

DATE 5/30/02	DATE 6/19/02	ENGINEER MS	LOCATED IN KV	TYPE NSL	APP NO. 215437380
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD
 Check One Only for [B] or [C]
 [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
 [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
 [D] Other: Specify _____
- [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] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Crissa D. Carter
Print or Type Name

Crissa D. Carter
Signature

Production Analyst
Title

5/30/02
Date

ccarter@pvtnetworks.net
e-mail Address

FAX

30

Date: 5-30-02Number of pages including cover sheet: 8

To:

OCD Santa Fe

Phone:

Fax phone: 505-476-3462

CC:

From:

Mack Energy Corp

Phone:

(505)748-1288

Fax phone:

(505)746-9539

REMARKS:

☐ Urgent☐ For your review☐ Reply ASAP☐ Please comment*Michael*

*If you have any questions or need any
information give me a call.*

Jerry W. Shewell

MACK ENERGY CORPORATION

Post Office Box 960
Artesia, New Mexico 88211-0960
(505) 748-1288 / FAX (505) 746-9539

May 30, 2002

Oil Conservation Division
Attn: Mike Stogner
1220 South St. Francis Dr.
Santa Fe, NM 87505

Dear Mr. Stogner:

Mack Energy Corporation respectfully requests an administrative approval without notice and hearing of the following unorthodox well location. The well location and legal description is as follows:

Skelly Unit #905
1100 FNL & 660 FEL
Sec. 14, T17S, R31E
Eddy County, New Mexico

The well was originally drilled to the Fren. Morrow as a Standard Location, but the well was non-productive. Mack Energy as a designated Agent for Texaco, the operator for this well along with many other wells in this unit, under a partnering agreement then completed up hole in the Fren Paddock formation. The change caused the oversight of the unorthodox location.

Attached to this application are the following exhibits.

- A.) Well location and acreage dedication plat (form C-102) filed with the Artesia office of the Oil Conservation Division (Exhibit A).
- B.) A map showing the unorthodox location, the respective proration units, and the offsetting proration units (Exhibit B).
- C.) A map showing the leases within the Skelly unit, the location is encroaching within the same lease (Exhibit C).
- D.) A copy of the original APD submitted by Texaco (Exhibit D).

12:50 PM 6/14/02 talked w/ Jerry
- completed in the
Paddock in January
April 18th 1st production

Oil Conservation Division


May 30, 2002

Page 2

Thank you for your assistance in this matter. If you have any questions, please feel free to call.

Sincerely,

MACK ENERGY CORPORATION

A handwritten signature in cursive script, appearing to read "Crissa D. Carter".

*Crissa D. Carter
Production Analyst*

CDC/jws

Enclosures

DISTRICT I
P. O. Box 9880, Hobbs, NM 88240

DISTRICT II
P. O. Drawer 80, Artesia, NM 88210

DISTRICT III
1000 Rio Bratos Rd., Artesia, 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

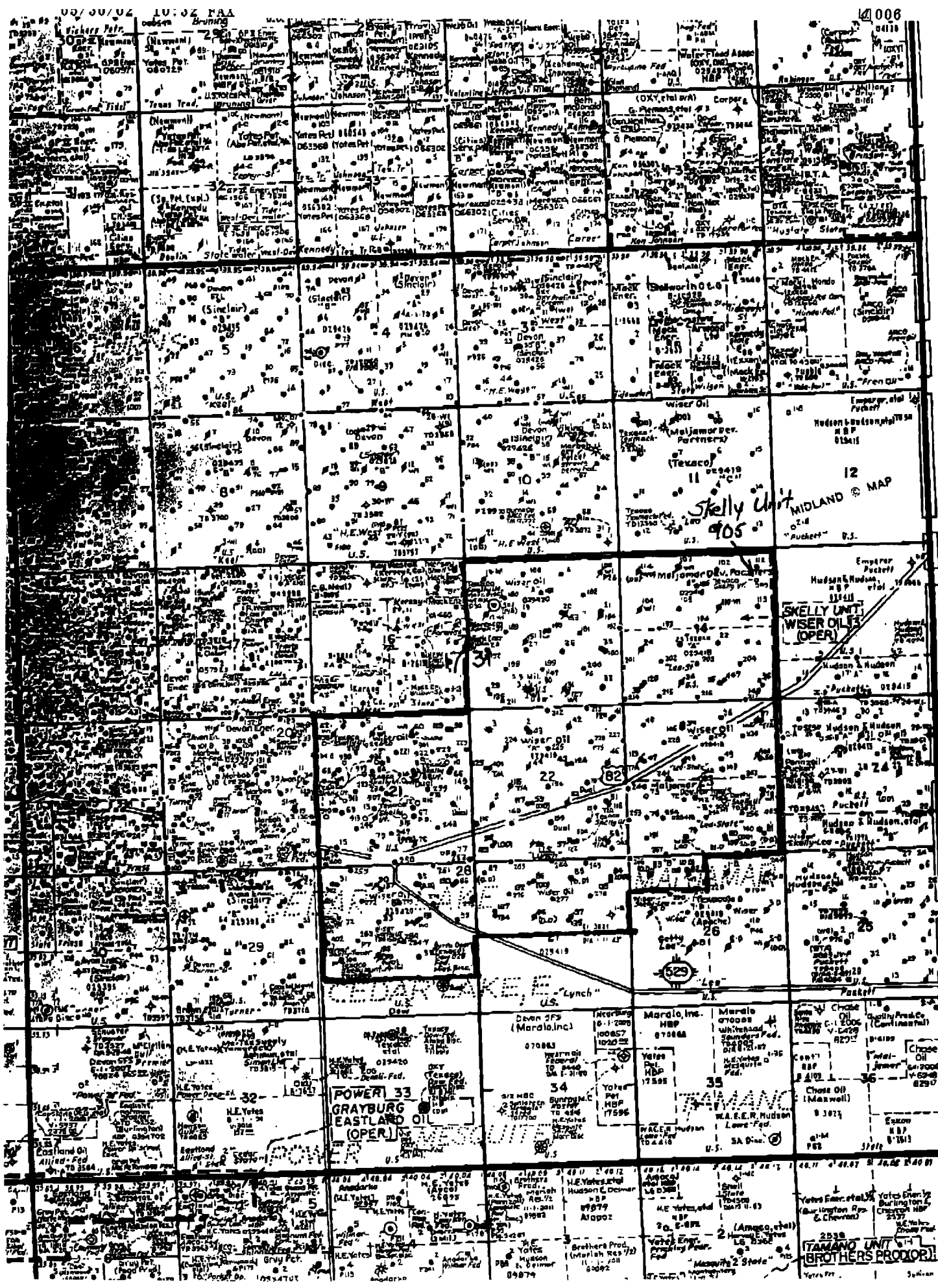
API Number 30-015-31371		Pool Code 26770	Pool Name Fren, Paddock
Property Code 11091	Property Name Skelly Unit		Well Number 905
OCRIID No. 22351	Operator Name TEXACO EXPLORATION & PRODUCTION, INC.		Elevation 3940'

Surface Location									
UL or lot no. A	Section 14	Township 17-S	Range 31-E	Lot 1st 1100'	Feet from the 1100'	North/South line North	Feet from the 660'	East/West line East	County Eddy

Bottom Hole Location if Different from Surface									
UL or lot no.	Section	Township	Range	Lot 1st	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40		Joint or MTH	Consolidation Code	Order No.					

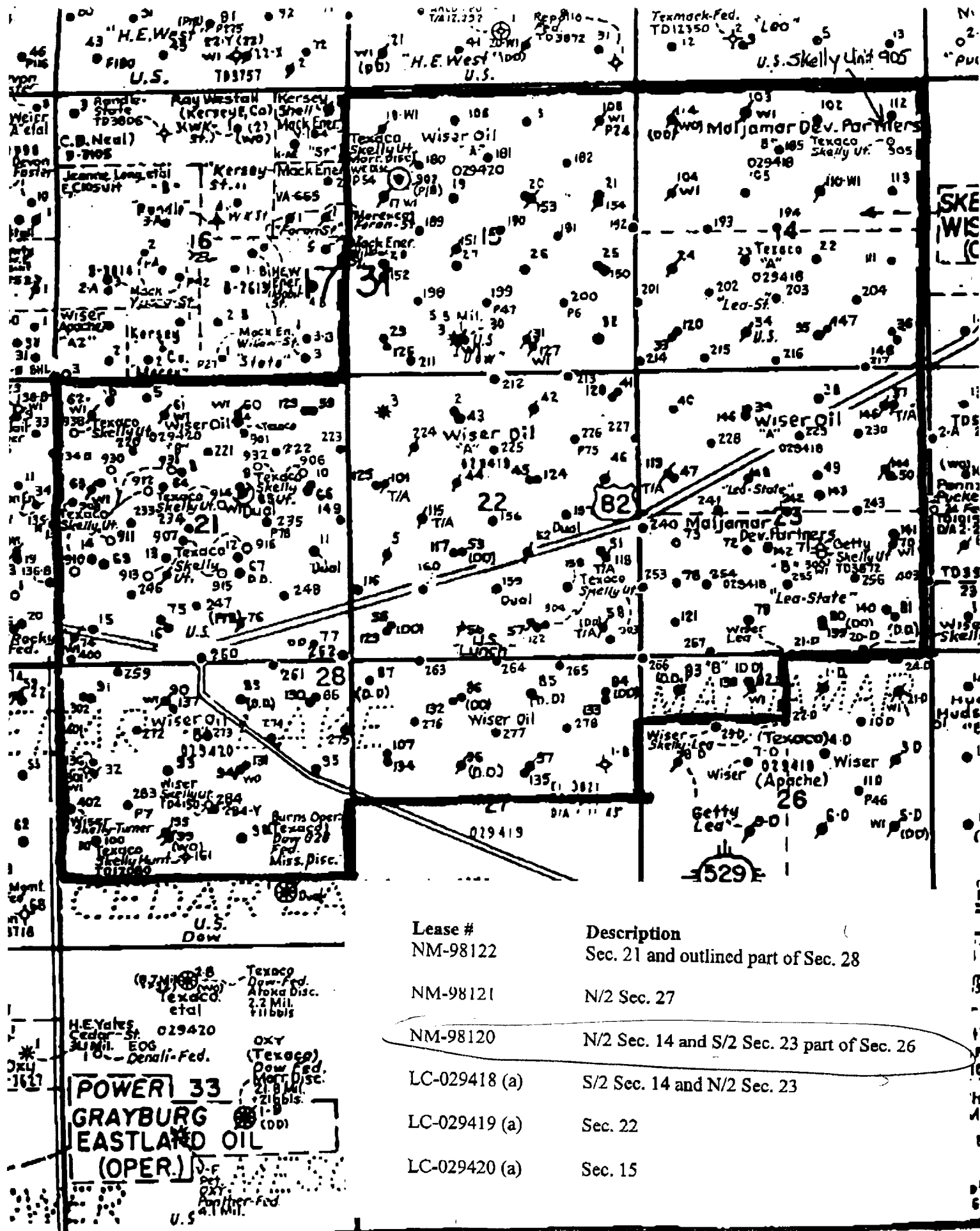
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION.

