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& SHERIDAN, P.A.
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January 11, 2000

HAND-DELIVERED

Lori Wrotenberg, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

OIL CONSERVATION DIV.
00 JAN 11 PM 4:52

Re: *Application of Texaco Exploration and Production Inc. for nonstandard well locations for wells in Central Vacuum Unit Tertiary Recovery Project, Lea County, New Mexico.*

Dear Ms. Wrotenberg:

Enclosed in triplicate is the Application of Texaco Exploration and Production Inc. in the above-referenced case as well as a copy of a legal advertisement. Texaco requests that this matter be set for hearing before a Division Examiner on February 3, 2000.

Your attention to this request is appreciated.

Very truly yours,


William F. Carr

WFC/md

Enclosures

cc: Mr. Scott Wehner (w/enclosures)
Texaco Exploration and Production Inc.

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

IN THE MATTER OF THE APPLICATION OF
TEXACO EXPLORATION AND PRODUCTION INC.
FOR NONSTANDARD WELL LOCATION,
FOR WELLS IN CENTRAL VACUUM UNIT
TERTIARY RECOVERY PROJECT,
LEA COUNTY, NEW MEXICO.

CASE NO. _____

OIL CONSERVATION DIV.
00 JAN 11 PM 4:53

APPLICATION

TEXACO EXPLORATION AND PRODUCTION INC. ("Texaco") through its attorneys, Campbell, Carr, Berge & Sheridan, P. A., hereby seeks approval pursuant to the provisions of Division Rule 104 F (2), of unorthodox well locations in the Grayburg and San Andres formations, Vacuum Grayburg-San Andres Pool. In support of this Application, Texaco states:

1. Texaco is operator of the Central Vacuum Unit, which was created pursuant to the Statutory Unitization Act by Order No. R-5496 dated August 9, 1977. By Order No. R-5530 dated September 20, 1977, waterflood operations in this unit were authorized in the Central Vacuum Unit and a tertiary recovery polymer-augmented waterflood project in this unit approved by Order No. R-5530-D dated April 5, 1983. Carbon dioxide injection was authorized in this unit and the Central Vacuum Unit Tertiary Recovery Project was approved by order No. R-5530-E dated April 30, 1997.

2. By this application, Texaco seeks approval of unorthodox well locations for the following wells:

Central Vacuum Unit Well No. 295, to be drilled 669 feet from the North line and 10 feet from the East line of Section 6, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and the

Central Vacuum Unit Well No. 286 to be drilled 634 feet from the South line and 1333 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico.

3. Each of the proposed unorthodox well locations is offset to the East by the Phillips Petroleum Company ("Phillips") East Vacuum Grayburg-San Andres Unit, which was approved by Order No. R-5871, dated November 27, 1978. ~~May 10, 1996.~~ By Order No. 6856 dated November 19, 1981, carbon dioxide injection was authorized in the East Vacuum Grayburg-San Andres Tertiary Recovery/Pressure Maintenance Project in the East Vacuum Grayburg-San Andres Unit.

4. Attached hereto as Exhibit A is a plat which shows the proposed unorthodox well location, the offsetting wells and unit boundaries, for the Central Vacuum Unit Well No. 295 and the Central Vacuum Unit Well No. 286.

Exhibit B is a copy of Division Form C-101, C-102, and the proposed Drilling Control for the Central Vacuum Unit Well No. 295 well. Exhibit B-1 shows the well location for the Central Vacuum Unit Well No. 295, the 40-acre tract on which the Central Vacuum Unit Well No. 295 is located, the survey location, and the distance between the subject well and

all other wells on the 40-acre tract, and the proposed casing and cement program for that well.

Exhibit C is a copy of Division Form C-101, C-102, and the proposed Drilling Control for the Central Vacuum Unit Well No. 286 well. Exhibit C shows the well location for the Central Vacuum Unit Well No. 286, the 40-acre tract on which the Central Vacuum Unit Well No. 286 is located, the survey location, and the distance between the subject well and all other wells on the 40-acre tract, and the proposed casing and cement program for that well.

5. The proposed locations are unorthodox because they are governed by the Division's General Rule 104 B(1) which provide for wells on 40-spacing units to be located no closer than 330 feet to any boundary of the dedicated tract.

6. These unorthodox locations are required to complete an efficient production pattern within these adjoining Tertiary Recovery Projects. Attached hereto as Exhibit D is a copy of the "Waiver of Objections," by which Phillips Petroleum Company waives any and all objections to the Application made hereby.

7. Since Phillips operates all adjoining acreage offsetting the proposed unorthodox well locations, there are no affected parties to whom notification of the application should be provided.

8. The State of New Mexico is owner of 100% of the royalty interests under the

acreage on which the proposed wells are to be located, and the acreage which the proposed wells offset, and has approved the proposed well locations.

WHEREFORE, Texaco Exploration and Production, Inc. requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on February 3, 2000, and after notice and hearing as required by law, the Division enter its Order granting this application.

Respectfully submitted,

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

By:



WILLIAM F. CARR

PAUL R. OWEN

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR TEXACO EXPLORATION
AND PRODUCTION INC.

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

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

¹ Operator Name and Address TEXACO EXPLORATION & PRODUCTION INC. P.O. Box 3109, Midland Texas 79702		² OGRID Number 022351
		³ API Number
⁴ Property Code 11122	⁵ Property Name CENTRAL VACUUM UNIT	⁶ Well No. 295

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
A	6	18-S	35-E		669	NORTH	10'	EAST	LEA

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 Vacuum Grayburg-San Andres	¹⁰ Proposed Pool 2
--	-------------------------------

¹¹ Work Type Code N	¹² WellType Code O	¹³ Rotary or C.T. ROTARY	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3973'
¹⁶ Multiple No	¹⁷ Proposed Depth 4850'	¹⁸ Formation Grayburg-San Andres	¹⁹ Contractor	²⁰ Spud Date 02/05/2000

²¹ Proposed Casing and Cement Program

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
11"	8 5/8"	24#	1550'	550	Surface
7 7/8"	5 1/2"	15.5#	4850'	900	Surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and 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/2% GEL, 2% CACL2 (13.5 PPG, 1.74 CF/S, 9.1 GW/S). F/B 150 SACKS CLASS C w/2% CACL2 (14.8 PPG, 1.34 CF/S, 6.3 GW/S).
 PRODUCTION CASING: 800 SACKS 35/65 POZ CLASS H w/6% GEL, 5% SALT, 1/4# FC (12.8 PPG, 1.94 CF/S, 10.4 GW/S). F/B 100 SACKS CLASS H (15.6 PPG, 1.18 CF/S, 5.2 GW/S).

UNORTHODOX LOCATION

THERE ARE NO OTHER OPERATOR IN THIS QUARTER-QUARTER SECTION.

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 <i>A. Phil Ryan</i> Printed Name <i>A. Phil Ryan</i> Title <i>Commission Coordinator</i> Date 01/05/2000 Telephone 688-4606	OIL CONSERVATION DIVISION	
	Approved By:	
	Title:	Approval Date: Expiration Date:
	Conditions of Approval: Attached <input type="checkbox"/>	

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

Instructions on back

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

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 Vacuum Grayburg-San Andres			
⁴ Property Code		⁵ Property Name Central Vacuum Unit			⁶ Well Number 295		
⁷ OGRID No.		⁸ Operator Name TEXACO EXPLORATION & PRODUCTION, INC.			⁹ Elevation 3973'		
¹⁰ Surface Location							
UL or lot no. A	Section 6	Township 18-S	Range 35-E	Lot Idn	Feet from the North/South line 669' North	Feet from the East/West line 10' East	County Lea
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
¹² Dedicated Acres 40		¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order 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.

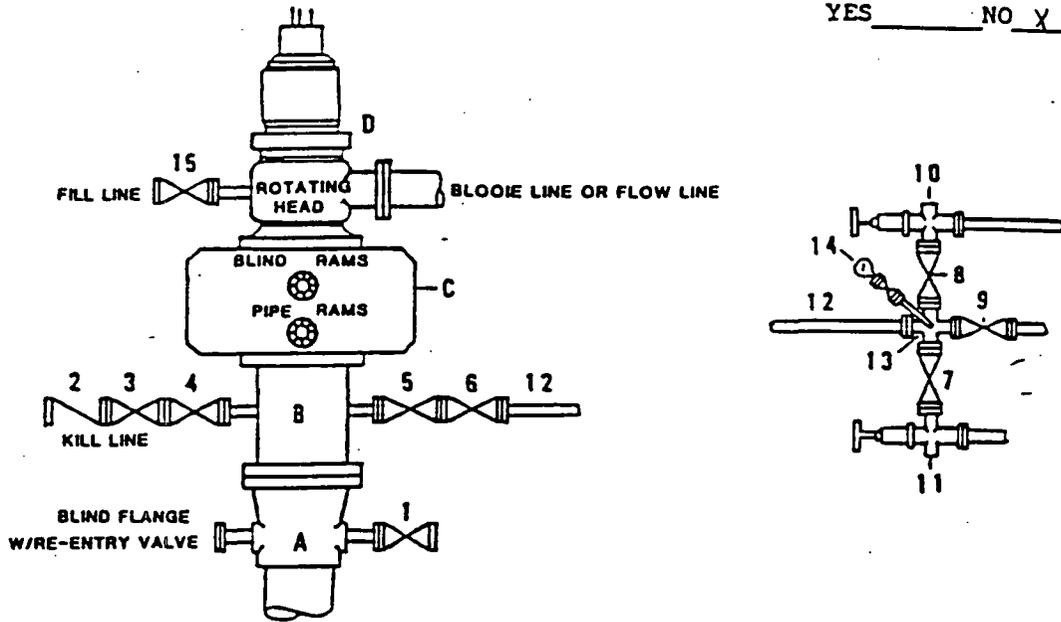
	¹⁶ OPERATOR CERTIFICATION	
	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
	Signature <i>A. Phil Ryan</i>	
	Printed Name A. Phil Ryan	
	Position Commission Coordinator	
	Company Texaco Expl. & Prod. Inc.	
	Date June 4, 1998 1/5/00	
	¹⁷ 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 May 21, 1998	
Signature & Seal of Professional Surveyor <i>John S. Piper</i>		
Certificate No. 7254 John S. Piper		
Sheet		

ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates			
Northing 649390.91		Easting 800988.05	
Latitude 32°46'56.492"		Longitude 103°29'18.524"	
Zone North American Datum		Combined Grid Factor	Coordinate File
East 1983		0.99979145	Buckeye.cr5
Drawing File		Field Book	
CVU_295		Lea Co. F.B. 17, Pg. 54	

**DRILLING CONTROL
CONDITION II-B 3000 WP
FOR AIR DRILLING OR
WHERE NITROGEN OR AIR BLOWS ARE EXPECTED**

H₂S TRIM REQUIRED
YES _____ NO X



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



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

EXHIBIT C

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

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

¹ Operator Name and Address TEXACO EXPLORATION & PRODUCTION INC. P.O. Box 3109, Midland Texas 79702		² OGRID Number 022351
		³ API Number
⁴ Property Code 11122	⁵ Property Name CENTRAL VACUUM UNIT	⁶ Well No. 286

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
O	31	17-S	35-E		634	SOUTH	1333	EAST	LEA

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 Vacuum Grayburg-San Andres	¹⁰ Proposed Pool 2
--	-------------------------------

¹¹ Work Type Code N	¹² WellType Code O	¹³ Rotary or C.T. ROTARY	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3965'
¹⁶ Multiple No	¹⁷ Proposed Depth 4850'	¹⁸ Formation Grayburg-San Andres	¹⁹ Contractor	²⁰ Spud Date 02/05/2000

²¹ Proposed Casing and Cement Program

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
11"	8 5/8"	24#	1550'	550	Surface
7 7/8"	5 1/2"	15.5#	4850'	900	Surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and 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/2% GEL, 2% CaCl2 (13.5 PPG, 1.74 CF/S, 9.1 GW/S). F/B 150 SACKS CLASS C w/2% CaCl2 (14.8 PPG, 1.34 CF/S, 6.3 GW/S).

