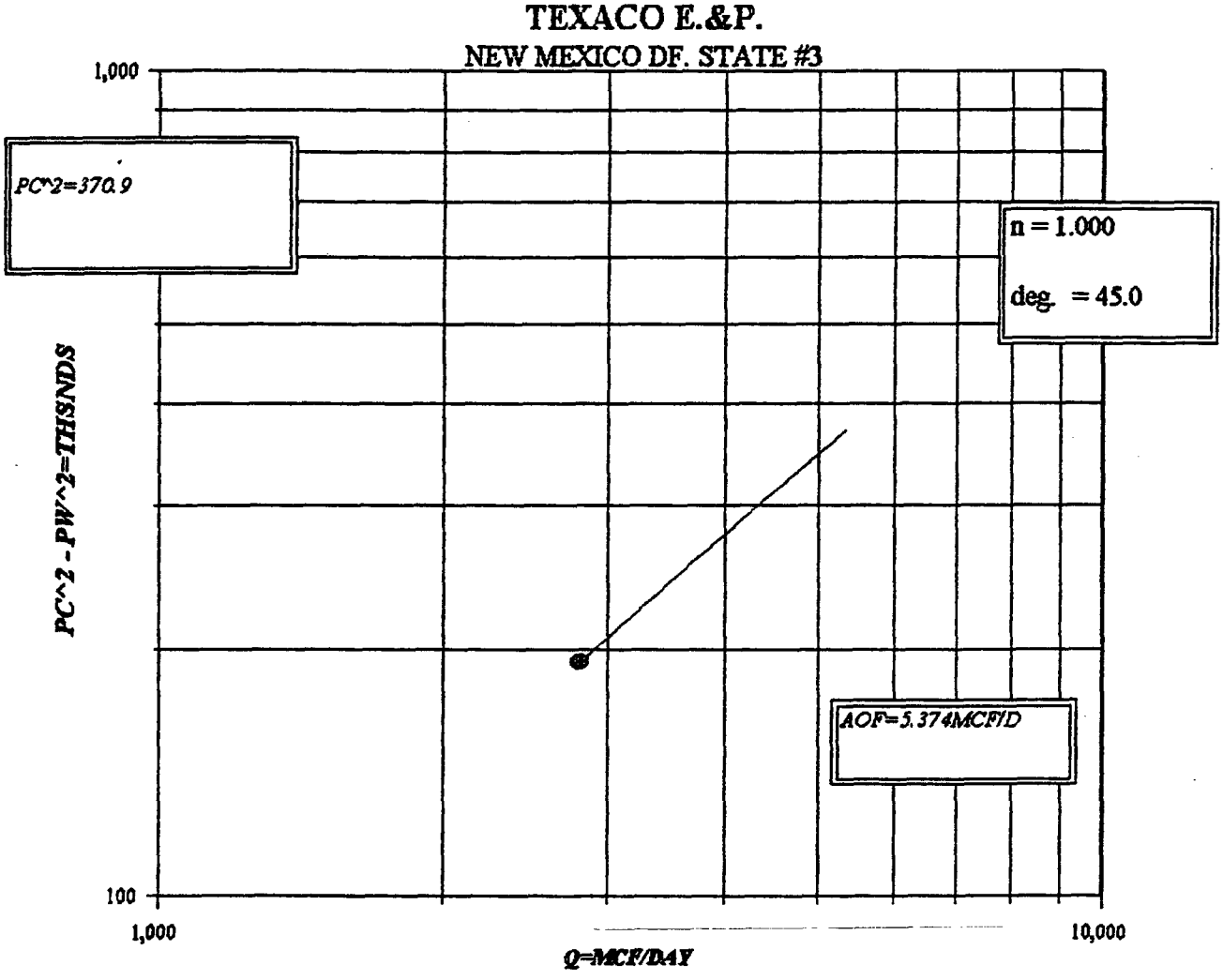
AOF= Q 5.374

5.374

5.374

5.374

FORM C122-D


TEXACO E.&P.
NEW MEXICO DF. STATE #3
1,000
100
PC^2=370.9
n = 1.000
deg. = 45.0
AOF=5.374MCFID
PC^2 - PW^2=THSNDS
1,000
10,000
Q=MCF/DAY

Laboratory Services, Inc.
1331 Tasker Drive
Hobbs, New Mexico 88240
Telephone: (505) 397-3713

FOR: Texaco E & P, Inc.
Attention: Mr. R. W. Lemmons
P. O. Box 730
Hobbs, New Mexico 88240

SAMPLE IDENTIFICATION: Station #36-104-0659 N.M. DF State #3
COMPANY: TEPI
LEASE:
PLANT:

SAMPLE DATA:
DATE SAMPLED: 3/13/97 10:30 AM
ANALYSIS DATE: 3/14/97
PRESSURE – PSIA 397
SAMPLE TEMP. °F 85.1
ATMOS. TEMP. °F 78.5

GAS (XX) LIQUID ( )
SAMPLED BY: R. W. Lemmons
ANALYSIS BY: Vickie Walker

REMARKS:

COMPONENT ANALYSIS

COMPONENT		MOL PERCENT	GPM
Hydrogen Sulfide	(H2S)		
Nitrogen	(N2)	0.82	
Carbon Dioxide	(CO2)	0.61	
Methane	(C1)	90.67	
Ethane	(C2)	5.03	1.342
Propane	(C3)	1.55	0.425
I-Butane	(IC4)	0.29	0.093
N-Butane	(NC4)	0.47	0.147
I-Pentane	(IC5)	0.18	0.065
N-Pentane	(NC5)	0.19	0.069
Hexane Plus	(C6+)	0.20	0.082
		100.00	2.219

BTU/CU.FT. – DRY	1092	MOLECULAR WT. 18.1050
AT 14.650 DRY	1089	
AT 14.650 WET	1070	
AT 14.73 DRY	1095	
AT 14.73 WET	1076	

SPECIFIC GRAVITY –
CALCULATED 0.625
MEASURED

NEW MEXICO G.O.R./G. MIX

NO. OF BBLS PRODUCED	=	7.0
API GRAVITY @ 60 DEG.	=	50.1
SPECIFIC GRAVITY OF GAS	=	0.6250
TOTAL GAS PRODUCED	=	2797
G.O.R.	=	399.571
G.MIX	=	0.633

DISTRICT I
P.O. 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-104
Revised February 10,1994
Instructions on back
Submit to Appropriate District Office
5 Copies

☐ AMENDED REPORT

51

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

1 Operator Name and Address	2 OGRID Number
TEXACO EXPLORATION & PRODUCTION INC. 205 E. Bender, HOBBS, NM 88240	022351
	3 Reason for Filing Code: NW

4 API Number	5 Pool Name	6 Pool Code
30-015-29284	INDIAN BASIN UPPER PENN	79040
7 Property Code	**8 Property Name**	**9 Well No.**
11032	NEW MEXICO DF STATE COM	3

II. 10 Surface Location

Ul or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
G	32	21-S	23-E		2000	NORTH	1650	EAST	EDDY

11 Bottom Hole Location

Ul or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County

12 Lse Code	13 Producing Method Code	14 Gas Connection Date	15 C-129 Permit Number	16 C-129 Effective Date	17 C-129 Expiration Date
S	F	2/13/97			

III. Oil and Gas Transporters

18 Transporter OGRID	19 Transporter Name and Address	20 POD	21 O/G	22 POD ULSTR Location and Description
015694	NAVAJO REFINING COMPANY P.O. BOX 159 ARTESIA, N.M. 88211	2489710	O	K-32-21S-23E EDDY, N.M. (N.M. DF STATE COM #1 LOCATION)
014035	MARATHON OIL COMPANY 329 MARATHON ROAD LAKEWOOD, N.M. 88254	2489730	G	K-32-21S-23E EDDY, N.M. (N.M. DF STATE COM #1 LOCATION)

