

Submit to Appropriate District Office
 State Lease - 6 copies
 Fed. Lease - 5 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-101
 Revised 1-1-89

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

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

API NO. (assigned by OCD on New Wells)

30-025-30721

5. Indicate Type of Lease

STATE FEE

6. State Oil & Gas Lease No.

857948

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:
 DRILL RE-ENTER DEEPEN PLUG BACK

b. Type of Well:
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. Name of Operator
Texaco Producing Inc.

3. Address of Operator
P. O. Box 3109, Midland, TX 79702

4. Well Location
 Unit Letter H : 660 Feet From The East Line and 1336 Feet From The North Line
 Section 1 Township 18 South Range 34 East NMPM Lea County

7. Lease Name or Unit Agreement Name

Vacuum Grayburg San Andres Unit

8. Well No.

122

9. Pool name or Wildcat

Vacuum Grayburg San Andres

10. Proposed Depth

5000'

11. Formation

Grayburg San Andres

12. Rotary or C.T.

R

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

GR 3993

14. Kind & Status Plug. Bond

Blanket

15. Drilling Contractor

Basin

16. Approx. Date Work will start

October 31, 1989

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
30"	26"	94#	40'	Ready-Mix	Surface
24"	20"	94#	400'	650 sacks	Surface
17 1/2"	13 3/8"	48# & 54.5#	1550'	1500 sacks	Surface
12 1/4"	9 5/8"	36#	2800'	1100 sacks	Surface
8 3/4"	7"	26#	5000'	650 sacks	Surface

CEMENTING PROGRAM ATTACHED

No other operators in this 1/4 1/4 Section.

Unorthodox Location - ~~20 Acre Spacing~~

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE

C. Wade Howard

TITLE Engineering Assistant

DATE 10/19/89

TYPE OR PRINT NAME

C. Wade Howard

(915)

TELEPHONE NO 688-4606

(This space for State Use)

ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR

APPROVED BY

TITLE

DATE

NOV 30 1989

CONDITIONS OF APPROVAL, IF ANY:

NAZ-2711

Permit Expires 6 Months From Approval Date Unless Drilling Underway.

CEMENTING PROGRAM

Conductor Casing: Ready-Mix.

Surface Casing: 650 sacks Class "H" with 2% CaCl_2 and 1/4# Flocele (15.6 ppg, 1.19 cu ft/sx, 5.2 gals wtr/sx).

1st Intermediate Casing: 1500 sacks Class "H" with 2% CaCl_2 and 1/4# Flocele (15.6 ppg, 1.19 cu ft/sx, 5.2 gals wtr/sx).

2nd Intermediate Casing: 350 sacks 50/50 Pozmix Class "H" with 2% CaCl_2 , 5% salt (14.25 ppg, 1.28 cu ft/sx, 5.75 gals wtr/sx), followed by 250 sacks Class "H" with 2% CaCl_2 (15.6 ppg, 1.19 cu ft/sx, 5.2 gals wtr/sx).

DV Tool at 1600': 500 sacks Class "H" with 2% CaCl_2 (15.6 ppg, 1.19 cu ft/sx, 5.2 gals wtr/sx).

Production Casing: 400 sacks 35/65 Pozmix Class "H" with 6% gel, 5% salt, 1/4# Flocele (12.8 ppg, 1.87 cu ft/sx, 9.9 gals wtr/sx).

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 Fee Lease - 3 copies

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 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

