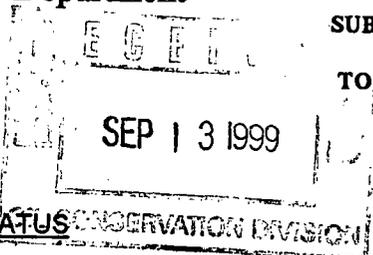


Energy Minerals and Natural Resources Department

Oil Conservation Division

2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131



SUBMIT ORIGINAL PLUS 2 COPIES TO THE SANTA FE OFFICE

District I - (505) 393-6161 1625 N. French Dr Hobbs, NM 88241-1980 District II - (505) 748-1283 811 S. First Artesia, NM 88210 District III - (505) 334-6178 1000 Rio Brazos Road Aztec, NM 87410 District IV - (505) 827-7131

APPLICATION FOR NEW WELL STATUS CONSERVATION DIVISION

I. Operator and Well

Operator name & address: TEXACO EXPLORATION & PRODUCTION INC., 205 E. Bender Hobbs NM 88240. OGRID Number: 022351. Contact Party: KEVIN HICKEY. Phone: (915) 688-2950. Property Name: VACUUM GLOR.ETA WEST UNIT. Well Number: 98. API Number: 3002532263. Well location details: Section 35, Township 17S, Range 34E, Feet From The North/South Line SOUTH, Feet From The East/West Line EAST, County LEA.

II. Date/Time Information

Spud Date: 5/21/99, Spud Time: 8 AM, Date Completed: 7/14/99, Pool: VACUUM GLOR.ETA

III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.

IV. Attach a list of all working interest owners with their percentage interests.

V. AFFIDAVIT:

State of New Mexico) County of Millard) ss.

Kevin E. Hickey, being first duly sworn, upon oath states:

- 1. I am the Operator, or authorized representative of the Operator, of the above-referenced well. 2. To the best of my knowledge, this application is complete and correct.

Signature: Kevin E. Hickey, Title: Project Engineer, Date: 9-9-99

SUBSCRIBED AND SWORN TO before me this 9th day of September 1999. Sharon Taylor, Notary Public, My Commission Expires 04-30-01.

My Commission expires: April 30, 2001

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature: Mark P. Kelly, Title: P.E. Spec., Date: SEP 14 1999

VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: SEP 15 1999

NOTICE: The operator must notify all working interest owners of this New Well certification.

PV2V2006536025

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. 3002532263
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil / Gas Lease No.
7. Lease Name or Unit Agreement Name VACUUM GLORIETA WEST UNIT
8. Well No. 98
9. Pool Name or Wildcat VACUUM GLORIETA
10. Elevation (Show whether DF, RKB, RT,GR, etc.) 4007'

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.)

1. Type of Well: OIL WELL [X] GAS WELL [] OTHER []
2. Name of Operator TEXACO EXPLORATION & PRODUCTION INC.
3. Address of Operator 205 E. Bender, HOBBS, NM 88240
4. Well Location Unit Letter P 937 Feet From The SOUTH Line and 532 Feet From The EAST Line
Section 35 Township 17-S Range 34-E NMPM LEA COUNTY

10. Elevation (Show whether DF, RKB, RT,GR, etc.) 4007'

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK [] PLUG AND ABANDON [] TEMPORARILY ABANDON [] CHANGE PLANS [] PULL OR ALTER CASING [] OTHER []
SUBSEQUENT REPORT OF: REMEDIAL WORK [X] ALTERING CASING [] COMMENCE DRILLING OPERATION [] PLUG AND ABANDONMENT [] CASING TEST AND CEMENT JOB [] OTHER: Lateral Horizontal [X]