PRODUCTION CASING: 800 SACKS 35/65 POZ CLASS H w/6% GEL, 5% SALT, 1/4# FC (12.8 PPG, 1.94 CF/S, 10.4 GW/S). F/B 100 SACKS CLASS H (15.6 PPG, 1.18 CF/S, 5.2 GW/S).

UNORTHODOX LOCATION

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

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 *A. Phil Ryan*

Printed Name *A. Phil Ryan*

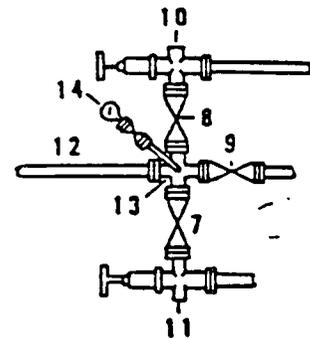
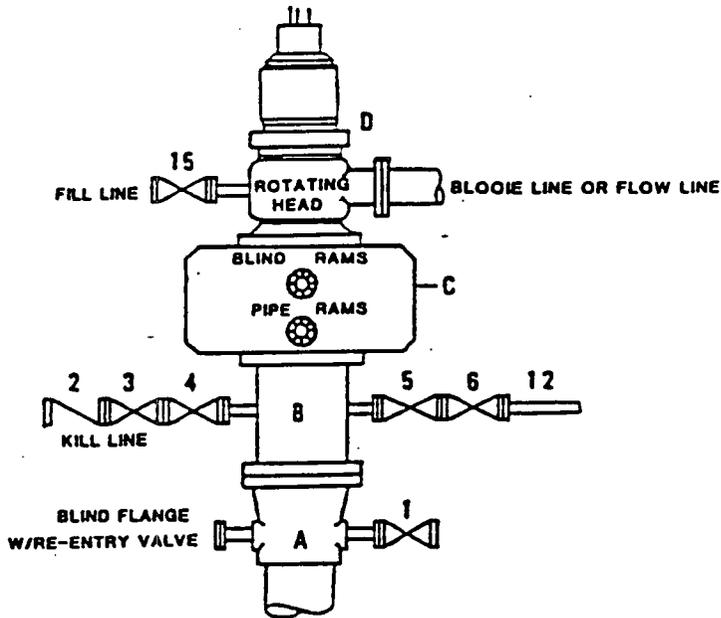
Title *Commission Coordinator*

Date 01/05/2000 Telephone 688-4606

OIL CONSERVATION DIVISION	
Approved By:	
Title:	
Approval Date:	Expiration Date:
Conditions of Approval: Attached <input type="checkbox"/>	

**DRILLING CONTROL
CONDITION II-B 3000 WP
FOR AIR DRILLING OR
WHERE NITROGEN OR AIR BLOWS ARE EXPECTED**

H₂S TRIM REQUIRED
YES _____ NO X



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 | 1" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve. |
| 12 | 1" minimum schedule 80, Grade "B", seamless line pipe. |
| 13 | 2" minimum x 3" minimum 3000# W.P. flanged cross. |
| 10,11 | 2" minimum 3000# W.P. adjustable choke bodies. |
| 14 | Cameron Mud Gauge or equivalent (location optional in choke line). |
| 15 | 2" minimum 3000# W.P. flanged or threaded full opening steel gate valve, or Halliburton Lo Torc Plug valve. |



TEXACO, INC.
MIDLAND DIVISION
MIDLAND, TEXAS



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

EXHIBIT C

"WAIVER of OBJECTIONS"

Phillips Petroleum Company, as part-owner and operator of offsetting rights to the Texaco Exploration and Production Inc. operated Central Vacuum Unit, hereby waives any and all objections to the Application for Unorthodox Locations filed by Texaco Exploration and Production Inc. in the matter of development along the joint lease line of the East Vacuum Grayburg San Andres Unit. It is understood that the wells will be located as follows:

CVU No. 286	Sec. 31	T17S-R35E	634 ft FSL	&	1,333 ft FEL
CVU No. 295	Sec. 6	T18S-R35E	669 ft FNL	&	10 ft FEL

PHILLIPS PETROLEUM COMPANY

SIGNED: *L. M. Sanders*

NAME: L. M. Sanders

TITLE: Supervisor, Regulation/Proration

DATE: January 5, 2000

EXHIBIT D

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

OIL CONSERVATION DIV.
00 JAN 11 PM 4:53

IN THE MATTER OF THE APPLICATION OF
TEXACO EXPLORATION AND PRODUCTION INC.
FOR NONSTANDARD WELL LOCATION,
FOR WELLS IN CENTRAL VACUUM UNIT
TERTIARY RECOVERY PROJECT,
LEA COUNTY, NEW MEXICO.

CASE NO. _____

APPLICATION

TEXACO EXPLORATION AND PRODUCTION INC. ("Texaco") through its attorneys, Campbell, Carr, Berge & Sheridan, P. A., hereby seeks approval pursuant to the provisions of Division Rule 104 F (2), of unorthodox well locations in the Grayburg and San Andres formations, Vacuum Grayburg-San Andres Pool. In support of this Application, Texaco states:

1. Texaco is operator of the Central Vacuum Unit, which was created pursuant to the Statutory Unitization Act by Order No. R-5496 dated August 9, 1977. By Order No. R-5530 dated September 20, 1977, waterflood operations in this unit were authorized in the Central Vacuum Unit and a tertiary recovery polymer-augmented waterflood project in this unit approved by Order No. R-5530-D dated April 5, 1983. Carbon dioxide injection was authorized in this unit and the Central Vacuum Unit Tertiary Recovery Project was approved by order No. R-5530-E dated April 30, 1997.

2. By this application, Texaco seeks approval of unorthodox well locations for the following wells:

Central Vacuum Unit Well No. 295, to be drilled 669 feet from the North line and 10 feet from the East line of Section 6, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and the

Central Vacuum Unit Well No. 286 to be drilled 634 feet from the South line and 1333 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico.

3. Each of the proposed unorthodox well locations is offset to the East by the Phillips Petroleum Company ("Phillips") East Vacuum Grayburg-San Andres Unit, which was approved by Order No. R-5871, dated November 27, 1978. ~~May 10, 1996.~~ By Order No. 6856 dated November 19, 1981, carbon dioxide injection was authorized in the East Vacuum Grayburg-San Andres Tertiary Recovery/Pressure Maintenance Project in the East Vacuum Grayburg-San Andres Unit.

4. Attached hereto as Exhibit A is a plat which shows the proposed unorthodox well location, the offsetting wells and unit boundaries, for the Central Vacuum Unit Well No. 295 and the Central Vacuum Unit Well No. 286.

Exhibit B is a copy of Division Form C-101, C-102, and the proposed Drilling Control for the Central Vacuum Unit Well No. 295 well. Exhibit B-1 shows the well location for the Central Vacuum Unit Well No. 295, the 40-acre tract on which the Central Vacuum Unit Well No. 295 is located, the survey location, and the distance between the subject well and

APPLICATION,

Page 2

all other wells on the 40-acre tract, and the proposed casing and cement program for that well.

Exhibit C is a copy of Division Form C-101, C-102, and the proposed Drilling Control for the Central Vacuum Unit Well No. 286 well. Exhibit C shows the well location for the Central Vacuum Unit Well No. 286, the 40-acre tract on which the Central Vacuum Unit Well No. 286 is located, the survey location, and the distance between the subject well and all other wells on the 40-acre tract, and the proposed casing and cement program for that well.

5. The proposed locations are unorthodox because they are governed by the Division's General Rule 104 B(1) which provide for wells on 40-spacing units to be located no closer than 330 feet to any boundary of the dedicated tract.

6. These unorthodox locations are required to complete an efficient production pattern within these adjoining Tertiary Recovery Projects. Attached hereto as Exhibit D is a copy of the "Waiver of Objections," by which Phillips Petroleum Company waives any and all objections to the Application made hereby.

7. Since Phillips operates all adjoining acreage offsetting the proposed unorthodox well locations, there are no affected parties to whom notification of the application should be provided.

8. The State of New Mexico is owner of 100% of the royalty interests under the

acreage on which the proposed wells are to be located, and the acreage which the proposed wells offset, and has approved the proposed well locations.

WHEREFORE, Texaco Exploration and Production, Inc. requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on February 3, 2000, and after notice and hearing as required by law, the Division enter its Order granting this application.

Respectfully submitted,

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

By:



WILLIAM F. CARR

PAUL R. OWEN

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR TEXACO EXPLORATION
AND PRODUCTION INC.

CASE _____: Application of Texaco Exploration and Production Inc. for approval pursuant to the provisions of Division Rule 104 F (2), of unorthodox well locations in the Grayburg and San Andres formations, Vacuum Grayburg-San Andres Pool. Applicant seeks approval of the Central Vacuum Unit Well No. 295, to be drilled 669 feet from the North line and 10 feet from the East line of Section 6, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and the Central Vacuum Unit Well No. 286 to be drilled 634 feet from the South line and 1333 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico. Said wells are necessary for an efficient production pattern within the Central Vacuum Unit Tertiary Recovery Project, which was approved by order No. R-5530-E dated April 30, 1997. Said waterflood project is located approximately 20 miles west of Hobbs, New Mexico.

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

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⁴ Property Code 11122	⁵ Property Name CENTRAL VACUUM UNIT	⁶ Well No. 295

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A	6	18-S	35-E		669	NORTH	10'	EAST	LEA

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 Vacuum Grayburg-San Andres					¹⁰ Proposed Pool 2				

¹¹ Work Type Code N	¹² WellType Code O	¹³ Rotary or C.T. ROTARY	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3973'
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²¹ Proposed Casing and Cement Program

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
11"	8 5/8"	24#	1550'	550	Surface
7 7/8"	5 1/2"	15.5#	4850'	900	Surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and 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/2% GEL, 2% CaCl₂ (13.5 PPG, 1.74 CF/S, 9.1 GW/S). F/B 150 SACKS CLASS C w/2% CaCl₂ (14.8 PPG, 1.34 CF/S, 6.3 GW/S).
PRODUCTION CASING: 800 SACKS 35/65 POZ CLASS H w/6% GEL, 5% SALT, 1/4# FC (12.8 PPG, 1.94 CF/S, 10.4 GW/S). F/B 100 SACKS CLASS H (15.6 PPG, 1.18 CF/S, 5.2 GW/S).

UNORTHODOX LOCATION

THERE ARE NO OTHER OPERATOR IN THIS QUARTER-QUARTER SECTION.

