

NSL - 4901

DATE IN	SURPENSE	ENGINEER	LOGGED	TYPE
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

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

Application Acronyms:

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

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

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

Check One Only for [B] and [C]

- [B] Commingling - Storage - Measurement
- DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
- WFX PMX SWD IPI EOR PPR

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

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

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

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

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

SCOTT M. INGRAM Scott M. Ingram TECHNICAL TEAM LEADER 2/13/02
Print or Type Name Signature Title Date

**Texaco Exploration and
Production Inc.**
Permian Business Unit
15 Smith Road
Midland, Texas
79705
Tel 915.687.7212
Fax 915.687.7905

Scott M. Ingram
Technical Team Leader - Carlsbad

February 13, 2002

ChevronTexaco

Request for Administrative Approval
Of Unorthodox Gas Well Location:
New Mexico 'DF' State Com #4
2310' FSL & 1650' FEL
Sect 32, T-21S R-23E
Eddy County, New Mexico

New Mexico Oil Conservation Division
Attn: Mr. Michael Stogner
2040 South Pacheco
Santa Fe, New Mexico 87505

Dear Mr. Stogner,

Texaco Exploration and Production, Inc. hereby requests NMOCD administrative approval for an unorthodox gas well location. With your approval we plan to produce the New Mexico 'DF' State Com #4 as a gas well in the Morrow formation.

The subject well was originally permitted in the Indian Basin Morrow and Indian Basin Upper Penn pools on 6/3/01 and successfully completed in the Morrow on 10/11/01. However, this office was recently notified by Mr. Bryan Arrant of your Artesia office that the subject well had been permitted and approved incorrectly for the Morrow and would have to be re-permitted into a different pool as the well could not be added to the Indian Basin Morrow pool.

As background, the DF #4 was economically justified as an Upper Penn replacement for either the 'DF' State Com #1 or 3, both currently producing in the Indian Basin Upper Penn pool. The Morrow portion of the hole was a wildcat tail, which proved productive. The 'DF' #4 location is a standard location for the Indian Basin Upper Penn; and was standard in the Indian Basin Morrow pool but, as stated above, must be permitted in a different Morrow pool.

Based on statewide rules (320-acre proration unit for gas wells), the location is an unorthodox location, encroaching on an internal proration boundary. This location was selected as it: 1) minimized surface impact due to topographic relief, 2) best mitigated subsurface risks related to a west-bounding Pennsylvanian fault as seen on the attached Cisco Structure map, and 3) fulfilled the desire to drill near equidistant between the 'DF' #1 and #3 wells for future salvage consideration in the Upper Penn pool.

As I understand from our discussions on 2/8 and 2/12/02, no offset operator notice is necessary as this location encroaches only on an internal proration boundary.

Mr. Stogner

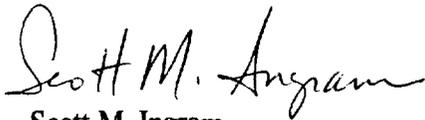
February 13, 2002

Page 2

There are no Morrow pools within a mile of the subject well; therefore, Mr. Bryan Arrant of your Artesia office has instructed me to list the pool name on the attached C-102 as 'Wildcat Morrow'.

If you have any questions concerning this application, please contact me at (915) 687-7212.

Sincerely,

A handwritten signature in cursive script that reads "Scott M. Ingram".

Scott M. Ingram

cc: NMOCD - Artesia District II
wellfile
Dave Crawford
Denise Leake
Danny Lovell
Mike Mullins

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name <i>WILDCAT MORROW</i>	
⁴ Property Code	⁵ Property Name New Mexico "DF" State Com				⁶ Well Number 4
⁷ OGRID No. 22351	⁸ Operator Name TEXACO EXPLORATION & PRODUCTION, INC.				⁹ Elevation 4073'

¹⁰ Surface Location									
UL or lot no. J	Section 32	Township 21-S	Range 23-E	Lot Idn	Feet from the 2310'	North/South line South	Feet from the 1650'	East/West line East	⁷ County Eddy

¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	⁷ County

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION.

¹⁶OPERATOR CERTIFICATION

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

Signature: *A. Phil Ryan*

Printed Name: **A. Phil Ryan**

Position: **Commissioner Coordinator**

Company: **Texaco Expl. & Prod. Inc.**

Date: **June 14, 2001**

¹⁷SURVEYOR 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: **June 12, 2001**

