



TEXACO

FAX TRANSMITTAL COVER SHEET

NOTE: DO NOT USE BLUE OR RED INK OR PENCIL ON THIS FORM. THEY WILL NOT REPRODUCE

DATE: 4/19/00 ☒ URGENT ☐ ROUTINE NO. OF PAGES Cover + 5MESSAGE TO: Mr Michael E. StognerTELEPHONE NO. _____ FAX MACHINE NO. 505-827-1389

DEPT./DIV./SUBS. _____

LOCATION _____ ROOM NO. _____

MESSAGE FROM: Phil RyanTELEPHONE NO. 915-688-4606 FAX MACHINE NO. 915-688-4831

DEPT./DIV./SUBS. _____

LOCATION _____ ROOM NO. _____

SENDING DEPT. APPROVAL _____ TIME TRANSMITTED _____

☐ RETURN ORIGINAL VIA INTER-OFFICE MAIL☐ RETURN ORIGINAL CALL SENDER TO PICK UP

ADDITIONAL COMMENTS:

Re-entry of New Mexico 'E' State UET-2 #2.

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 Protraction 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] 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

[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 further verify that all applicable API Numbers are included. 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.

A. Phil Ryan
Print or Type Name

Signature

Commission Coordinator
Title

Date



Texaco North America Production
Denver Region - Permian Business Unit

500 North Loring
Midland TX 79701

P O Box 3109
Midland TX 79702

April 19, 2000

GOV - STATE AND LOCAL GOVERNMENTS

Unorthodox Location

New Mexico 'E' State NCT-2 No. 2

Monument Abo Field

SHL: 2310' FNL & 2175' FWL, Sec 23, T-19-S, R-36-E

Lea County, New Mexico

State of New Mexico

Energy and Minerals Department

Oil Conservation Division

2040 South Pacheco

Santa Fe, New Mexico 87505

Attention: Mr. Michael E. Stogner

Gentlemen:

An exception to Rule 104 F. (2) by administrative approval is requested for the captioned well. The well is located 2310' FNL and 2175' FWL, Unit Letter "F" of Section 23, T-19-S, R-36-E.

Texaco is currently in the process re-entering and directionally drilling the captioned well. The well was drilled at a standard location. During the well preparation phase to directionally drill this well, a gyro survey was run. The survey revealed that the current BHL (2401' FNL & 2345' FWL @ 7141' MD) is non-standard to the South (91') and East (35'). Texaco plans to directionally drill the current non-standard BHL to a standard BHL of 2310' FNL & 1650' FWL as was approved in the permitting for this re-entry.

The gyro survey revealed that the current BHL is non-standard to the South (91') and East (35'). The current bottom hole location is encroaching on Chevron USA to the east; therefore, we are attaching the waiver letter from Chevron USA.

Yours very truly,

A. Phil Ryan
A. Phil Ryan
Commission Coordinator

Attachments: Form C-101, Form C-102, and Waiver Letter
cc: OCD, Hobbs NM

2531
2640
2345
295

2631
2401
239

DISTRICT I

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

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

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

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form C-10/

Revised February 10, 1999

Instructions on back

Submit to Appropriate District Office

State Lease - 6 Copies

Fee Lease - 5 Copies

☐ AMENDED REPORT**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

Operator Name and Address		OGRID Number
TEXACO EXPLORATION & PRODUCTION INC.		022351
205 E. Bender, HOBBS, NM 88240		API Number
		30-025-34011
Property Code	Property Name	Well No.
20361	NEW MEXICO 'E' STATE NGT-2	2

Surface Location									
UI or lot no.	Section	Township	Range	Lot/Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
F	23	19-S	35-E		2310	NORTH	2175	WEST	LEA

Proposed Bottom Hole Location if Different From Surface									
UI or lot no.	Section	Township	Range	Lot/Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
F	23	19-S	35-E		2310	NORTH	1650	WEST	LEA
Proposed Pool 1					Proposed Pool 2				
Mannement, ABO									

Work Type Code	Well Type Code	Rotary or C.T.	Lease Type Code	Ground Level Elevation
P	O	ROTARY	S	3727
Multiple	Proposed Depth	Formation	Contractor	Spud Date
No	7327 MD	ABO		4/15/00

Proposed Casing and Cement Program					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
11	8 5/8	24#	1340'	600 SACKS	SURFACE
7 7/8	5 1/2	15.5#	3000'	2775 SACKS	1000'

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.

TEXACO INTENDS TO DRILL A HORIZONTAL RE-ENTRY ON THE SUBJECT WELL. THE PROPOSED WORK IS ATTACHED.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

PLUG-BACK

23 I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *J. Denise Leake*

Printed Name: J. Denise Leake

Title: Engineering Assistant

Date: 3/28/00 Telephone: 397-0405

OIL CONSERVATION DIVISION	
ORIGINAL SIGNED BY	
GARY WINK	
FIELD REP. III	
Approved By:	
Title:	
Approval Date:	3/28/00
Expiration Date:	
Conditions of Approval:	
Attached	☐

DISTRICT I

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

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88211-0718

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

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

State of New Mexico
Energy, Minerals and Natural Resources Department**OIL CONSERVATION DIVISION**P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-10