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OIL CON. DIV.
DIST. 2

IV. Produced Water

23 POD	24 POD ULSTR Location and Description
2489750	K-32-21S-23E; EDDY, N.M. (NM DF STATE COM #1 LOC)

V. Well Completion Data

25 Spud Date	26 Ready Date	27 Total Depth	28 PBTD	29 Perforations
12/22/96	1/26/97	7000'	7000'	OPEN HOLE COMPLETION

30 HOLE SIZE	31 CASING & TUBING SIZE	32 DEPTH SET	33 SACKS CEMENT
12 1/4"	9 5/8"	1500'	650 SX, CIRC 15
7 7/8"	7"	6920'	1050 SX, CIRC 201
			DV TOOL @ 3600'

VI. Well Test Data

34 Date New Oil	35 Gas Delivery Date	36 Date of Test	37 Length of Test	38 Tubing Pressure	39 Casing Pressure
1/26/97	2/13/97	1/26/97	24	440#	
40 Choke Size	**41 Oil - Bbls.**	**42 Water - Bbls.**	**43 Gas - MCF**	**44 AOF**	**45 Test Method**
48/64	0	0	3145		F

46 I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: Monte C Duncan

Printed Name: Monte C. Duncan

Title: Engr Asst

Date: 2/28/97 Telephone: 397-0418

OIL CONSERVATION DIVISION

Approved By: Jim W. Gum

Title: District Supervisor

Approval Date: 3/10/97

47 If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature	Printed Name	Title	Date

DeSoto/Nichols 12/93 ver 1.10

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

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Box Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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-105
Revised 1-1-89

WELL API NO. 30-015-29284
5. Indicate Type of Lease STATE [X] FEE [ ]
6. State Oil / Gas Lea NM-192330

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL [ ] GAS WELL [X] DRY [ ] OTHER
b. Type of Completion: NEW WELL [X] WORKOVER [ ] DEEPEN [ ] PLUG BACK [ ] DIFF RES. [ ] OTHER

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OIL CON. DIV.
DIST. 2

7. Lease Name or Unit Agreement Name: NEW MEXICO DF STATE COM
2. Name of Operator: TEXACO EXPLORATION & PRODUCTION INC.
8. Well No. 3
3. Address of Operator: 205 E. Bender, HOBBS, NM 88240
9. Pool name or Wildcat: INDIAN BASIN UPPER PENN
4. Well Location
Unit Letter G : 2000 Feet From The NORTH Line and 1650 Feet From The EAST Line
Section 32 Township 21-S Range 23-E NMPM EDDY COUNTY

10. Date Spudded	11. Date T.D. Reached	12. Date Compl. (Ready to Prod.)	13. Elevations (DF & RKB, RT, GR, etc.)	14. Elev. Csghead
12/22/96	1/21/97	1/26/97	4059' GR	4059' GR

15. Total Depth	16. Plug Back T.D.	17. If Mult. Compl. How Many Zones?	18. Intervals Drilled By	Rotary Tools	Cable Tools
7000'	7000'	-		0-6975'	-

19. Producing Interval(s), of this completion - Top, Bottom, Name
6920-7000' OPEN HOLE COMPLETION(INDIAN BASIN UPPER PENN)

20. Was Directional Survey Made: YES

21. Type Electric and Other Logs Run: NONE

22. Was Well Cored: NO

23. CASING RECORD (Report all Strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENT RECORD	AMOUNT PULLED
9 5/8"	24#	1500'	12 1/4"	650 SX, CIRC 15	TOC @ 411'
7"	26#	6920'	7 7/8"	1050 SX, CIRC 201	
				DV TOOL @ 3600'	

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
3 1/2"	6807'	6810

26. Perforation record (interval, size, and number)
OPEN HOLE COMPLETION

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
NONE	

28. PRODUCTION

Date First Production	Production Method (Flowing, gas lift, pumping - size and type pump)	Well Status (Prod. or Shut-in)
1/26/97	FLOWING	PROD.

Date of Test	Hours tested	Choke Size	Prod'n For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
1/26/97	24	48/64		0	3145	0	-

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API -(Corr.)
440#						

29. Disposition of Gas (Sold, used for fuel, vented, etc.)
FLARED UNTIL GAS CONNECTION ON 2/13/97
Test Witnessed By: JOHNSTON

30. List Attachment: DEVIATION SURVEY

31. I hereby certify that the information on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNATURE [signature] TITLE Engr Asst DATE 2/27/97

TYPE OR PRINT NAME Monte C. Duncan Telephone No. 397-0418

DeSoto/Nichols 12-93 ver 1.0

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true verticle depths shall be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico				Northwestern New Mexico	
T. Anhy		T. Canyon		T. Ojo Alamo	T. Penn "B"
T. Salt		T. Strawn		T. Kirtland-Fruitland	T. Penn "C"
B. Salt		T. Atoka		T. Pictured Cliffs	T. Penn "D"
T. Yates		T. Miss		T. Cliff House	T. Leadville
T. 7 Rivers		T. Devonian		T. Menefee	T. Madison
T. Queen		T. Silurian		T. Point Lookout	T. Elbert
T. Grayburg		T. Montoya		T. Mancos	T. McCracken
T. San Andres	382'	T. Simpson		T. Gallup	T. Ignacio Otzte
T. Glorieta	1806'	T. McKee		T. Base Greenhorn	T. Granite
T. Paddock		T. Ellenburger		T. Dakota	T.
T. Blinebry		T. Gr. Wash		T. Morrison	T.
T. Tubb		T. Delaware Sand		T. Todilto	T.
T. Drinkard		T. Bone Springs	LS 3200'	T. Entrada	T.
T. Abo		T. Bone Spring SS	5807'	T. Wingate	T.
T. Wolfcamp	5922'	T. Yeso	1876'	T. Chinle	T.
T. Penn		T.		T. Permian	T.
T. Cisco	6830'	T.		T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from 6920'	to 7000'	No. 3, from	to
No. 2, from	to	No. 4, from	to

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in the hole.

No. 1, from	to	feet
No. 2, from	to	feet
No. 3, from	to	feet

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
0	238'	238'	Lime & Sand				
238'	1162'	924'	Lime				
1162'	2430'	1268'	Lime & Sand				
2430'	2920'	490'	Lime				
2920'	3683'	763'	Lime, Sand, Shale				
3683'	4912'	1229'	Lime & Sand				
4912'	5689'	777'	Lime				
5689'	6167'	478'	Lime, Sand, Shale				
6167'	7000'	833'	Lime & Sand				
TD	7000'						

DeSoto/Nichols 12-93 ver 1.0

Texaco Expl. & Prod. Inc.
New Mexico DF State Com #3 Unit Letter G, Sec. 32, T-21-S, R-23-E
Eddy Co., NM

STATE OF NEW MEXICO
DEVIATION REPORT

193	1/2
531	3/4
839	1/2
1,300	1
1,500	3/4
1,742	3/4
2,055	1/2
2,549	3/4
3,015	3/4
3,360	3/4
3,669	3/4
3,950	3/4
4,200	3/4
4,480	1/4
4,725	1
4,910	1
5,130	1
5,590	1
5,990	1-1/4
6,458	2-1/2
6,680	1-3/4
6,920	1-1/2

By: Ray Peterson

STATE OF TEXAS

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me this 13th day of January, 1997, by RAY PETERSON on behalf of PETERSON DRILLING COMPANY.