Signature & Seal of Professional Surveyor: *John S. Piper*

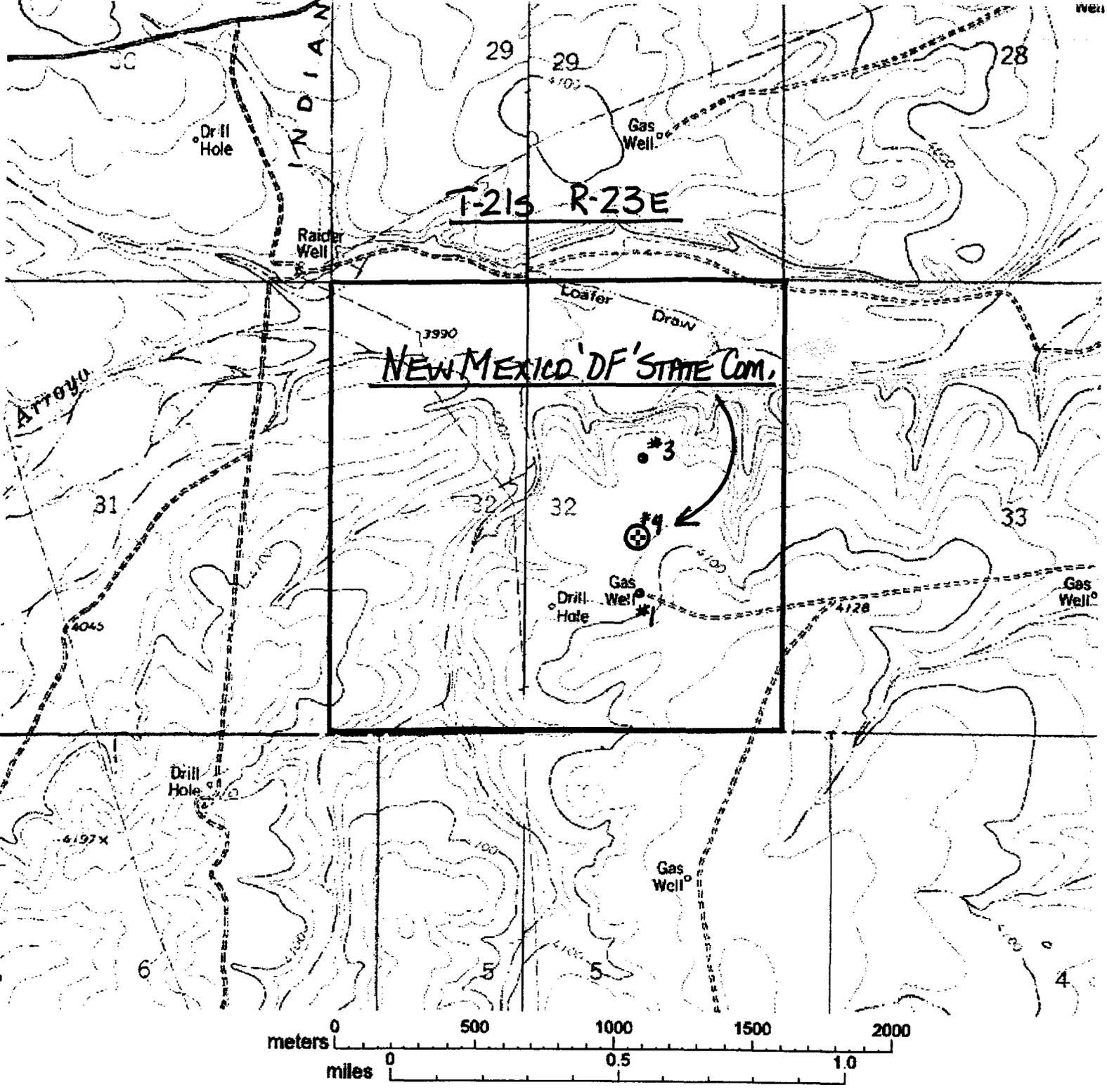
Certificate No.: **7254 John S. Piper**

Sheet 1 of 1

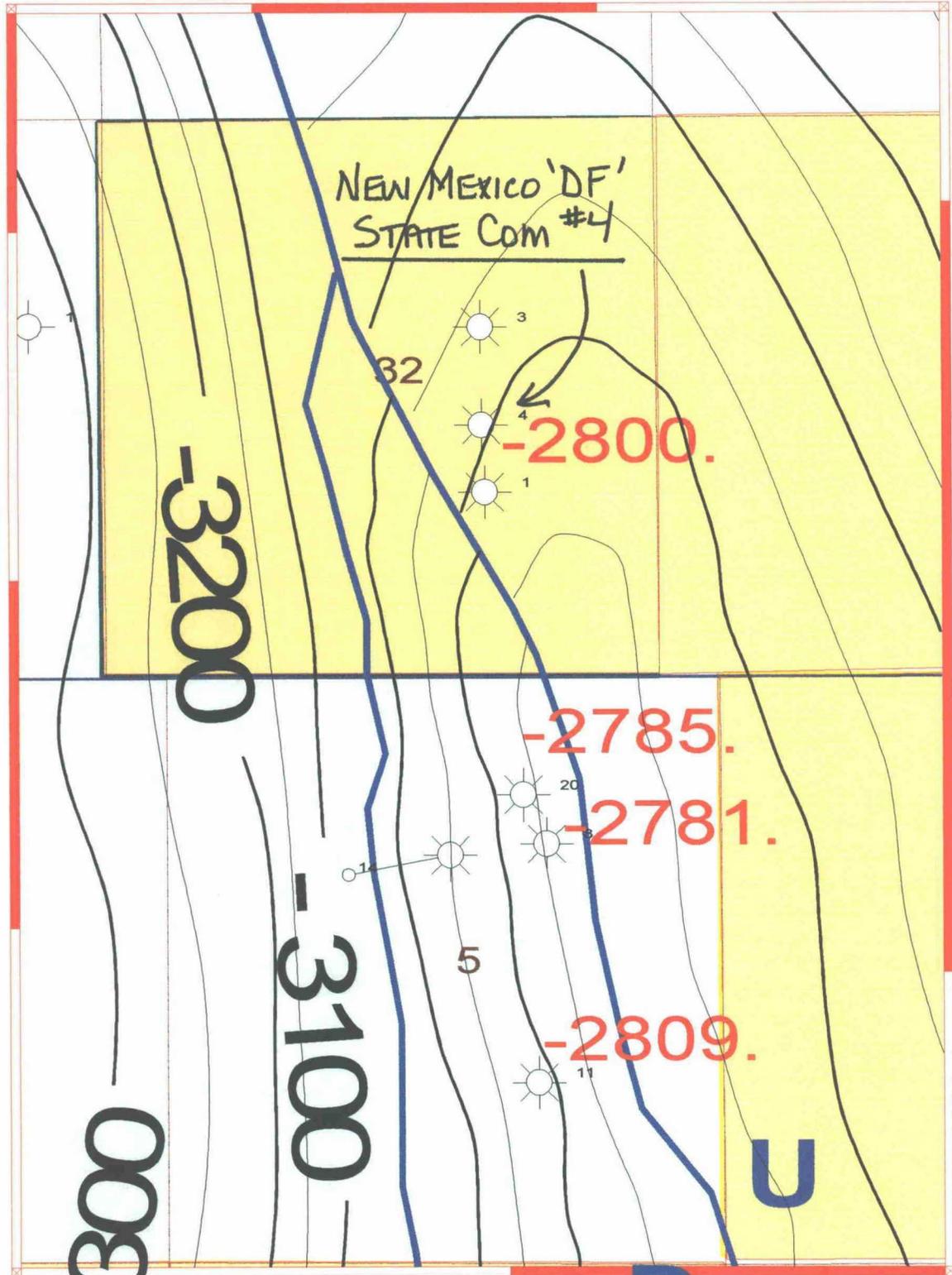
○ = Staked Location ● = Producing Well ↗ = Injection Well ↘ = Water Supply Well ⊕ = Plugged & Abandon Well
 ⊙ = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C. ○ = Found /4 Section Corner, 1" Iron Pipe & GLO B.C.

ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates	
Northing 521862.59 (1927=521805.44)	Easting 452563.22 (1927=411384.04)
Latitude 32°26'03.615" (1927=32°26'03.224")	Longitude 104°37'15.878" (1927=104°37'14.007")
Zone North American Datum	Combined Grid Factor
East 1983	0.999722
Drawing File	Coordinate File
NM_DF_St4.Dwg	Indian2.CR5
	Field Book
	Eddy #9, Pg. 22



535000.



NEW MEXICO 'DF'
STATE COM #4

-3200

-2800.

-2785.

-2781.

-2809.

3000

-3100

U

D



Scale 1:18000.



CHEMONTXACO

INDIAN BASIN FIELD
Texaco - NM State 'DF' State Com. #4
Structure Map On Cisco Dolomite

C.I. = 50'

S.M. Ingram

Scale 1:18000.

{date}

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. 1st Street, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

Energy, Minerals & Natural Resources

Revised March 17, 1999

Oil Conservation Division JUN 2001
2040 South Pacheco RECEIVED
Santa Fe, NM 87505 OCD - ARTESIA

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 500 N. Loraine Midland, Texas 79702		² OGRID Number 022351
⁴ Property Code 11032	⁵ Property Name NEW MEXICO 'DF' STATE COM	³ API Number 30-015- 51853 31853
		⁶ Well No. 4

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
J	32	21-S	23-E		2310'	SOUTH	1650'	EAST	EDDY

⁸ Proposed Bottom Hole Location If Different From Surface

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

⁹ Proposed Pool 1

INDIAN BASIN; MORROW

¹⁰ Proposed Pool 2

INDIAN BASIN; ~~MORROW~~

UPPER PENN

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary ROTARY	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4073'
¹⁶ Multiple NO	¹⁷ Proposed Depth 9200'	¹⁸ Formation MORROW; CISCO	¹⁹ Contractor	²⁰ Spud Date 7/15/01

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
14 3/4"	9 5/8"	36#	2000' / 1500'	2040	CIRCULATE
8 3/4"	7"	23#	9200'	1940	CIRCULATE
					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: 1320 sacks 35/65 Poz Class H w/6% Gel, 5% Salt, 1/4# FC (12.8 PPG, 1.94 CF/S, 10.46 GW/S).
F/B 720 sacks Class H (15.6 PPG, 1.18 CF/S, 5.20 GW/S).
PRODUCTION CASING: 1050 sacks 35/65 Poz Class H w/6% Gel, 5% Salt, 1/4# FC (12.4 PPG, 2.14 CF/S, 11.95 GW/S).
F/B 890 sacks 50/50 Poz Class H w/2% Gel, 5% Salt, 1/4# FC (14.2 PPG, 1.35 CF/S, 6.30 GW/S).

No Salt as Accelerant

²³ I hereby certify 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: 6/25/01
Phone: (915) 688-4606

OIL CONSERVATION DIVISION

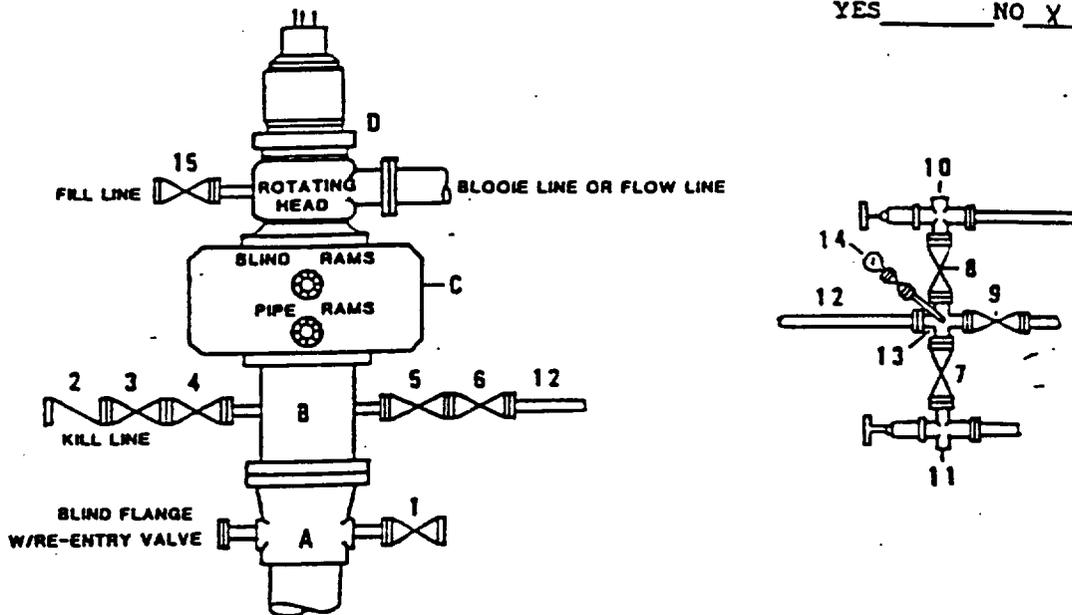
Approved by: ORIGINAL SIGNED BY TIM W. GUM
DISTRICT II SUPERVISOR