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Instructions on back

Submit to Appropriate District Office

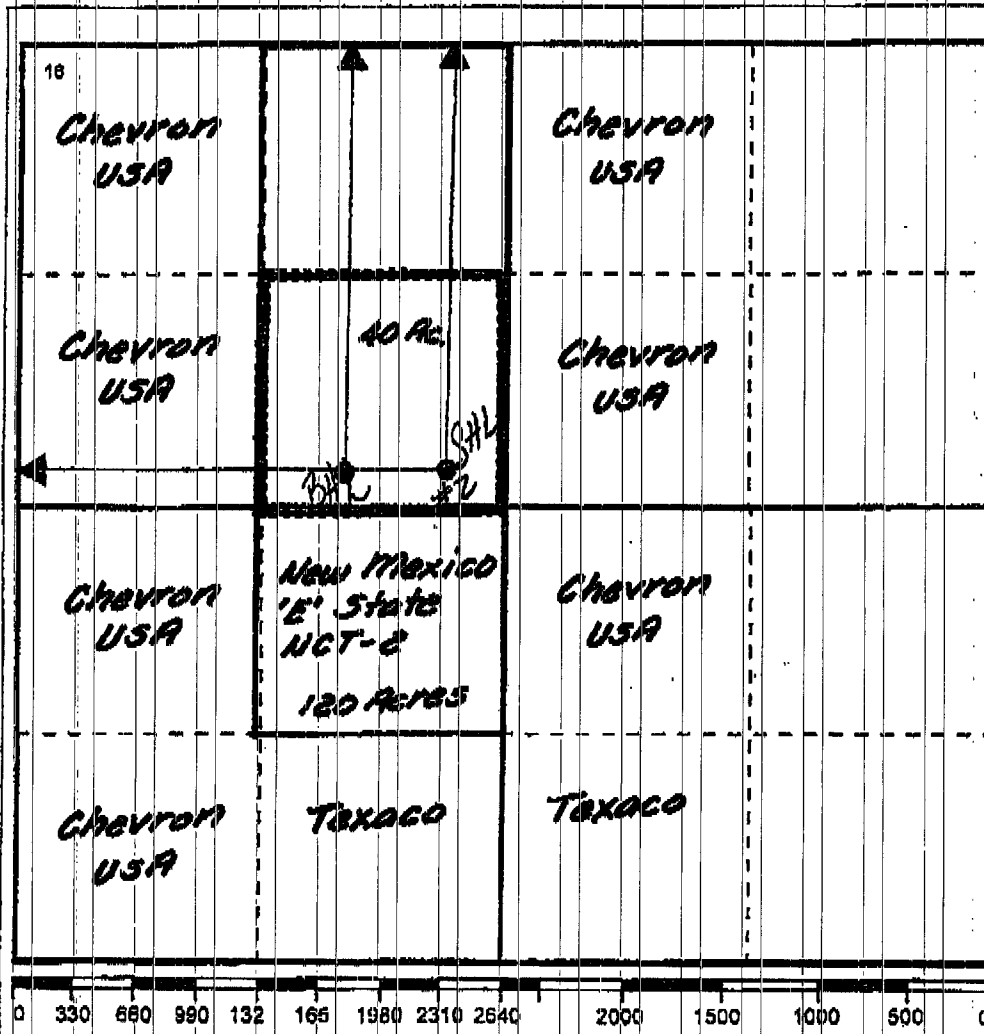
State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 API Number 30-025-34011		2 Pool Code 45670		3 Pool Name MONUMENT A80	
4 Property Code 20361		5 Property Name NEW MEXICO 'E' STATE NCT-2			6 Well No. 2
7 OGRID Number 022351		8 Operator Name TEXACO EXPLORATION & PRODUCTION INC.			9 Elevation 3727'
10 Surface Location					
U or lot no F	Section 23	Township 19-S	Range 36-E	Lot Idn 2310	Feet From The North/South Line NORTH 2175
East/West Line WEST					
County LEA					
11 Bottom Hole Location If Different From Surface					
U or lot no F	Section 23	Township 19-S	Range 36-E	Lot Idn 2310	Feet From The North/South Line NORTH 1650
East/West Line WEST					
County LEA					
12 Dedicated Acre 40		13 Joint or Infill No		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

**17 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

J. Denise Leake

Position

Engineering Assistant

Date

3/23/00

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

Signature & Seal of
Professional Surveyor

Certificate No.



Texaco North America Production
Permian Business Unit

530 North Lorraine
Midland TX 79701

P O Box 9109
Midland TX 79702

April 18, 2000

Directional Drilling - Horizontal Re-entry
Non-Standard Location
New Mexico E State NCT-2 No. 2
S.L. 2310' FNL & 2175' FWL
Sec. 23, T-19-S, R-36-E
Monument Abo
Lea County, New Mexico

Chevron U.S.A.
P O Box 1150
Midland, Texas 79702

Gentlemen:

Texaco is currently in the process of directionally drilling the captioned well. The well was drilled at a standard surface location. During the well preparation phase to directionally drill this well, a gyro survey was run. The survey revealed that the current BHL (2401' FNL & 2345' FWL @ 7141' MD) is non-standard to the South (91') and East (35'). Texaco plans to directionally drill from the current non-standard BHL to a standard BHL of 2310' FNL & 1650' FWL as was approved in the permitting for this re-entry.

As an offset operator of the captioned well, please sign this waiver which states that you don't object to the non-standard BHL as it pertains to your lease.

If you have no objection, please sign and fax a copy to me at (915) 588-4831 at your earliest convenience.

Sincerely,

R.J. Ryan
Project Engineer

WAIVER APPROVED:

COMPANY:

Chevron USA

BY:

DATE:

4/18/2000



TEXACO

FAX TRANSMITTAL COVER SHEET

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LOCATION _____ ROOM NO. _____

SENDING DEPT. APPROVAL _____ TIME TRANSMITTED _____

☐ RETURN ORIGINAL VIA INTER-OFFICE MAIL☐ RETURN ORIGINAL CALL SENDER TO PICK UP

ADDITIONAL COMMENTS:

Re-entry of New Mexico 'E' State NET-Z #2.

SCIENTIFIC DRILLING CONTROLS

Keeper Gyro Survey

Directional Survey Report

for

Texaco E & P Inc.
P.O. Box 3109

Well Number	:	E NCT 2 2
Well Location	:	Lea County, New Mexico
Job Number	:	32K0400129
Location Latitude	:	32.647
Survey Date	:	18-APR-2000
S.D.C. Personnel	:	Kyle Shoup
Length Units	:	Feet
North Reference	:	True North
Grid Correction	:	0.00 Degrees
Survey Depth Zero	:	RKB
Proposal Direction	:	270.00
Calculation Method	:	Minimum Curvature

Remarks : The Inrun Survey will be called definitive

SCIENTIFIC DRILLING CONTROLS

Inrun Survey
for
Texaco E & P Inc.

