

10/14/99 | 11/3/99 | MS | MN | NSL

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

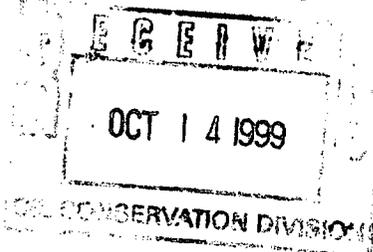
- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
[X] NSL [] NSP [] DD [] SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
[] DHC [] CTB [] PLC [] PC [] OLS [] OLM
[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
[] WFX [] PMX [] SWD [] IPI [] EOR [] PPR



[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or [] Does Not Apply

- [A] [] Working, Royalty or Overriding Royalty Interest Owners
[B] [] Offset Operators, Leaseholders or Surface Owner
[C] [] Application is One Which Requires Published Legal Notice
[D] [] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
[E] [] For all of the above, Proof of Notification or Publication is Attached, and/or,
[F] [] Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

A. Phil Ryan
Print or Type Name

[Signature]
Signature

Commission Coordinator
Title

10/12/99
Date



Texaco North America Production
Permian Business Unit

500 North Loraine
Midland TX 79701

P O Box 3109
Midland TX 79702

October 12, 1999

GOV – STATE AND LOCAL GOVERNMENTS

Unorthodox Location

Cotton Draw Unit Well No. 87

Paduca South, Wolfcamp Field

Eddy County, New Mexico

State of New Mexico

Energy and Minerals Department

Oil Conservation Division

2040 South Pacheco

Santa Fe, New Mexico 87505

Attention: Mr. Michael E. Stogner

Gentlemen:

An Exception to Rule 104 F. (2) by administrative approval is requested for the captioned well. The well is located 772' FNL & 154' FEL, Unit Letter "A", of Section 11, T-25-S, R-31-E.

This well must be drilled in this location due to geological conditions. It is believed the environment of deposition for Wolfcampian reservoirs in the Cotton Draw area represents detrital sediments. Lithologically these are composed of spiculitic limestones with fair to good porosity, but low matrix permeability (due to the spicumoldic nature of the rock). Fractures; therefore, enhance the permeability and productivity. Using attribute analysis on 3D seismic, Texaco believes it can not only find the thicker zones of the Wolfcamp detrital, but; also, identify potentially fracture-enhanced reservoirs. The attached map is a four square mile area (sections 1,2,11 & 12) seismic attribute map identifying the Cotton Draw Unit well #87 as being the best opportunity for thicker and better reservoir rock in the Wolfcamp. To venture out of the thickest part of the Wolfcamp identified by seismic could reduce the reservoir quality considerably. Therefore, Texaco's reason for this location is seismically and geologically driven.

Texaco Exploration & Production, Inc. is the Lessee of Record of the affected adjoining and diagonal spacing units. Attached is Form C-102.

Sincerely,

A handwritten signature in black ink that reads "A. Phil Ryan". The signature is written in a cursive style with a large, sweeping "R" and "Y".