Approval Date: JUN 03 2001
Expiration Date: JUN 03 2002

Conditions of Approval:
Attached NOTIFY OCD SPUD & TIME TO WITNESS
CEMENTING OF SURFACE &
INTERMEDIATE

**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

TO: Mike Stogner

DATE IN 2/14/02	APPROVE 3/6/02	ENGINEER MS	LOGGED KW	TYPE NSL
				204529663

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION - Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

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

Application Acronyms:

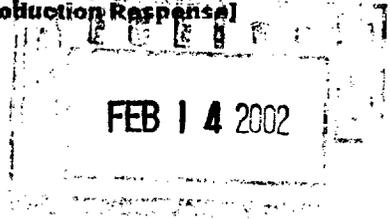
- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion]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

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

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

Check One Only for [B] and [C]

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



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

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

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

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

SCOTT M. INGRAM
Print or Type Name

Scott M. Ingram
Signature

TECHNICAL TEAM LEADER
Title

2/13/02
Date

**Texaco Exploration and
Production Inc.**
Permian Business Unit
15 Smith Road
Midland, Texas
79705
Tel 915.687.7212
Fax 915.687.7905

Scott M. Ingram
Technical Team Leader - Carlsbad

February 13, 2002

ChevronTexaco

Request for Administrative Approval
Of Unorthodox Gas Well Location:
New Mexico 'DF' State Com #4
2310' FSL & 1650' FEL
Sect 32, T-21S R-23E
Eddy County, New Mexico

(30-015-31853)

New Mexico Oil Conservation Division
Attn: Mr. Michael Stogner
2040 South Pacheco
Santa Fe, New Mexico 87505

Dear Mr. Stogner,

Texaco Exploration and Production, Inc. hereby requests NMOCAD administrative approval for an unorthodox gas well location. With your approval we plan to produce the New Mexico 'DF' State Com #4 as a gas well in the Morrow formation.

The subject well was originally permitted in the Indian Basin Morrow and Indian Basin Upper Penn pools on 6/3/01 and successfully completed in the Morrow on 10/11/01. However, this office was recently notified by Mr. Bryan Arrant of your Artesia office that the subject well had been permitted and approved incorrectly for the Morrow and would have to be re-permitted into a different pool as the well could not be added to the Indian Basin Morrow pool.

As background, the DF #4 was economically justified as an Upper Penn replacement for either the 'DF' State Com #1 or 3, both currently producing in the Indian Basin Upper Penn pool. The Morrow portion of the hole was a wildcat tail, which proved productive. The 'DF' #4 location is a standard location for the Indian Basin Upper Penn and was standard in the Indian Basin Morrow pool but, as stated above, must be permitted in a different Morrow pool.

Based on statewide rules (320-acre proration unit for gas wells), the location is an unorthodox location, encroaching on an internal proration boundary. This location was selected as it: 1) minimized surface impact due to topographic relief, 2) best mitigated subsurface risks related to a west-bounding Pennsylvanian fault as seen on the attached Cisco Structure map, and 3) fulfilled the desire to drill near equidistant between the 'DF' #1 and #3 wells for future salvage consideration in the Upper Penn pool.

As I understand from our discussions on 2/8 and 2/12/02, no offset operator notice is necessary as this location encroaches only on an internal proration boundary.

Mr. Stogner

February 13, 2002

Page 2

There are no Morrow pools within a mile of the subject well; therefore, Mr. Bryan Arrant of your Artesia office has instructed me to list the pool name on the attached C-102 as 'Wildcat Morrow'.

If you have any questions concerning this application, please contact me at (915) 687-7212.

Sincerely,



Scott M. Ingram

cc: NMOCD - Artesia District II
wellfile
Dave Crawford
Denise Leake
Danny Lovell
Mike Mullins

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

DISTRICT II
P. O. Drawer 00, Artesia, NM 88210

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994

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

Instructions on back

Submit to Appropriate District Office

State Lease-4 copies
Free Lease-3 copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name <i>WILDCAT MURROW</i>					
Property Code		5 Property Name New Mexico "DF" State Com						6 Well Number 4	
7 OCRIID No. 22351		8 Operator Name TEXACO EXPLORATION & PRODUCTION, INC.						9 Elevation 4073'	
10 Surface Location									
UL or lot no. J	Section 32	Township 21-S	Range 23-E	Lot Id#	Feet from the 2310'	North/South line South	Feet from the 1650'	East/West line East	County Eddy
11 Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Id#	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 320		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: *A. Phil Ryan*

Printed Name: A. Phil Ryan

Position: Commissioner Coordinator

Company: Texaco Expl. & Prod. Inc.