Page 1

Well No.: E NCT 2 2
Job No.: 32K0400129

Date: 18-APR-2000

Proposal: 270.00

Depth (Feet)	T.V.D. (Feet)	V.S. (Feet)	Inc Deg.	True Azimuth Deg.	Latitude (Feet)	Departure (Feet)	D-leg /100
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0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	100.00	0.29	0.46	226.01	-0.28	-0.29	0.46
200.00	200.00	0.80	0.46	213.66	-0.89	-0.80	0.10
300.00	299.99	1.15	0.24	216.66	-1.40	-1.15	0.22
400.00	399.99	1.36	0.19	209.22	-1.71	-1.36	0.06
500.00	499.99	1.51	0.28	197.44	-2.09	-1.51	0.10
600.00	599.99	1.66	0.15	212.36	-2.43	-1.66	0.14
700.00	699.99	1.78	0.15	204.60	-2.66	-1.78	0.02
800.00	799.99	1.89	0.11	216.57	-2.86	-1.89	0.05
900.00	899.99	2.01	0.16	205.82	-3.06	-2.01	0.06
1000.00	999.99	2.13	0.15	208.48	-3.30	-2.13	0.01
1100.00	1099.99	2.25	0.11	218.38	-3.49	-2.25	0.05
1200.00	1199.99	2.30	0.10	167.78	-3.65	-2.30	0.09
1300.00	1299.99	2.15	0.15	79.23	-3.71	-2.15	0.18
1400.00	1399.99	1.63	0.45	85.93	-3.66	-1.63	0.30
1500.00	1499.98	0.89	0.41	100.10	-3.70	-0.89	0.11
1600.00	1599.98	0.17	0.43	83.16	-3.71	-0.17	0.13
1700.00	1699.98	-0.66	0.52	94.32	-3.71	0.66	0.13
1800.00	1799.97	-1.54	0.50	98.32	-3.80	1.54	0.04
1900.00	1899.97	-2.38	0.47	88.12	-3.85	2.38	0.09
2000.00	1999.97	-3.33	0.62	90.09	-3.84	3.33	0.15
2100.00	2099.96	-4.48	0.70	85.23	-3.79	4.48	0.10
2200.00	2199.95	-5.81	0.84	79.43	-3.60	5.81	0.16
2300.00	2299.94	-7.36	0.99	74.63	-3.24	7.36	0.17
2400.00	2399.92	-9.29	1.30	75.30	-2.73	9.29	0.31
2500.00	2499.89	-11.50	1.32	76.54	-2.17	11.50	0.04
2600.00	2599.86	-13.83	1.43	76.58	-1.61	13.83	0.11
2700.00	2699.83	-16.34	1.52	77.82	-1.04	16.34	0.10
2800.00	2799.79	-19.02	1.59	86.09	-0.67	19.02	0.23
2900.00	2899.75	-21.84	1.65	94.73	-0.69	21.84	0.25
3000.00	2999.71	-24.74	1.74	104.65	-1.20	24.74	0.31
3100.00	3099.66	-27.73	1.88	111.51	-2.18	27.73	0.26
3200.00	3199.60	-30.83	2.07	119.33	-3.67	30.83	0.33
3300.00	3299.53	-33.98	2.18	123.60	-5.60	33.98	0.19
3400.00	3399.45	-37.12	2.32	129.77	-7.95	37.12	0.28
3500.00	3499.37	-40.24	2.43	132.53	-10.67	40.24	0.16
3600.00	3599.27	-43.38	2.54	134.41	-13.66	43.38	0.14
3700.00	3699.17	-46.60	2.59	133.61	-16.77	46.60	0.06
3800.00	3799.07	-49.82	2.62	136.06	-19.97	49.82	0.12
3900.00	3898.96	-53.00	2.67	136.70	-23.31	53.00	0.06

SCIENTIFIC DRILLING CONTROLS

Inrun Survey
for
Texaco E & P Inc.

Page 2

Well No.: E NCT 2 2
Job No.: 32K0400129

Date: 18-APR-2000

Proposal: 270.00

Depth (Feet)	T.V.D. (Feet)	V.S. (Feet)	Inc Deg.	True Azimuth Deg.	Latitude (Feet)	Departure (Feet)	D-leg /100
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4000.00	3998.86	-56.06	2.60	139.81	-26.74	56.06	0.16
4100.00	4098.76	-58.95	2.60	141.22	-30.24	58.95	0.06
4200.00	4198.65	-61.74	2.55	142.03	-33.76	61.74	0.06
4300.00	4298.56	-64.37	2.46	144.10	-37.26	64.37	0.13
4400.00	4398.47	-66.83	2.33	143.77	-40.63	66.83	0.13

4500.00	4498.39	-69.22	2.17	140.98	-43.74	69.22	0.19
4600.00	4598.33	-71.57	1.96	137.58	-46.48	71.57	0.24
4700.00	4698.28	-73.80	1.74	134.89	-48.82	73.80	0.24
4800.00	4798.23	-75.95	1.70	133.86	-50.92	75.95	0.05
4900.00	4898.20	-77.87	1.29	130.78	-52.68	77.87	0.42

5000.00	4998.18	-79.40	1.02	130.66	-54.00	79.40	0.27
5100.00	5098.16	-80.68	0.93	131.39	-55.11	80.68	0.09
5200.00	5198.15	-81.81	0.80	132.16	-56.12	81.81	0.13
5300.00	5298.14	-82.66	0.51	132.03	-56.89	82.66	0.29
5400.00	5398.14	-83.22	0.31	121.89	-57.33	83.22	0.21

5500.00	5498.14	-83.68	0.26	100.87	-57.52	83.68	0.12
5600.00	5598.14	-84.12	0.26	85.61	-57.54	84.12	0.07
5700.00	5698.14	-84.74	0.46	76.12	-57.43	84.74	0.21
5800.00	5798.13	-85.61	0.56	82.62	-57.27	85.61	0.12
5900.00	5898.12	-86.90	0.92	91.24	-57.22	86.90	0.38

6000.00	5998.09	-89.40	2.02	107.15	-57.76	89.40	1.16
6100.00	6097.98	-93.66	3.25	114.86	-59.48	93.66	1.28
6200.00	6197.79	-99.17	3.80	117.73	-62.21	99.17	0.57
6300.00	6297.55	-105.27	4.18	119.52	-65.55	105.27	0.41
6400.00	6397.27	-111.78	4.40	119.83	-69.25	111.78	0.22

6500.00	6496.98	-118.60	4.34	112.31	-72.60	118.60	0.58
6600.00	6596.67	-125.88	4.59	109.06	-75.34	125.88	0.35
6700.00	6696.36	-133.48	4.52	104.69	-77.65	133.48	0.35
6800.00	6796.03	-141.19	4.69	107.10	-79.85	141.19	0.26
6900.00	6895.66	-149.33	5.16	109.69	-82.56	149.33	0.52

7000.00	6995.25	-157.80	5.30	113.27	-85.90	157.80	0.36
7100.00	7094.82	-166.34	5.34	112.68	-89.52	166.34	0.07
7141.00	7135.64	-169.86	5.35	112.77	-91.00	169.86	0.03

The Horizontal Displacement (in Feet) at
Measured Depth 7141.00 is 192.70 in a Direction of 118.18 Degrees

NIS

E/W

2310
91
2401

2175
170
2345

9156884831

P.04



Scientific Drilling



TEXACO E & P INC.