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature: <i>A. Phil Ryan</i></p> <p>Printed Name: A. Phil Ryan</p> <p>Position: Commissioner Coordinator</p> <p>Company: Texaco Expl. & Prod. Inc.</p> <p>Date: August 10, 2000</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 knowledge and belief.</p> <p>Date Surveyed: August 8, 2000</p> <p>Signature & Seal of Professional Surveyor: <i>John S. Piper</i></p> <p>Cartographic No.: 7254 John S. Piper</p>
	<p>Sheet</p>
	<p>Legend:</p> <p>○ = Staked Location ● = Producing Well ↗ = Injection Well ⊕ = Water Supply Well ◆ = Plugged & Abandon Well</p>



4006

T 17 S



Form 3160-3
(December 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S CC

FORM APPROVED

Budget Bureau No. 1004-0136
Expires: December 31, 1991

SUBMIT IN TRIPLICATE

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. Type of Well **DRILL** ☒ **DEEPEN** ☐
1b. Type of Well **SINGLE ZONE** ☒
OIL ☐ **GAS** ☒ **OTHER** ☐
WELL ☐ **WELL** ☒ **MULTIPLE ZONE** ☐

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

3. Address and Telephone No. **P.O. Box 3109, Midland Texas 79702 688-4606**

4. Location of Well (Report location clearly and in accordance with any State requirements.)
At Surface **Unit Letter A : 1100 Feet From The NORTH Line and 660 Feet From The EAST Line**
At proposed prod. zone **SAME**

14. Distance in Miles and Direction from Nearest Town or Post Office
2 MILES EAST OF LOCO HILLS, NM

15. Distance From Proposed Location to Nearest Property or Lease Line, Ft. (also to nearest strig. unit line, if any) **660'**
16. No. of Acres in Lease **4180**

18. Distance From Proposed Location to Nearest Well, Drilling, Completed or Applied For, On This Lease, Ft. **493.4'**
19. Proposed Depth **12550'**

21. Elevations (Show whether DF, RT, GR, etc.)

GR-3540'

5. Lease Designation and Serial No.
NM 98170 460394420A

6. If Indian, Alettee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and Number
SKELLY UNIT

905

9. API Well No.
30-015-31371

10. Field and Pool, Exploratory Area
FRSN, MORROW

11. SEC., T., R., M., or BLK. and Survey or Area
Sec. 14, Township 17-S, Range 31-E

12. County or Parish **EDDY** 13. State **NM**

17. No. of Acres Assigned To This Well
320

20. Rotary or Cable Tools
ROTARY

22. Approx Date Work Will Start
9/15/00

23. PROPOSED CASING AND CEMENT PROGRAM *See Drilling Slips*

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 3/4"	WC40.11 3/4"	42#	950' 610'	360 SACKS-CIRCULATE WITNESS
11"	WC50.8 5/8"	32#	4200'	1680 SACKS-CIRCULATE
7 7/8"	WC70.5 1/2"	17#	12550'	2220 SACKS-CIRCULATE

CEMENTING PROGRAM:

SURFACE CASING: 100 SACKS CLASS C w/2% GEL, 2% CaCl₂ (14.2 PPG, 1.50 CF/S, 6.30 GW/S). F/B 250 SACKS CLASS C w/2% CaCl₂ (14.8 PPG, 1.34 CF/S, 8.30 GW/S).

INTERMEDIATE CASING: 1110 SACKS 35/65 POZ CLASS H w/6% GEL, 5% SALT, 1/4# FC (12.8 PPG, 1.94 CF/S, 10.45 GW/S). F/B 570 SACKS CLASS H (15.6 PPG, 1.18 CF/S, 5.20 GW/S).

PRODUCTION CASING: 1st STAGE-1200 SACKS 50/50 POZ CLASS H w/2% GEL, 6% SALT, 1/4# FC (14.2 PPG, 1.35 CF/S, 6.30 GW/S). DV TOOL @ 8800'-2nd STAGE-720 SACKS 35/65 POZ CLASS H w/6% GEL, 5% SALT, 1/4# FC (12.4 PPG, 2.14 CF/S 11.80 GW/S). F/B 300 SACKS 50/50 POZ CLASS H w/2% GEL, 5% SALT, 1/4# FC (14.2 PPG, 1.35 CF/S, 8.30 GW/S).

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

In Above Space Describe Proposed Program: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured true vertical depths. Give blowout prevention program, if any.

24. I hereby certify that the foregoing is true and correct.
SIGNATURE *A. Phil Ryan* TITLE *Commission Coordinator* DATE *8/22/00*

TYPE OR PRINT NAME *A. Phil Ryan*

(This space for Federal or State initials used)

PERMIT NO. APPROVAL DATE

Application approved does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

APPROVED BY *Charles D. Lyle* TITLE *Assistant Field Manager* DATE *OCT 05 2000*
LANDS AND MINERALS

CONDITIONS OF APPROVAL, IF ANY:

Title 16 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

APPROVED FOR 1 YEAR

DeSoro/Minerals 10-04 ver 2.6

County Eddy

Pool Fren-Morrow Gas

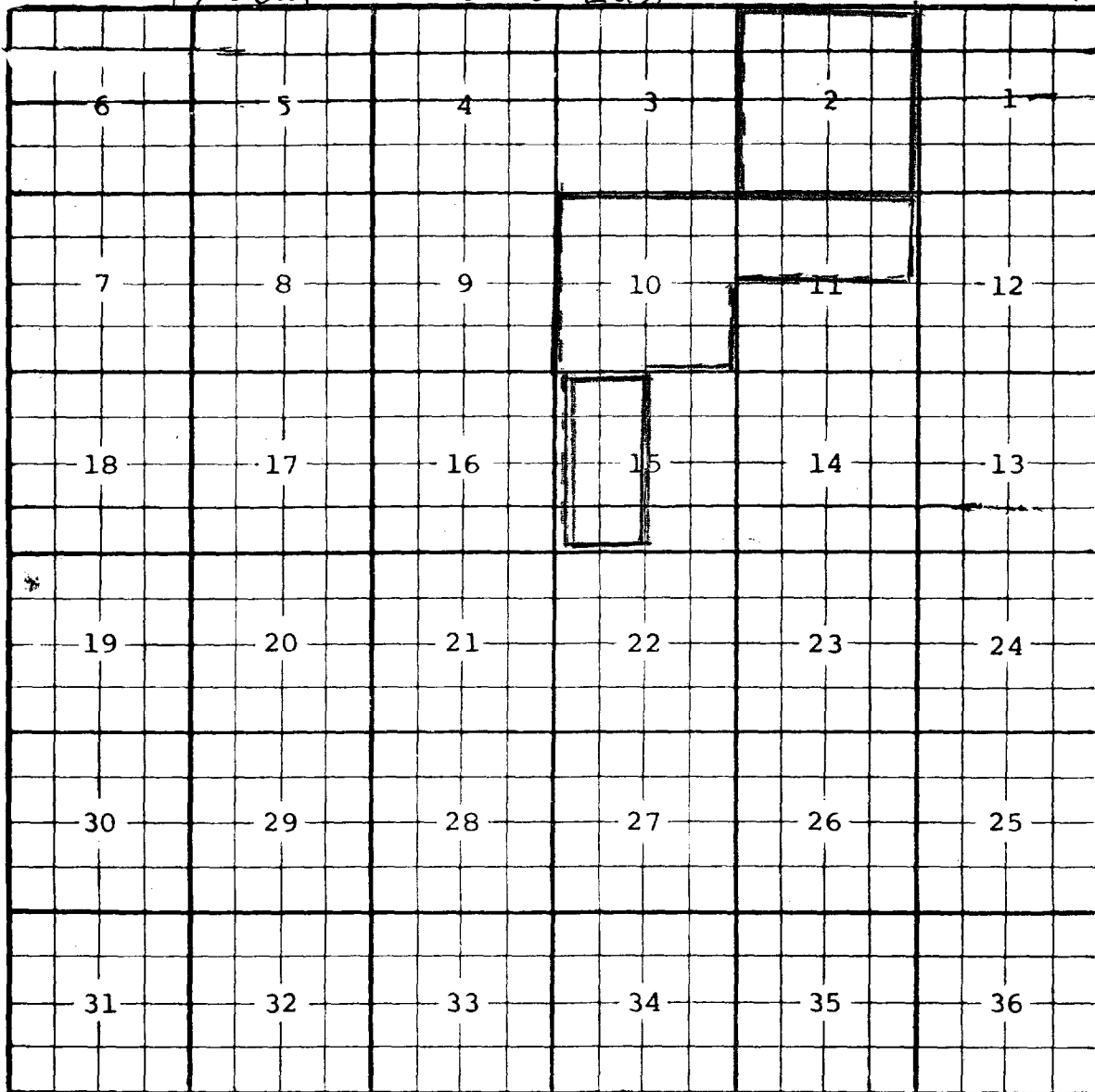
TOWNSHIP

17 South

Range

31 East

NMPM



Description: $\frac{1}{2}$ Sec. 15 (R-10844, 7-16-97)

Ext: All Sec. 10, $\frac{1}{2}$ Sec. 11 (R-10951, 2-4-98) Ext: All Sec. 2 (R-11711, 7-10-00)

COUNTY Eddy

POOL

Fren - Paddock

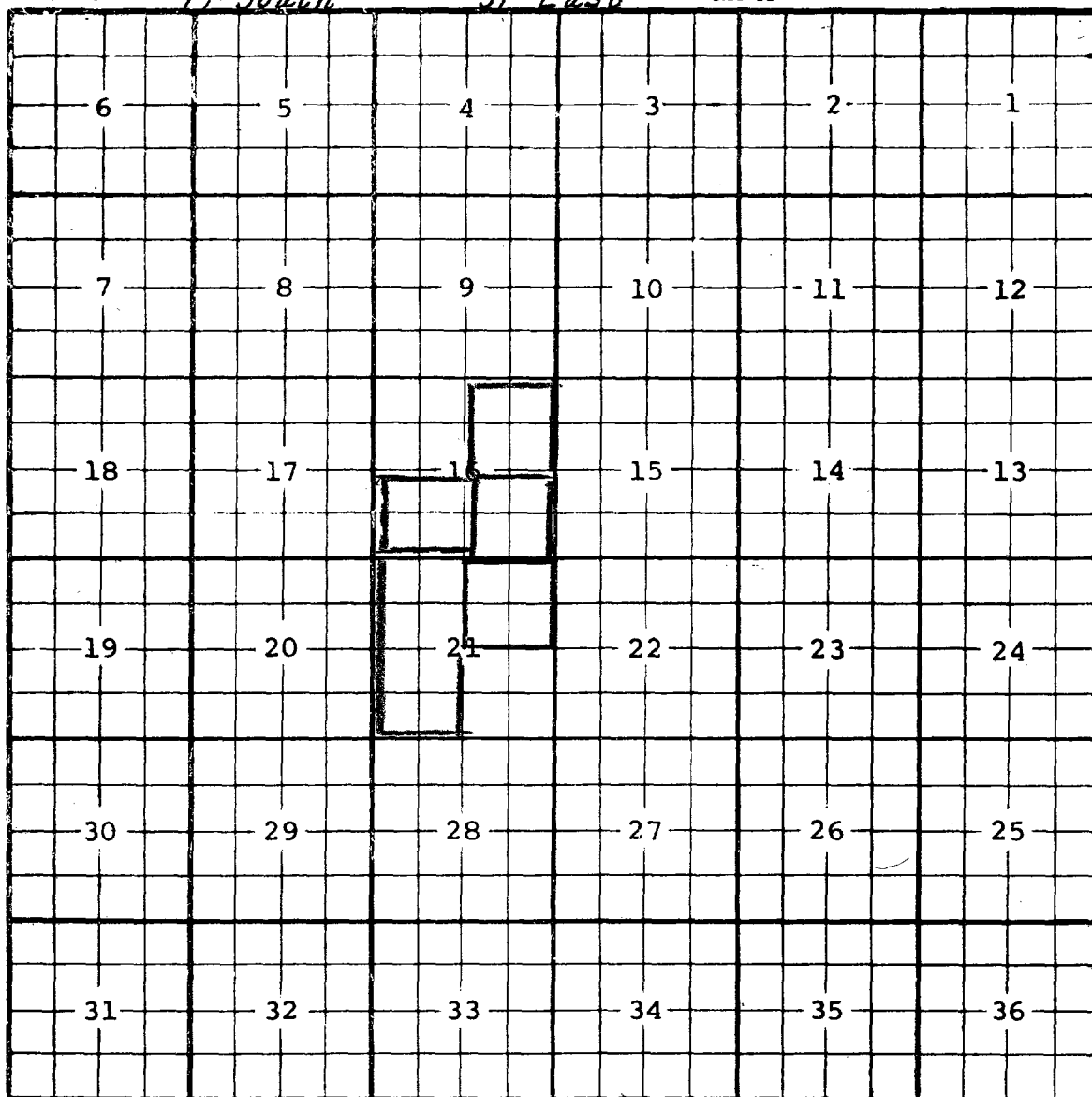
TOWNSHIP

17-South

RANGE

31-East

NMPM



Description: $\frac{N}{4}$ Sec. 21, (R-2313, 10-1-62).