Date: June 14, 2001

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: June 12, 2001

Signature & Seal of Professional Surveyor: *John S. Piper*

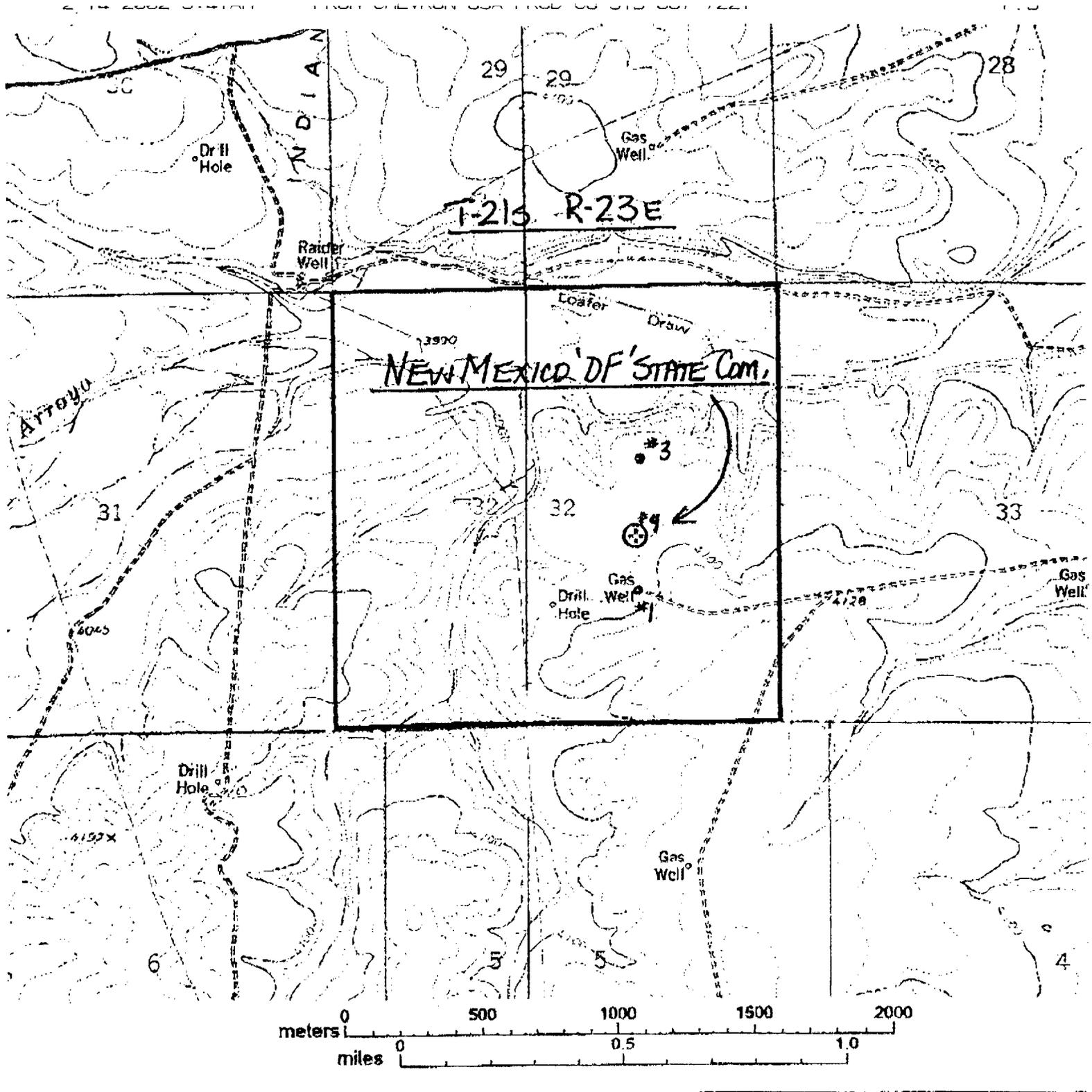
Certificate No.: 7254 John S. Piper

Sheet 1 of 1

- = 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.

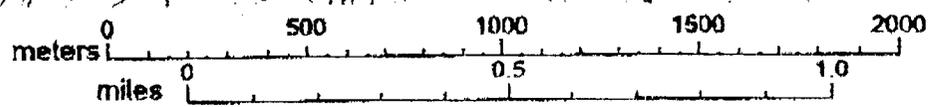
ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates			
Northing	521862.59 (1927=521805.44)	Easting	452563.22 (1927=411384.04)
Latitude	32°26'03.615" (1927=32°26'03.224")	Longitude	104°37'15.878" (1927=104°37'14.007")
Zone	North American Datum	Combined Grid Factor	Coordinate File
East	1983	0.999722	Indion2.CR5
Drawing File		Field Book	
NM DE 644 Draw			