Field: Monument Abo

Site: Lea County, NM

Well: New Mexico E NCT-2 #2

Wellpath: VH - Job #32K0400129

Survey: 4/18/00

This survey is correct to the best of my knowledge
and is supported by actual field data.

.....Company Representative

SCIENTIFIC DRILLING SURVEY REPORT

[illegible]

Survey: 4/18/00
KSRG 0'-7141'

Start Date: 4/19/2000

Company: SDI
Tool: KEEPER

Engineer: Kyle Shoup

Survey

MD ft	del deg	Age deg	TVD ft	N/S ft	E/W ft	VS ft	DLS ft/100'	CRA deg	End ft
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.0
100.0	0.46	226.01	100.0	-0.3	-0.3	0.3	0.46	226.01	0.4
200.0	0.46	213.66	200.0	-0.9	-0.8	0.8	0.10	221.90	1.2
300.0	0.24	216.68	300.0	-1.4	-1.1	1.1	0.22	219.47	1.8
400.0	0.19	209.22	400.0	-1.7	-1.4	1.4	0.06	218.42	2.2
500.0	0.28	197.44	500.0	-2.1	-1.5	1.5	0.10	215.88	2.6
600.0	0.15	212.36	600.0	-2.4	-1.7	1.7	0.14	214.22	2.9
700.0	0.15	204.60	700.0	-2.7	-1.8	1.8	0.02	213.75	3.2
800.0	0.11	216.57	800.0	-2.9	-1.9	1.9	0.05	213.48	3.4
900.0	0.16	205.82	900.0	-3.1	-2.0	2.0	0.06	213.27	3.7
1000.0	0.15	208.48	1000.0	-3.3	-2.1	2.1	0.01	212.84	3.9
1100.0	0.11	218.38	1100.0	-3.5	-2.3	2.3	0.05	212.83	4.2
1200.0	0.10	167.78	1200.0	-3.8	-2.3	2.3	0.09	212.14	4.3
1300.0	0.15	79.23	1300.0	-3.7	-2.1	2.1	0.18	210.04	4.3
1400.0	0.45	85.93	1400.0	-3.7	-1.6	1.6	0.30	203.95	4.0
1500.0	0.41	100.10	1500.0	-3.7	-0.9	0.9	0.11	193.41	3.8
1600.0	0.43	83.16	1600.0	-3.7	-0.2	0.2	0.13	182.40	3.7
1700.0	0.52	94.32	1700.0	-3.7	0.7	-0.7	0.13	169.74	3.8
1800.0	0.50	98.32	1800.0	-3.8	1.6	-1.6	0.04	157.74	4.1
1900.0	0.47	88.12	1900.0	-3.8	2.4	-2.4	0.09	148.09	4.5
2000.0	0.62	90.09	2000.0	-3.8	3.3	-3.3	0.15	138.88	5.1
2100.0	0.70	85.23	2100.0	-3.8	4.5	-4.5	0.10	130.08	5.9
2200.0	0.84	79.43	2200.0	-3.8	5.8	-5.8	0.16	121.70	6.8
2300.0	0.99	74.63	2299.9	-3.2	7.4	-7.4	0.17	113.67	8.1
2400.0	1.30	75.30	2399.9	-2.7	9.3	-9.3	0.31	106.28	9.7
2500.0	1.32	76.54	2499.9	-2.2	11.5	-11.5	0.03	100.62	11.7
2600.0	1.43	76.58	2599.9	-1.8	13.9	-13.9	0.11	96.60	14.0
2700.0	1.52	77.82	2699.8	-1.0	16.4	-16.4	0.10	93.62	16.4
2800.0	1.59	86.09	2799.8	-0.7	19.1	-19.1	0.23	91.99	19.1
2900.0	1.65	94.73	2899.8	-0.7	21.9	-21.9	0.25	91.79	21.9
3000.0	1.74	104.65	2999.7	-1.2	24.8	-24.8	0.31	92.74	24.8
3100.0	1.88	111.51	3099.7	-2.2	27.8	-27.8	0.26	94.47	27.9
3200.0	2.07	119.33	3199.6	-3.7	30.9	-30.9	0.33	96.76	31.1
3300.0	2.18	123.60	3299.5	-5.6	34.0	-34.0	0.19	99.34	34.5
3400.0	2.32	129.77	3399.5	-7.9	37.2	-37.2	0.28	102.06	38.0
3500.0	2.43	132.53	3499.4	-10.7	40.3	-40.3	0.16	104.84	41.7
3600.0	2.54	134.41	3599.3	-13.7	43.4	-43.4	0.14	107.45	45.5
3700.0	2.59	133.61	3699.2	-16.8	46.6	-46.6	0.06	109.77	49.6
3800.0	2.62	136.06	3799.1	-20.0	49.9	-49.9	0.12	111.82	53.7
3900.0	2.67	136.70	3899.0	-23.3	53.1	-53.1	0.06	113.72	57.9
4000.0	2.60	139.81	3998.9	-26.7	56.1	-56.1	0.16	115.48	62.2
4100.0	2.60	141.22	4098.8	-30.2	59.0	-59.0	0.06	117.13	66.3
4200.0	2.55	142.03	4198.7	-33.8	61.8	-61.8	0.06	118.65	70.4
4300.0	2.46	144.10	4298.6	-37.3	64.4	-64.4	0.13	120.04	74.4
4400.0	2.33	143.77	4398.5	-40.6	66.9	-66.9	0.13	121.28	78.3
4500.0	2.17	140.98	4498.4	-43.7	69.3	-69.3	0.19	122.27	81.9
4600.0	1.96	137.58	4598.3	-46.5	71.6	-71.6	0.24	122.98	85.4
4700.0	1.74	134.89	4698.3	-48.8	73.8	-73.8	0.24	123.46	88.5

SCIENTIFIC DRILLING SURVEY REPORT

Company: TEXACO E & P INC.
 Field: MONTAGNA ALO
 Site: LAS CRUCES, NM
 Well: New Mexico E NCT-2-82
 Wellpath: VET-30-832KD-00128

Date: 4/19/2000 Time: 14:55
 Drilling Unit: 30-832KD-00128
 Survey Date: 4/19/2000
 Survey Time: 14:55
 Survey Location: LAS CRUCES, NM
 Survey Method: Minimum Curvature