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

A. Phil Ryan

Printed Name

A. Phil Ryan

Title

Commission Coordinator

Date

01/05/2000

Telephone

688-4606

OIL CONSERVATION DIVISION

Approved By:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached

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

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

Form C-102
Revised February 10, 1994

Instructions on back

Submit to Appropriate District Office

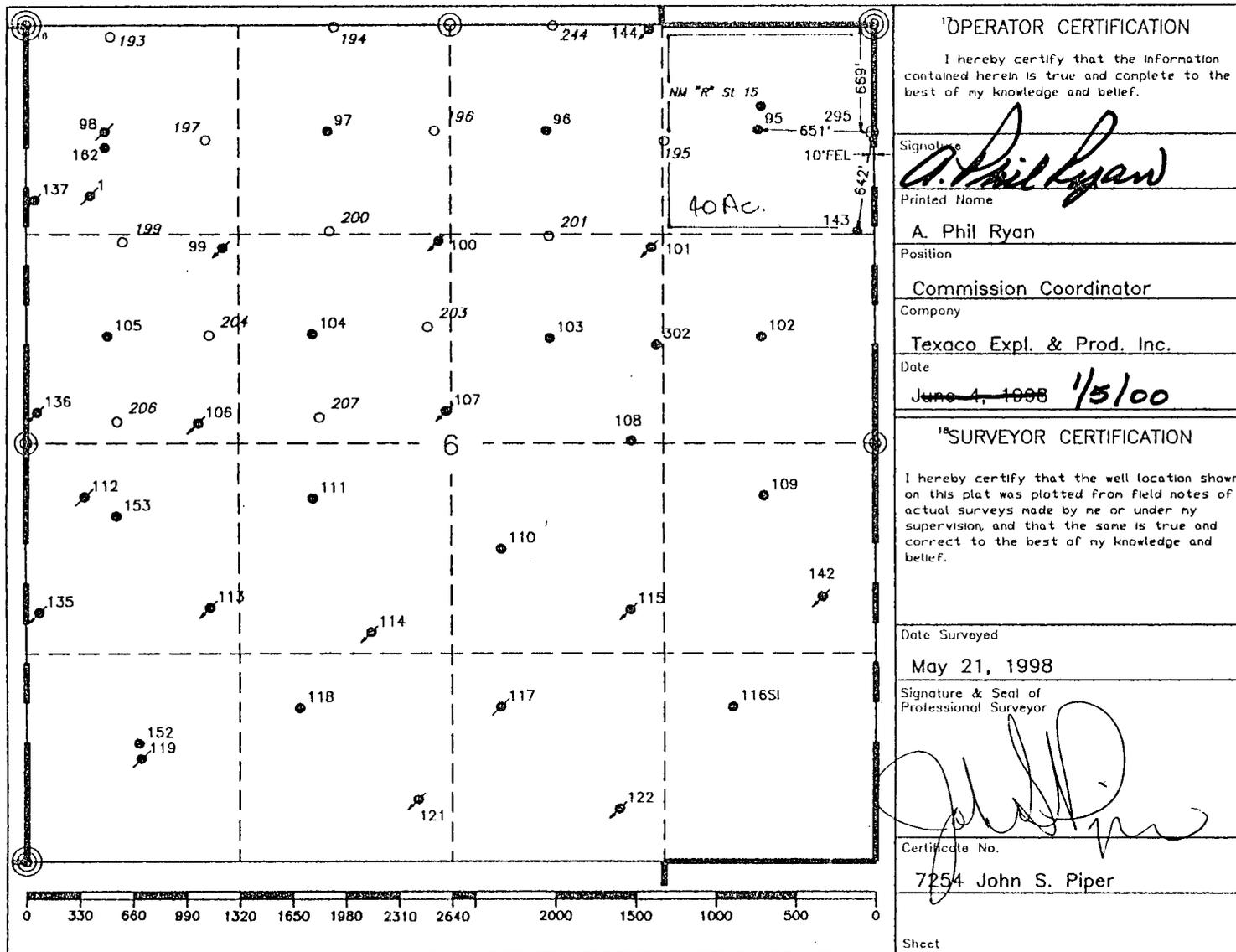
State Lease-4 copies
Fee Lease-3 copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name Vacuum Grayburg-San Andres					
4 Property Code		5 Property Name Central Vacuum Unit					6 Well Number 295		
7 GRID No.		8 Operator Name TEXACO EXPLORATION & PRODUCTION, INC.					9 Elevation 3973'		
10 Surface Location									
UL or lot no. A	Section 6	Township 18-S	Range 35-E	Lot Idn	Feet from the 669'	North/South line North	Feet from the 10'	East/West line East	7 County Lea
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 40		13 Joint or Infill		14 Consolidation Code		15 Order 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.

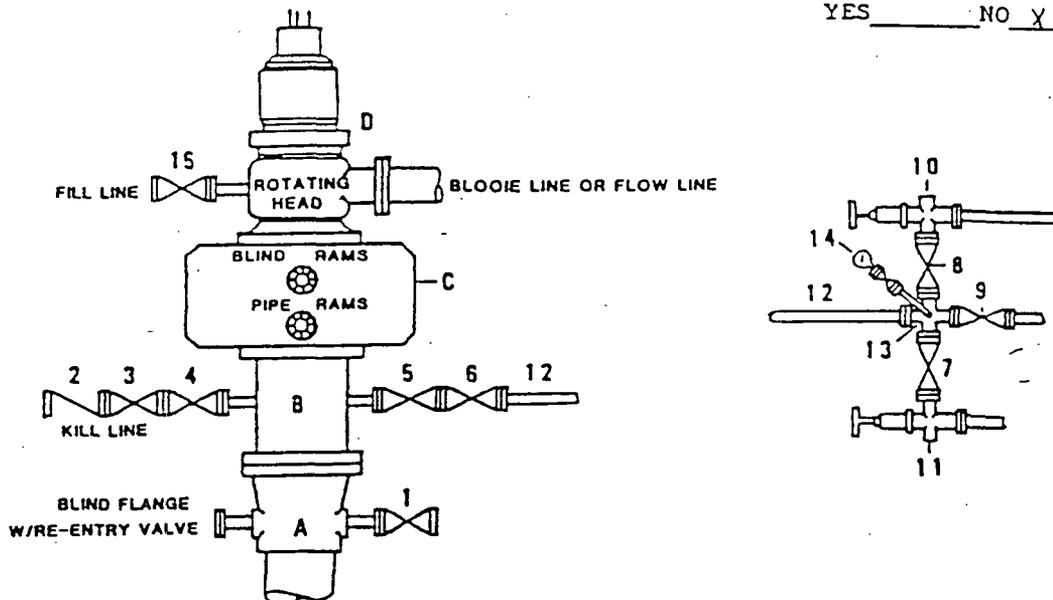


ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates			
Northing 649390.91		Easting 800988.05	
Latitude 32°46'56.492"		Longitude 103°29'18.524"	
Zone	North American Datum	Combined Grid Factor	Coordinate File
East	1983	0.99979145	Buckeye.cr5
Drawing File	Field Book		
CVU_295	Lea Co. F.B. 17, Pg. 54		

**DRILLING CONTROL
CONDITION II-B 3000 WP
FOR AIR DRILLING OR
WHERE NITROGEN OR AIR BLOWS ARE EXPECTED**

H₂S TRIM REQUIRED
YES _____ NO X



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



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

EXHIBIT C

"WAIVER of OBJECTIONS"

Phillips Petroleum Company, as part-owner and operator of offsetting rights to the Texaco Exploration and Production Inc. operated Central Vacuum Unit, hereby waives any and all objections to the Application for Unorthodox Locations filed by Texaco Exploration and Production Inc. in the matter of development along the joint lease line of the East Vacuum Grayburg San Andres Unit. It is understood that the wells will be located as follows:

CVU No. 286	Sec. 31	T17S-R35E	634 ft FSL	&	1,333 ft FEL
CVU No. 295	Sec. 6	T18S-R35E	669 ft FNL	&	10 ft FEL

PHILLIPS PETROLEUM COMPANY

SIGNED: *L. M. Sanders*

NAME: L. M. Sanders

TITLE: Supervisor, Regulation/Proration

DATE: January 5, 2000

EXHIBIT D

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
PAUL R. OWEN
ANTHONY F. MEDEIROS

JACK M. CAMPBELL
1916-1999

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

January 11, 2000

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

00 JAN 11 PM 4:52
OIL CONSERVATION DIV.

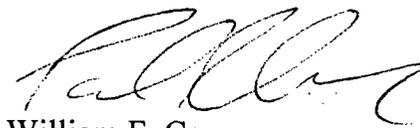
Re: *Application of Texaco Exploration and Production Inc. for nonstandard well locations for wells in Central Vacuum Unit Tertiary Recovery Project, Lea County, New Mexico.*

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Application of Texaco Exploration and Production Inc. in the above-referenced case as well as a copy of a legal advertisement. Texaco requests that this matter be set for hearing before a Division Examiner on February 3, 2000.

Your attention to this request is appreciated.

Very truly yours,


William F. Carr

WFC/md

Enclosures

cc: Mr. Scott Wehner (w/enclosures)
Texaco Exploration and Production Inc.

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

IN THE MATTER OF THE APPLICATION OF
TEXACO EXPLORATION AND PRODUCTION INC.
FOR NONSTANDARD WELL LOCATION,
FOR WELLS IN CENTRAL VACUUM UNIT
TERTIARY RECOVERY PROJECT,
LEA COUNTY, NEW MEXICO.

CASE NO. _____

OIL CONSERVATION DIV.
00 JAN 11 PM 4:53

APPLICATION

TEXACO EXPLORATION AND PRODUCTION INC. ("Texaco") through its attorneys, Campbell, Carr, Berge & Sheridan, P. A., hereby seeks approval pursuant to the provisions of Division Rule 104 F (2), of unorthodox well locations in the Grayburg and San Andres formations, Vacuum Grayburg-San Andres Pool. In support of this Application, Texaco states:

1. Texaco is operator of the Central Vacuum Unit, which was created pursuant to the Statutory Unitization Act by Order No. R-5496 dated August 9, 1977. By Order No. R-5530 dated September 20, 1977, waterflood operations in this unit were authorized in the Central Vacuum Unit and a tertiary recovery polymer-augmented waterflood project in this unit approved by Order No. R-5530-D dated April 5, 1983. Carbon dioxide injection was authorized in this unit and the Central Vacuum Unit Tertiary Recovery Project was approved by order No. R-5530-E dated April 30, 1997.

2. By this application, Texaco seeks approval of unorthodox well locations for the following wells:

Central Vacuum Unit Well No. 295, to be drilled 669 feet from the North line and 10 feet from the East line of Section 6, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and the

Central Vacuum Unit Well No. 286 to be drilled 634 feet from the South line and 1333 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico.

3. Each of the proposed unorthodox well locations is offset to the East by the Phillips Petroleum Company ("Phillips") East Vacuum Grayburg-San Andres Unit, which was approved by Order No. R-5871, dated November 27, 1978. ~~May 10, 1996.~~ By Order No. 6856 dated November 19, 1981, carbon dioxide injection was authorized in the East Vacuum Grayburg-San Andres Tertiary Recovery/Pressure Maintenance Project in the East Vacuum Grayburg-San Andres Unit.

4. Attached hereto as Exhibit A is a plat which shows the proposed unorthodox well location, the offsetting wells and unit boundaries, for the Central Vacuum Unit Well No. 295 and the Central Vacuum Unit Well No. 286.

Exhibit B is a copy of Division Form C-101, C-102, and the proposed Drilling Control for the Central Vacuum Unit Well No. 295 well. Exhibit B-1 shows the well location for the Central Vacuum Unit Well No. 295, the 40-acre tract on which the Central Vacuum Unit Well No. 295 is located, the survey location, and the distance between the subject well and

APPLICATION,

Page 2

all other wells on the 40-acre tract, and the proposed casing and cement program for that well.