Ext: $\frac{SE}{4}$ Sec. 16 (R-10664, 9-16-96) Ext: $\frac{SW}{4}$ Sec. 16 (R-10787, 4-9-97)

Ext: $\frac{NE}{4}$ Sec. 16 (R-11300, 1-4-00) Ext: $\frac{W}{2}$ Sec. 21 (R-11678, 10-23-01)

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

06/14/02 09:32:27
OGOMES -TQKO
PAGE NO: 1

Sec : 14 Twp : 17S Rng : 31E Section Type : NORMAL

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

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

CMD : ONGARD
OG5SECT INQUIRE LAND BY SECTION

06/14/02 13:43:14
OGOMES -TQKO
PAGE NO: 2

Sec : 14 Twp : 17S Rng : 31E Section Type : NORMAL

L	K	J	I
40.00	40.00	40.00	40.00
Federal owned	Federal owned	Federal owned	Federal owned
A A	A	A	A
M	N	O	P
40.00	40.00	40.00	40.00
Federal owned	Federal owned	Federal owned	Federal owned
A A A A A	A A A	A	A A A

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

CMD : ONGARD 06/14/02 13:43:33
 OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TOKO

OGRID Idn : 4323 API Well No: 30 15 31371 APD Status(A/C/P) : A
 Opr Name, Addr: CHEVRON U S A INC Aprvl/Cncl Date : 05-01-2002

REVENUE & ROYALTY ACCOUNTING
 P.O. BOX 4791
 HOUSTON, TX 77210-4791

Prop Idn: 29742 SKELLY UNIT Well No: 905

U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
Surface Locn	: A	14	17S	31E		FTG 1100 F N	FTG 660 F E
OCD U/L	: A	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) : R
 Lease typ(F/S/P/N/J/U/I) : F Ground Level Elevation : 3940

State Lease No: Multiple Comp (S/M/C) : S
 Prpsd Depth : 12550 Prpsd Frmtn : FREN 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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Oil Cons.
N.M. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993
Designation and Serial No.

51

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

I Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Texaco Exploration & Production Inc.(Mack Energy Agent)

3. Address and Telephone No.

P.O. Box 960, Artesia, NM 88211-0960

4. Location of Well (Footage, Sec., T. R., M. or Survey Description)

Sec. 14-T17S-R31E 1100 FNL & 660 FEL

NM-98120

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Skelly Unit #905

9. API Well No.

30-015-31371

10. Field and Pool, or Exploratory Area

Fren, Morrow

11. County or Parish, State

Eddy, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Spud, and cement casings
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)*

06/23/2001 Spud 14 3/4 hole 2:45 PM.

06/24/2001 TD 14 3/4 hole, RIH w/17 joints 11 3/4 42 # ST&C H-40 casing. Cemented w/250sx Class C 2% D 20, 2% SI, Tail in w/190sx Class C 2% SI, circ 131sx plug down 5:45 PM. WOC 18 hours tested casing to 1200 # for 30 minutes, held OK.

07/02/2001 1:30 PM TD 11" hole @ 4200'. RIH w/91 joints 8 5/8" 32 # K-55 LT&C landed @ 4200'.

07/04/2001 Cement 8 5/8" casing w/1380sx 35-65-6 1/4 # CF 5 # salt & 450sx Class H Neat. Didn't circ, ran temp survey TOC @ 620'.

07/05/2001 Cement w/251sx Class C neat. Stage squeeze to 980 #, SI 1 hour open annulus no flow.

08/07/2001 TD at 12474' 9:45 AM. Log well.

08/08/2001 Log well.

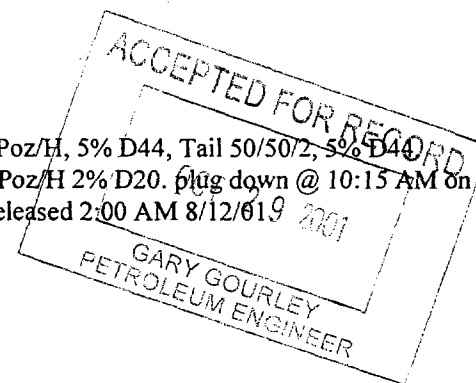
08/09/2001 Finish logging well.

08/10/2001 Circ hole.

08/11/2001 RIH w/5 1/2" 297 joints casing 17 # 12,388', 1st stage, lead 380sx 35/65/6 Poz/H, 5% D44, Tail 50/50/2, 5% D44

08/12/2001 Cement 2nd w/475sx 35/65 Poz/H, 183.57bbls slurry, tail w/1100sx 50/50 Poz/H 2% D20. plug down @ 10:15 AM on

8/11/01 circ 416sx. WOC 12 hours tested casing to 600# for 20 minutes, held OK. Rig released 2:00 AM 8/12/01



14. I hereby certify that the foregoing is true and correct.

Signed Curtis D. Carter

Title Production Analyst

Date 10/18/01

(This space for Federal or State office use)

Approved by _____

Title _____

Date _____

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

•See Instruction on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division

2118 1ST ST.

FORM APPROVED

Budget Bureau No. 1004-0136

Expires: December 31, 1991

SUBMIT IN TRIPLICATE

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. Type of Work **DRILL** ☒ **DEEPEN** ☐
1b. Type of Well
OIL WELL ☐ GAS WELL ☒ OTHER ☐
2. Name of Operator **TEXACO EXPLORATION & PRODUCTION INC.**
3. Address and Telephone No. **P.O. Box 3109, Midland Texas 79702 688-4606**
4. Location of Well (Report location clearly and in accordance with any State requirements. *)
At Surface
Unit Letter **A** : **1100** Feet From The **NORTH** Line and **660** Feet From The **EAST** Line
At proposed prod. zone
SAME
14. Distance In Miles and Direction from Nearest Town or Post Office*
9 MILES EAST OF LOCO HILLS, NM
15. Distance From Proposed* Location to Nearest Property or Lease Line, Ft. (also to nearest drlg. unit line, if any) **660'**
16. No. of Acres in Lease **4160**
18. Distance From Proposed Location* to Nearest Well, Drilling, Completed or Applied For, On This Lease, Ft. **493.4'**
19. Proposed Depth **12550'**
21. Elevations (Show whether DF, RT, GR, etc.)
GR-3940'

5. Lease Designation and Serial No. **NM 98120**
6. If Indian, Alottee or Tribe Name
7. If Unit or CA, Agreement Designation
8. Well Name and Number
SKELLY UNIT
9. API Well No.
30-015-31371
10. Field and Pool, Exploratory Area
FREN, MORROW
11. SEC., T., R., M., or BLK. and Survey or Area
Sec. 14, Township 17-S, Range 31-E
12. County or Parish
EDDY
13. State
NM
17. No. of Acres Assigned To This Well
320
20. Rotary or Cable Tools
ROTARY
22. Approx. Date Work Will Start*
9/15/00

23 PROPOSED CASING AND CEMENT PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 3/4"	WC40, 11 3/4"	42#	550' 610'	350 SACKS-CIRCULATE
11"	WC50, 8 5/8"	32#	4200'	1680 SACKS-CIRCULATE
7 7/8"	WC70, 5 1/2"	17#	12550'	2220 SACKS-CIRCULATE

CEMENTING PROGRAM:

SURFACE CASING: 100 SACKS CLASS C w/2% GEL, 2% CaCl₂ (14.2 PPG, 1.50 CF/S, 6.30 GW/S). F/B 250 SACKS CLASS C w/2% CaCl₂ (14.8 PPG, 1.34 CF/S, 6.30 GW/S).

INTERMEDIATE CASING: 1110 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 570 SACKS CLASS H (15.6 PPG, 1.18 CF/S, 5.20 GW/S).

PRODUCTION CASING: 1st STAGE-1200 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). DV TOOL @ 8800'--2nd STAGE- 720 SACKS 35/65 POZ CLASS H w/6% GEL, 5% SALT, 1/4# FC (12.4 PPG, 2.14 CF/S 11..90 GW/S). F/B 300 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).

Notify OCD at SPUD & TIME
to witness cementing the
9 5/8" casing.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

In Above Space Describe Proposed Program: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured true verticle depths. Give blowout preventer program, if any.

24. I hereby certify that the foregoing is true and correct.
SIGNATURE A. Phil Ryan TITLE Commission Coordinator DATE 8/22/00
TYPE OR PRINT NAME A. Phil Ryan

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
APPROVED BY (ORIG. SGD.) ARMANDO A. LOPEZ TITLE Assistant Field Manager, DATE OCT 05 2000
CONDITIONS OF APPROVAL, IF ANY: Lands And Minerals