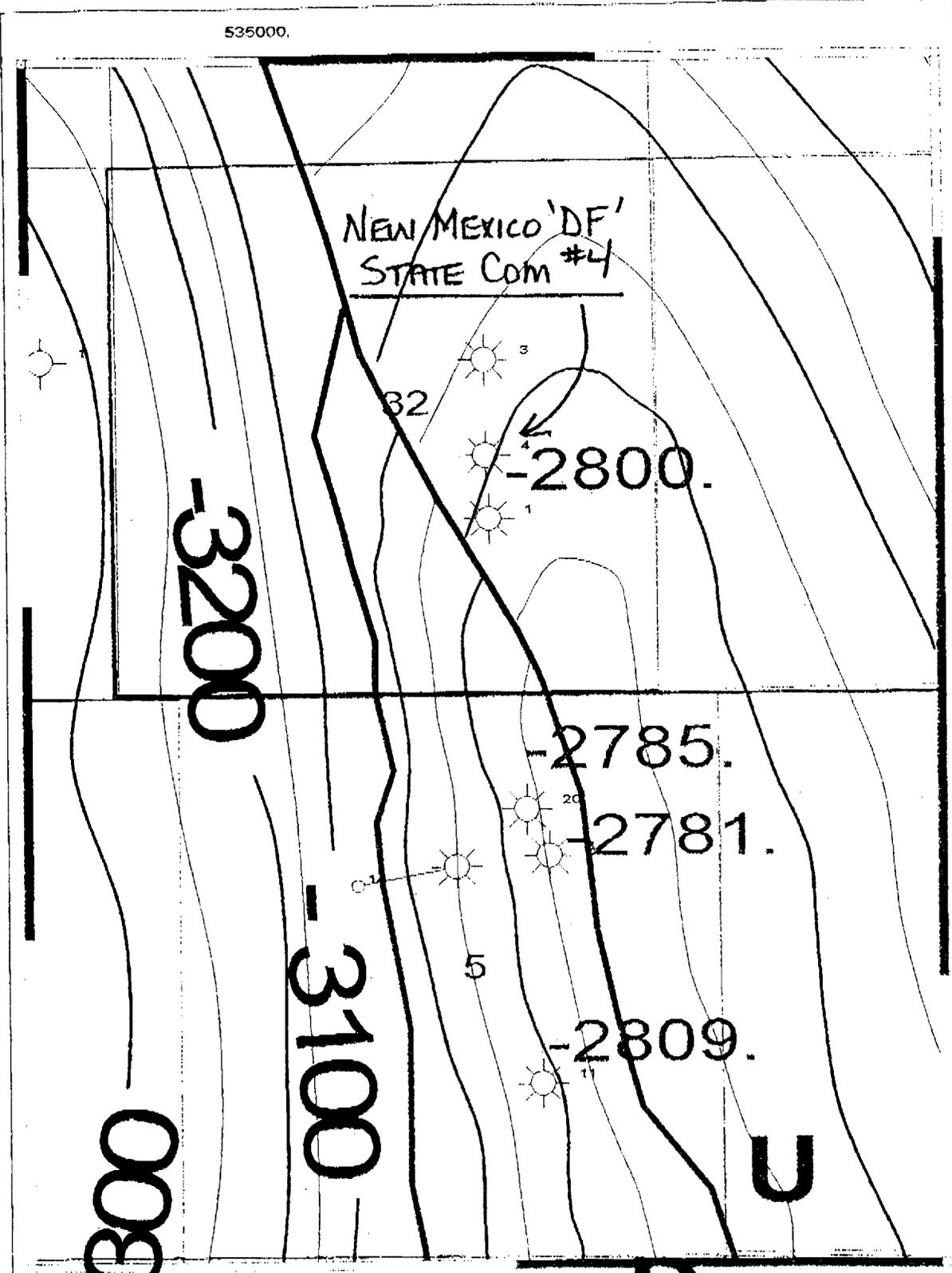


T-21S R-23E

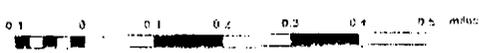
NEW MEXICO STATE COM.



535000.



Scale 1:18000.



CHEVRON TEXACO		
INDIAN BASIN FIELD Texaco - NM State 'DF' State Com. #4 Structure Map On Cisco Dolomite		
C.I. = 50'		
S.M. Ingram	Scale 1:18000.	(date)

Energy, Minerals & Natural Resources

Revised March 17, 199

District I, 1625 N. French Dr., Hobbs, NM 88240
District II, 811 S. 1st Street, Artesia, NM 88210
District III, 1000 Rio Brazos Rd., Aztec, NM 87410
District IV, 2040 South Pacheco, Santa Fe, NM 87505

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

JUN 2001 RECEIVED
OCD - ARTESIA

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

Operator Name and Address: Texaco Exploration & Production, 500 N. Loraine Midland, Texas 79702
OGRID Number: 022351
API Number: 30-015-31853
Property Code: 11032
Property Name: NEW MEXICO 'DE' STATE OCM
Well No.: 4

Surface Location table with columns: Well or lot no., Section, Township, Range, Lot Idn, Feet from the, North/South Line, Feet from the, East/West line, County. Values: J, 32, 21-S, 23-E, 2310', SOUTH, 1650', EAST, EDDY.

Proposed Bottom Hole Location If Different From Surface table with columns: Well or lot no., Section, Township, Range, Lot Idn, Feet from the, North/South Line, Feet from the, East/West line, County.

Proposed Pool 1: INDIAN BASIN; MORROW
Proposed Pool 2: INDIAN BASIN; CISCO
UPPER PENN

Work Type Code: N
Well Type Code: G
Cable/Rotary: ROTARY
Lease Type Code: S
Ground Level Elevation: 4073'
Multiple: NO
Proposed Depth: 9200'
Formation: MORROW; CISCO
Contractor:
Spud Date: 7/15/01

Proposed Casing and Cement Program table with columns: Hole Size, Casing Size, Casing weight/foot, Setting Depth, Sacks of Cement, Estimated TOC. Values include 14 3/4", 9 5/8", 36#, 2900', 2040, CIRCULATE.

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: 1320 sacks 35/65 Poz Class H w/6% Gel, 5% Salt, 1/4# FC (12.8 PPG, 1.94 CF/S, 10.46 GW/S).
F/B 720 sacks Class H (15.6 PPG, 1.18 CF/S, 5.20 GW/S).
PRODUCTION CASING: 1050 sacks 35/65 Poz Class H w/6% Gel, 5% Salt, 1/4# FC (12.4 PPG, 2.14 CF/S, 11.95 GW/S).
F/B 890 sacks 50/50 Poz Class H w/2% Gel, 5% Salt, 1/4# FC (14.2 PPG, 1.35 CF/S, 6.30 GW/S).