Notary Public for Midland County, Texas

My Commission Expires: 8/2/2000

ALICE KEEL
NOTARY PUBLIC
State of Texas
Comm. Exp. 08-02-2000

Submit 3 copies to Appropriate District Office

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Box Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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-103
Revised 1-1-89

RECEIVED
FEB 17 1997
OIL CON. DIV.
DIST. 2

WELL API NO. 30-015-29284

5. Indicate Type of Lease STATE ☒ FEE ☐

6. State Oil / Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.

7. Lease Name or Unit Agreement Name: NEW MEXICO 'DF' STATE COM. NCT-1

1. Type of Well: OIL WELL ☒ GAS WELL ☐ OTHER

2. Name of Operator: TEXACO EXPLORATION & PRODUCTION INC.

8. Well No. 3

3. Address of Operator: P.O. Box 2100, Denver Colorado 80201

9. Pool Name or Wildcat: INDIAN BASIN PENN

4. Well Location

Unit Letter G : 2000 Feet From The NORTH Line and 1650 Feet From The EAST Line

Section 32 Township 21-S Range 23-E NMPM EDDY COUNTY

10. Elevation (Show whether DF, RKB, RT,GR, etc.) 4059'

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPERATION	☐	PLUG AND ABANDONMENT	☐
PULL OR ALTER CASING	☐			CASING TEST AND CEMENT JOB	☐		
OTHER:	☐			OTHER: COMPLETION			☒

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

1. TIH W/ 3-1/2" TBG. TAG CMT @ 3620'. COC AND DV TOOL @ 3615'. TEST TO 2500 PSI. TIH TO 4545'. 01-19-97.
2. BLOW HOLE DRY. CO FS, DRILL 50' FORMATION TO 6975'. PU, FLOW TEST @ RATE OF 2.9 MMCF 450 PSI, 36/64 CK. LEFT FLOWING, NG. 01-21-97.
3. RU SCHLUMBERGER. SET BAKER SC-2P ON WL @ 6810'. 01-24-97.
4. LOAD ANNULUS W/ PACKER FLUID. TEST TO 500 PSI. DS PUMPED NITROGEN IN 3-1/2" TBG AND PUMP OUT PLUG BELOW PKR W/3200 PSI. OPEN WELL AND FLOW TBG CLEAR OF NITROGEN. 01-26-97.
5. FLOW TEST WELL. STABILIZE FLOW RATE OF 3.145 MMCFD, 0 BO, 0 BW, FTP 350 ON 48/64" CHOKE. FLOW TEST COMPLETE @ 11:45 A.M. DRLG TO NG. 01-26-97.

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

SIGNATURE C.P. Basham/SPH TITLE Eng. Assistant. DATE 1/28/97

TYPE OR PRINT NAME Sheilla D. Reed-High Telephone No. (303)621-4851

(This space for State Use)

APPROVED Tim W. Gum TITLE District Supervisor DATE 2/21/97

CONDITIONS OF APPROVAL, IF ANY:

DeSoto/Nichols 10-94 ver 2.0

Submit 3 copies to Appropriate District Office

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Box Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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-103
Revised 1-1-89

5F

WELL API NO. 30-015-29284

5. Indicate Type of Lease STATE ☒ FEE ☐

6. State Oil / Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.

RECEIVED
JAN 23 1997
OIL CON. DIV.
DIST. 2

7. Lease Name or Unit Agreement Name
NEW MEXICO 'DF' STATE ~~COM. NCT-1~~
11032

1. Type of Well: OIL WELL ☒ GAS WELL ☐ OTHER

2. Name of Operator: TEXACO EXPLORATION & PRODUCTION INC.

8. Well No. 3

3. Address of Operator: P.O. Box 2100, Denver Colorado 80201

9. Pool Name or Wildcat: INDIAN BASIN PENN

4. Well Location
Unit Letter G : 2000 Feet From The NORTH Line and 1650 Feet From The EAST Line
Section 32 Township 21-S Range 23-E NMPM EDDY COUNTY

10. Elevation (Show whether DF, RKB, RT,GR, etc.) 4059'

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPERATION	☐	PLUG AND ABANDONMENT	☐
PULL OR ALTER CASING	☐			CASING TEST AND CEMENT JOB	☐		
OTHER:	☐			OTHER: SPUD, SURG CSG, PROD CSG	☒		

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

1. PETERSON RIG #2 SPUD 12.25 INCH HOLE @ 4:00 PM 12-22-96. DRILLED TO 1500'. TD @ 1:45 AM 12-25-96.
2. RAN 40 JOINTS OF 9 5/8 INCH, 24#, WC-50, STC CASING SET @ 1500'. RAN 15 CENTRALIZERS.
3. DOWELL CEMENTED WITH 400 SACKS CLASS C W/ 4% GEL, 2% CACL2 (13.5 PPG, 1.74 CF/S 9.1 GW/S). F/B 250 SACKS CLASS C W/ 2% CACL2 (14.8 PPG, 1.34 CF/S 6.3 GW/S). PLUG DOWN @ 10:45 PM 12-25-96. CIRC 15 SACKS.RAN TEMP SURVEY,TOC@411'
4. NU BOP & TESTED TO 1200#. TESTED CASING TO 1000# FOR 30 MINUTES FROM 1:30 PM TO 2:00 PM 12-26-96.
5. WOC TIME 14 HOURS AND 45 MINUTES FROM 10:45 PM 12-25-96 TO 1:30 PM 12-26-96. REQUIREMENTS OF RULE 107, OPTION 2:
   1. VOLUME OF CEMENT SLURRY: LEAD 696 (CU. FT.), TAIL 335 (CU. FT.).
   2. APPROX. TEMPERATURE OF SLURRY WHEN MIXED: 50 F.
   3. EST. FORMATION TEMPERATURE IN ZONE OF INTEREST: 90 F.
   4. EST. CEMENT STRENGTH AT TIME OF CASING TEST: 1767PSI.
   5. ACTUAL TIME CEMENT IN PLACE PRIOR TO TESTING: 14 HOURS AND 45 MINUTES.
6. DRILLING 7 7/8 INCH HOLE.
7. DRILLED 7 7/8 INCH HOLE TO 6920'. TD @ 9:45 AM 01-06-97.
8. RU SCHLUMBERGER. SCHLUMBERGER LOG PLATFORM EXPRESS 6915'-1500'. LOG CMR 3600'-160'.
9. RAN 155 JOINTS OF 7 INCH, 26#, S-95, LTC CASING SET @ 6920'.
10. DOWELL CEMENTED: 1ST STAGE - 600 SACKS 50/50 POZ CLASS H W/2% GEL, 5% SALT, 1/4# FLOCELE (14.2 PPG, 1.35 CF/S, 6.3 GW/S). DV TOOL @ 3600'. CIRCULATED 125 SACKS OFF DV TOOL. 2ND STAGE - 350 SACKS 35/65 POZ CLASS H W/ 6% GEL, 5% SALT, 1/4# FLOCELE (12.4 PPG, 2.14 CF/S). F/B 100 SACKS CLASS H NEAT(15.6 PPG, 1.18 CF/S). PLUG DOWN @ 8:00 AM 01-09-97. CIRCULATED 76 SACKS.
11. ND. RELEASE RIG @ 2:00 PM 01-09-97.
12. PREP TO COMPLETE.

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

SIGNATURE C. P. Basham/SRH TITLE Eng. Assistant. DATE 1/17/97

TYPE OR PRINT NAME Sheilla D. Reed-High Telephone No. (303)~~621~~-793-4851

(This space for State Use)

APPROVED
CONDITIONS OF APPROVAL, IF ANY: TITLE Steve W. Green BGA District Supervisor DATE 1-28-97

DeSoto/Nichols 10-94 ver 2.0

Schlumberger
Dowell

CemDABE Cement Test Report

January 5, 1997
DATE OF TEST : 05-jan-1997

TEST NUMBER : NPD700800001

CUSTOMER : TEXACO
FIELD : EDDY NM
WELL : N M STATE DF COM 3

BASE FLUID
Density : 8.32 lb/gal
Volume : 11.95 gal/sk
Type : LO
Total liquid : 11.95 gal/sk

CEMENT
Class : H
Blend : 3565
Brand : LONESTAR
Plant : MARYNEAL

SLURRY
Density : 12.40 lb/gal
Yield : 2.14 ft^3/sk

B.H.S.T. : 105.0 F
B.H.C.T. : 96.0 F

ADDITIVES		
Code	Concent.	Unit
D020	6.000	% BWOC
D029	0.250	% BWOC
D044	5.000	% BWOW