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

APPROVED FOR 1 YEAR

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

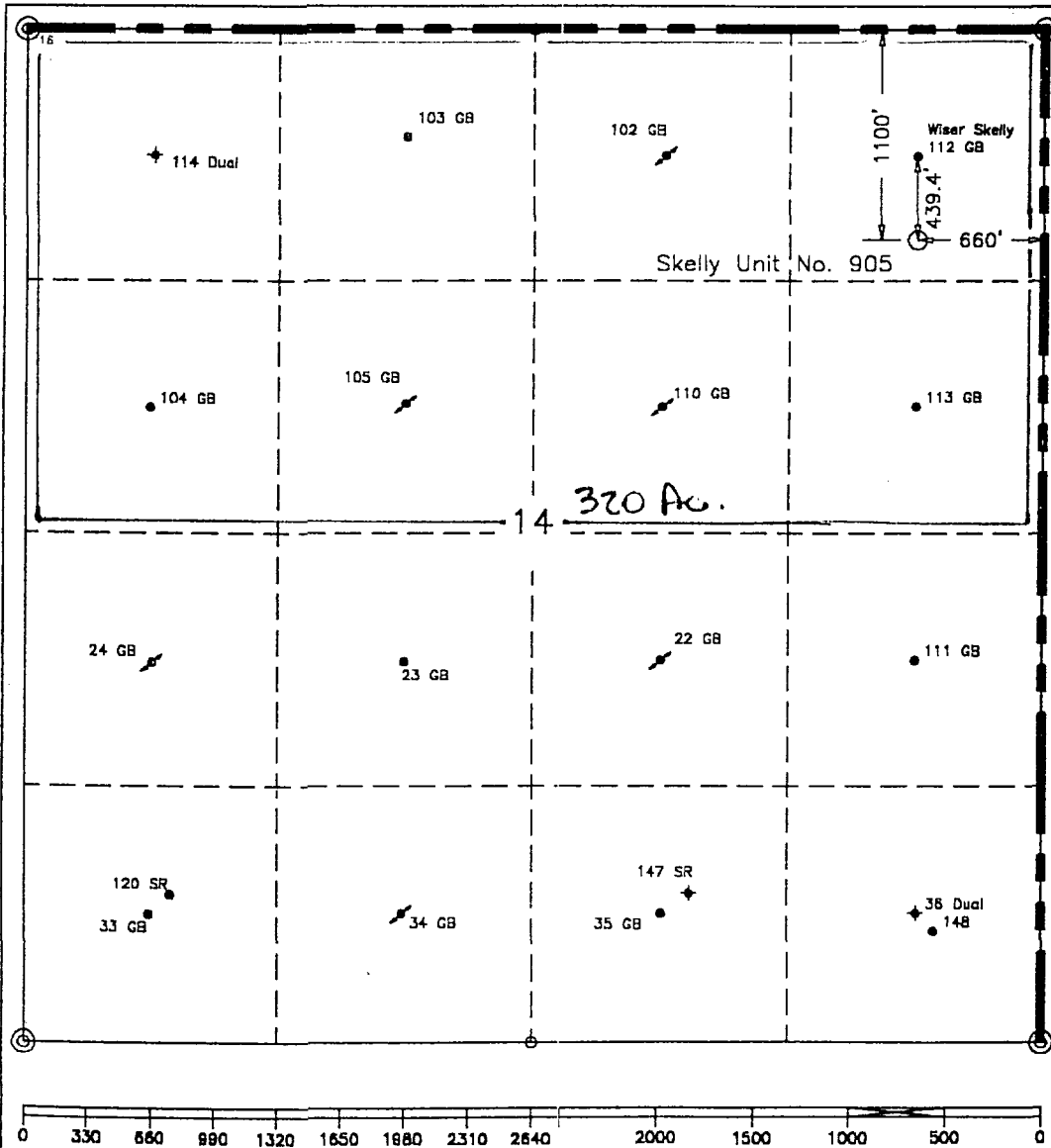
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name Fren, Morrow	
⁴ Property Code		⁵ Property Name Skelly Unit			⁶ Well Number 905
⁷ GRID No. 22351		⁸ Operator Name TEXACO EXPLORATION & PRODUCTION, INC.			⁹ Elevation 3940'

¹⁰ Surface Location									
UL or lot no. A	Section 14	Township 17-S	Range 31-E	Lot Idn	Feet from the 1100'	North/South line North	Feet from the 660'	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.			

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

Printed Name

Position

Commissioner Coordinator

Company

Texaco Expl. & Prod. Inc.

Date

August 10, 2000

¹⁸ SURVEYOR CERTIFICATION

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

Date Surveyed

August 8, 2000

Signature & Seal of
Professional Surveyor

Certificate No.

7254 John S. Piper

Sheet

DRILLING PROGRAM

SKELLY UNIT WELL No. 905

SURFACE DESCRIPTION:

See Item 11 (other information) in the attached Surface Use and Operations Plan.

FORMATION TOPS: Estimated KB Elevation: 3963'

<u>Formation</u>	<u>Depth</u>	<u>Lithology</u>	<u>Fluid Content</u>
Rustler	1314'	Anhy, Salt	----
Yates	2569'	Anhy	----
Queen	3414'	Ss, Dolomite	Oil
San Andres	4207'	Dolo, Limestone	----
Glorieta	5679'	Dolomite	----
Tubb	6862'	Sandstone	----
Abo	7403'	Dolomite	----
Wolfcamp Limestone	8939'	Limestone	Oil
Strawn	11054'	Limestone	Gas
Atoka	11455'	Sandstone	Gas
Morrow Limestone	11709'	Limestone	----
Morrow Sand	12730'	Sandstone	Gas
Chester	12580'	Sandstone	----
Total Depth:	12550'		

The base of the salt section is the top of the Yates at 2569'. No abnormal pressures or temperatures are anticipated to be encountered in this well. The Bottom Hole pressure at T.D. is estimated to be 7.9 PPG EMW (5135 PSI).

H2S in the San Andres formation is possible. H2S RADIUS OF EXPOSURE: 100ppm = 199', 500ppm = 91', based on 4300 ppm H2S and 692 MCF (see attached H2S Drilling Operations Plan. H2S equipment to be operational prior to drilling out Surface Casing Shoe.)

Duration of Operation: 46 Days to Drill & 8 Days to Complete

PRESSURE CONTROL EQUIPMENT:

A 3000 psi (or 5000 psi at drilling contractor's option) Dual Ram BOP with rotating head (See Exhibit C) will be installed after surface casing is set. A 5000 psi Dual Ram BOP with a rotating head and annular preventer will be used. (See Exhibit D). It will be installed after intermediate casing is set at 4200'. BOP will be tested each time it is installed on a casing string and at least every 29 days, and operated at least once each 24 hour period during drilling.

A PVT system will not be installed. We will be drilling thru the reserve pit and will circulate the steel pits one hour each tour to check for gains and losses and will be noted on the driller's log, which is Texaco's policy.

We do not plan to run an automatic remote-controlled choke. We will have installed and tested two manual, H2S trimmed, chokes.

CASING AND CEMENT PROGRAM:

The cementing program is detailed on Form 3160-3. All casing will be new.

Casing Program:

Surface Casing - 14 $\frac{3}{4}$ " hole, 11 $\frac{3}{4}$ ", 42#, WC-40, STC, set @ ^{610'}550'.

Intermediate Casing: 11" hole, 4200' of 8 $\frac{5}{8}$ ", 32#, WC-50, LTC set @ 4200'.

Production Casing: 7 $\frac{7}{8}$ " hole, 8600' of 5 $\frac{1}{2}$ ", 17#, WC-70, LTC & 3950' of 5 $\frac{1}{2}$ ", 17#, SS-95, LTC set @ 12550'.

Centralizer Program:

Surface Casing - Centralize the bottom 3 joints and every 4th to surface.

Intermediate Casing - Centralize the bottom 3 joints.

Production Casing - Centralize every other joint from TD to 10800' and above and below the DV Tool @ 8800'.

MUD PROGRAM:

<u>Depth</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>
^{610'} 0'-550'	Fresh Water	8.4	28
400'-4200'	Brine	10.0	29
4200'-12550'	Fresh Water/Starch	8.4-10.1	29-40

LOGGING, TESTING:

GR-CAL-CNL-LDT, GR-CAL-DLL-MSFL, GR-CAL-BHC surveys will be run.

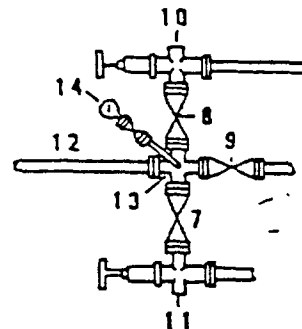
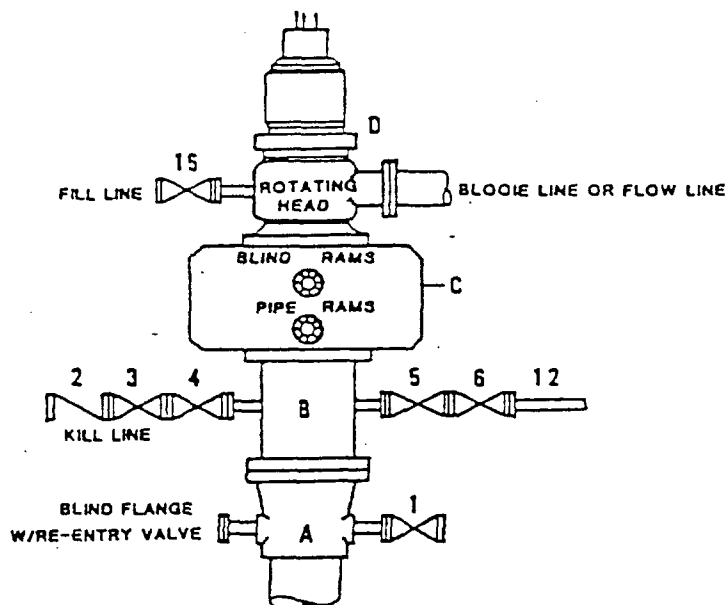
A two-man Mud Logging Unit will be used from 4200' to 12550'.

A drill stem test may be conducted in the Morrow, if needed.

Sidewall cores (25) are planned for the Morrow.

**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 Blooe 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. |



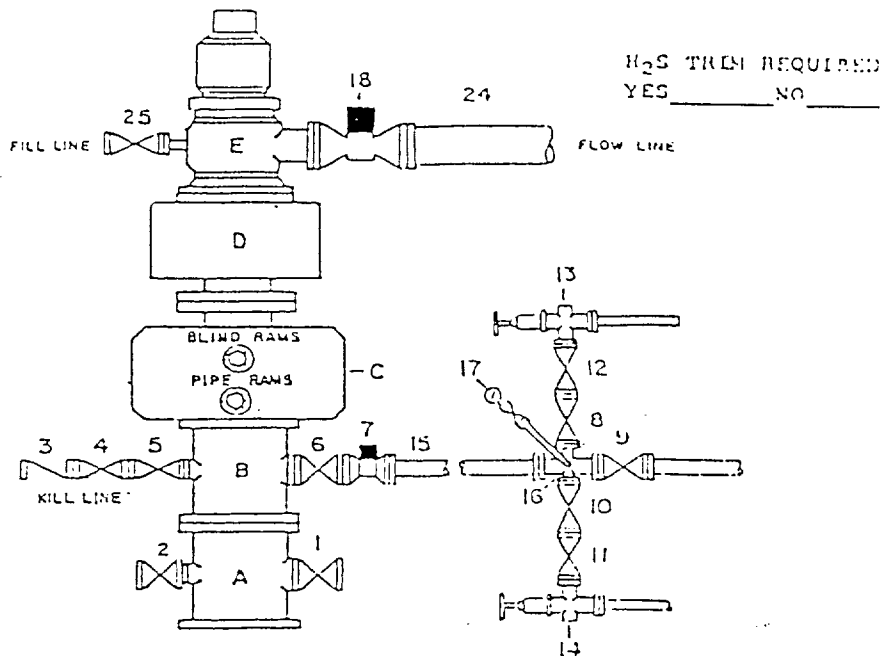
TEXACO, INC.
MIDLAND DIVISION
MIDLAND, TEXAS