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

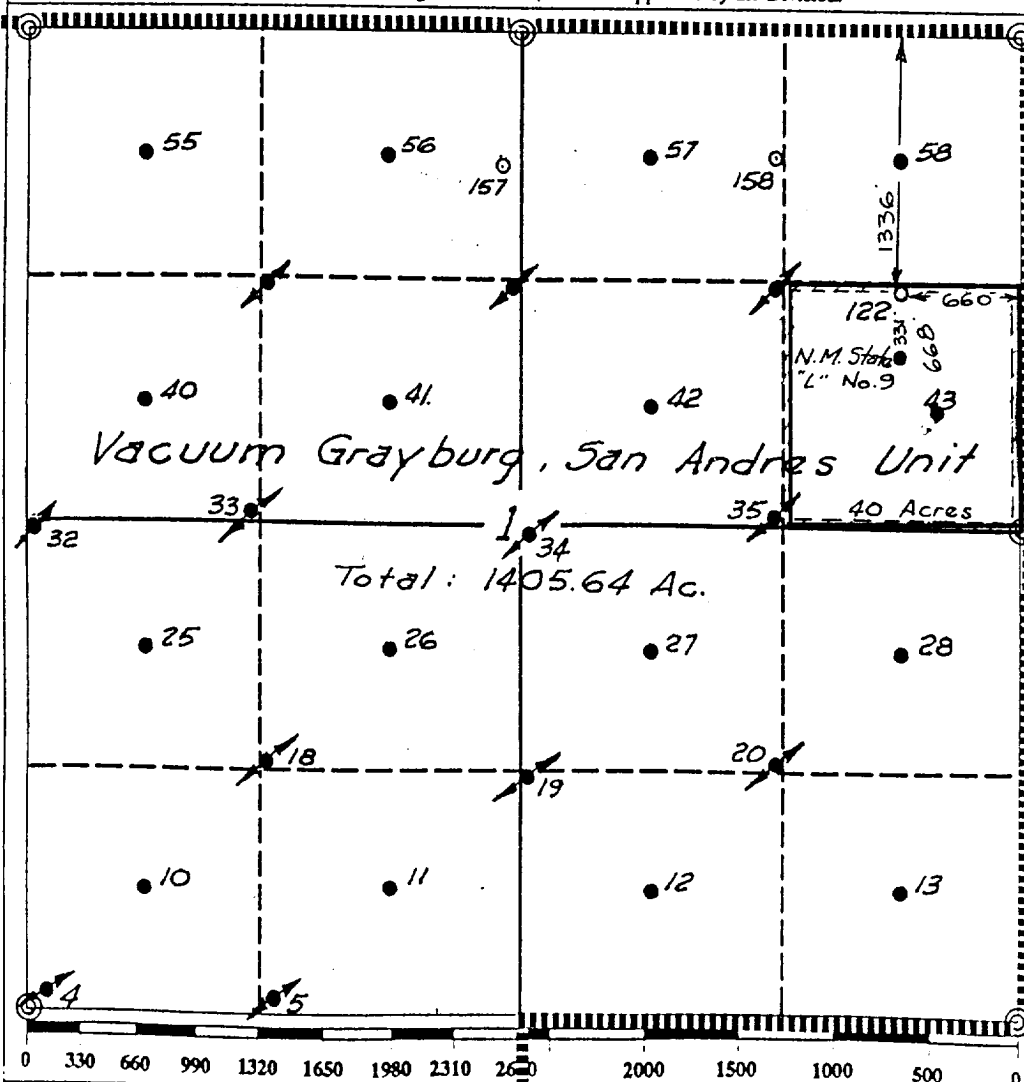
DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator TEXACO PRODUCING INC.			Lease Vacuum Grayburg, San Andres Unit		Well No. 122
Unit Letter H	Section 1	Township 18 South	Range 34 East	County Lea	
Actual Footage Location of Well: 660 feet from the East line and 1336 feet from the NORTH line					
Ground level Elev. 3985	Producing Formation Grayburg - San Andres		Pool Vacuum Grayburg - San Andres	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
 3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 - Yes No If answer is "yes" type of consolidation Unitization
- If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