Rheometer type : Fann 35
Spring factor : 1.0
Bob No : 1
Rotor No : 1

Rheological model (Dial 1) : Bingham Plastic
τ_y : 7.161 $lbf/100ft^2$
P_v : 8.877 cP
Correlation coefficient : 1.000

Rheological data		
Temp. (F) :	75.0	0.0
R.P.M.	Dial 1	Dial 2
300.0	16.0	0.0
200.0	13.0	0.0
100.0	10.0	0.0
60.0	9.0	0.0
30.0	8.0	0.0
6.0	6.0	0.0
3.0	5.0	0.0
0.0	0.0	0.0
0.0	0.0	0.0
10 minutes Gel : 0.0		

Thickening Time : 13 hr 5 mn to 70 BC
API Schedule :
Set condition :
Consistometer serial number :

No Fluid Loss data available

No Free Water data available

Compressive strength		
PSI	Hours	Temp. (F)
150	6.0	105.0
360	12.0	105.0
440	24.0	105.0

Comment :

FIELD BLEND
35/65POZ/H + 6%D20 + 5%D44(BWOW) + 0.25PPSD29
LOCATION WATER USED
LONG STRING 2ND STAGE LEAD 3600' POD = 4:10

Schlumberger
Dowell

CemDABE Cement Test Report

January 6, 1997
DATE OF TEST : 06-jan-1997

TEST NUMBER : NPD700800002

CUSTOMER : TEXACO
FIELD : EDDY NM
WELL : NM STATE DF COM 3

BASE FLUID
Density : 8.32 lb/gal
Volume : 6.30 gal/sk
Type : LO
Total liquid : 6.30 gal/sk

CEMENT
Class : H
Blend : 5050
Brand : LONESTAR
Plant : MARYNEAL

SLURRY
Density : **14.20** lb/gal
Yield : 1.35 ft^3/sk

B.H.S.T. : 122.0 F
B.H.C.T. : 112.0 F

ADDITIVES		
Code	Concent.	Unit
D020	2.000	% BWOC
D029	0.260	% BWOC
D044	5.000	% BWOW

Rheometer type : Fann 35
Spring factor : 1.0
Bob No : 1
Rotor No : 1

Rheological model (Dial 1) : Bingham Plastic
T_y : 30.423 $lbf/100ft^2$
P_v : 13.587 cP
Correlation coefficient : 0.999

Rheological data		
Temp. (F) :	75.0	0.0
R.P.M.	Dial 1	Dial 2
300.0	44.0	0.0
200.0	39.0	0.0
100.0	35.0	0.0
60.0	33.0	0.0
30.0	26.0	0.0
6.0	21.0	0.0
3.0	18.0	0.0
0.0	0.0	0.0
0.0	0.0	0.0
10 minutes Gel : 0.0		

Thickening Time : 3 hr30 mn to 70 BC
API Schedule :
Set condition :
Consistometer serial number :

No Fluid Loss data available

No Free Water data available

Compressive strength		
PSI	Hours	Temp. (F)
116	6.0	122.0
776	12.0	122.0
1387	24.0	122.0

Comment :

FIELD BLEND
50/50 POZ/H + 2% D20 + 5% D44 (BWOW) + 0.25PPS D29
LOCATION WATER USED
LONG STRING 1ST STAGE 6900' POD = 2:04

Schlumberger
Dowell

CemDABE Cement Test Report

January 6, 1997
DATE OF TEST : 06-Jan-1997

TEST NUMBER : NPD700800003

CUSTOMER : TEXACO
FIELD : EDDY NM
WELL : NM STATE DF COM 3

BASE FLUID
Density : 8.32 lb/gal
Volume : 5.20 gal/sk
Type : LO
Total liquid : 5.20 gal/sk

CEMENT
Class : H
Blend :
Brand : LONESTAR
Plant : MARYNEAL

SLURRY
Density : **15.60** lb/gal
Yield : 1.18 ft^3/sk

B.H.S.T. : 105.0 F
B.H.C.T. : 96.0 F

No additives

Rheometer type : Fann 35
Spring factor : 1.0
Bob No : 1
Rotor No : 1

Rheological data		
Temp. (F) :	75.0	0.0
R.P.M.	Dial 1	Dial 2
300.0	47.0	0.0
200.0	40.0	0.0
100.0	36.0	0.0
60.0	30.0	0.0
30.0	25.0	0.0
6.0	22.0	0.0
3.0	19.0	0.0
0.0	0.0	0.0
0.0	0.0	0.0
10 minutes Gel : 0.0		

Rheological model (Dial 1) : Bingham Plastic
T_y : 27.631 $lbf/100ft^2$
P_v : 19.578 cP
Correlation coefficient : 0.979

Thickening Time : 5 hr47 mn to 70 BC
API Schedule :
Set condition :
Consistometer serial number :

No Fluid Loss data available

No Free Water data available

Compressive strength		
PSI	Hours	Temp. (F)
450	6.0	105.0
996	12.0	105.0
1467	24.0	105.0

Comment :

FIELD BLEND
CLASS H NEAT
LOCATION WATER USED
LONG STRING 2D STAGE TAIL 3600'

CEMENTING REPORT

File No.: _____ Report Date: _____

Operator: Texaco Requested By: _____

Lease No: NM State DF Com #3 Service Point: Hobbs

Location: Eddy NM Type of Job: Surface

Test Conditions:

Depth: 1500 ft., Temp Grad _____, BHST: 92 °F., BHCT: 80 °F

Properties:	Density (ppg)	Yield (cu ft/sk)	Mix Water (gal/sk)	Total Liquid (gal/sk)	Water Source	Cement Source
System No. 1	13.5	1.74	9.11	9.11	Loc	C
System No. 2	14.8	1.32	6.32	6.32	Loc	C
System No. 3						
System No. 4						

Cement System Compositions:

System No. 1 C + 4% D20 + 27.51

System No. 2 C + 27.51

System No. 3 _____

System No. 4 _____

Thickening Time Results **Rheology Results**

SYSTEM	HR:MIN	BC	300	200	100	60	30	6	3	PV or n'	Ty or k'	REHOLOGY MODEL	L.O.D.
No. 1	3:00	70	36	31	27			14	12				
No. 2	2:00	70	40	36	31			17	14				
No. 3													
No. 4													

Compressive Strengths - psi

SYSTEM	TEMP.	6 HRS.	12 HRS.	24 HRS.
No. 1	°F	250	500	800
No. 1	°F			
No. 2	°F	600	1400	2000
No. 2	°F			
No. 3	°F			
No. 3	°F			
No. 4	°F			
No. 4	°F			

FLUID LOSS **FREE WATER**

	____ °F, ____ psi	____ °F
SYSTEM	mL/30 min	mL
No. 1		
No. 2		
No. 3		
No. 4		

Remarks: Primary Data

Chemist: _____

TEXACO Denver Division — DRILLING REPORT

Date: 12/26/96
Report: 4

Well:	NM "DF" ST. COM #3		Activity:	CMT SURFACE			Spud Date:	12/22/96	CD: 4
Field:	INDIAN BASIN PENN		TD:	0	Footage:	0	API No:	30-015-29284-00-	
County:	EDDY	State: NM	ATD:	7,000	Hours:	0	Estimate No:	886013	
OU:			PBTD:	0	Class:	Dev	Supervisor:	JOHNSTON	
Objective:	CISCO DOLO		KB:	0	BOP Days:		Phone:	(505) 393-4994	
Lithology:	/	/	GL:	4,059	IDCS/Ft:		Contractor:	PETERSON #2	Daywork

DIRECTIONAL SURVEYS

M Dpth	Inclination	Azimuth	DLS
1,500	0.75	0.0	0.00
1,300	1.00	0.0	0.00
835	0.50	0.0	0.00
531	0.75	0.0	0.00
193	0.50	0.0	0.00