A. Phil Ryan

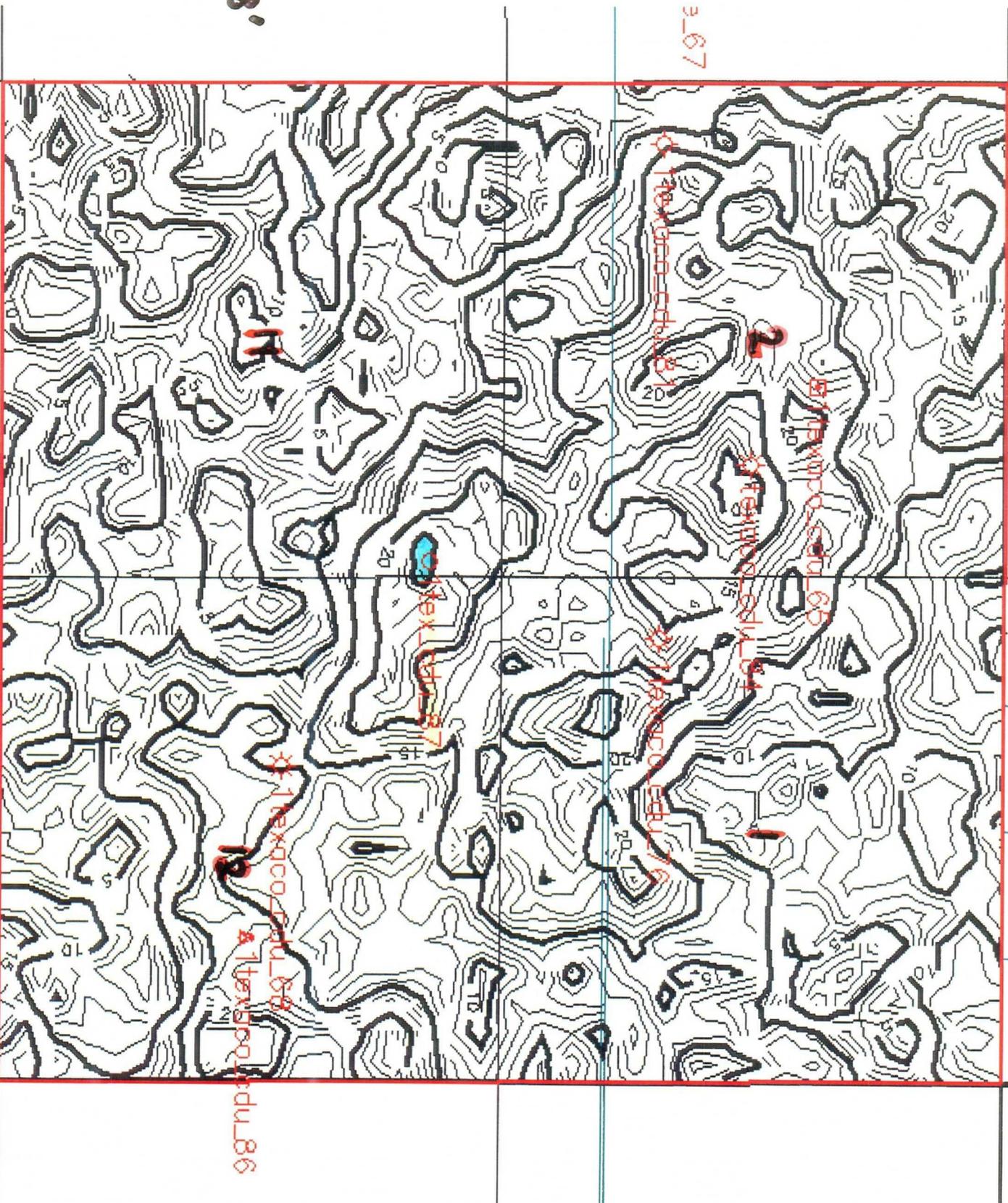
Commission Coordinator

Attachments

cc: BLM, Roswell

MAP 1 SEISMIC ATTRIBUTE

1" = 1488'



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

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

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994

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

Instructions on back

Submit to Appropriate District Office

State Lease-4 copies
Fee Lease-3 copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

¹ API Number		² Pool Code		³ Pool Name Paduca South; Wolfcamp	
⁴ Property Code		⁵ Property Name Cotton Draw Unit			⁶ Well Number 87
⁷ OGRID No.		⁸ Operator Name TEXACO EXPLORATION & PRODUCTION, INC.			⁹ Elevation 3446'

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
A	11	25-S	31-E		772'	North	154'	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 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

	<p>¹⁶ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature: <i>A. Phil Ryan</i></p> <p>Printed Name: A. Phil Ryan</p> <p>Position: Commissioner Coordinator</p> <p>Company: Texaco Expl. & Prod. Inc.</p> <p>Date: October 4, 1999</p>
	<p>¹⁷ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date Surveyed: September 30, 1999</p> <p>Signature & Seal of Professional Surveyor: <i>John S. Piper</i></p> <p>Certificate No.: 7254 John S. Piper</p>
	<p>Sheet 1 of 8</p>

○ = Staked Location ● = Producing Well ⚡ = Injection Well ⚡ = Water Supply Well ⊕ = Plugged & Abandon Well
 ⊙ = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C. ○ = Found 1/4 Section Corner, 1" Iron Pipe & GLO B.C.

ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates			
Northing 418740.85		Easting 683592.38	
Latitude 32°08'59.442"		Longitude 103°44'24.459"	
Zone North American Datum	Combined Grid Factor	Coordinate File	
East 1927	.99978179	COTTON27.CR5	
Drawing File	Field Book		
Cdu_F87.Dwg	Eddy Co. #7, Pg. 25		

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

10/15/99 09:33:39
OGOMES -TPVU
PAGE NO: 1

Sec : 11 Twp : 25S Rng : 31E Section Type : NORMAL

D 40.00 Federal owned U	C 40.00 Federal owned U	B 40.00 Federal owned U	A 40.00 Federal owned U
E 40.00 Federal owned U	F 40.00 Federal owned U	G 40.00 Federal owned U	H 40.00 Federal owned U

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12