Exhibit C is a copy of Division Form C-101, C-102, and the proposed Drilling Control for the Central Vacuum Unit Well No. 286 well. Exhibit C shows the well location for the Central Vacuum Unit Well No. 286, the 40-acre tract on which the Central Vacuum Unit Well No. 286 is located, the survey location, and the distance between the subject well and all other wells on the 40-acre tract, and the proposed casing and cement program for that well.

5. The proposed locations are unorthodox because they are governed by the Division's General Rule 104 B(1) which provide for wells on 40-spacing units to be located no closer than 330 feet to any boundary of the dedicated tract.

6. These unorthodox locations are required to complete an efficient production pattern within these adjoining Tertiary Recovery Projects. Attached hereto as Exhibit D is a copy of the "Waiver of Objections," by which Phillips Petroleum Company waives any and all objections to the Application made hereby.

7. Since Phillips operates all adjoining acreage offsetting the proposed unorthodox well locations, there are no affected parties to whom notification of the application should be provided.

8. The State of New Mexico is owner of 100% of the royalty interests under the

acreage on which the proposed wells are to be located, and the acreage which the proposed wells offset, and has approved the proposed well locations.

WHEREFORE, Texaco Exploration and Production, Inc. requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on February 3, 2000, and after notice and hearing as required by law, the Division enter its Order granting this application.

CASE _____: Application of Texaco Exploration and Production Inc. for approval pursuant to the provisions of Division Rule 104 F (2), of unorthodox well locations in the Grayburg and San Andres formations, Vacuum Grayburg-San Andres Pool. Applicant seeks approval of the Central Vacuum Unit Well No. 295, to be drilled 669 feet from the North line and 10 feet from the East line of Section 6, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and the Central Vacuum Unit Well No. 286 to be drilled 634 feet from the South line and 1333 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico. Said wells are necessary for an efficient production pattern within the Central Vacuum Unit Tertiary Recovery Project, which was approved by order No. R-5530-E dated April 30, 1997. Said waterflood project is located approximately 20 miles west of Hobbs, New Mexico.

CASE _____: Application of Texaco Exploration and Production Inc. for approval pursuant to the provisions of Division Rule 104 F (2), of unorthodox well locations in the Grayburg and San Andres formations, Vacuum Grayburg-San Andres Pool. Applicant seeks approval of the Central Vacuum Unit Well No. 295, to be drilled 669 feet from the North line and 10 feet from the East line of Section 6, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and the Central Vacuum Unit Well No. 286 to be drilled 634 feet from the South line and 1333 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico. Said wells are necessary for an efficient production pattern within the Central Vacuum Unit Tertiary Recovery Project, which was approved by order No. R-5530-E dated April 30, 1997. Said waterflood project is located approximately 20 miles west of Hobbs, New Mexico.

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

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

¹ Operator Name and Address TEXACO EXPLORATION & PRODUCTION INC. P.O. Box 3109, Midland Texas 79702		² OGRID Number 022351
		³ API Number
⁴ Property Code 11122	⁵ Property Name CENTRAL VACUUM UNIT	⁶ Well No. 295

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
A	6	18-S	35-E		669	NORTH	10'	EAST	LEA

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 Vacuum Grayburg-San Andres					¹⁰ Proposed Pool 2				

¹¹ Work Type Code N	¹² WellType Code O	¹³ Rotary or C.T. ROTARY	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3973'
¹⁶ Multiple No	¹⁷ Proposed Depth 4850'	¹⁸ Formation Grayburg-San Andres	¹⁹ Contractor	²⁰ Spud Date 02/05/2000

²¹ Proposed Casing and Cement Program

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
11"	8 5/8"	24#	1550'	550	Surface
7 7/8"	5 1/2"	15.5#	4850'	900	Surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and 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/2% GEL, 2% CACL2 (13.5 PPG, 1.74 CF/S, 9.1 GW/S). F/B 150 SACKS CLASS C w/2% CACL2 (14.8 PPG, 1.34 CF/S, 6.3 GW/S).
PRODUCTION CASING: 800 SACKS 35/65 POZ CLASS H w/6% GEL, 5% SALT, 1/4# FC (12.8 PPG, 1.94 CF/S, 10.4 GW/S). F/B 100 SACKS CLASS H (15.6 PPG, 1.18 CF/S, 5.2 GW/S).

UNORTHODOX LOCATION
THERE ARE NO OTHER OPERATOR IN THIS QUARTER-QUARTER SECTION.

<p>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.</p> <p>Signature <i>A. Phil Ryan</i></p> <p>Printed Name <i>A. Phil Ryan</i></p> <p>Title <i>Commission Coordinator</i></p> <p>Date 01/05/2000 Telephone 688-4606</p>	OIL CONSERVATION DIVISION	
	Approved By:	
	Title:	
	Approval Date:	Expiration Date:
Conditions of Approval: Attached <input type="checkbox"/>		

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

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

Form C-102
Revised February 10, 1994

Instructions on back

Submit to Appropriate District Office

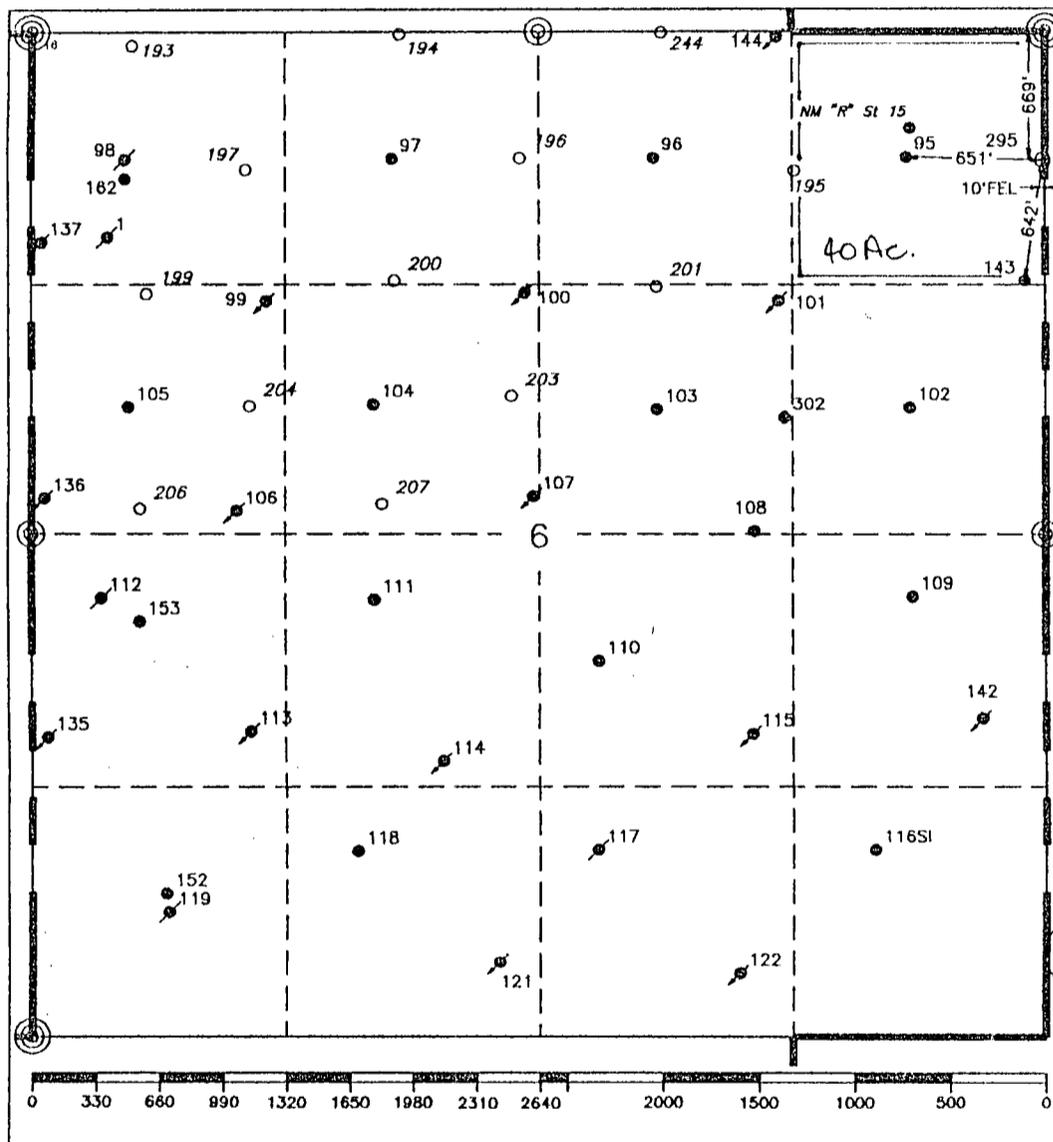
State Lease-4 copies
Fee Lease-3 copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name Vacuum Grayburg-San Andres					
4 Property Code		5 Property Name Central Vacuum Unit						6 Well Number 295	
7 GRID No.		8 Operator Name TEXACO EXPLORATION & PRODUCTION, INC.						9 Elevation 3973'	
10 Surface Location									
UL or lot no. A	Section 6	Township 18-S	Range 35-E	Lot Idn	Feet from the 669'	North/South line North	Feet from the 10'	East/West line East	7 County Lea
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 40		13 Joint or Infill		14 Consolidation Code		15 Order 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.



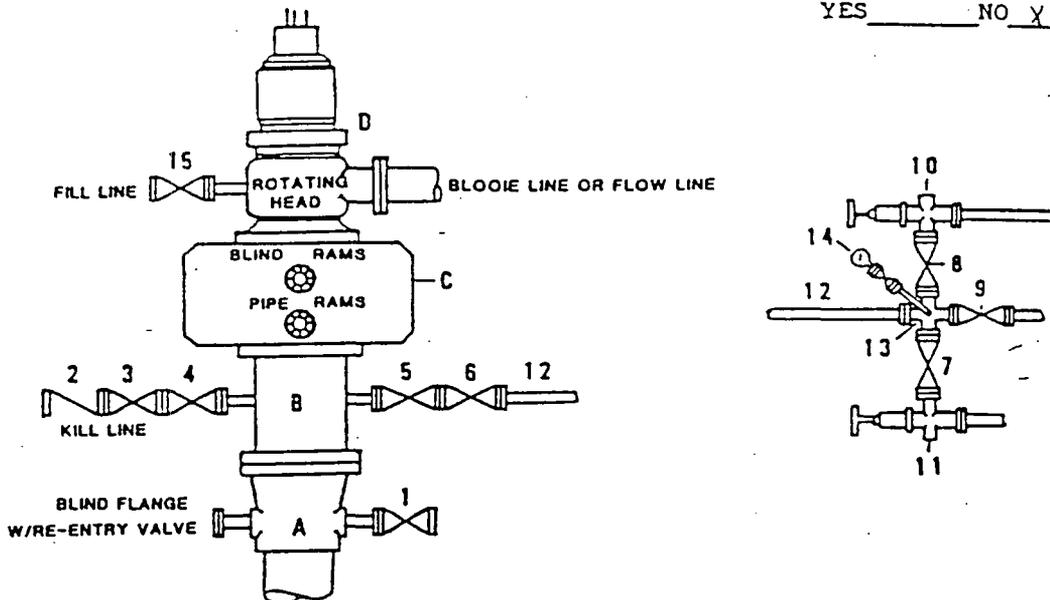
10 OPERATOR CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature	<i>A. Phil Ryan</i>
Printed Name	A. Phil Ryan
Position	Commission Coordinator
Company	Texaco Expl. & Prod. Inc.
Date	June 4, 1998 1/5/00
10 SURVEYOR 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	May 21, 1998
Signature & Seal of Professional Surveyor	<i>John S. Piper</i>
Certificate No.	7254 John S. Piper
Sheet	

ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates	
Northing 649390.91	Easting 800988.05
Latitude 32°46'56.492"	Longitude 103°29'18.524"
Zone North American Datum	Combined Grid Factor
East 1983	0.99979145
Drawing File	Coordinate File
CVU_295	Buckeye.cr5
	Field Book
	Lea Co. F.B. 17, Pg. 54

**DRILLING CONTROL
CONDITION II-B 3000 WP
FOR AIR DRILLING OR
WHERE NITROGEN OR AIR BLOWS ARE EXPECTED**

H₂S TRIM REQUIRED
YES _____ NO X



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 Bleed 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



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

EXHIBIT C

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
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OIL CONSERVATION DIVISION

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Form C-101
Revised February 10, 1994
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State Lease - 6 Copies
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AMENDED REPORT

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

¹ Operator Name and Address TEXACO EXPLORATION & PRODUCTION INC. P.O. Box 3109, Midland Texas 79702		² OGRID Number 022351
		³ API Number
⁴ Property Code 11122	⁵ Property Name CENTRAL VACUUM UNIT	⁶ Well No. 286

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
O	31	17-S	35-E		634	SOUTH	1333	EAST	LEA

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 Vacuum Grayburg-San Andres					¹⁰ Proposed Pool 2				

¹¹ Work Type Code N	¹² WellType Code O	¹³ Rotary or C.T. ROTARY	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3965'
¹⁶ Multiple No	¹⁷ Proposed Depth 4850'	¹⁸ Formation Grayburg-San Andres	¹⁹ Contractor	²⁰ Spud Date 02/05/2000

²¹ Proposed Casing and Cement Program

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
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7 7/8"	5 1/2"	15.5#	4850'	900	Surface

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

CEMENTING PROGRAM:

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PRODUCTION CASING: 800 SACKS 35/65 POZ CLASS H w/6% GEL, 5% SALT, 1/4# FC (12.8 PPG, 1.94 CF/S, 10.4 GW/S). F/B 100 SACKS CLASS H (15.6 PPG, 1.18 CF/S, 5.2 GW/S).

UNORTHODOX LOCATION

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

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

A. Phil Ryan

Printed Name

A. Phil Ryan

Title

Commission Coordinator

Date 01/05/2000

Telephone 688-4606

OIL CONSERVATION DIVISION

Approved By:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:
Attached

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State of New Mexico
Energy, Minerals and Natural Resources Department

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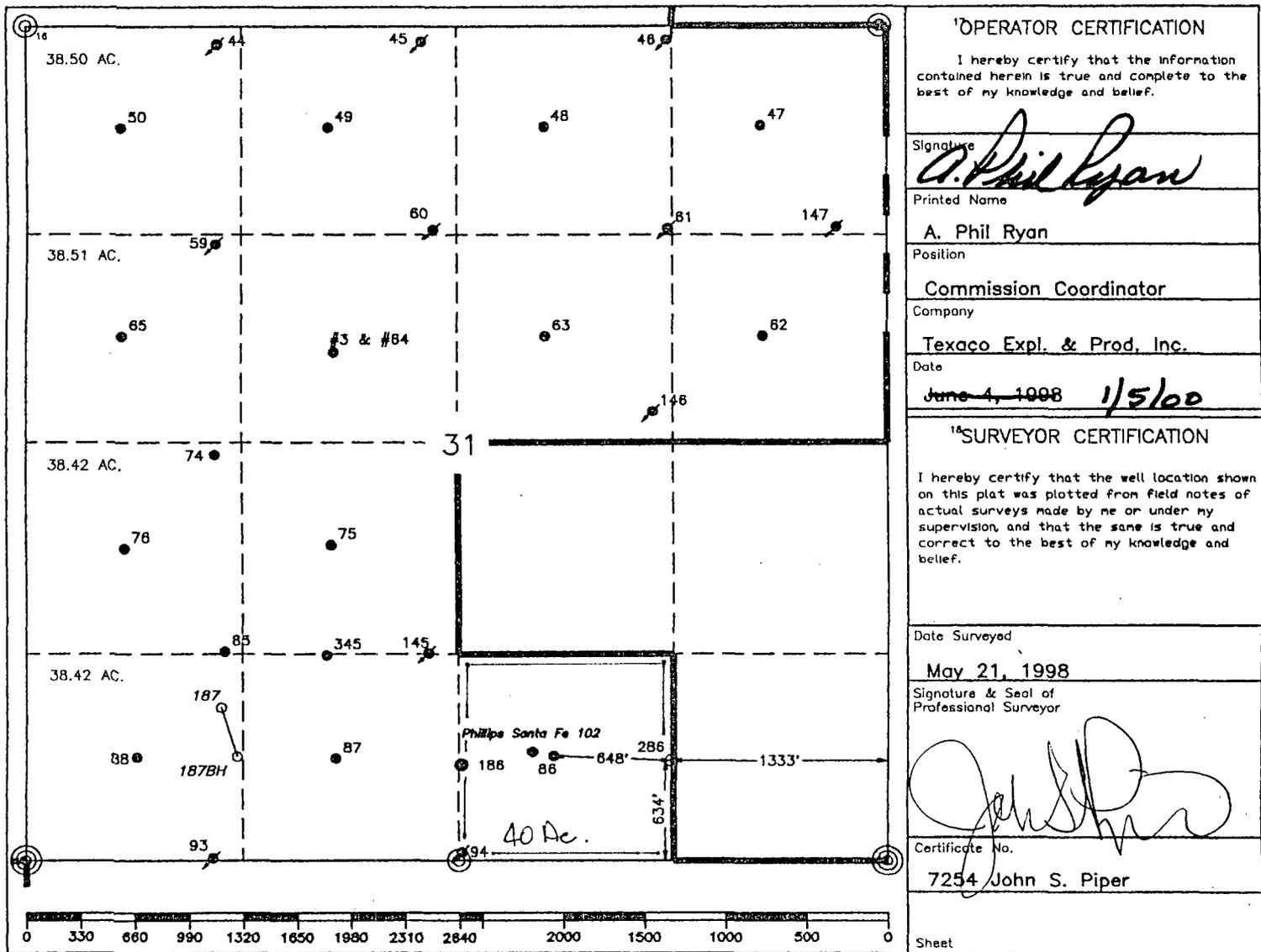
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name Vacuum Grayburg-San Andres					
4 Property Code		5 Property Name Central Vacuum Unit						6 Well Number 286	
7 OGRID No. 22351		8 Operator Name TEXACO EXPLORATION & PRODUCTION, INC.						9 Elevation 3965'	
10 Surface Location									
UL or lot no. 0	Section 31	Township 17-S	Range 35-E	Lot Idn	Feet from the 634'	North/South line South	Feet from the 1333'	East/West line East	7 County Lea
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 40		13 Joint or Infill		14 Consolidation Code		15 Order 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.



16 OPERATOR CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature	<i>A. Phil Ryan</i>
Printed Name	A. Phil Ryan
Position	Commission Coordinator
Company	Texaco Expl. & Prod, Inc.
Date	June 4, 1998 1/5100
17 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	May 21, 1998
Signature & Seal of Professional Surveyor	<i>John S. Piper</i>
Certificate No.	7254 John S. Piper
Sheet	

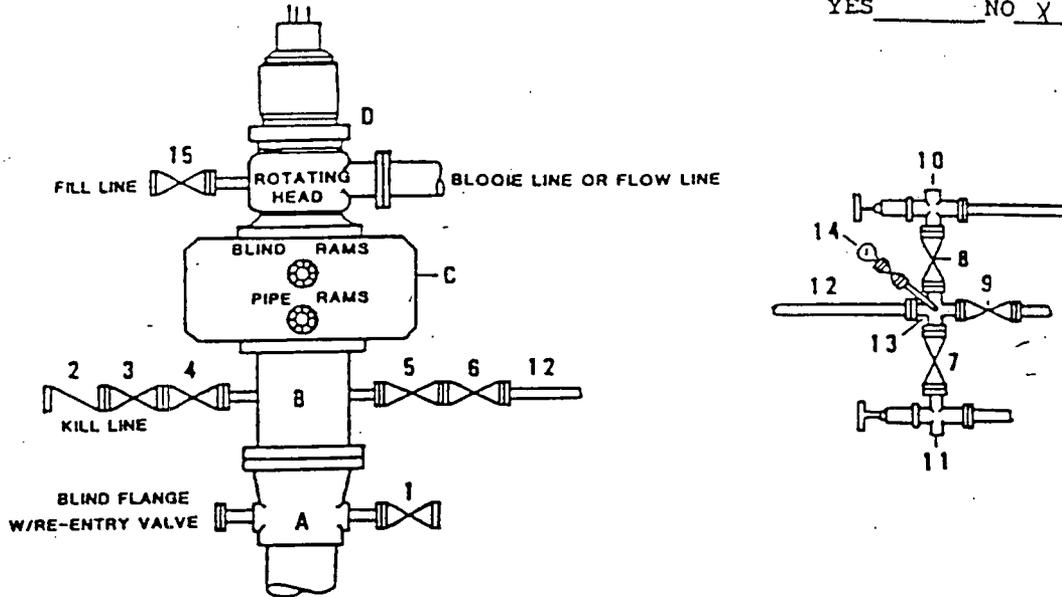
○ = Staked Location ● = Producing Well ↗ = Injection Well ◊ = Water Supply Well ⊕ = Plugged & Abandon Well
⊙ = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C. ○ = Found 1/4 Section Corner, 1" Iron Pipe & GLO B.C.

ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates			
Northing 650,688.66'		Easting 799,649.90'	
Latitude 32°47'09.437"		Longitude 103°29'34.076"	
Zone	North American Datum	Combined Grid Factor	Coordinate File
East	1983	0.99979145	Buckeye.cr5
Drawing File	Field Book		
CVU_286.dwg	Lea Co. F.B. 17, Pg. 53		

**DRILLING CONTROL
CONDITION II-B 3000 WP
FOR AIR DRILLING OR
WHERE NITROGEN OR AIR BLOWS ARE EXPECTED**

H₂S TRIM REQUIRED
YES _____ NO X



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 Bloopie 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



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

EXHIBIT C

"WAIVER of OBJECTIONS"

Phillips Petroleum Company, as part-owner and operator of offsetting rights to the Texaco Exploration and Production Inc. operated Central Vacuum Unit, hereby waives any and all objections to the Application for Unorthodox Locations filed by Texaco Exploration and Production Inc. in the matter of development along the joint lease line of the East Vacuum Grayburg San Andres Unit. It is understood that the wells will be located as follows:

CVU No. 286	Sec. 31	T17S-R35E	634 ft FSL & 1,333 ft FEL
CVU No. 295	Sec. 6	T18S-R35E	669 ft FNL & 10 ft FEL

PHILLIPS PETROLEUM COMPANY

SIGNED: *L. M. Sanders*

NAME: L. M. Sanders

TITLE: Supervisor, Regulation/Proration

DATE: January 5, 2000

EXHIBIT D

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
PAUL R. OWEN
ANTHONY F. MEDEIROS

JACK M. CAMPBELL
1916-1999

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

January 11, 2000

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

OIL CONSERVATION DIV.
00 JAN 11 PM 5:01

Re: *Application of Phillips Petroleum Company for nonstandard well locations for wells in East Vacuum Grayburg San Andres Unit Tertiary Recovery Project, Lea County, New Mexico.*

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Application of Phillips Petroleum Company in the above-referenced case as well as a copy of a legal advertisement. Texaco requests that this matter be set for hearing before a Division Examiner on February 3, 2000.