LAST SURVEY

Measured Depth:	1,500
True Vertical Depth:	0.00
Inclination:	0.75
Azimuth:	0.00
North/South Coordinate:	0.00
East/West Coordinate:	0.00
Vertical Section:	0.00
Dog Leg:	0.00
Survey Tool:	

WORK

0.50	L/D 8" DC
3.00	R/U CSG CREW, RAN 40 JTS 9 5/8" CSG, TOTAL FEET 1506, SET AT 1500'
0.50	R/U DOWELL, WASH 20' TO BTM
1.75	CMT, PUMPED 200 BBLS FRESH WATER AHEAD, LEAD: 400 SX CLASS "c", TAIL: 250 SX CLASS "C", PLUG DOWN AT 10:45 A.M. 12/25/96, FLOAT DID NOT HOLD
5.25	WOC
0.50	R/U PRO WL, RAN TEMP SURVEY, TOC @ 411'
0.75	RAN IN HOLE W/ 1", TAGGED AT 455', CMT W/ 50 SX CLASS "C"
1.00	WOC
5.00	W/O CMT PUMP
0.25	CMT W/ 35 SX CLASS "C" AT 436'
1.00	WOC
0.50	CMT AT 436' W/ 35 SX CLASS "C"
1.00	WOC
0.50	CMT AT 396' W/ 35 SX CLASS "C"
1.00	WOC
0.50	CMT AT 376' W/ 50 SX CLASS "C"
24.00	TOTAL HOURS

MUD DATA

Mud Wt:	0	Oil:	0
Viscosity:	0	MBT:	0
PV:	0	pH:	0
YP:	0	Pm:	0
10 Sec Gel:	0	Pf:	0
10 Min Gel:	0	Chl:	0
WL:	0	CA:	0
HTHP:	0	Ex Lime:	0
FC:	0	Elec Stab:	0
Solids:	0	Temp:	0
Daily Cost:	$0	Cum:	$0

TUBULARS

Prop Size	Prop MD	Actual Size	Actual MD
3.500	8,900	0.000	0
7.000	6,900	0.000	0
9.625	1,500	0.000	0

ESTIMATE COSTS

	MOH	Cash	Totals
DH:	$110000	$325000	$435000
Compl:	$35000	$85000	$120000
Total:	$145000	$410000	$555000

ACTUAL COSTS

	MOH	Cash	Totals
DH:	$5000	$80000	$85000
Compl:	$3000	$2000	$5000
Total:	$8000	$82000	$90000
Daily:	$0	$0	$0

MUD MATERIAL

HYDRAULICS

	Liner Size	Stk Lgth	SPM	GPM	PSI: 0		
PUMP #1:	0	0	0	0	AV (DC): 0	PSI Drop:	0
PUMP #2:	0	0	0	0	AV (DP): 0	HP/IN2:	0

SLOW PUMP RATES

	PSI		SPM
PUMP #1:	0	@	0
PUMP #2:	0	@	0

BHA

BHA#	LENGTH	DEPTH IN	HOURS	TYPE	STRING WT	DRAG UP	DRAG DOWN	TORQUE
1	871	0	38	SLICK	94	94	94	0

DESCRIPTION: B-SS-4 8"-XO-23 6"

BITS

RUN	BIT#	MAKE	SIZE	TYPE	FROM	TO	FEET	HRS	ROP	WOB	RPM	N1	N2	N3	I	O	D	L	B	G	O	R
1	1	HP62	12.25		0	1500	1500	53	28.3	65	80	0	0	0	0	0						

REMARKS

Denver Division

DRILLING REPORT

Date: 12/27/96
Report: 5

Well:	NM "DP" ST. COM 63	Activity:	DRLG			Spud Date:	12/22/96	CD:	5
Field:	INDIAN BASIN PENN	TD:	1997	Footage:	97	API No:	30-015-28284-00-		
County:	EDDY State: NM	ATD:	7,000	Hours:	2.75	Estimate No:	605013		
SOU:		PBTD:	0	Class:	Dev	Supervisor:	JOHNSTON		
Objective:	CISCO DOLO	KB:	0	BOP Days:		Phone:	(505) 393-4864		
Lithology:	/ /	GL:	4,059	IDC$/Ft:	$28.13	Contractor:	PETERSON 92	Daywork	

DIRECTIONAL SURVEYS

M Depth	Inclination	Azimuth	DLS
1,800	0.75	0.0	0.00
1,900	1.00	0.0	0.00
895	0.50	0.0	0.00
991	0.75	0.0	0.00
193	0.50	0.0	0.00

LAST SURVEY

Measured Depth:	1,800
True Vertical Depth:	0.00
Inclination:	0.75
Azimuth:	0.00
North/South Coordinate:	0.00
East/West Coordinate:	0.00
Vertical Section:	0.00
Dog Leg:	0.00
Survey Tool:	

WORK

1.00	WOC
1.00	CMT W/ 35 SX CLASS "C"
1.00	WOC
0.50	CMT W/ 35 SX CLASS "C" AT 195'
1.00	WOC
1.00	CMT W/ 50 SX CLASS "C" AT 120'
1.00	WOC
0.50	CMT W/ 60 SX CLASS "C" AT 60', CIRC 15 SX CMT
4.00	N/D, CUT OFF, WELD ON WELLHEAD
4.00	N/U BOP
0.50	TEST BOP 1200 PSI, OK
3.00	TIH, TAGGED CMT AT 1487'
0.75	P/U KELLY, INSTALL ROTATING HEAD RUBBER
1.25	DRLG CMT & PLUG
0.50	TEST CSG 1000 PSI, OK
0.25	DRLG CMT
2.75	DRLG
24.00	TOTAL HOURS

MUD DATA

Mud Wt:	8.6	Oil:	0
Viscosity:	28	MBT:	0
PV:	0	pH:	8.5
YP:	0	Pm:	0
10 Sec Gel:	0	Pf:	0
10 Min Gel:	0	Cl:	0
WL:	0	Ca:	0
HTHP:	0	Ex Lime:	0
FC:	0	Elec Stab:	0
Solids:	0	Temp:	0
Daily Cost:	$0	Cum:	$0

TUBULARS

Prop Size	Prop MD	Actual Size	Actual MD
3.500	0.000	0.000	0
7.000	6,959	0.000	0
9.625	1,800	0.000	0

ESTIMATE COSTS

	MOH	Cash	Totals
DH:	$110000	$325000	$435000
Compl:	$30000	$90000	$120000
Total:	$140000	$415000	$555000

ACTUAL COSTS

	MOH	Cash	Totals
DH:	$5000	$91013	$96013
Compl:	$3000	$2000	$5000
Total:	$8000	$93013	$101013
Daily:	$0	$1083	$1083

MUD MATERIAL

HYDRAULICS

	Liner Size	Stk Lgth	SPM	GPM	PSI:	0		
PUMP #1:	5.5	15	98	270	AV (DC):	0	PSI Drop:	0
PUMP #2:	0	0	0	0	AV (DP):	0	HP/IN2:	0

SLOW PUMP RATES

	PSI	SPM
PUMP #1:	0	@ 0
PUMP #2:	0	@ 0

BHA

BHA#	LENGTH	DEPTH IN	HOURS	TYPE	STRING WT	DRAG UP	DRAG DOWN	TORQUE
2	600	1800	2.75	PEND	82	82	82	0

DESCRIPTION: BIT, TRI-COLLAR, STAB, 29 6" DC

BITS

RUN	BIT#	MAKE	SIZE	TYPE	FROM	TO	FEET	HRS	ROP	WOB	RPM	N1	N2	N3	I	O	D	L	B	G	O	R
2	2	SMITH	6.750	F47H	1800	1997	97	2.75	24.4	25	60	11	11	12	0	0						
1	1	HP62	12.25		0	1800	1800	65	28.3	65	60	0	0	0	0	0						

REMARKS

Submit 3 copies to Appropriate District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Box Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

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

WELL API NO. 30-015-29284

5. Indicate Type of Lease STATE ☒ FEE ☐

6. State Oil / Gas Lease No. OG-5108-1

SUNDRY NOTICES AND REPORTS ON WELL

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name: NEW MEXICO 'DF' STATE COM.