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

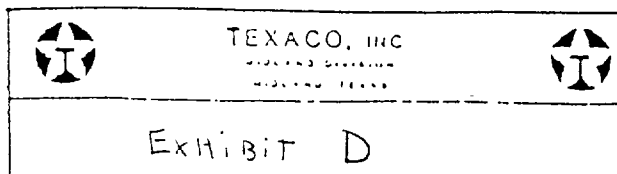
EXHIBIT C

DRILLING CONTROL
CONDITION IV-B-5000 PSI WP

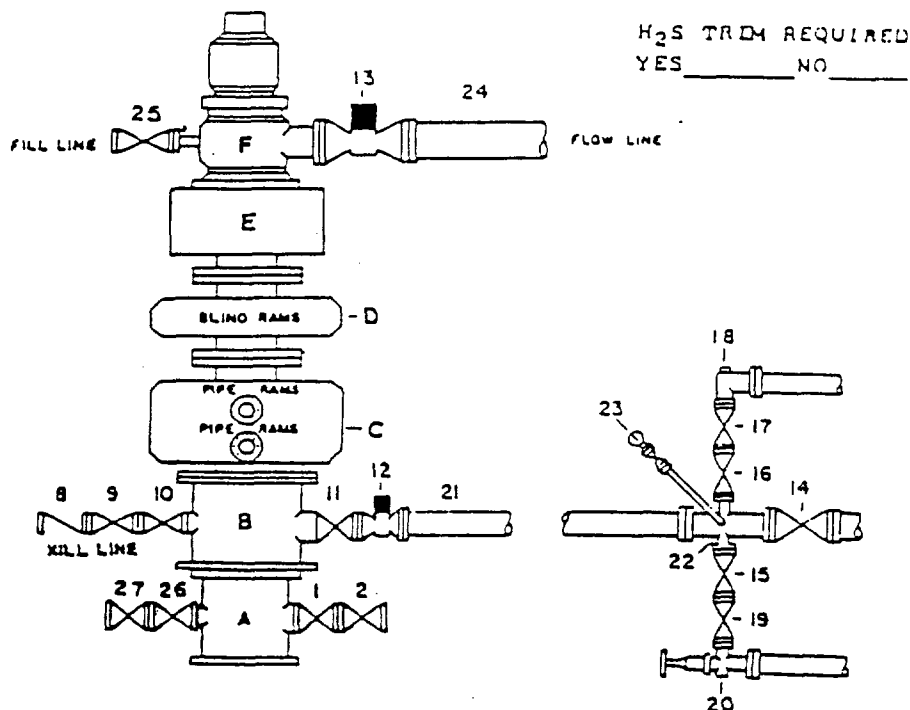


DRILLING CONTROL
MATERIAL LIST - CONDITION IV - B

- | | |
|---------------------------|--|
| A | Texaco Wellhead |
| B | 5000# W.P. drilling spool with a minimum 2" flanged outlet for kill line and 3" minimum flanged outlet for choke line. |
| C | 5000# W.P. Dual ram type preventer, hydraulic operated with 1" steel, 5000# W.P. control lines. |
| D | 5000# W.P. Annular preventer, hydraulic operated with 1" steel, 3000# W.P. control lines. |
| E | Rotating Head with fill up outlet and extended Bloscoe line. |
| 1, 2, 4, 5, 8, 10, 11, 12 | 2" minimum 5000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve. |
| 3 | 2" minimum 5000# W.P. back pressure valve. |
| 6, 9 | 3" minimum 5000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve. |
| 7 | 3" minimum 5000# W.P. flanged hydraulic valve |
| 15 | 3" minimum Schedule 160, Grade B, seamless line pipe |
| 16 | 2" minimum x 3" 5000# W.P. flanged cross |
| 13, 14 | 2" minimum 5000# W.P. adjustable chokes with carbide trim. |
| 17 | Cameron Mud Gauge or equivalent (location in choke line optional). |
| 18 | 6" minimum 1000# hydraulic flanged valve. |
| 24 | 8" minimum steel flow line. |
| 25 | 2" minimum 3000# W.P. flanged or threaded full opening steel gate valve, or Halliburton Lo Torc Plug valve. |



DRILLING CONTROL CONDITION V-B - 10,000 PSI WP



H₂S TRIM REQUIRED
YES _____ NO _____

DRILLING CONTROL

MATERIAL LIST - CONDITION V-B

- A Texaco Wellhead
- B 10,000# W.P. Drilling Spool with a minimum 2" flanged outlet for kill line and 4" minimum flanged outlet for choke line
- C 10,000# W.P. Dual Variable Ram Type preventer, hydraulic operated with 1" steel, 3000# W.P. control line
- D 10,000# W.P. Single Ram Type preventer, hydraulic operated with 1" steel, 3000# W.P. control lines
- E 10,000# W.P. Annular preventer, hydraulic operated with 1" steel, 3000# W.P. control lines
- F When Required - Rotating Head with fill up outlet and extended choke line
- 1,2,9,10, 2" minimum 10,000# W.P. flanged full opening steel gate valve, or Halliburton La Torc Plug valve
- 13,16,17, 2" minimum 10,000# W.P. back pressure valve
- 11,14 4" minimum 10,000# W.P. flanged full opening steel gate valve
- 12 4" minimum 10,000# W.P. flanged full opening hydraulic valve
- 13 When Required - 10" minimum 1000# W.P. flanged full opening hydraulic valve
- 21 4" minimum 10,000# W.P. 4130 mechanical tubing with flanged ends, or equivalent
- 22 2" minimum X 4" minimum 10,000# W.P. flanged cross
- 18 2" minimum 10,000# W.P. automatic choke
- 20 2" minimum 10,000# W.P. adjustable choke equipped with carbide trim
- 23 Cameron Mud Gauge or equivalent (location in choke line optional)
- 14 When Required - 10" steel flow line
- 25 2" minimum 3000# W.P. flanged or threaded full opening steel gate valve or Halliburton La Torc plug valve



TEXACO, INC.
MIDLAND DIVISION
MIDLAND, TEXAS



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

EXHIBIT G-1

SURFACE USE AND OPERATIONS PLAN
FOR
TEXACO EXPLORATION AND PRODUCTION, INC.

SKELLY UNIT NO. 905

1100.0' FNL & 660.0' FEL, SECTION 14,
TWP. 17 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

LOCATED: 10 miles Easterly of Loco Hills, New Mexico

FEDERAL LEASE NUMBER: LC 029420A

LEASE ISSUED: Lease is in a producing status.

ACRES IN LEASE: 4160

RECORD LESSEE: Texaco Exploration and Production, Inc.

SURFACE OWNERSHIP: USA

GRAZING PERMITTEE: Olane & Ladoyce Caswell
1702 Gilham
Brownfield, Texas 79316

POOL: Fren, Morrow

POOL RULES: Field Rules are for no wells to be located closer than 10' to any quarter-quarter section and 660' from the nearest lease line and quarter section lines.

EXHIBITS: A. Access Road and Facilities Map

B. Drilling Rig Layout Diagram

C. Well Location and Acreage Dedication Plat 40 acres

1. EXISTING ACCESS ROADS

A. Exhibit "A" is an enlarged portion of a 7.5 minute U.S.G.S. topographic map showing the proposed well site and the existing roads in the area. Point "A" is the junction of an existing resource road and State Highway 82. Said intersection is approximately 5.2 miles Southwesterly of Maljamar, New Mexico and 10 miles Easterly of Loco Hills, New Mexico along the major established Public Road System. From Point "A" as shown in Purple on Exhibit "A", go .30 miles Northwesterly, then .30 miles Northerly, then .58 miles Northeasterly, then .42 Northerly to Point "B", an intersection of two existing resource roads. Then go .30 miles Easterly along said resource road as shown in purple on Exhibit "A" to Point "C", the beginning of the proposed resource road.

2. PLANNED RESOURCE ROAD

A. Length and Width: From Point "C" as shown on Exhibit "A" a new 14 foot wide resource road will be constructed approximately 525 feet Southerly as shown in red on Exhibit "A" to the Southeast corner of the proposed well pad, as shown on Exhibits "A" and "B".

B. Surfacing Material: Caliche material will be used to surface the proposed road. It will be watered, compacted, and graded.

C. Maximum Grade: An approximate grade of one percent will be encountered descending from point "C" to the proposed well pad.

D. Turnouts: Turnouts will not be required.

E. Drainage Design: The new road will be crowned at the center to direct drainage to ditches on both sides of the roadway with turnout ditches to be constructed as required.

F. Culverts: None will be required.

G. Cuts and Fills: A slight amount of leveling will be required.

H. Gates and Cattle Guards: None will be required.

3. LOCATION OF EXISTING WELLS

A. Existing wells on the lease and in the immediate area are shown on Exhibit "A".

4. LOCATION OF EXISTING AND PROPOSED FACILITIES

A. The oil, gas, and/or water that this well produces will be stored at the proposed tank battery to be constructed on the proposed well site as shown on Exhibits "A" and "B".

B. An electric power line 525.0 feet long will need to be constructed to service this site. It will be a 12,470 phase to phase, no neutral, rapture protected line.

5. LOCATION AND TYPE OF WATER SUPPLY

A. It is not contemplated that a water well would be drilled. Water necessary for drilling operations will be purchased and trucked to the well site or will be transported to the well site by a temporary pipeline laid on the ground along existing roads.

6. SOURCE OF CONSTRUCTION MATERIALS

A. Caliche needed for the well pad will be taken from the proposed borrow pit located within the 400x400' archaeologically cleared tract at the proposed well site (See Exhibit "B" for location). If sufficient quality or quantity of caliche is not available, it will be transported to the proposed well site from the existing pit located in the Northwest quarter of the Southeast quarter of Section 11, T17S, R31E, by the existing resource roads.

7. METHOD OF HANDLING WASTE DISPOSAL

A. Drill cuttings will be disposed of in the drilling pits.

B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.

C. Water produced during tests will be disposed of at commercial or company facilities.

D. Oil produced during tests will be stored in test tanks until sold.

E. Trash, waste paper, garbage and junk will be placed in a trash bin located on the drill site pad. It will be transported to an approved landfill for disposal within 30 days after completion of drilling and/or completion of operations. All waste material will be contained to prevent scattering by the wind.

8. ANCILLARY FACILITIES

A. None required.

9. WELL SITE LAYOUT

A. Exhibit "B" shows the relative location and dimensions of the well pad, mud pits, and the location of the major rig components.

B. Cut and Fill requirements will be moderate, but clearing and leveling of the well site will be necessary.

10. PLANS FOR RECLAMATION OF THE SURFACE

A. After completion of drilling and/or completion of operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location will be cleaned of all trash and junk to leave the well site in an as aesthetically pleasing condition as possible.

B. Any unguarded pits containing fluids will be fenced until the pits are dry.

C. After abandonment, all equipment, trash and junk will be removed and the well site will be cleaned. Any special reclamation and/or special revegetation requirements of the Surface Management Agency will be complied with and will be accomplished as rapidly as possible.

11. OTHER INFORMATION

A. Topography: The land surface in the area of the well is relatively level with moderate sand dunes. Regionally, the land slopes Southwesterly with average slopes of less than one to two percent.

B. Soil: Top soil at the well site is a moderate sandy loam.

C. Flora and Fauna: The vegetation cover is moderate. It includes range grasses, weeds, scrub oak bushes, and mesquite bushes. Wildlife in the area is that typical of a semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, hawks, dove, quail and other small birds.

D. Ponds and Streams: There are no rivers, lakes, ponds, or streams in the area.

E. Residences and Other Structures: There are no occupied dwellings or other structures within 3/4 mile of the well site.