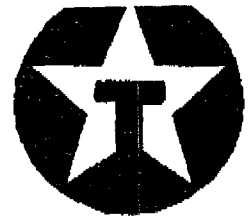
Survey

MD ft.	Incl deg	Asin deg	TVD ft.	N/S ft.	E/W ft.	V/S ft.	DLS ft/100ft	CMA deg	CAD ft.
4800.0	1.70	133.86	4798.2	-60.9	76.0	-76.0	0.05	123.82	91.5
4900.0	1.29	130.78	4898.2	-52.7	77.9	-77.9	0.42	124.06	94.0
5000.0	1.02	130.66	4998.2	-54.0	79.4	-79.4	0.27	124.20	96.0
5100.0	0.93	131.39	5098.2	-55.1	80.7	-80.7	0.09	124.32	97.7
5200.0	0.80	132.16	5198.2	-56.1	81.8	-81.8	0.13	124.43	99.2
5300.0	0.51	132.03	5298.1	-56.9	82.7	-82.7	0.29	124.52	100.4
5400.0	0.31	121.89	5398.1	-57.3	83.3	-83.3	0.21	124.54	101.1
5500.0	0.26	100.87	5498.1	-57.5	83.7	-83.7	0.12	124.48	101.6
5600.0	0.26	85.61	5598.1	-57.5	84.2	-84.2	0.07	124.35	101.9
5700.0	0.46	76.12	5698.1	-57.4	84.8	-84.8	0.21	124.11	102.4
5800.0	0.56	82.62	5798.1	-57.3	85.6	-85.6	0.12	123.76	103.0
5900.0	0.92	91.24	5898.1	-57.2	86.9	-86.9	0.38	123.35	104.1
6000.0	2.02	107.15	5998.1	-57.7	89.4	-89.4	1.16	122.85	106.4
6100.0	3.25	114.86	6098.0	-59.5	93.7	-93.7	1.28	122.40	111.0
6200.0	3.80	117.73	6197.8	-62.2	99.2	-99.2	0.58	122.09	117.1
6300.0	4.18	119.52	6297.6	-65.5	105.3	-105.3	0.40	121.90	124.0
6400.0	4.40	119.83	6397.3	-69.2	111.8	-111.8	0.22	121.77	131.5
6500.0	4.34	112.31	6497.0	-72.6	118.6	-118.6	0.58	121.46	139.1
6600.0	4.59	109.06	6596.7	-75.3	125.9	-125.9	0.36	120.89	146.7
6700.0	4.52	104.69	6696.4	-77.6	133.5	-133.5	0.35	120.18	154.4
6800.0	4.69	107.10	6796.0	-79.8	141.2	-141.2	0.26	119.48	162.2
6900.0	5.16	109.69	6895.7	-82.5	149.4	-149.4	0.52	118.93	170.6
7000.0	5.30	113.27	6995.3	-85.9	157.8	-157.8	0.36	118.55	179.7
7100.0	5.34	112.68	7094.8	-89.5	166.4	-166.4	0.07	118.28	188.9
7141.0	5.35	112.77	7135.6	-91.0	169.9	-169.9	0.03	118.17	192.7

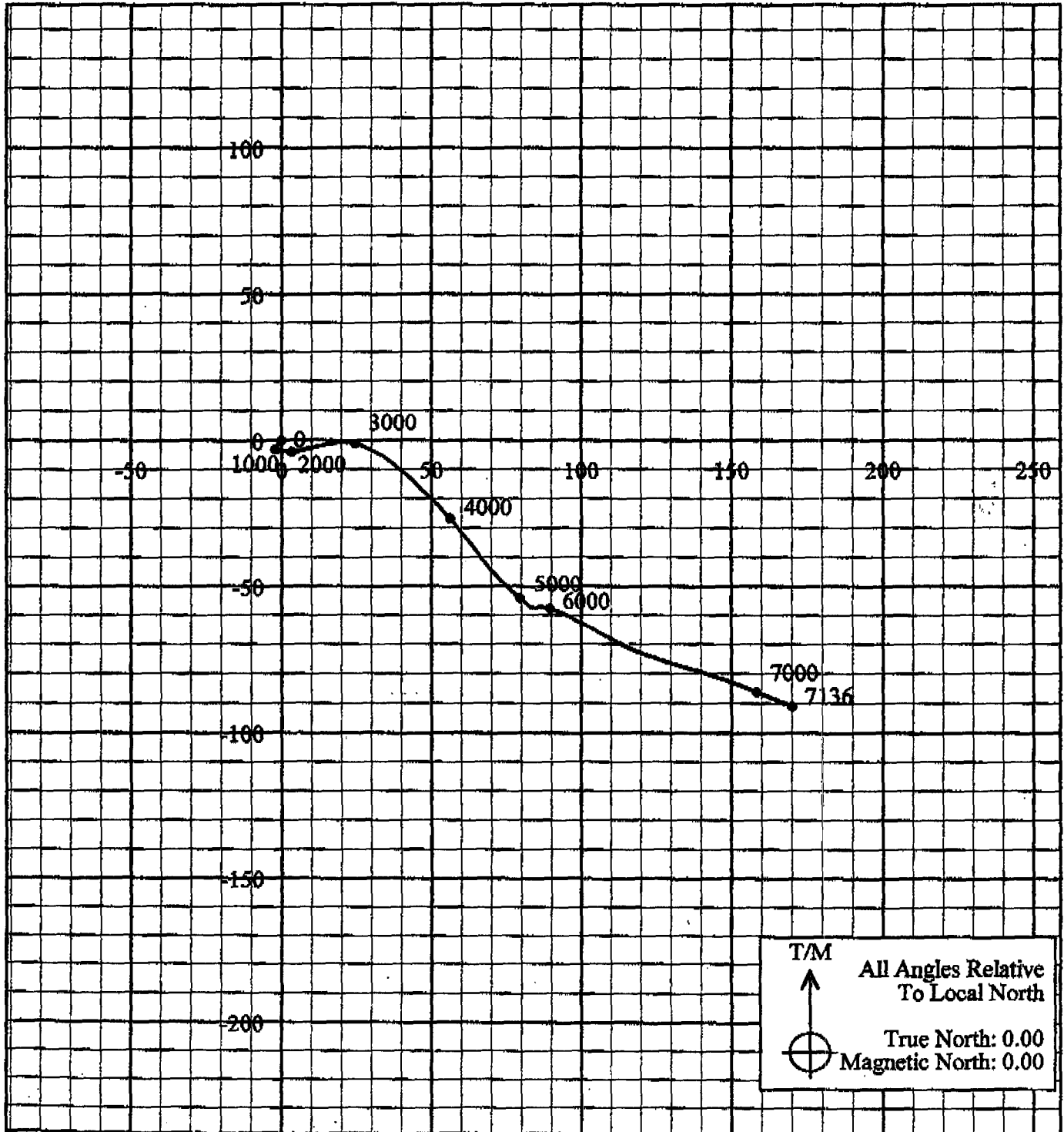


**Scientific
Drilling**

TEXACO E & F INC.
Field: Monument Abo
Site: Lea County, NM
Well: New Mexico E NCT-2 #2
Wellpath: VH - Job #32K0400129
Survey: 4/18/00