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.
5-21-99: CONSTRUCT RESERVE PIT. MOVE PUMP JACK.
5-22-99: BLEED CSG & TBG DN. PUMP 30 BBLs FW DN CSG & TBG. NUBOP. TEST TO 1000 PSI.-OK.TIH W/BIT, CSG SCRAPER & TBG. TAG BTM @ 6110'. WRK CSG SCRAPER FR 5700-6110'.
5-23-99: KILL W/10 BFW. RU WL & TIH W/JNK BASKET & GAUGE RING. TIH W/PROF NIP, TBG & PKR. PKR @ 5869'. TIH W/GYRO TOOL. TIH W/TBG & TAG PKR @ 5867'.
5-25-99: NUBOP & FLOWLINE. TEST BOP TO 1000 PSI-OK. TAG TIW PKR @ 5862'.
5-26-99: TIH W/WHIPSTOCK. TIH W/MILLS & ILL 5829-5835'.TIH W/BHA. BREAK CIRC. RU WL TRUCK. TIH W/GYRO ASSEMBLY.DRLG CURVE 5839-5843'.
5-27-99: SLIDE DRILL 5843-5858,5890,6002,6005,6075,6085,6110'.
5-28-99: SLIDE DRILL 6110-6125,5142,6162,6173,6220,6236,6245,6251,6319-6345. MADE CHANGE IN TARGETS @ 6236'.
5-29-99: SLIDE DRILL 6345-6363,6371. SHUT DOWN DRILLING TO SIDTRACT-OUT OF ZONE. TOH W/DP. PU SWIVAL.SLIDE DRILL 6040-6042,6046,6062,6079,6089,6142,6173,6205,6236,6249,6273.
5-30-99: SLIDE DRILL FR 6273-6283,6299.TOH W/BHA #2. CHANGE OUT MOTOR. TIH W/BHA #3. ROTARY DRILL FR 6299-6385.
5-31-99: ROTARY DRILL 6385-6425,6430,6450. DRILL 50 MORE FEET & CIRC SAMPLES. TORARY DRILL FR 6450-6500,6520,6583.
6-01-99: SLIDE DRILL FR 6583-6588,6615,6620,6710. TIH W/DP TO TOP OF WHIPSTOCK. LATCH INTO WHIPSTOCK & JAR ON WHIPSYOCXK. LD COLLAR, WHIPSTOCK. LATCH IN ASSEMBLY. TIH W/BHA & DP. TRY TO STING INTO TIW PKR SET @ 5862'. ABLE TO ONLY GET TO 5857'.
6-02-99: RU SWIVEL. WSH FILL OFF TOP OF PKR. CIRC HLE CLN W/SWEEP. TOP OF WHIPSTOCK @ 5809'. BTM @ 5818'. START CUTTING WINDOW. MILL WINDOW TO 5818'. TIH W/GYRO.
6-03-99: TIME DRILL 2 FT/HR 5824-5826'. SLIDE DRILL 5826-5830',5860,5940.
6-04-99: TIME DRILL 5850-5853'. SLIDE DRILL TO 5861. TIME DRILL 5817-5820,5824. SLIDE DRILL TO 5830',5861,6017.
6-06-99: SLIDE DRILL 6017-6037'. TIH W/BHA #5. SLIDE DRILL 142 FT, ROTARY DRILL 714 FT.
6-06-99: CIRC HLE @ TD, 6873' TVD. PU RBP & RIH @ 5750'. TEST TO 1000 PSI. NDFL. CHANGE OUT BOPS. REL RIG.
6-10-99: UNLOAD & RACK 2 7/8" TBG. PU RBP RETR HEAD, STRAP & PU TABG. TAG RBP W/186 JTS @ 5750'. REL PLUG. PU PKR. TIH W/30 STANDS OF TBG.

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 7/26/99
TYPE OR PRINT NAME J. Denise Leake Telephone No. 397-0405

(This space for State Use)
APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

6-11-99: OPEN WELL UP. TIH W/TBG TO 5768'. SET PKR. TEST PKR & PIPE RAMS TO 500 PSI-OK.

6-12-99: REL PKR. REM SN. PU RE-ENTRY GUIDE, TBG & PKR. TIH W/TBG. PSA 5769'. BTM OF RE-ENTRY GUIDE @ 5826'. BTM OF WINDOW @ 5818'. RIG DOWN SERVICE UNIT.

6-15-99: MIRU COIL TBG UNIT. UNABLE TO GET PAST 5863'. PULL BACK TO RE-ENTRY GUIDE @ 5826'. UNABLE TO GET PAST 5863'. (THE 1ST QUITTING POINT OF 1ST LATERAL). OPEN PKR BYPASS. PSA 5738'. BTM OF REENTRY GUIDE @ 5795'. BTM OF UPPER WINDOW @ 5818'. TOP @ 5809'. RU COIL TBG UNIT. TIH W/COIL TBG TO 5850'. C/O TO 6869'. FOAM FR BTM W/70 QUALITY FOAM & START ACID JOB. ACIDIZE W/16,860 GALS 15% HCL & 300 BBLs 2% KCL WTR.

6-16-99: ACIDIZE W/COIL TBG STAGES 4-9 W/15% ACID. RIG DOWN COIL TBG.