F. Archaeological, Historical, or other Cultural Sites: None were observed in the area.

G. Land Use: Grazing, oil and gas production, and wildlife habitat.

H. Surface Ownership: Federal

12. OPERATOR'S REPRESENTATIVE

A. Phil Ryan
Commission Coordinator
Texaco Exploration and Production, Inc.
P. O. Box 3109
Midland, Texas 79702
Office Phone: (915) 688-4606

CERTIFICATION

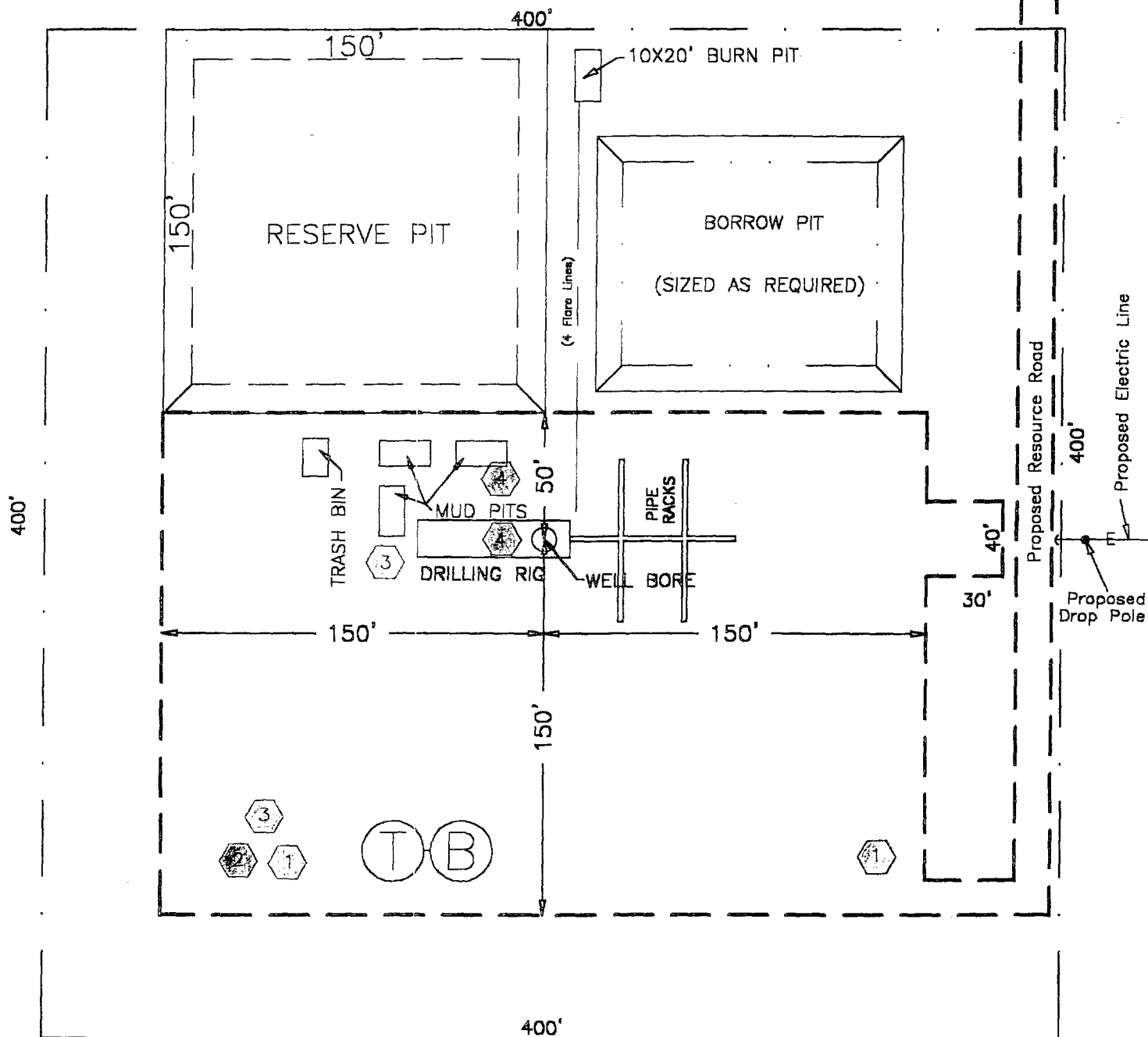
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Texaco Exploration and Production, Inc. and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U. S. C. 1001 for the filing of a false statement.

8/22/00
Date

A. Phil Ryan
A. Phil Ryan
Commission Coordinator
Midland, Texas

Enclosures
jsp

Checked by: J.S. Piper



AREA ARCHAEOLOGICALLY CLEARED

H₂S DRILLING OPERATION PLAN

- 1 Briefing Station
- 2 H₂S Safety Trailer
- 3 Windsocks Skelly Unit No. 66
- 4 H₂S Detectors, Shale Shaker, Rotating Head, Rig Floor

Prevailing Wind from the South

EXHIBIT "B" DRILLING RIG LAYOUT

TEXACO EXPLORATION AND PRODUCTION INC.

SKELLY UNIT No. 905
Located 1100' FNL & 660' FEL, Section 14,
T-17-S, R-31-E, NMPM, Eddy County, NM

Drawn by: Gene M. Rodriguez

Scale: 1" = 80'

Date: August 9, 2000

A. Phil Ryan

Checked by: J. S. Piper

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

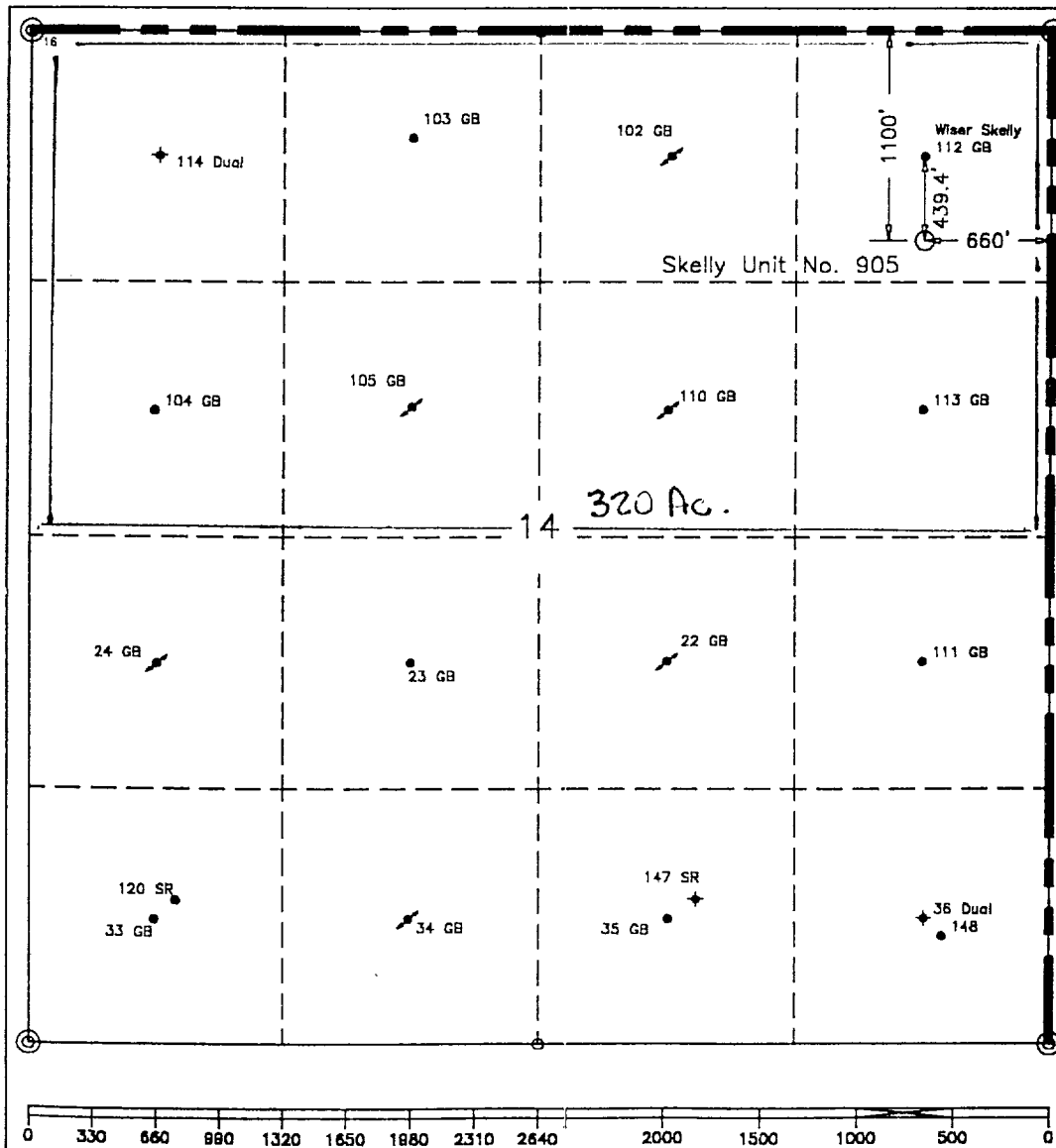
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name Fren, Morrow	
⁴ Property Code		⁵ Property Name Skelly Unit			⁶ Well Number 905
⁷ GRID No. 22351		⁸ Operator Name TEXACO EXPLORATION & PRODUCTION, INC.			⁹ Elevation 3940'

¹⁰ Surface Location									
UL or lot no. A	Section 14	Township 17-S	Range 31-E	Lot Idn	Feet from the 1100'	North/South line North	Feet from the 660'	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.			

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

August 10, 2000

¹⁸ SURVEYOR CERTIFICATION

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

Date Surveyed

August 8, 2000

Signature & Seal of
Professional Surveyor

Certificate No.

7254 John S. Piper

Sheet

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

SKELLY UNIT WELL No. 905

RADIUS OF EXPOSURE

100 PPM: 199 feet

500 PPM: 91 feet Based on 4300 PPM H₂S and 692 MCF.

TRAINING

Every person involved in the wellsite operation will be informed of the characteristics of hydrogen sulfide, its danger, safe procedures to be used when it is encountered, use of detection equipment, use of protective breathing equipment, and first aid procedures for regular rig personnel.

On site training will be provided by Texaco prior to reaching Order 6 compliance depth. The Texaco Drilling Supervisor is responsible for insuring all persons working on location have been provided training.

EXHIBIT A

Topographic map of location and surrounding area.

EXHIBIT B

The wellsite layout contains the following information:

1. Drill rig orientation
2. Prevailing wind direction
3. Location of all briefing areas
4. Location of access road
5. Location of flare line
6. Location of windsocks
7. Location of H₂S Safety Trailer

EXHIBIT C

Well Control Equipment

PROTECTIVE EQUIPMENT

4 - 30 minute SCBA's: 2 located at each Briefing Station. An additional SCBA will be located at the Tool Pusher's trailer, if used.

5 - 5 minute escape packs will be located in the Dog House.

Means of communication while using protective equipment will be hand signals.

H2S SENSORS

H2S sensors will be located at (1) Shale Shaker (2) Rotating Head and (3) Rig Floor.

A light will be located on the rig floor. It will be set to go off at 10 PPM. It will be visible from anywhere on the location.

A siren will be located on the rig floor. It will be set to go off at 15 PPM.

Texaco Drilling Supervisor will maintain a portable H2S monitor.

MUD PROGRAM

A Fresh Water/ Brine system will be used. Ph will be maintained at 10 or higher if H2S is encountered. Sufficient quantities of H2S scavenger will be on location for use as required.

Drilling will be through an on site gas separator to separate gas from the drilling fluid with gas vented down a flare line equipped with an igniter.

METALLURGY

All wellheads, trees, BOP's, rotating heads, choke manifolds and piping will be constructed/trimmed with materials suitable for H2S service.

All casing and tubing will be no greater than 80000 psi yield strength and no greater than a Rockwell C-22 hardness.

OTHER REQUIREMENTS OF ORDER 6

The flare line (item 4 of exhibit I) will be equipped with a propane ignition.

The flare gun and flares will be located in the H2S Safety Trailer.

Communications for the location will be by Rig Telephone.