South(-)/North(+) [50ft/in]



West(-)/East(+) [50ft/in]

T/M



All Angles Relative
To Local North

True North: 0.00
Magnetic North: 0.00

SCIENTIFIC DRILLING INC. Planning Report

Company: Texaco P & P, Inc.	Date: 04/18/2000	Time: 14:41:52	Page: 1
Field: Monument Abo	Co-ordinate (NE) Reference: Site: Lea County, New Mexico True North		
Site: Lea County, New Mexico	Vertical (TYD) Reference: SITE 0.0 above Mean Sea Level		
Well: New Mexico "E" NCT-2 #2H	Section (VS) Reference: Site (0.0E 0.0N 270.0Azi)		
Wellpath: OH Original hole	Plan: Plan #1		

Field: Monument Abo		
Map System: US State Plane Coordinate System 1927	Map Zone: New Mexico, Eastern Zone	
Ellipsoid: Clarke - 1866	North Reference: True	
Sys Datum: Mean Sea Level	Geomagnetic Model: igr2000	

Site: Lea County, New Mexico		
Site Position: From: Geographic	Northing: 638537.98 ft	Latitude: 32 45 0.000 N
Position Uncertainty: 0.0 ft	Easting: 858696.82 ft	Longitude: 103 10 0.000 W
Water Depth: 0.0 ft	Magnetic Declination: 8.88 deg	Grid Convergence: 0.63 deg

Well: New Mexico "E" NCT-2 #2H		
Well Position: +N/-S 0.0 ft	Northing: 638537.98 ft	Latitude: 32 45 0.000 N
From Slot: +E/-W 0.0 ft	Easting: 858696.82 ft	Longitude: 103 10 0.000 W
Position Uncertainty: 0.0 ft		

Wellpath: OH Original hole	Drilled From: Surface	
575' high angle lateral	Tie-on Depth: ft	
Vertical Section: +N/-S 0.0 ft	V.Section Direction: 270.00 deg	
From: Site +E/-W 0.0 ft		
Measured Depth Reference: SITE	Above System Datum: Mean Sea Level	

Plan: Plan #1	Date Composed: 03/21/2000	
	Version: 1	
Principal: Yes	Locked: No	

Plan Section Information

MD ft	Incl deg	Azim deg	TYD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
7141.0	5.35	112.77	7135.6	-91.0	169.9	0.00	0.00	0.00	0.00	
7170.0	5.35	112.77	7164.5	-92.0	172.4	0.00	0.00	0.00	0.00	
7184.9	4.31	200.00	7179.4	-92.8	172.8	45.00	-7.02	585.94	140.00	
7345.2	72.00	278.00	7300.0	-87.1	83.4	44.38	42.22	48.65	79.41	
7348.1	71.98	278.15	7300.9	-86.7	80.7	5.00	-0.84	5.18	99.64	
7991.6	71.98	278.15	7500.0	0.0	-525.0	0.00	0.00	0.00	0.00	Toe-nm2h

Section 1 : Start Hold

MD ft	Incl deg	Azim deg	TYD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
7141.0	5.35	112.77	7135.6	-91.0	169.9	-169.9	0.00	0.00	0.00	0.00
7170.0	5.35	112.77	7164.5	-92.0	172.4	-172.4	0.00	0.00	0.00	0.00

Section 2 : Start DLS 45.00 TFO 140.00

MD ft	Incl deg	Azim deg	TYD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
7180.0	3.46	169.48	7174.5	-92.5	172.8	-172.8	45.00	-18.91	567.14	140.00
7184.9	4.31	200.00	7179.4	-92.8	172.8	-172.8	45.00	17.32	624.43	83.42

Section 3 : Start DLS 44.38 TFO 79.41

MD ft	Incl deg	Azim deg	TYD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
7190.0	5.22	225.32	7184.5	-93.2	172.6	-172.6	44.38	17.92	495.13	79.41
7200.0	8.61	250.11	7194.4	-93.8	171.5	-171.5	44.38	33.84	247.90	54.18
7210.0	12.66	260.14	7204.2	-94.2	169.8	-169.8	44.38	40.50	100.31	29.55
7220.0	16.90	265.28	7213.9	-94.5	167.2	-167.2	44.38	42.44	51.44	19.68
7230.0	21.22	268.39	7223.3	-94.7	164.0	-164.0	44.38	43.22	31.11	14.71
7240.0	25.58	270.49	7232.5	-94.7	160.0	-160.0	44.38	43.60	20.94	11.76
7250.0	29.96	272.00	7241.4	-94.6	155.3	-155.3	44.38	43.82	15.17	9.84

Planning Report

Company:	Texaco E & P, Inc.	Date:	04/18/2000	Time:	14:41:52	Page:	2
Field:	Monument Abo	Co-ordinate (NE) Reference:	Site: Lea County, New Mexico, True North				
Site:	Lea County, New Mexico	Vertical (TVD) Reference:	Site: 0.0 above Mean Sea Level				
Well:	New Mexico "E" NCT-2#2H	Section (VS) Reference:	Site (0.0E, 0.0N, 270.0Azi)				
Wellpath:	OH, Original hole	Plan:	Plan #1				