No Salt as Accelerator

I hereby certify 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: 6/25/01
Phone: (915) 688-4606

OIL CONSERVATION DIVISION

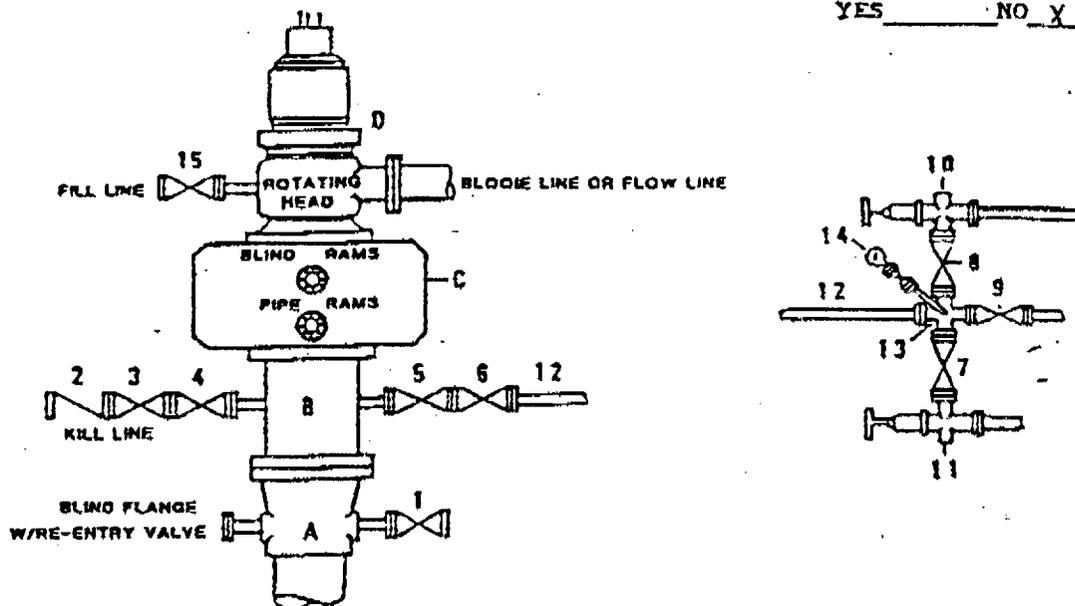
Approved by: ORIGINAL SIGNED BY TIM W. GUM
Title: DISTRICT II SUPERVISOR

Approval Date: JUN 03 2001
Expiration Date: JUN 03 2002

Conditions of Approval:
Attached:
NOTIFY OCD SPUD & TIME TO WITNESS CEMENTING OF SURFACE & INTERMEDIATE

**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 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.
MILLERS DIVISION
MILLERS, TEXAS



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

EXHIBIT C

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

02/14/02 11:23:
OGOMES -TQ
PAGE NO:

Sec : 32 Twp : 21S Rng : 23E Section Type : NORMAL

D 40.00 CS OG5108 0001 TEXACO EXPLORATIO C 02/17/69	C 40.00 CS OG5108 0001 TEXACO EXPLORATIO C 02/17/69	B 40.00 CS E10170 0002 ENERGY RESERVES G C 06/19/66	A 40.00 CS OG5108 0001 TEXACO EXPLORAT C 02/17/6
E 40.00 CS OG5108 0001 TEXACO EXPLORATIO C 02/17/69	F 40.00 CS OG5108 0001 TEXACO EXPLORATIO C 02/17/69	G 40.00 CS OG5108 0001 TEXACO EXPLORATIO C 02/17/69 A	H 40.00 CS OG5108 0001 TEXACO EXPLORAT C 02/17/6

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

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

02/14/02 11:24:
OGOMES -TQ
PAGE NO:

Sec : 32 Twp : 21S Rng : 23E Section Type : NORMAL

L 40.00 CS OG5108 0001 TEXACO EXPLORATIO C 02/17/69	K 40.00 CS OG5108 0001 TEXACO EXPLORATIO C 02/17/69	J 40.00 CS OG5108 0001 TEXACO EXPLORATIO C 02/17/69 A A	I 40.00 CS E10170 0002 ENERGY RESERVES C 06/19/6
M 40.00 CS E10170 0002 ENERGY RESERVES G C 06/19/66	N 40.00 CS OG5108 0001 TEXACO EXPLORATIO C 02/17/69	O 40.00 CS E10170 0002 ENERGY RESERVES G C 06/19/66	P 40.00 CS OG5108 0001 TEXACO EXPLORAT C 02/17/6

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

CMD : ONGARD 02/14/02 11:24:
OG6IWCM INQUIRE WELL COMPLETIONS OGO MES -TQ

API Well No : 30 15 29284 Eff Date : 01-26-1997 WC Status : A
Pool Idn : 79040 INDIAN BASIN;UPPER PENN (PRO GAS)
OGRID Idn : 22351 TEXACO EXPLORATION & PRODUCTION INC
Prop Idn : 11032 NEW MEXICO DF STATE COM

Well No : 003
GL Elevation: 4059

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/
	---	---	-----	-----	-----	-----	-----
B.H. Locn	: G	32	21S	23E	FTG 2000 F N	FTG 1650 F E	P

Lot Identifier:

Dedicated Acre: 640.00

Lease Type : S

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

02/14/02 11:24:
OGOMES -TQ

API Well No : 30 15 10723 Eff Date : 01-01-1900 WC Status : A
Pool Idn : 79040 INDIAN BASIN;UPPER PENN (PRO GAS)
OGRID Idn : 22351 TEXACO EXPLORATION & PRODUCTION INC
Prop Idn : 11032 NEW MEXICO DF STATE COM

Well No : 001
GL Elevation: 4098

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/
	---	---	-----	-----	-----	-----	-----
B.H. Locn	: J	32	21S	23E	FTG 1650 F S	FTG 1650 F E	P

Lot Identifier:

Dedicated Acre: 640.00

Lease Type : S

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 02/14/02 11:25:
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOSES -TQ