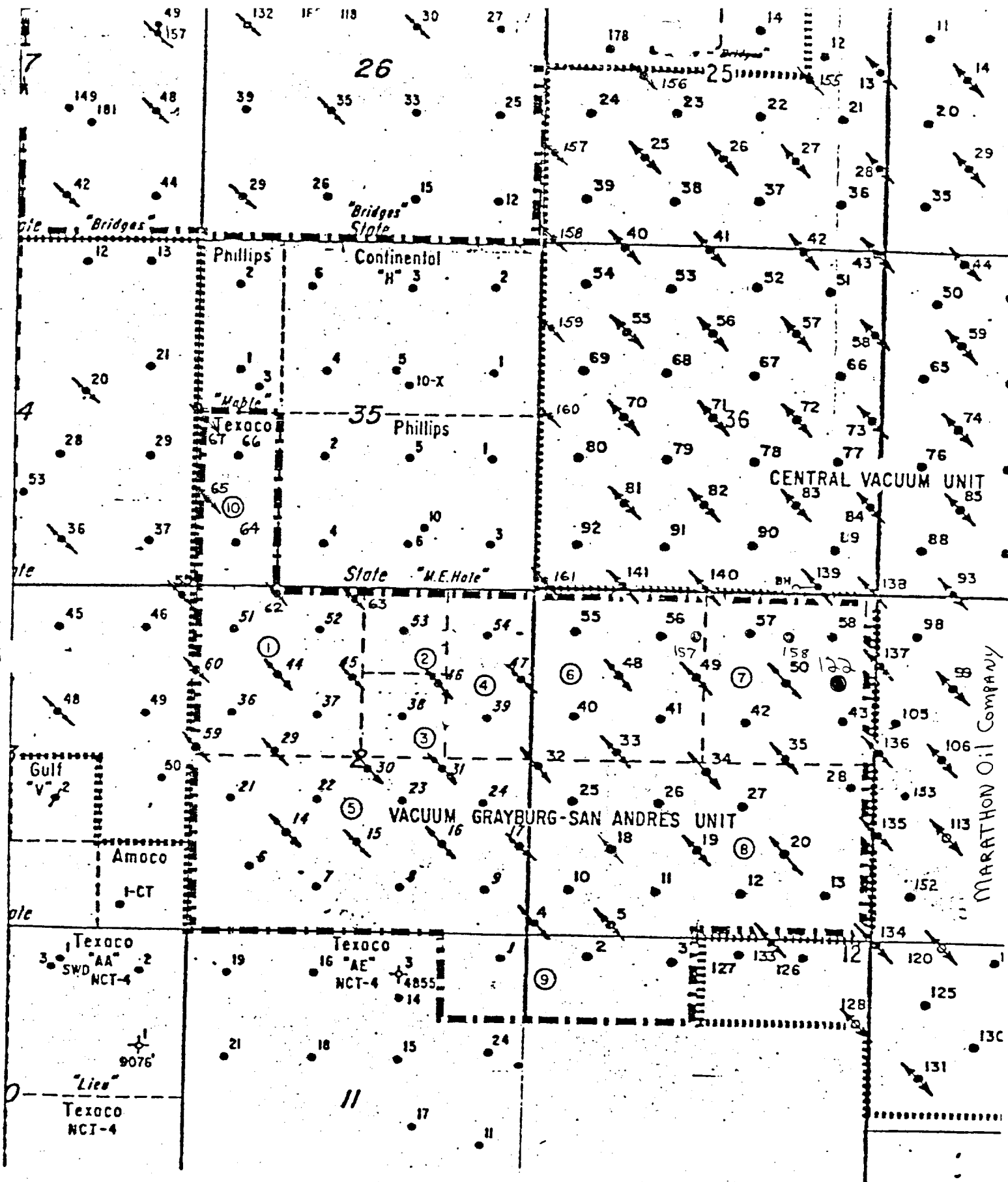


OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Royce Mariott*
 Printed Name: Royce Mariott
 Position: Division Surveyor
 Company: Texaco Producing Inc.
 Date: October 9, 1989

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: October 5 & 6, 1989
 Signature & Seal of Professional Surveyor: *John S. Piper*
 Certificate No.: 7254
 John S. Piper

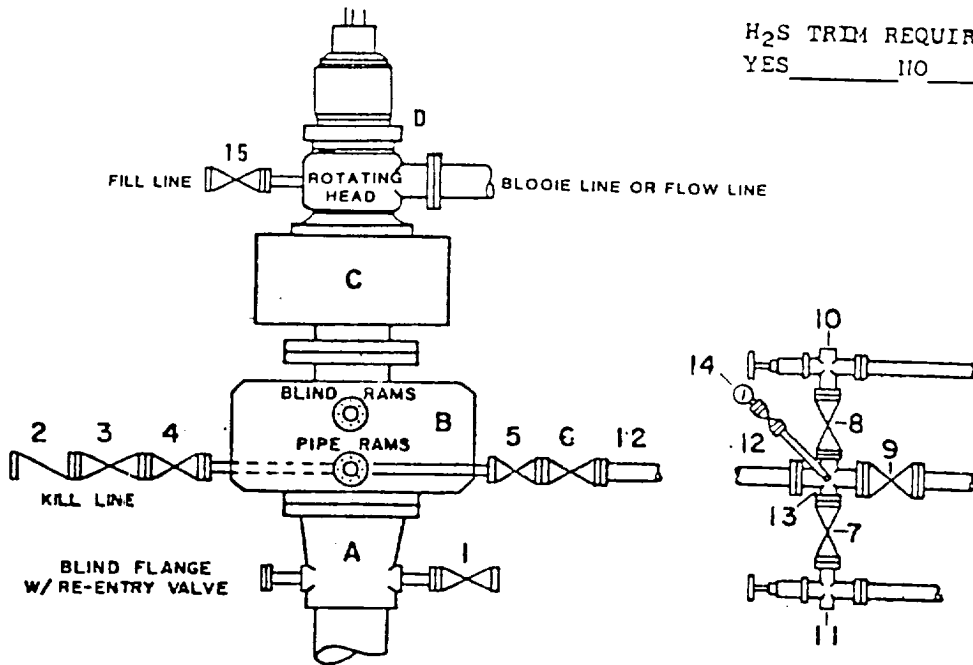


⑨ TRACT NUMBER

TEXACO Inc. Prod.
 VACUUM G-SA UNIT
 VACUUM G-SA FIELD
 LEA COUNTY, NEW MEXICO

DRILLING CONTROL CONDITION III-B 3000 PSI WP

H₂S TRIM REQUIRED
YES _____ NO _____



DRILLING CONTROL

MATERIAL LIST - CONDITION III - B

- | | |
|----------------|---|
| A | Texaco Wellhead |
| B | 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 preventers may be utilized with 3000# W.P. drilling spool with 2" minimum flanged outlet for kill line and 3" minimum flanged outlet for choke line. The drilling spool is to be installed below the single ram type preventers). |
| C | 3000# W.P. Annular Preventer with 1" steel, 3000# W.P. control lines. |
| 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 E