Your attention to this request is appreciated.

Very truly yours,


Paul R. Owen

PRO/md

Enclosures

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

IN THE MATTER OF THE APPLICATION OF
PHILLIPS PETROLEUM COMPANY
FOR NONSTANDARD WELL LOCATION,
FOR WELLS IN EAST VACUUM GRAYBURG-
SAN ANDRES UNIT TERTIARY RECOVERY PROJECT,
LEA COUNTY, NEW MEXICO.

CASE NO. _____

APPLICATION

PHILLIPS PETROLEUM COMPANY ("Phillips") through its attorneys, Campbell, Carr, Berge & Sheridan, P. A., hereby seeks approval pursuant to the provisions of Division Rule 104 F (2), of unorthodox well locations in the Grayburg and San Andres formations, Vacuum Grayburg-San Andres Pool. In support of this Application, Phillips states:

1. Phillips is operator of the East Vacuum Grayburg-San Andres Unit, which was created pursuant to the Statutory Unitization Act by Order No. R-5871 dated November 27, 1978. By Order No. R-5897 dated January 16, 1979, the Phillips Petroleum Company East Vacuum Unit Pressure Maintenance Project was authorized, and water injection was commenced within said project during December, 1979. Carbon dioxide injection was authorized in this unit and the East Vacuum Grayburt-San Andres Unit Tertiary Recovery Project was approved by order No. R-6856 dated December 16, 1981.

2. By this application, Phillips seeks approval of unorthodox well locations for the following wells:

EVGSAU Tract 3127 Well No. 395W, to be drilled 2630 feet from the South line and 645 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico;

EVGSAU Tract 3236 Well No. 394, to be drilled 1980 feet from the North line and 10 feet from the West line of Section 32, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico;

EVGSAU Tract 3127 Well No. 396W to be drilled 2630 feet from the South line and 1950 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico;

EVGSAU Tract 3127 Well No. 397, to be drilled 1910 feet from the South line and 2630 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico;

EVGSAU Tract 3127 Well No. 398W, to be drilled 1350 feet from the South line and 2165 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico; and,

EVGSAU Tract 3127 Well No. 399W, to be drilled 10 feet from the South line and 660 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico;

3. Each of the proposed unorthodox well locations is offset to the East by the Texaco Exploration and Petroleum ("Texaco") Central Vacuum Unit, which was approved by Order No. R-5496, dated August 9, 1977. By Order No. 5530-E dated April 30, 1997, carbon dioxide injection was authorized in the Central Vacuum Unit Tertiary Recovery Project in the Central Vacuum Unit.

APPLICATION,

Page 2

4. Attached collectively hereto as Exhibit A are copies of Division Form C-102, for the proposed wells, which show the 40-acre tract on which the each well is located, the survey location, and the distance between the subject well and all other wells on the 40-acre tract, and the proposed casing and cement program for those wells.

5. The proposed locations are unorthodox because they are governed by the Division's General Rule 104 B(1) which provide for wells on 40-spacing units to be located no closer than 330 feet to any boundary of the dedicated tract.

6. These unorthodox locations are required to complete an efficient production pattern within these adjoining Tertiary Recovery Projects. Attached hereto as Exhibit B is a copy of the "Waiver of Objections," by which Texaco Exploration and Producing, Inc. waives any and all objections to the Application made hereby.

7. Since Texaco operates all adjoining acreage offsetting the proposed unorthodox well locations, there are no affected parties to whom notification of the application should be provided.

8. The State of New Mexico is owner of 100% of the royalty interests under the acreage on which the proposed wells are to be located, and the acreage which the proposed wells offset, and has approved the proposed well locations.

WHEREFORE, Phillips Petroleum Company requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on February 3,

2000, and after notice and hearing as required by law, the Division enter its Order granting this application.

Respectfully submitted,

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

By: 

WILLIAM F. CARR
PAUL R. OWEN
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR PHILLIPS PETROLEUM
COMPANY

CASE _____:

Application of Phillips Petroleum Company for approval pursuant to the provisions of Division Rule 104 F (2), of unorthodox well locations in the Grayburg and San Andres formations, East Vacuum Grayburg-San Andres Pool. Applicant seeks approval of the **EVGSAU Tract 3127 Well No. 395W**, to be drilled 2630 feet from the South line and 645 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico; **EVGSAU Tract 3236 Well No. 394**, to be drilled 1980 feet from the North line and 10 feet from the West line of Section 32, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico; **EVGSAU Tract 3127 Well No. 396W** to be drilled 2630 feet from the South line and 1950 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico; **EVGSAU Tract 3127 Well No. 397**, to be drilled 1910 feet from the South line and 2630 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico; **EVGSAU Tract 3127 Well No. 398W**, to be drilled 1350 feet from the South line and 2165 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico; and, **EVGSAU Tract 3127 Well No. 399W**, to be drilled 10 feet from the South line and 660 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico. Said wells are necessary for an efficient production pattern within the East Vacuum Grayburg San Andres Unit Tertiary Recovery Project, which was approved by Order No. R-6856 dated December 16, 1981. Said waterflood project is located approximately 20 miles west of Hobbs, New Mexico.

OIL CONSERVATION DIV.
00 JAN 11 PM 5:01

DISTRICT II

P.O. Box 999, Artesia, NM 87011-0999

DISTRICT III

1800 Elia Branch Rd., Artesia, NM 87410

DISTRICT IV

P.O. Box 999, Santa Fe, NM 87504-0999

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-	Pool Code 62180	Pool Name Vacuum Grayburg San Andres
Property Code 009166	Property Name EVGSAU TRACT 3127	Well Number 395W
OGED No. 017643	Operator Name PHILLIPS PETROLEUM COMPANY	Elevation 3976

Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	31	17 S	35 E		2630	SOUTH	645	EAST	LEA

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order 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

LOT 1 37.56 AC.				<p>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><i>L.M. Sanders</i> Signature</p> <p>L. M. Sanders Printed Name</p> <p>Supv., Regulation/ Title</p> <p>12/30/99 Proration Date</p>
LOT 2 37.51 AC.				
LOT 3 37.47 AC.				
LOT 4 37.42 AC.				

SURVEYOR CERTIFICATION

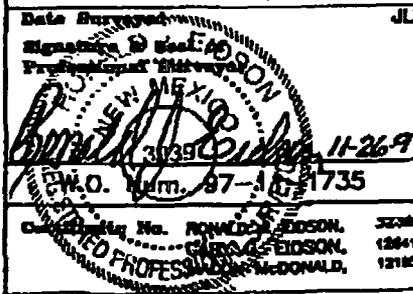
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

NOVEMBER 24, 1997

Date Surveyed _____ JLP

Signature of Surveyor _____

Professional Seal of Surveyor



Surveyor No. RONALD E. EDSON, 3238
GARY E. EDSON, 12641
WILLIAM MCDONALD, 12185

DISTRICT II
 P.O. Drawer 88, Artesia, NM 88211-0718

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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

AFT Number 30-025-		Pool Code 62180	Pool Name Vacuum Grayburg San Andres
Property Code 009166	Property Name EVGSAU TRACT 3236		Well Number 394
OCRD No. 017643	Operator Name PHILLIPS PETROLEUM COMPANY		Elevation 3974

Surface Location

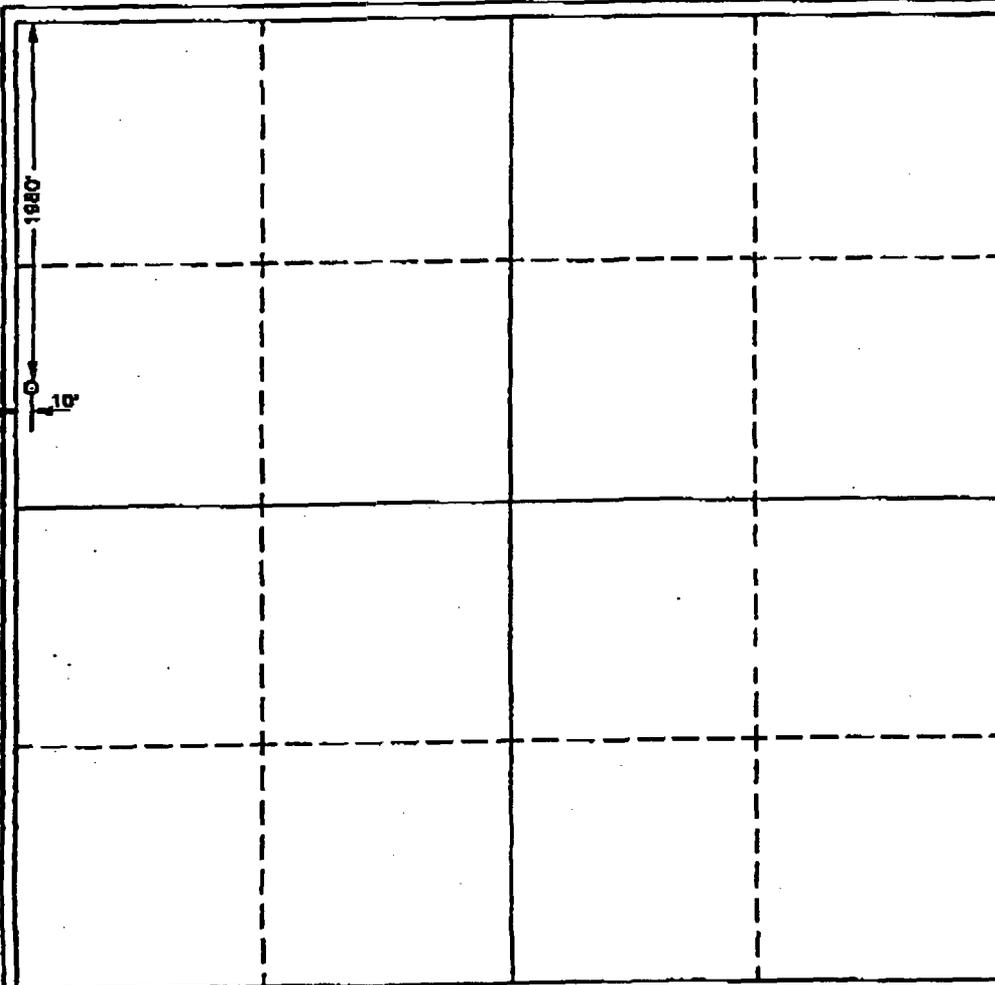
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	32	17 S	35 E		1980	NORTH	10	WEST	LEA

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

Dedicated Acres	Joint or Drift	Consolidation Code	Order 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



OPERATOR CERTIFICATION

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

L. M. Sanders
 Signature

L. M. Sanders
 Printed Name

Supv., Regulation/
 Title Proration

12/30/99
 Date

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 belief.