11032

1. Type of Well: OIL WELL ☐ GAS WELL ☒ OTHER

2. Name of Operator: TEXACO EXPLORATION & PRODUCTION INC.

8. Well No. 3

3. Address of Operator: P.O. Box 3109, Midland Texas 79702

9. Pool Name or Wildcat: INDIAN BASIN UPPER PENN/ UNDESG. GLTA

4. Well Location

Unit Letter G : 2000 Feet From The NORTH Line and 1650 Feet From The EAST Line

Section 32 Township 21-S Range 23-E NMPM EDDY COUNTY

10. Elevation (Show whether DF, RKB, RT, GR, etc.) 4059'

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPERATION	☐	PLUG AND ABANDONMENT	☐
PULL OR ALTER CASING	☐			CASING TEST AND CEMENT JOB	☐		
OTHER: CORRECT WELL NAME	☒			OTHER:			☐

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

THE CORRECT WELL NAME IS: NEW MEXICO 'DF' STATE COM. No. 3.

PLEASE DROP THE 'NCT-1' FROM THE WELL NAME.

DEC 12 '96
O. C. D.
ARTESIA, OFFICE

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

SIGNATURE C. Wade Howard TITLE Eng. Assistant DATE 12/10/96

TYPE OR PRINT NAME C. Wade Howard Telephone No. 688-4606

(This space for State Use) Jim W. Gum District Supervisor

APPROVED BY _____ TITLE _____ DATE 12/24/96

CONDITIONS OF APPROVAL, IF ANY:

DeSoto/Nichols 10-94 ver 2.0

OIL CONSERVATION DIVISION RECEIVED 96 DE 4 PM 8

DISTRICT I
P.O. 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-101
Revised February 10,1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies
☐ AMENDED REPORT

RECEIVED
NOV 26 1996
OIL CON. DIV.
DIST. 2

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1 Operator Name and Address	2 OGRID Number
TEXACO EXPLORATION & PRODUCTION INC. P.O. Box 3109, Midland Texas 79702	022351
	3 API Number 30-015-29284

4 Property Code	5 Property Name	6 Well No.
~~11032~~ 20028	NEW MEXICO 'DF' STATE COM. NCT-4	3

7 Surface Location

Ul or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
G	32	21-S	23-E		2000	NORTH	1650	EAST	EDDY

8 Proposed 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

9 Proposed Pool 1	10 Proposed Pool 2
79040 INDIAN BASIN UPPER PENN PRO GAS	UNDESIGNATED GLORIETA

11 Work Type Code	12 WellType Code	13 Rotary or C.T.	14 Lease Type Code	15 Ground Level Elevation
N	G	ROTARY	S	4059'
16 Multiple	**17 Proposed Depth**	**18 Formation**	**19 Contractor**	**20 Spud Date**
No	7300'	PENN/GLORIETA	PETERSON	12/9/96

21 Proposed Casing and Cement Program

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
[redacted] ≥ 12 3/4"	9 5/8	36#	1500'	650 SACKS	SURFACE
8 3/4	7	26#	6900'	900 SACKS	SURFACE

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zoneand proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

CEMENTING PROGRAM:
SURFACE CASING - 400 SACKS CLASS C W/ 4% GEL (13.5 PPG, 1.74 CF/S, 9.1 GW/S) F/B 250 SACKS CLASS C W/ 2% CACL2 (14.8 PPG, 1.34 CF/S, 6.3 GW/S).

PRODUCTION CASING -1st STG: 500 SACKS 50/50 POZ H w/ 2% GEL, 5% SALT, 1/4# FC (14.2 PPG, 1.35 CF/S, 6.3 GW/S).
DV TOOL @ 3600' - 2nd STG: 300 SACKS 35/65 POZ CLASS H W/ 6% GEL, 5% SALT, 1/4# FLOCELE (12.4 PPG, 2.14 CF/S, 11.9 GW/S). F/B 100 SACKS CLASS H (15.6 PPG, 1.18 CF/S, 5.2 GW/S).

THIS WILL BE AN OPEN-HOLE COMPLETION. DRILL A 6 1/8" HOLE FROM 6900' TO 7300'.
THERE ARE NO OTHER OPERATORS IN THIS QUARTER QUARTER SECTION.

Notify N.M.O.C.C. in sufficient time to witness cementing the 9 5/8" casing

23 I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature C. Wade Howard
Printed Name C. Wade Howard
Title Eng. Assistant
Date 11/25/96 Telephone 688-4606

OIL CONSERVATION DIVISION

Approved By: Jim W. Gum
Title: District Supervisor
Approval Date: 12-4-96 Expiration Date: 12-4-97
Conditions of Approval:
Attached ☐

DeSoto/Nichols 10-94 ver 2.0

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Energy, Minerals and Natural Resources Department

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-015-29284	79040	Indian Basin-Upper Penn PRO GAS

[4] Property Code	[5] Property Name	[6] Well Number
11032	New Mexico "DF" State Com. NCT-1	3

[7] OGRID No.	[8] Operator Name	[9] Elevation
22351	TEXACO EXPLORATION & PRODUCTION, INC.	4059

[10] Surface Location

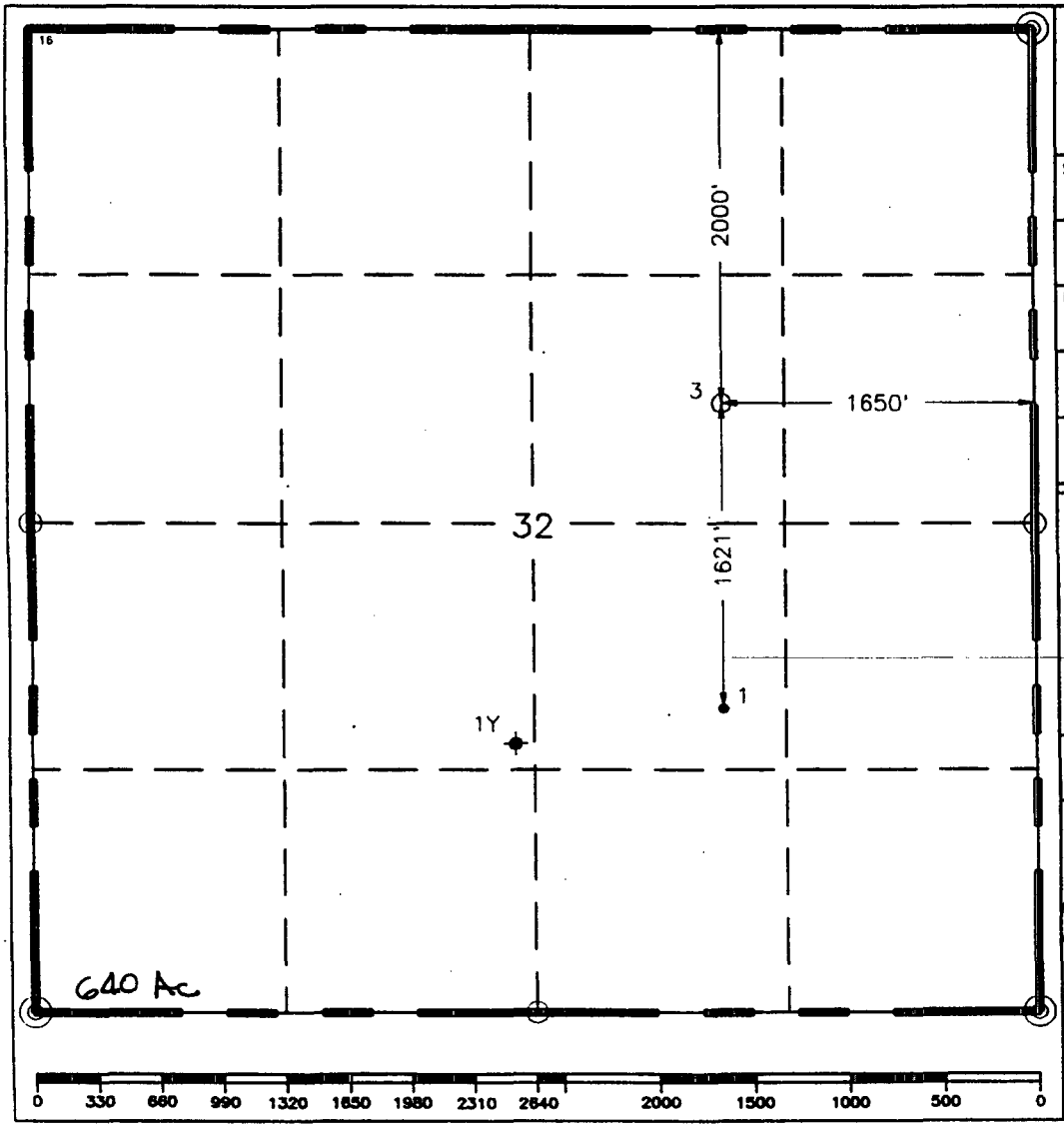
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	[7] County
G	32	21-S	23-E		2000	North	1650	East	Eddy