Section 3 : Start DLS 44.38 TFO 79.41

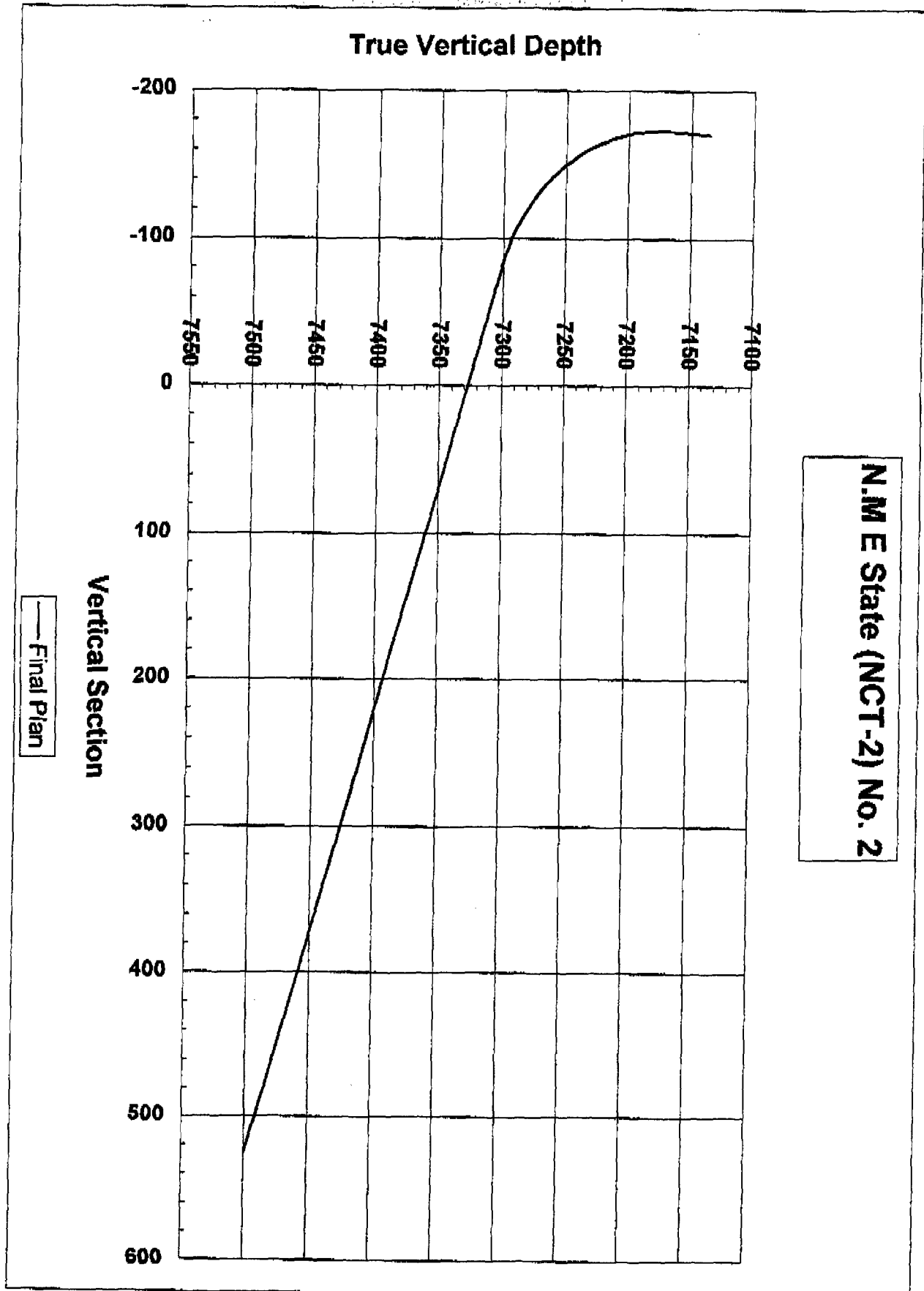
MD ft	Incl deg	Azim deg	TVD ft	+N-S ft	+E-W ft	VS ft	DLS deg/100ft	Built deg/100ft	Turn deg/100ft	TFO deg
7260.0	34.36	273.16	7249.8	-94.4	150.0	-150.0	44.38	43.95	11.61	8.50
7270.0	38.76	274.09	7257.8	-94.0	144.1	-144.1	44.38	44.04	9.26	7.51
7280.0	43.17	274.85	7265.4	-93.5	137.6	-137.6	44.38	44.10	7.64	6.77
7290.0	47.58	275.50	7272.4	-92.8	130.5	-130.5	44.38	44.14	6.48	6.19
7300.0	52.00	276.06	7278.9	-92.1	122.9	-122.9	44.38	44.17	5.62	5.74
7310.0	56.42	276.56	7284.7	-91.2	114.8	-114.8	44.38	44.19	4.98	5.37
7320.0	60.84	277.01	7289.9	-90.2	106.3	-106.3	44.38	44.21	4.50	5.08
7330.0	65.26	277.42	7294.5	-89.0	97.5	-97.5	44.38	44.23	4.12	4.85
7340.0	69.69	277.81	7298.3	-87.8	88.3	-88.3	44.38	44.24	3.84	4.66
7345.2	72.00	278.00	7300.0	-87.1	83.4	-83.4	44.38	44.24	3.67	4.51

Section 4 : Start DLS 5.00 TFO 99.64

MD ft	Incl deg	Azim deg	TVD ft	+N-S ft	+E-W ft	VS ft	DLS deg/100ft	Built deg/100ft	Turn deg/100ft	TFO deg
7348.1	71.98	278.15	7300.9	-86.7	80.7	-80.7	5.00	-0.84	5.16	99.64