NOVEMBER 24, 1997
 Date

J. EIDSON
 Signature

NEW MEXICO
 PROFESSIONAL SURVEYOR
 No. 97-15734

11-26-97

Certified by J. EIDSON, 3230
 EIDSON, 12841
 McDONALD, 12183

DISTRICT II
 P.O. Box 88, Arapahoe, NM 87411-0088

DISTRICT III
 1800 Rio Grande Rd., Anton, NM 87410

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-	Pool Code 62180	Pool Name Vacuum Grayburg San Andres
Property Code 009166	Property Name EVGSAU TRACT 3127	Well Number 396W
OCRD No. 017643	Operator Name PHILLIPS PETROLEUM COMPANY	Elevation 3976

Surface Location

UL or lot No.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
J	31	17 S	35 E		2630	SOUTH	1950	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order 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

LOT 1 37.56 AC.				<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>L. M. Sanders</i> Signature L. M. Sanders Printed Name Supv., Regulation/ Title 12/30/99 Date</p> <p>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 belief.</p> <p>NOVEMBER 24, 1997 Date Surveyed Signature: <i>[Signature]</i> Professional No. 112697 P.O. Box 87-112697 Certified Professional Surveyor RICHARD J. EDSON, 3239 CHAS. EDSON, 12841 JAMES McDONALD, 12185</p>
LOT 2 37.51 AC.				
LOT 3 37.47 AC.				
LOT 4 37.42 AC.				

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Box 80, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT III
1000 Elva Avenue S.E., Artesia, NM 87410

DISTRICT IV
P.O. Box 2082, Santa Fe, NM 87504-2082

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-	Pool Code 62180	Pool Name Vacuum Grayburg San Andres
Property Code 009166	Property Name EVGSAU TRACT 3127	Well Number 397
OGED No. 017643	Operator Name PHILLIPS PETROLEUM COMPANY	Elevation 3977

Surface Location

TL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	31	17 S	35 E		1910	SOUTH	2630	EAST	LEA

Bottom Hole Location If Different From Surface

TL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres		Joint or Infill	Consolidation Code	Order 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

LOT 1 37.56 AC.									<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>L.M. Sanders</i> Signature</p> <p>L. M. Sanders Printed Name</p> <p>Supv., Regulation/ Title</p> <p>12/30/99 Date</p>
LOT 2 37.51 AC.									
LOT 3 37.47 AC.									
LOT 4 37.42 AC.									
<p>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 belief.</p> <p>NOVEMBER 24, 1997 Date Surveyed</p> <p>JLP Signature</p> <p>Professional Seal Professional Seal</p> <p>RONALD G. EIBSON NEW MEXICO 12-04-97 P.O. Num. 97-118737</p> <p>License No. RONALD G. EIBSON 3289 PERRY G. EIBSON 12841 MURRAY W. DONALD 12183</p>									

DISTRICT II
P.O. Drawer 88, Artesia, NM 87011-0088

Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1200 Elia Avenue Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87604-2088

AMENDED REPORT

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87604-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-	Well Code 62180	Well Name Vacuum Grayburg San Andres
Property Code 009166	Property Name EVGSAU TRACT 3127	Well Number 398W
OGED No. 017643	Operator Name PHILLIPS PETROLEUM COMPANY	Elevation 3976

Surface Location

UL or lot No.	Section	Township	Range	Lot Mn	Feet from the	North/South line	Feet from the	East/West line	County
J	31	17 S	35 E		1350	SOUTH	2165	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Mn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order 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

LOT 1 37.56 AC.				<p>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><i>L. M. Sanders</i> Signature</p> <p>L. M. Sanders Printed Name</p> <p>Supv., Regulation/ Title</p> <p>12/30/99 Date</p> <p>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 belief.</p> <p>NOVEMBER 24, 1997</p> <p>Date Signed</p> <p><i>Donald J. Eidson</i> Signature</p> <p>Donald J. Eidson Professional Surveyor</p> <p>11-26-97 No. 97-13-6138</p> <p>Certification No. 3230 EIDSON, 19841 DONALD, 12708</p>
LOT 2 37.51 AC.				
LOT 3 37.47 AC.				
LOT 4 37.42 AC.			<p>2165'</p> <p>1350'</p>	

DISTRICT I
P.O. Box 1000, Santa Fe, NM 87504-1000

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Box 80, Artesia, NM 87011-0080

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

DISTRICT III
1800 Rio Grande Rd., Artesia, NM 87410

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-		Pool Code 62180	Pool Name Vacuum Grayburg San Andres
Property Code 009166	Property Name EVGSAU TRACT 3127		Well Number 399W
OCED No. 017643	Operator Name PHILLIPS PETROLEUM COMPANY		Elevation 3971

Surface Location

UL or lot No.	Section	Township	Range	Lot No.	Feet from the	North/South Line	Feet from the	East/West line	County
P	31	17 S	35 E		10	SOUTH	660	EAST	LEA

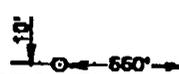
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot No.	Feet from the	North/South Line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order 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

LOT 1 37.56 AC.				<p>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><i>L. M. Sanders</i> Signature</p> <p>L. M. Sanders Printed Name</p> <p>Supv., Regulation/ Title Proration</p> <p>12/30/99 Date</p> <p>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 belief.</p> <p>NOVEMBER 24, 1997</p> <p>Date Surveyed</p> <p>Signature of Surveyor Professional Surveyor</p> <p><i>Ronald E. Edson</i> Professional Surveyor</p> <p>NO. 87-136740</p> <p>MR. RONALD E. EDSON, 3239 CARRIE EDSON, 13941 DONALD, 12185</p>
LOT 2 37.51 AC.				
LOT 3 37.47 AC.				
LOT 4 37.42 AC.				



WAIVER OF OBJECTIONS

Texaco Exploration and Producing Inc., as owner of offsetting rights to the Phillips Petroleum Company East Vacuum Grayburg San Andres Unit, hereby waives any and all objections to the Application for Unorthodox Locations filed by Phillips Petroleum Company. It is understood the wells are located as follows:

EVGSAU Tract 3127, #395W, Sec.31, T-17-S, R-35-E, 2630' FSL, 645' FEL, Lea Co., NM
EVGSAU Tract 3236, #394, Sec. 32, T-17-S, R-35-E, 1980' FNL, 10' FWL, Lea Co., NM
EVGSAU Tract 3127, #396W, Sec. 31, T-17-S, R-35-E, 2630' FSL, 1950' FEL, Lea Co., NM
EVGSAU Tract 3127, #397, Sec. 31, T-17-S, R-35-E, 1910' FSL, 2630' FEL, Lea Co., NM
EVGSAU Tract 3127, #398W, Sec. 31, T-17-S, R-35-E, 1350' FSL, 2165' FEL, Lea Co., NM
EVGSAU Tract 3127, #399W, Sec. 31, T-17-S, R-35-E, 10' FSL, 660' FEL, Lea Co., NM

TEXACO EXPLORATION AND PRODUCING INC.

SIGNED: 

NAME: CHRISTOPHER K. PETERSON

TITLE: ACTING CO. ASSET TEAM MANAGER

DATE: DEC. 30, 1999

EXHIBIT B

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
MICHAEL H. FELDEWERT
PAUL R. OWEN
ANTHONY F. MEDEIROS

JACK M. CAMPBELL
1916-1999

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
FACSIMILE: (505) 983-6043
E-MAIL: ccbspa@ix.netcom.com

January 11, 2000

HAND-DELIVERED

Lori Wrotenbery, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

OIL CONSERVATION DIV.
00 JAN 11 PM 5:01

***Re: Application of Phillips Petroleum Company for nonstandard well locations
for wells in East Vacuum Grayburg San Andres Unit Tertiary Recovery
Project, Lea County, New Mexico.***

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Application of Phillips Petroleum Company in the above-referenced case as well as a copy of a legal advertisement. Texaco requests that this matter be set for hearing before a Division Examiner on February 3, 2000.

Your attention to this request is appreciated.

Very truly yours,


Paul R. Owen

PRO/md

Enclosures

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

IN THE MATTER OF THE APPLICATION OF
PHILLIPS PETROLEUM COMPANY
FOR NONSTANDARD WELL LOCATION,
FOR WELLS IN EAST VACUUM GRAYBURG-
SAN ANDRES UNIT TERTIARY RECOVERY PROJECT,
LEA COUNTY, NEW MEXICO.

CASE NO. _____

APPLICATION

PHILLIPS PETROLEUM COMPANY ("Phillips") through its attorneys, Campbell, Carr, Berge & Sheridan, P. A., hereby seeks approval pursuant to the provisions of Division Rule 104 F (2), of unorthodox well locations in the Grayburg and San Andres formations, Vacuum Grayburg-San Andres Pool. In support of this Application, Phillips states:

1. Phillips is operator of the East Vacuum Grayburg-San Andres Unit, which was created pursuant to the Statutory Unitization Act by Order No. R-5871 dated November 27, 1978. By Order No. R-5897 dated January 16, 1979, the Phillips Petroleum Company East Vacuum Unit Pressure Maintenance Project was authorized, and water injection was commenced within said project during December, 1979. Carbon dioxide injection was authorized in this unit and the East Vacuum Grayburt-San Andres Unit Tertiary Recovery Project was approved by order No. R-6856 dated December 16, 1981.

2. By this application, Phillips seeks approval of unorthodox well locations for the following wells:

EVGSAU Tract 3127 Well No. 395W, to be drilled 2630 feet from the South line and 645 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico;

EVGSAU Tract 3236 Well No. 394, to be drilled 1980 feet from the North line and 10 feet from the West line of Section 32, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico;

EVGSAU Tract 3127 Well No. 396W to be drilled 2630 feet from the South line and 1950 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico;

EVGSAU Tract 3127 Well No. 397, to be drilled 1910 feet from the South line and 2630 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico;

EVGSAU Tract 3127 Well No. 398W, to be drilled 1350 feet from the South line and 2165 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico; and,

EVGSAU Tract 3127 Well No. 399W, to be drilled 10 feet from the South line and 660 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico;

3. Each of the proposed unorthodox well locations is offset to the East by the Texaco Exploration and Petroleum ("Texaco") Central Vacuum Unit, which was approved by Order No. R-5496, dated August 9, 1977. By Order No. 5530-E dated April 30, 1997, carbon dioxide injection was authorized in the Central Vacuum Unit Tertiary Recovery Project in the Central Vacuum Unit.

4. Attached collectively hereto as Exhibit A are copies of Division Form C-102, for the proposed wells, which show the 40-acre tract on which the each well is located, the survey location, and the distance between the subject well and all other wells on the 40-acre tract, and the proposed casing and cement program for those wells.

5. The proposed locations are unorthodox because they are governed by the Division's General Rule 104 B(1) which provide for wells on 40-spacing units to be located no closer than 330 feet to any boundary of the dedicated tract.

6. These unorthodox locations are required to complete an efficient production pattern within these adjoining Tertiary Recovery Projects. Attached hereto as Exhibit B is a copy of the "Waiver of Objections," by which Texaco Exploration and Producing, Inc. waives any and all objections to the Application made hereby.

7. Since Texaco operates all adjoining acreage offsetting the proposed unorthodox well locations, there are no affected parties to whom notification of the application should be provided.

8. The State of New Mexico is owner of 100% of the royalty interests under the acreage on which the proposed wells are to be located, and the acreage which the proposed wells offset, and has approved the proposed well locations.