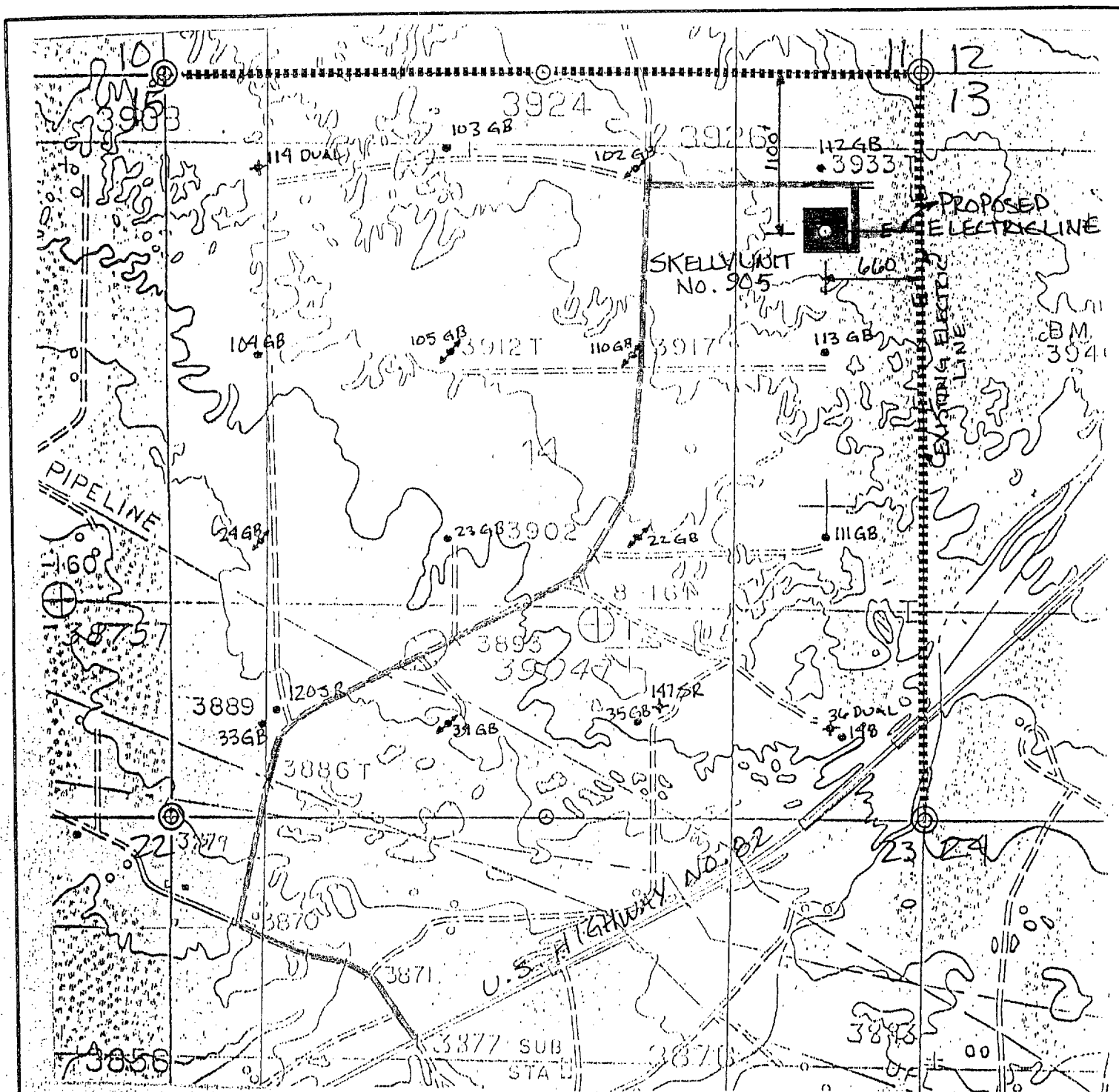
Wind direction indicators will be on the rig floor and at one briefing station with at least one visible from all points on the location.

Caution/danger signs and flags will be maintained at all entrances into the location.

An automatic remote-controlled choke will not be used. We will have installed and tested two manual, H2S trimmed, chokes.

WELL TESTING

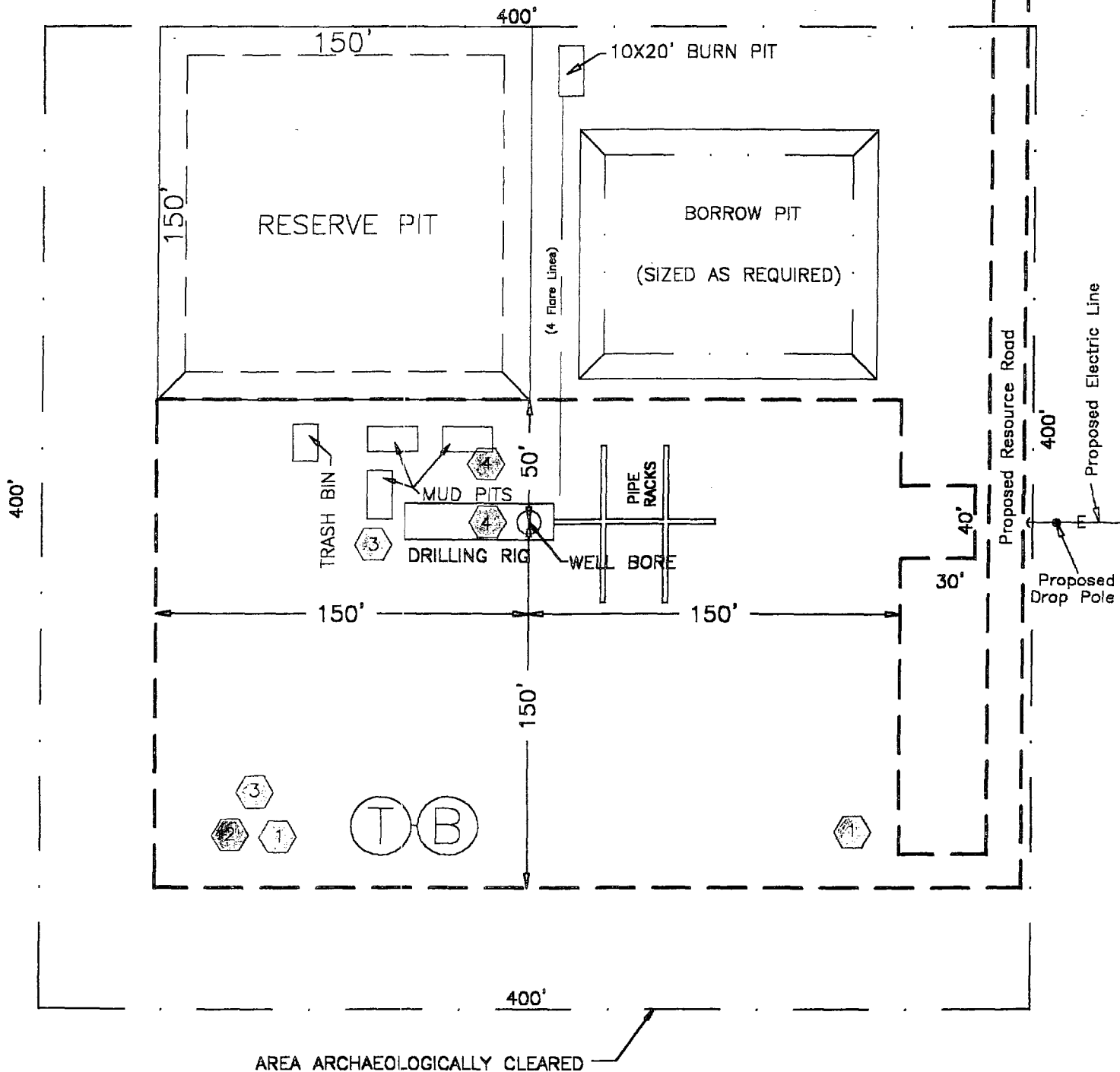
DST's may be conducted in the Morrow formation.



LEGEND OF SYMBOLS

- = Access Road (Yellow)
- = Resource Road on Lease (Purple)
- = Resource Road on State Land (Blue)
- = Resource Road on Private Land (Pink)
- = Resource Road on Federal Land (Brown)
- = Proposed Resource Road (Red)
- = Proposed Electric Line (Orange)
- = Proposed Production Flow Line (Green)
- = Staked Well Location
- = Producing Well Location
- = Water Injection Well
- = Found 1" Iron Pipe with Brass Cap
- = Found 2" or 3" Iron Pipe with Brass Cap
- = Unit or Lease Boundary

EXHIBIT "A"	
ACCESS ROAD AND FACILITIES MAP	
TEXACO EXPLORATION AND PRODUCTION INC.	
SKELLY UNIT No. 905 Located 1100' FNL & 660' FEL, Section 14, T-17-S, R-31-E, NMPM, Eddy County, NM	
Drawn by: Gene M. Rodriguez	Scale: 1" = 1000'
Date: August 9, 2000	A. Phil Ryan
Checked by: J.S. Piper	



H₂S DRILLING OPERATION PLAN

- 1 Briefing Station
 - 2 H₂S Safety Trailer
 - 3 Windssocks Skelly Unit No. 66
 - 4 H₂S Detectors, Shale Shaker, Rotating Head, Rig Floor
- Prevailing Wind from the South

EXHIBIT "B" DRILLING RIG LAYOUT

TEXACO EXPLORATION AND PRODUCTION INC.

SKELLY UNIT No. 905
Located 1100' FNL & 660' FEL, Section 14,
T-17-S, R-31-E, NMPM, Eddy County, NM

Drawn by: Gene M. Rodriguez

Scale: 1" = 60'

Date: August 9, 2000

A. Phil Ryan

Checked by: J. S. Piper

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

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

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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

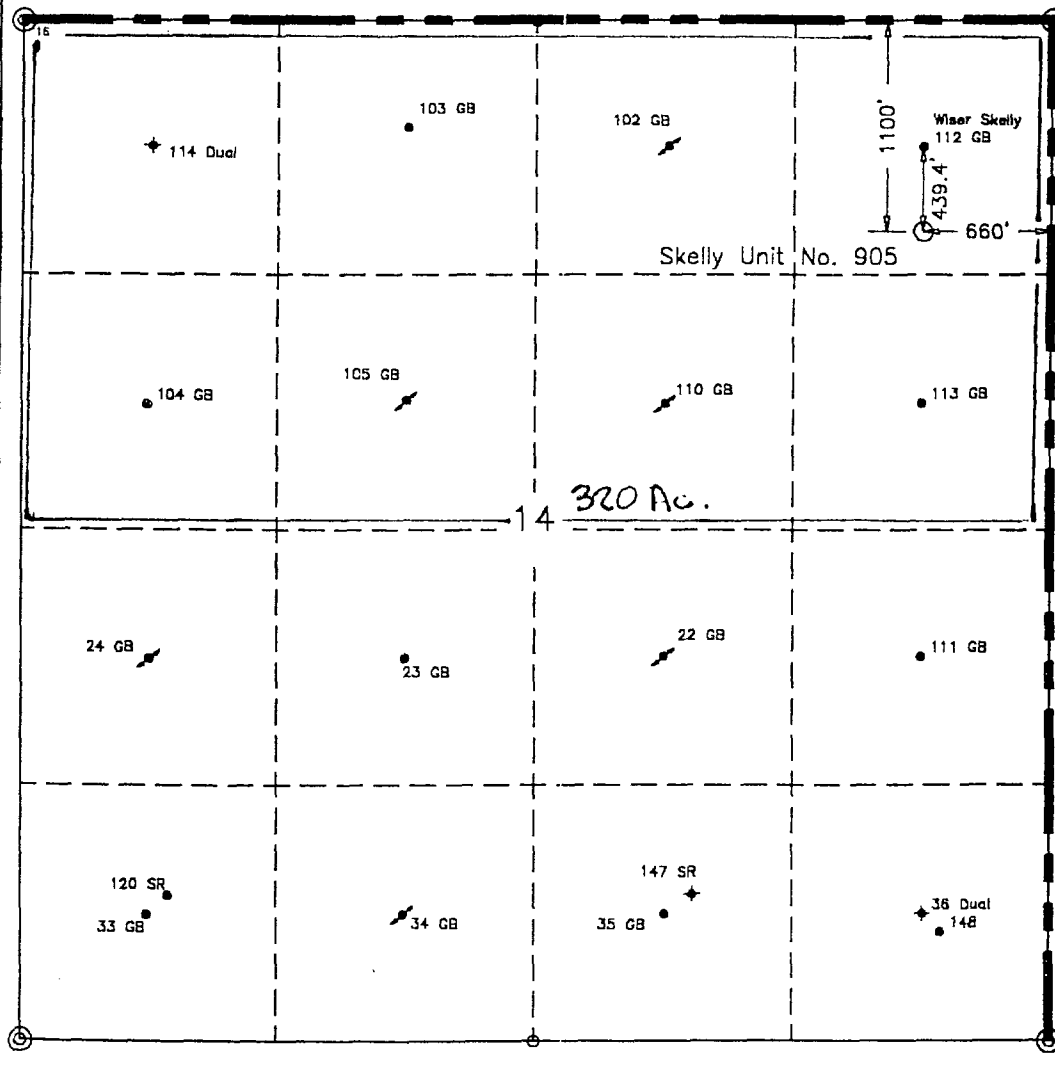
¹ API Number		² Pool Code		³ Pool Name	
				Fren, Marrow	
⁴ Property Code		⁵ Property Name			⁶ Well Number
		Skelly Unit			905
⁷ GRID No.		⁸ Operator Name			⁹ Elevation
22351		TEXACO EXPLORATION & PRODUCTION, INC.			3940'