[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	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
640			

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.



[1] OPERATOR CERTIFICATION

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

Signature: C. Wade Howard

Printed Name: C. Wade Howard

Position: Engineer's Assistant

Company: Texaco Expl. & Prod. Inc.

Date: November 20, 1996

[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: November 15, 1996

Signature & Seal of Professional Surveyor

Certificate No. 7254 John S. Piper

Sheet

Stated Location ● = Producing Well ● = Injection Well ○ = Water Supply Well ✚ = Plugged & Abandon Well

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
		Undesignated, Glorieta

[4] Property Code	[5] Property Name	[6] Well Number
11032	New Mexico "DF" State Com. NCT-1	3

[7] OGRID No.	[8] Operator Name	[9] Elevation
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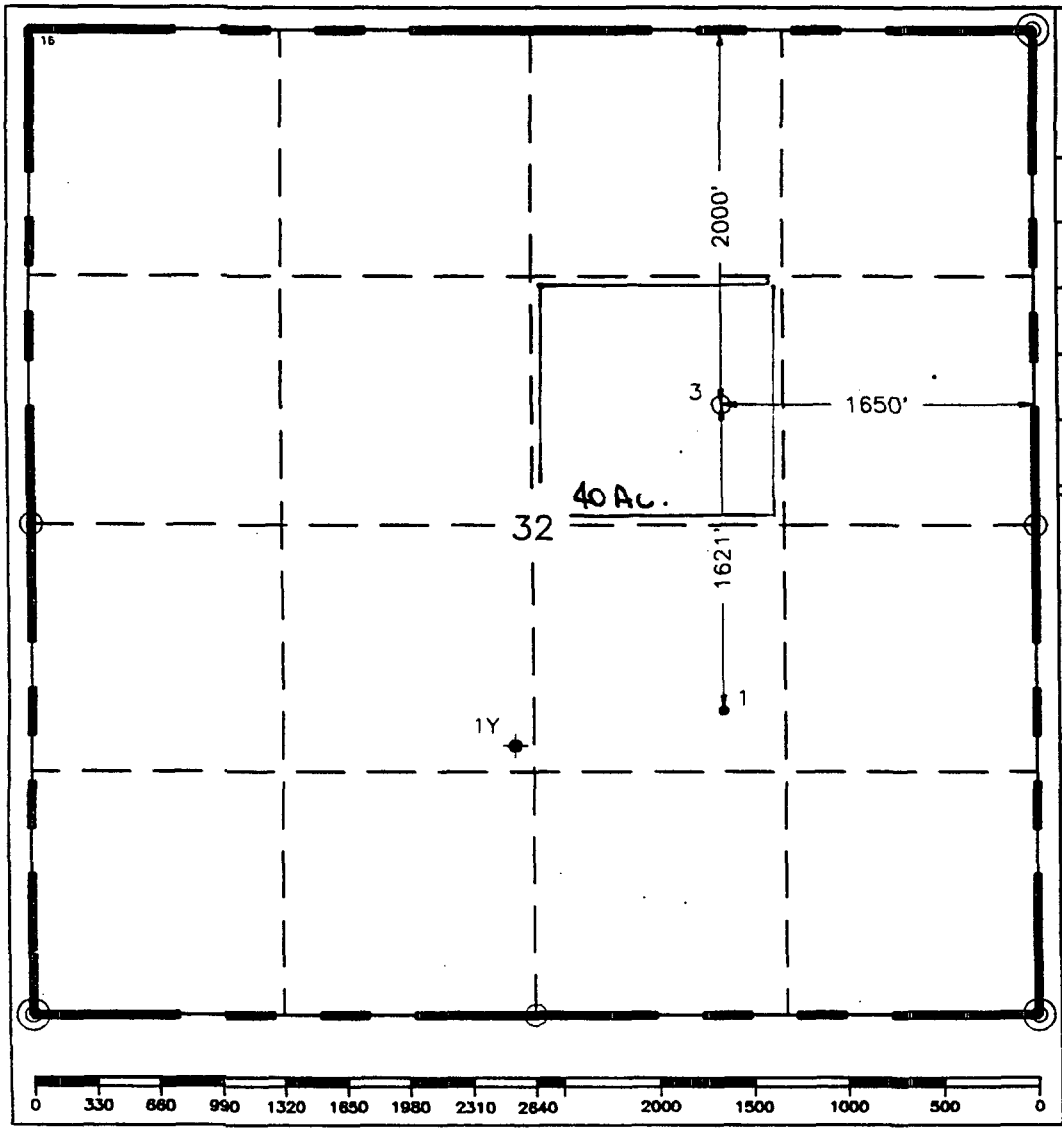

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Printed Name: C. Wade Howard

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Date Surveyed: November 15, 1996

Signature & Seal of Professional Surveyor

Certificate No. 7254 John S. Piper

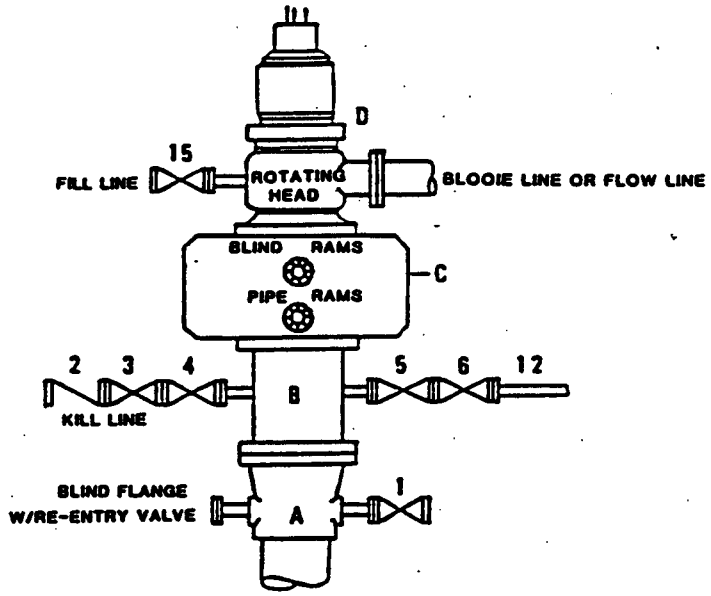
Sheet

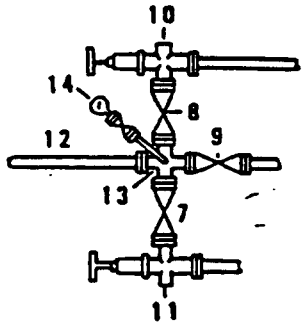
= Plugged & Abandon Well

DRILLING CONTROL
CONDITION II-B 3000 WP

FOR AIR DRILLING OR
WHERE NITROGEN OR AIR BLOWS ARE EXPECTED

H_2S TRIM REQUIRED
YES_____NO_____





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 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	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

EXHIBIT C

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

WRS COMPLETION REPORT

COMPLETIONS SEC 32 TWP 21S RGE 23E
PI# 30-T-0013 03/27/97 30-015-29284-0000 PAGE 1

NMEX | EDDY | * 2000FNL 1650FEL SEC
STATE | COUNTY | FOOTAGE | SPOT

TEXACO EXPL & PROD | D | DG
OPERATOR | WELL CLASS | INIT | FIN

3 | NEW MEXICO 'DF' STATE COM NCT-1
WELL NO. | LEASE NAME

4073KB 4059GR | INDIAN BASIN
OPER ELEV | FIELD/POOL/AREA

API 30-015-29284-0000
LEASE NO. | PERMIT OR WELL I.D. NO.