WHEREFORE, Phillips Petroleum Company requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on February 3,

2000, and after notice and hearing as required by law, the Division enter its Order granting this application.

Respectfully submitted,

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

By: 

WILLIAM F. CARR
PAUL R. OWEN
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR PHILLIPS PETROLEUM
COMPANY

CASE _____:

Application of Phillips Petroleum Company for approval pursuant to the provisions of Division Rule 104 F (2), of unorthodox well locations in the Grayburg and San Andres formations, East Vacuum Grayburg-San Andres Pool. Applicant seeks approval of the **EVGSAU Tract 3127 Well No. 395W**, to be drilled 2630 feet from the South line and 645 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico; **EVGSAU Tract 3236 Well No. 394**, to be drilled 1980 feet from the North line and 10 feet from the West line of Section 32, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico; **EVGSAU Tract 3127 Well No. 396W** to be drilled 2630 feet from the South line and 1950 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico; **EVGSAU Tract 3127 Well No. 397**, to be drilled 1910 feet from the South line and 2630 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico; **EVGSAU Tract 3127 Well No. 398W**, to be drilled 1350 feet from the South line and 2165 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico; and, **EVGSAU Tract 3127 Well No. 399W**, to be drilled 10 feet from the South line and 660 feet from the East line of Section 31, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico. Said wells are necessary for an efficient production pattern within the East Vacuum Grayburg San Andres Unit Tertiary Recovery Project, which was approved by Order No. R-6856 dated December 16, 1981. Said waterflood project is located approximately 20 miles west of Hobbs, New Mexico.

00 JAN 11 PM 5:01

OIL CONSERVATION DIV.

DISTRICT II

P.O. Drawer 28, Artesia, NM 87011-0718

Revised February 10, 1994
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

DISTRICT III

1000 Rio Brazos Rd., Artesia, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT IV

P.O. Box 3000, Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-	Pool Code 62180	Pool Name Vacuum Grayburg San Andres
Property Code 009166	Property Name EVGSAU TRACT 3127	Well Number 395W
OGSD No. 017643	Operator Name PHILLIPS PETROLEUM COMPANY	Elevation 3976

Surface Location

Oil or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	31	17 S	35 E		2630	SOUTH	645	EAST	LEA

Bottom Hole Location if Different From Surface

Oil or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order 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

LOT 1 37.56 AC.				<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>L.M. Sanders</i> Signature</p> <p>L. M. Sanders Printed Name</p> <p>Supv., Regulation/ Title 12/30/99 Proration Date</p> <p>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 belief.</p> <p>NOVEMBER 24, 1997</p> <p>Date Surveyed JLP</p> <p>Signature of Seal Professional Surveyor NEW MEXICO 31735 11-26-97 P.O. Box 97-16 1735</p> <p>Com. No. NOVEMBER 2000. 3238 CAROL EIDSON. 12841 PROFESSIONAL SURVEYOR MCDONALD. 12182</p>
LOT 2 37.51 AC.				
LOT 3 37.47 AC.				
LOT 4 37.42 AC.				

DISTRICT II
 P.O. Box 1000, Santa Fe, NM 87504-1000

DISTRICT III
 1600 Rio Hudson Rd., Arisco, NM 87410

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-		Pool Code 62180	Pool Name Vacuum Grayburg San Andres	
Property Code 009166	Property Name EVGSAU TRACT 3236		Well Number 394	
OCRID No. 017643	Operator Name PHILLIPS PETROLEUM COMPANY		Elevation 3974	

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	32	17 S	35 E		1980	NORTH	10	WEST	LEA

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
Dedicated Acres		Joint or Infill		Consolidation Code		Order 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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein to true and complete to the best of my knowledge and belief.</p> <p><i>L. M. Sanders</i> Signature</p> <p>L. M. Sanders Printed Name</p> <p>Supv., Regulation/ Title Proration</p> <p>12/30/99 Date</p>
	<p>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 to true and correct to the best of my belief.</p> <p>NOVEMBER 24, 1997</p> <p>Date Surveyed</p> <p>J. EIDSON JLP Signature</p> <p>Professional Engineer State of New Mexico</p> <p>Num. 97-11734</p>
	<p>Certified Professional Engineer J. EIDSON, 3230 J. EIDSON, 12841 MCDONALD, 12180</p>

DISTRICT II
 P.O. Drawer 102, Artesia, NM 87011-0710

DISTRICT III
 1000 Rio Brazos Ed., Anton, NM 87410

DISTRICT IV
 P.O. Box 2068, Santa Fe, NM 87504-2068

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-		Pool Code 62180	Pool Name Vacuum Grayburg San Andres
Property Code 009166	Property Name EVGSAU TRACT 3127		Well Number 396W
OCRID No. 017643	Operator Name PHILLIPS PETROLEUM COMPANY		Elevation 3976

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	31	17 S	35 E		2630	SOUTH	1950	EAST	LEA

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order 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

LOT 1 37.56 AC.				<p>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><i>L. M. Sanders</i> Signature</p> <p>L. M. Sanders Printed Name</p> <p>Supv., Regulation/ Title</p> <p>12/30/99 Date</p> <p>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 belief.</p> <p>NOVEMBER 24, 1997 Date Surveyed</p> <p>JLP Signature</p> <p>RONALD C. EDSON PROFESSIONAL SURVEYOR</p> <p>NEW MEXICO 11-26-97 P.O. Num. 87-1123736</p> <p>Certificate No. RONALD C. EDSON, 3238 TERRY FEIDSON, 12841 JAMES MCDONALD, 12102</p>
LOT 2 37.51 AC.				
LOT 3 37.47 AC.				
LOT 4 37.42 AC.				

DISTRICT I
P.O. Box 1000, Hobbs, NM 88241-1000

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Box 500, Artesia, NM 88211-0719

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

DISTRICT III
1000 Rio Huerfano Rd., Anton, NM 87410

AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-	Pool Code 62180	Pool Name Vacuum Grayburg San Andres
Property Code 009166	Property Name EVGSAU TRACT 3127	Well Number 397
OCRID No. 017643	Operator Name PHILLIPS PETROLEUM COMPANY	Elevation 3977

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	31	17 S	35 E		1910	SOUTH	2630	EAST	LEA

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
Dedicated Acres	Joint or Infill	Consolidation Code	Order 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

LOT 1 37.56 AC.										<p>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><i>L.M. Sanders</i> Signature</p> <p>L. M. Sanders Printed Name</p> <p>Supv., Regulation/ Title</p> <p>Proration</p> <p>12/30/99 Date</p> <p>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 belief.</p> <p>NOVEMBER 24, 1997 Date Surveyed</p> <p>JLP</p> <p>Signature: <i>Ronald G. Gibson</i> Professional Surveyor</p> <p>RONALD G. GIBSON NEW MEXICO 12-04-97 P.O. Box 97-118737</p> <p>Certificate No. RONALD G. GIBSON 3230 GARY G. GIBSON 12841 JAMES W. DONALD 13185 REGISTERED PROFESSIONAL SURVEYOR</p>
LOT 2 37.51 AC.										
LOT 3 37.47 AC.							2630'			
LOT 4 37.42 AC.					1910'					

DISTRICT II
 P.O. Drawer 88, Artesia, NM 87011-0088

DISTRICT III
 1000 Elia Street Rd., Aztec, NM 87410

DISTRICT IV
 P.O. Box 3085, Santa Fe, NM 87504-3085

OIL CONSERVATION DIVISION

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-	Well Code 62180	Well Name Vacuum Grayburg San Andres
Property Code 009166	Property Name EVGSAU TRACT 3127	Well Number 398W
OGRID No. 017643	Operator Name PHILLIPS PETROLEUM COMPANY	Elevation 3976

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	31	17 S	35 E		1350	SOUTH	2165	EAST	LEA

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order 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

LOT 1 37.56 AC.				<p>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><i>L. M. Sanders</i> Signature</p> <p>L. M. Sanders Printed Name</p> <p>Supv., Regulation/ Title</p> <p>12/30/99 Date</p> <hr/> <p>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 belief.</p> <p>NOVEMBER 24, 1997</p> <p>Date Surveyed</p> <p><i>Donald J. Eidson</i> Signature</p> <p>Professional Surveyor</p> <p>NEW MEXICO DONALD J. EIDSON 11-26-97 No. 97-13-51738</p> <p>Certification No. 3239 18941 12708</p>
LOT 2 37.51 AC.				
LOT 3 37.47 AC.				
LOT 4 37.42 AC.				

DISTRICT I
P.O. Box 1800, Hobbs, NM 88241-1800

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer 20, Artesia, NM 88211-0710

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

AMENDED REPORT

DISTRICT III
1900 Rio Grande Ed., Artesia, NM 87410

DISTRICT IV
P.O. Box 2023, Santa Fe, NM 87504-2023

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-	Pool Code 62180	Pool Name Vacuum Grayburg San Andres
Property Code 009166	Property Name EVGSAU TRACT 3127	Well Number 399W
OCRID No. 017643	Operator Name PHILLIPS PETROLEUM COMPANY	Elevation 3971

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	31	17 S	35 E		10	SOUTH	660	EAST	LEA

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
Dedicated Acres	Joint or Infill	Consolidation Code	Order 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

LOT 1 37.56 AC.				<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>L.M. Sanders</i> Signature</p> <p><u>L. M. Sanders</u> Printed Name</p> <p><u>Supv. Regulation/</u> Title <u>Proration</u></p> <p><u>12/30/99</u> Date</p> <p>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 belief.</p> <p>NOVEMBER 24, 1997</p> <p>Date Surveyed <u>11-26-97</u> JLP</p> <p>Signature <u>[Signature]</u> Printed Name <u>RONALD E. EDSON</u> Professional Engineer</p> <p>NEW MEXICO P.O. Box 87-116740</p> <p>Certification No. <u>3238</u> RONALD E. EDSON, 3238 <u>15941</u> GARY W. EDSON, 15941 <u>12183</u> DONALD, 12183</p>
LOT 2 37.51 AC.				
LOT 3 37.47 AC.				
LOT 4 37.42 AC.				

12' 0" 660'

WAIVER OF OBJECTIONS

Texaco Exploration and Producing Inc., as owner of offsetting rights to the Phillips Petroleum Company East Vacuum Grayburg San Andres Unit, hereby waives any and all objections to the Application for Unorthodox Locations filed by Phillips Petroleum Company. It is understood the wells are located as follows:

EVGSAU Tract 3127, #395W, Sec.31, T-17-S, R-35-E, 2630' FSL, 645' FEL, Lea Co., NM
EVGSAU Tract 3236, #394, Sec. 32, T-17-S, R-35-E, 1980' FNL, 10' FWL, Lea Co., NM
EVGSAU Tract 3127, #396W, Sec. 31, T-17-S, R-35-E, 2630' FSL, 1950' FEL, Lea Co., NM
EVGSAU Tract 3127, #397, Sec. 31, T-17-S, R-35-E, 1910' FSL, 2630' FEL, Lea Co., NM
EVGSAU Tract 3127, #398W, Sec. 31, T-17-S, R-35-E, 1350' FSL, 2165' FEL, Lea Co., NM
EVGSAU Tract 3127, #399W, Sec. 31, T-17-S, R-35-E, 10' FSL, 660' FEL, Lea Co., NM

TEXACO EXPLORATION AND PRODUCING INC.

SIGNED: 

NAME: CHRISTOPHER K. PETERSON

TITLE: Acting Co. Asset Team Manager

DATE: Dec. 30, 1999

EXHIBIT B