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	⁷ County
A	14	17-S	31-E		1100'	North	660'	East	Eddy

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

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
320			

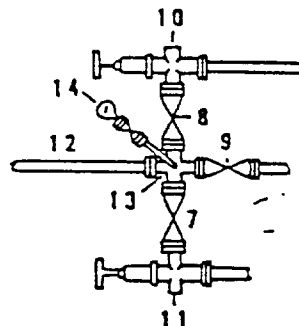
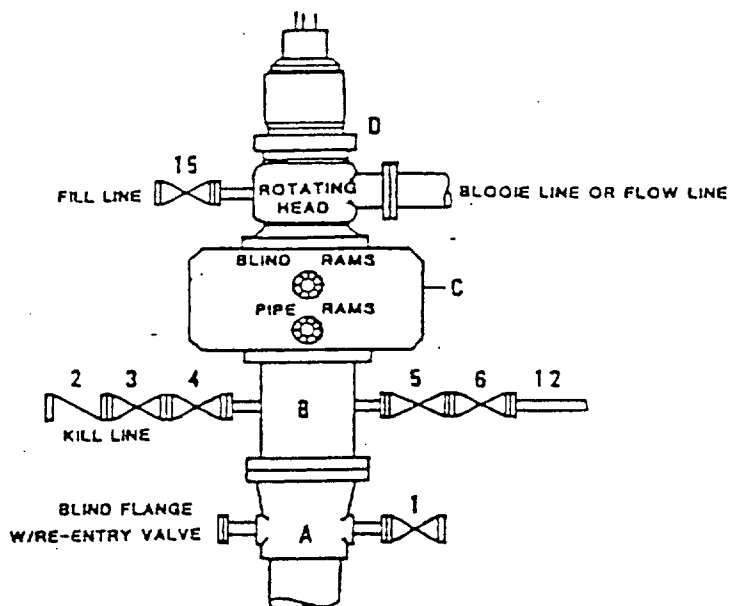
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION.

	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
	Signature <i>A. Phil Ryan</i>
	Printed Name A. Phil Ryan
	Position Commissioner Coordinator
	Company Texaco Expl. & Prod. Inc.
	Date August 10, 2000
	¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.
	Date Surveyed August 8, 2000
	Signature & Seal of Professional Surveyor <i>John S. Piper</i>
	Certificate No. 7254 John S. Piper

Sheet

**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. |



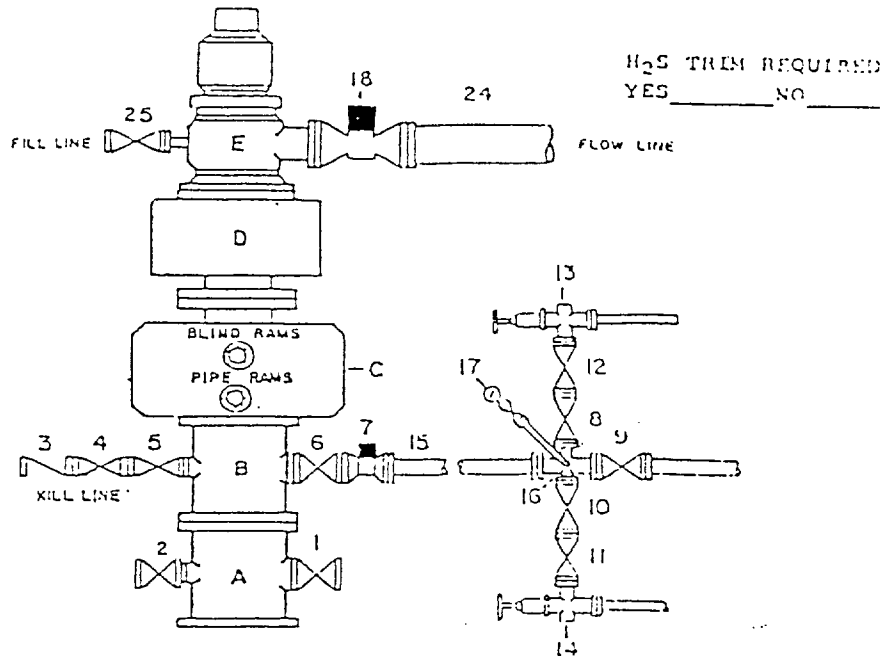
TEXACO, INC.
MIDLAND DIVISION
MIDLAND, TEXAS



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

EXHIBIT C

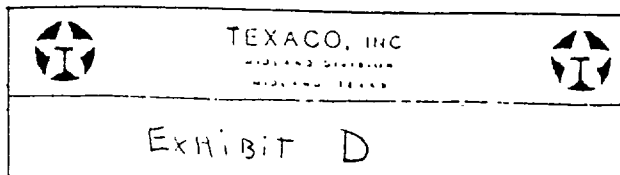
DRILLING CONTROL
CONDITION IV-B-5000 PSI WP



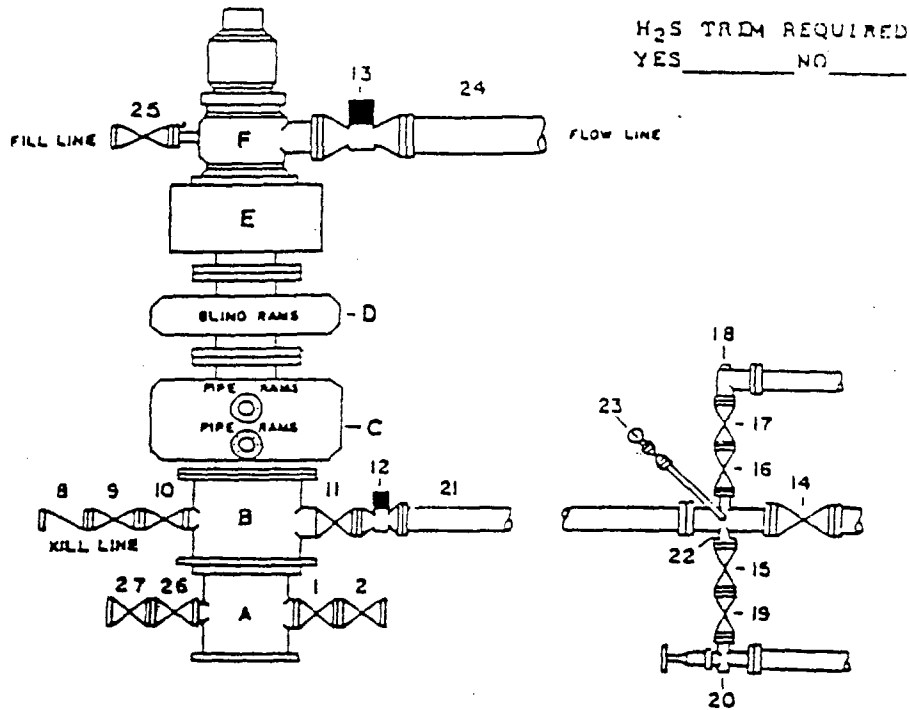
DRILLING CONTROL

MATERIAL LIST - CONDITION IV - B

- | | |
|----------------------|--|
| A | Texaco Wellhead |
| B | 5000# W.P. drilling spool with a minimum 2" flanged outlet for kill line and 3" minimum flanged outlet for choke line. |
| C | 5000# W.P. Dual ram type preventer, hydraulic operated with 1" steel, 5000# W.P. control lines. |
| D | 5000# W.P. Annular preventer, hydraulic operated with 1" steel, 5000# W.P. control lines. |
| E | Rotating Head with fill up outlet and extended Blosie line. |
| 1,2,4,5, 8,10,11, 12 | 2" minimum 5000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve. |
| 3 | 2" minimum 5000# W.P. back pressure valve. |
| 6,9 | 3" minimum 5000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve. |
| 7 | 3" minimum 5000# W.P. flanged hydraulic valve |
| 15 | 3" minimum Schedule 160, Grade B, seamless line pipe |
| 16 | 2" minimum x 3" 5000# W.P. flanged cross |
| 13,14 | 2" minimum 5000# W.P. adjustable chokes with carbide trim. |
| 17 | Cameron Mud Gauge or equivalent (location in choke line optional). |
| 13 | 6" minimum 1000# hydraulic flanged valve. |
| 14 | 8" minimum steel flow line. |
| 15 | 2" minimum 5000# W.P. flanged or threaded full opening steel gate valve, or Halliburton Lo Torc Plug valve. |



DRILLING CONTROL **CONDITION V-B - 10,000 PSI WP**



H₂S TRDM REQUIRED
 YES _____ NO _____

DRILLING CONTROL

MATERIAL LIST - CONDITION V-B

- A Texaco Wellhead
- B 10,000# W.P. Drilling Spool with a minimum 2" flanged outlet for kill line and 4" minimum flanged outlet for cross line
- C 10,000# W.P. Dual Variable Ram Type preventer, hydraulic operated with 1" steel, 5000# W.P. control line
- D 10,000# W.P. Single Ram Type preventer, hydraulic operated with 1" steel, 5000# W.P. control lines
- E 10,000# W.P. Annular preventer, hydraulic operated with 1" steel, 5000# W.P. control lines
- F When Required - Rotating Head with fill up outlet and extended bleed line
- 1,2,9,10, 2" minimum 10,000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve
- 15,16,17, 19,26,27
- 8 2" minimum 10,000# W.P. back pressure valve
- 11,14 4" minimum 10,000# W.P. flanged full opening steel gate valve
- 12 4" minimum 10,000# W.P. flanged full opening hydraulic valve
- 13 When Required - 10" minimum 1000# W.P. flanged full opening hydraulic valve
- 21 4" minimum 10,000# W.P. 4130 mechanical tubing with flanged ends, or equivalent
- 22 2" minimum X 4" minimum 10,000# W.P. flanged cross
- 18 2" minimum 10,000# W.P. automatic choke
- 20 2" minimum 10,000# W.P. adjustable choke equipped with carbide trim
- 23 Cameron Mud Gauge or equivalent (location in choke line optional)
- 24 When Required - 10" steel flow line
- 25 2" minimum 1000# 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 G-1