6-17-99: RU SWAB. FL @ 2200'. END FL @ 3300'.

6-18-99: REL PKR. TIH W/HOOK, BMPR SUBS, JARS & DC'S. LATCH ON WHIPSTOCK & JAR FEE. TIH W/OVERSHOT, GRAPPLE, BS, JARS, DC'S. CAUGHT FISH.

6-19-99: TIH W/SHORT CATCH OVERSHOT, JARS, DC'S. CATCH FSH & START JARRING W/20 K OVER. FSH REL. TIH W/PROD STRING.

6-20-99: TIH W/BENT SUB, PKR, TBG. SET PKR & INSTL TREE ON BOP. RIG DOWN SERVICE UNIT. PKR SET @ 5823'.

6-22-99: ACIDIZE W/21000 GALS 15% HCL & 20000 GALS WF130. FLSH TO BTM PERF SUB W/63 BBLs 2%. WELL ON VAC.

6-23-99: RU TO SWAB. FL @ 4000'. END FL @ 4200'.

6-24-99: ND FRAC TREE. REL PKR. TIH W/MA, PERF SUB, SN, & TBG.

6-25-99: TAG TIW PKR @ 5864'. PULL UP TO 1ST COLLAR & SET TA W/16K TENSION. NDBOP. NU TBG FLANGE & CHANGE OVER TO RUN RDS. INSTL ROD BOP. TIH W/GAS ANCHOR, PUMP, RDS. TEST TBG & PUMP SEAT W/25 BW.

6-26-99: RU PUMP UNIT. PUMPING.

7-09-99: MIRUSU. BLOW DN GAS FR CSG. UNSEAT PUMP. PUMP FW DN TBG. REL TA. NUBOP.

7-10-99: TIH W/PUMP, CABLE, & TBG. STRIP OFF BOP. LAND TBG IN NEW WH. RIG DOWN SU.

7-14-99: ON 24 HR OPT. PUMPED 216 BO, 523 BW, & 63 MCF.

FINAL REPORT

OIL CONSERVATION DIVISION

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

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

WELL API NO. 3002532263
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil / Gas Lea
7. Lease Name or Unit Agreement Name VACUUM GLORIETA WEST UNIT
8. Well No. 98
9. Pool Name or Wildcat VACUUM GLORIETA

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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

2. Name of Operator
 TEXACO EXPLORATION & PRODUCTION INC.

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

4. Well Location
 Unit Letter P : 937 Feet From The SOUTH Line and 532 Feet From The EAST Line
 Section 35 Township 17-S Range 34-E NMPM LEA COUNTY

10. Date Spudded 5/21/99	11. Date T.D. Reached 6/6/99	12. Date Compl. (Ready to Prod.) 6/15/99	13. Elevations (DF & RKB, RT, GR, etc.) 4007'	14. Elev. Csghead
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15. Total Depth 6873'	16. Plug Back T.D.	17. If Mult. Compl. How Many Zones?	18. Intervals Drilled By	Rotary Tools	Cable Tools
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19. Producing Interval(s), of this completion - Top, Bottom, Name
 OPEN HOLE - BOTH LATERALS

20. Was Directional Survey Made
 YES

21. Type Electric and Other Logs Run

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
			NO CHANGE		

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 7/8"	MD 5832'	

26. Perforation record (interval, size, and number) Open Hole-Both Laterals	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
	OPEN HOLE	16860 gals 15% HCL
		21000 gals 15% HCL
		20000 gals WF130

28. PRODUCTION

Date First Production 6/27/99	Production Method (Flowing, gas lift, pumping - size and type pump) PUMPING 2 1/2"x2"x24'	Well Status (Prod. or Shut-in) PROD.					
Date of Test 7-14-99	Hours tested 24 hrs.	Choke Size	Prod'n For Test Period	Oil - Bbl. 216	Gas - MCF 63	Water - Bbl. 523	Gas - Oil Ratio
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API -(Corr.)	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)
 SOLD

Test Witnessed By

30. List Attachment
 DIRECTIONAL 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 J. Denise Leake TITLE Engineering Assistant DATE 7/26/99
 TYPE OR PRINT NAME J. Denise Leake Telephone No. 397-0405

VACUUM GLORIETA WEST UNIT

PARTNERS	% GWI
TEXACO E&P Inc.	52.121%
PHILLIPS PET.	5.035%
MOBIL	17.258%
MARATHON Oil Co.	15.209%
FLOYD OIL	5.871%
COLLINS AND WARE	4.508%
	100.000%