12/22/1996 | 01/26/1997 | ROTARY | VERT | GAS
SPUD DATE | COMP. DATE | TYPE TOOL | HOLE TYPE | STATUS

7300 | PNSLVN U | PETERSON DRLG | 2 | RIG SUB 13
PROJ. DEPTH | PROJ. FORM | CONTRACTOR

DTD 7000 | FM/TD CISCO
DRILLERS T.D. | LOG T.D. | PLUG BACK TD | OLD T.D. | FORM T.D.

LOCATION DESCRIPTION

20 MI SW/LAKEWOOD, NM

CASING/LINER DATA

CSG 9 5/8 @ 1500 W/ 650 SACKS
CSG 7 @ 6920 W/ 1050 SACKS

TUBING DATA

TBG 3 1/2 AT 6807

INITIAL POTENTIAL

IPF 3145 MCFD 28/64CK 24HRS
CISCO OPENHOLE 6920- 7000
TP 440
GLR - DRY

P/L CON NOT RPTD
FIELD /RESERVOIR
/PENNSYLVANIAN U
FCP: PKR
GAS GTY - NOT RPTD

TYPE	FORMATION	LTH	TOP DEPTH/SUB	BSE DEPTH/SUB
LOG	SN ANDRS		382 3677	
LOG	GLORIETA		1806 2253	
LOG	YESO		1876 2183	
LOG	BN SP LM		3200 859	

CONTINUED IC# 300157061096

TEXACO EXPL & PROD D DG
3 NEW MEXICO 'DF' STATE COM NCT-1

TYPE	FORMATION	LTH	TOP DEPTH/SUB	BSE DEPTH/SUB
LOG	BONE SPG SS		5807 -1748	
LOG	WOLFCAMP		5922 -1863	
LOG	CISCO		6830 -2771	

SUBSEA MEASUREMENTS FROM GR

PRODUCTION TEST DATA

PTF 3145 MCFD 48/64CK 24HRS
CISCO OPENHOLE 6920- 7000
OPEN 6920- 7000
TP 440
NATURAL

LOGS AND SURVEYS /INTERVAL,TYPE/

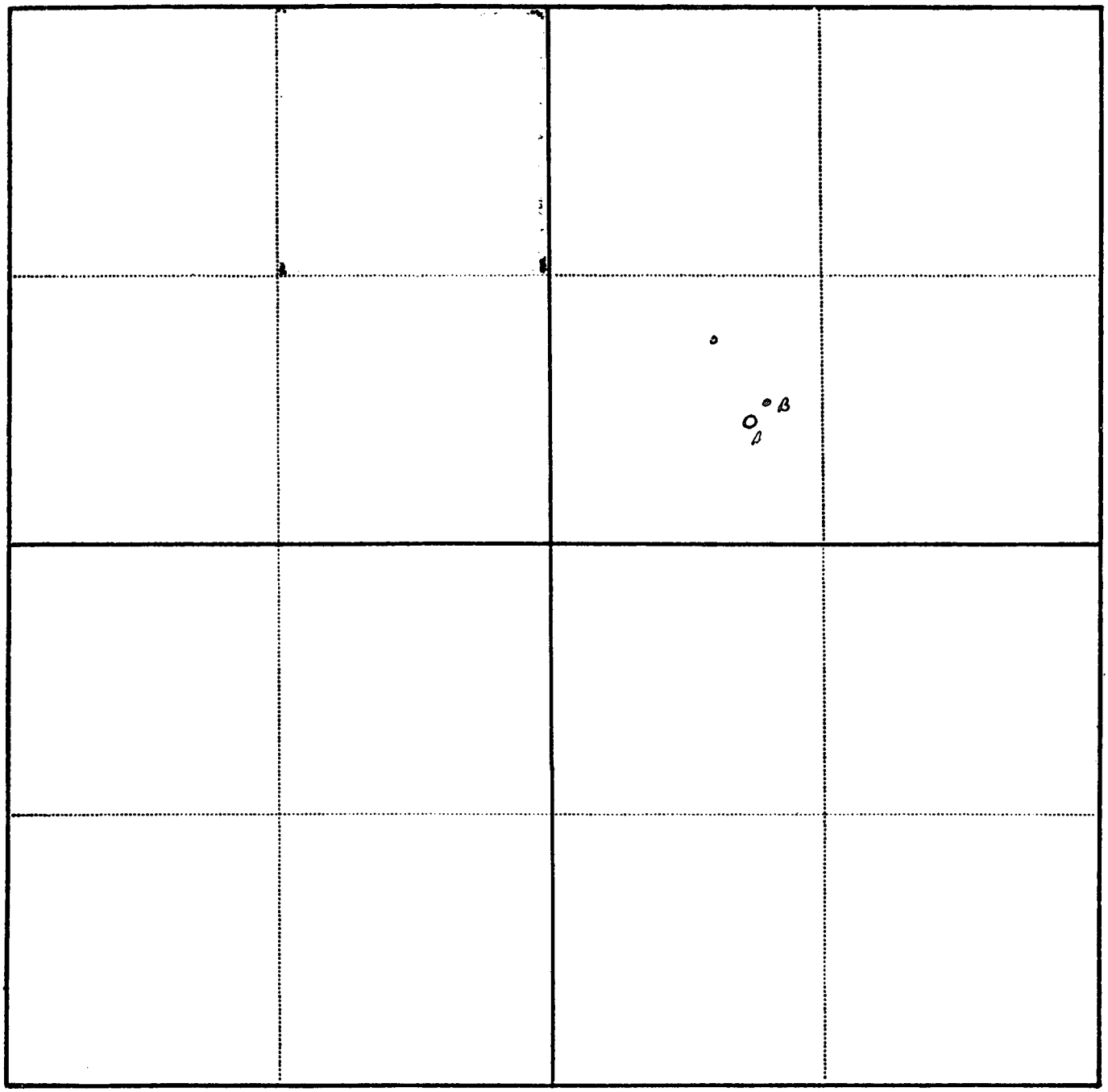
LOGS 200- 6920 NEUT 200- 6920 DENL 200- 6920 GR
LOGS 1502- 6920 GR

DRILLING PROGRESS DETAILS

TEXACO EXPL & PROD
BOX 3109
MIDLAND, TX 79702
915-688-4100

12/06 LOC/1996/
12/30 DRLG 3669
01/06 DRLG 6900
01/14 7000 TD, SI
03/21 7000 TD, WOPT
RIG REL 01/08/97
03/26 7000 TD
COMP 1/26/97, IPF 3145 MCFGPD, (DRY),
28/64 CK, GAS GTY (NR),
FTP 440, FCP PKR
PROD ZONE - PENNSYLVANIAN U 6920-7000
(OPENHOLE)
NO CORES OR TESTS RPTD

Sec._____Township No._____of Range No._____



(A) Surface Loc. 2000'FNL-1650'FEL

(B) Sub-Surf. Loc. @ 6791' is 1920'FNL-1630'FEL

(C) BHL @ 1674'FNL-1881'FEL