OGRID Idn : 22351 API Well No: 30 15 31853 APD Status(A/C/P): A
Opr Name, Addr: TEXACO EXPLORATION & PRODUCTION Aprvl/Cncl Date : 06-03-20
PO BOX 3109
MIDLAND, TX 79702

Prop Idn: 11032 NEW MEXICO DF STATE COM Well No: 4

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
Surface Locn	: J	32	21S	23E			FTG 2310 F S	FTG 1650 F E
OCD U/L	: J		API County	: 15				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) :
Lease typ(F/S/P/N/J/U/I): S Ground Level Elevation : 4073

State Lease No: OG 5108 Multiple Comp (S/M/C) : S
Prpsd Depth : 9200 Prpsd Frmtn : INDIAN BASIN MORROW

E0009: Enter data to modify record
PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 PF08 PF09 PRINT PF10 C102 PF11 HISTORY PF12

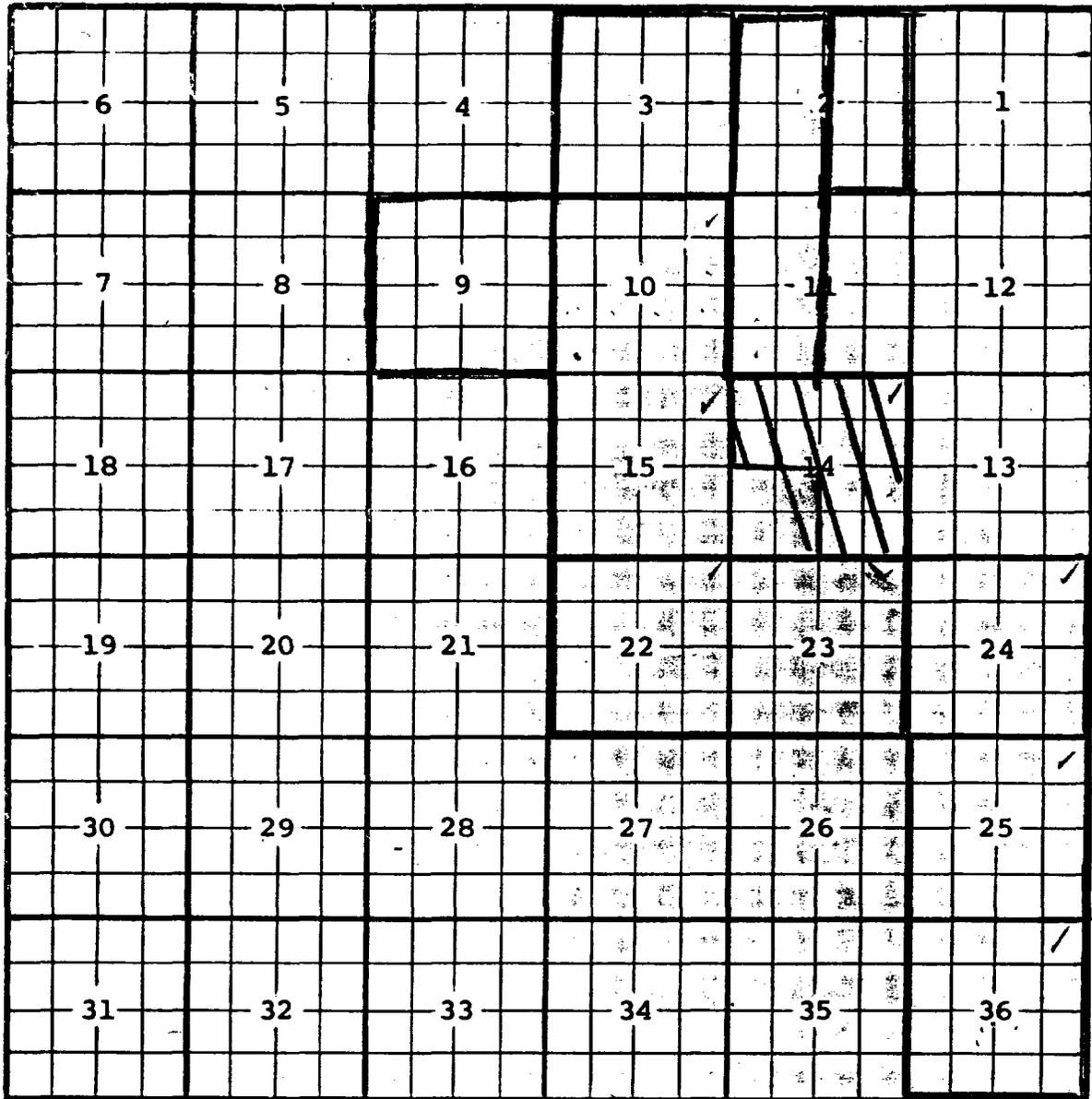
COUNTY *Eddy*

POOL *Indian Basin - Morrow Gas*

TOWNSHIP *21 South*

RANGE *23 East*

NMPM



Description: All Sec. 22 & 23 (R-2441, 7-78-63)

Ext: All Sec. 10, 14 & 15 (R-2569, 10-1-63) - All Sec. 24 (R-2726, 7-1-64)

- All Sec. 25 & 36 (R-2911, 6-1-65) EXT: All Sec 9 (R-9418, 2-1-91)

Ext: $\frac{W}{2}$ Sec. 2, $\frac{W}{2}$ Sec. 11 (R-10376, 5-24-95)

Ext: Lots 1 and 2, $\frac{S}{2}$ $\frac{NE}{4}$, and $\frac{SE}{4}$ Sec. 2 and Delete $\frac{N}{2}$ and $\frac{SE}{4}$ Sec. 14 (R-8170-0, 11-27-9)

Ext: All Sec. 3 (R-11534, 2-8-01)