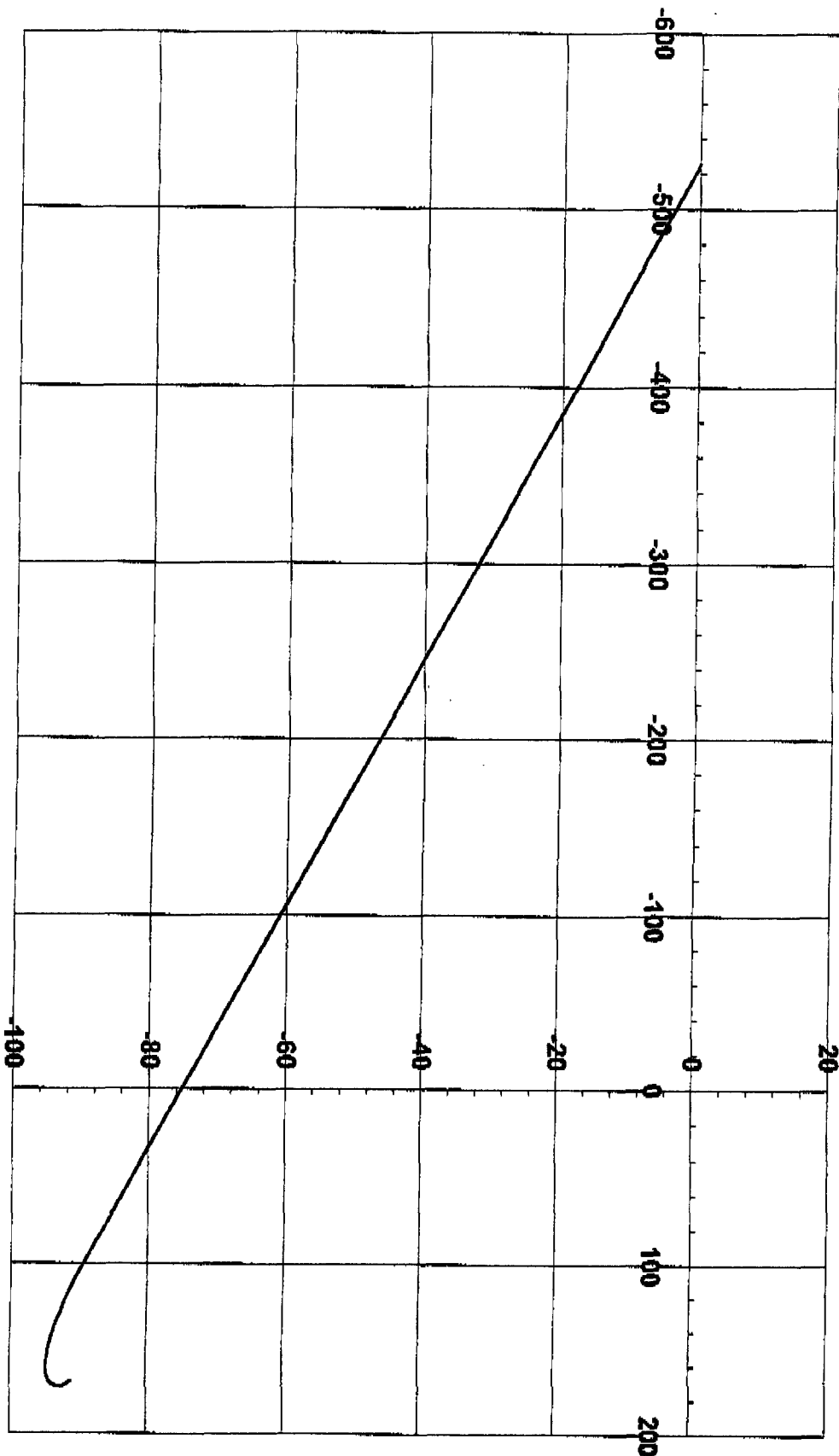
Section 5 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N-S ft	+E-W ft	VS ft	DLS deg/100ft	Built deg/100ft	Turn deg/100ft	TFO deg
7400.0	71.98	278.15	7316.9	-79.8	31.9	-31.9	0.00	0.00	0.00	0.00
7500.0	71.98	278.15	7347.9	-66.3	-62.2	62.2	0.00	0.00	0.00	0.00
7600.0	71.98	278.15	7378.8	-52.8	-156.4	156.4	0.00	0.00	0.00	0.00
7700.0	71.98	278.15	7409.8	-39.3	-250.5	250.5	0.00	0.00	0.00	0.00
7800.0	71.98	278.15	7440.7	-25.8	-344.6	344.6	0.00	0.00	0.00	0.00
7900.0	71.98	278.15	7471.7	-12.3	-438.8	438.8	0.00	0.00	0.00	0.00
7991.6	71.98	278.15	7500.0	0.0	-525.0	525.0	0.00	0.00	0.00	0.00



04/19/2000

N.M. E State (NCT-2) No. 2



— Final Plan

04/19/2000

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] 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

[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 further verify that all applicable API Numbers are included. 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.

A. Phil Ryan
Print or Type Name

Signature

Commission Coordinator
Title

Date

4/19/00



Texaco North America Production
Denver Region - Permian Business Unit

500 North Loraine
Midland TX 79701

P O Box 3109
Midland TX 79702

April 19, 2000

GOV – STATE AND LOCAL GOVERNMENTS

Unorthodox Location

New Mexico 'E' State NCT-2 No. 2

Monument Abo Field

SHL: 2310' FNL & 2175' FWL, Sec 23, T-19-S, R-36-E

Lea County, New Mexico

State of New Mexico

Energy and Minerals Department

Oil Conservation Division

2040 South Pacheco

Santa Fe, New Mexico 87505

Attention: Mr. Michael E. Stogner

Gentlemen:

An exception to Rule 104 F. (2) by administrative approval is requested for the captioned well. The well is located 2310' FNL and 2175' FWL, Unit Letter "F" of Section 23, T-19-S, R-36-E.

Texaco is currently in the process re-entering and directionally drilling the captioned well. The well was drilled at a standard location. During the well preparation phase to directionally drill this well, a gyro survey was run. The survey revealed that the current BHL (2401' FNL & 2345' FWL @ 7141' MD) is non-standard to the South (91') and East (35'). Texaco plans to directionally drill the current non-standard BHL to a standard BHL of 2310' FNL & 1650' FWL as was approved in the permitting for this re-entry.

The gyro survey revealed that the current BHL is non-standard to the South (91') and East (35'). The current bottom hole location is encroaching on Chevron USA to the east; therefore, we are attaching the waiver letter from Chevron USA.

Yours very truly,

A. Phil Ryan

Commission Coordinator

Attachments: Form C-101, Form C-102, and Waiver Letter

cc: OCD, Hobbs NM

DISTRICT I

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

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

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

State of New Mexico
Energy, Minerals and Natural Resources Department**OIL CONSERVATION DIVISION**P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-10/

Revised February 10, 1999

Instructions on back
Submit to Appropriate District Office

State Lease - 6 Copies

Fee Lease - 5 Copies

☐ AMENDED REPORT**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

¹ Operator Name and Address TEXACO EXPLORATION & PRODUCTION INC. 205 E. Bender, HOBBS, NM 88240		² OGRID Number 022351
		³ API Number 30-025-34011
⁴ Property Code 20381	⁵ Property Name NEW MEXICO 'E' STATE NCT-2	⁶ Well No. 2

⁷ Surface Location									
UI or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
F	23	19-S	36-E		2310	NORTH	2175	WEST	LEA

⁸ Proposed Bottom Hole Location If Different From Surface									
UI or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
F	23	19-S	36-E		2310	NORTH	1650	WEST	LEA
⁹ Proposed Pool 1 Monument, ABO					¹⁰ Proposed Pool 2				

¹¹ Work Type Code P	¹² Well Type Code O	¹³ Rotary or C.T. ROTARY	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3727'
¹⁶ Multiple No	¹⁷ Proposed Depth 7327' MD	¹⁸ Formation ABO	¹⁹ Contractor	²⁰ Spud Date 4/15/00

²¹ Proposed Casing and Cement Program					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
11	8 5/8	24#	1340'	600 SACKS	SURFACE
7 7/8	5 1/2	15.5#	8000'	2775 SACKS	1000'

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.

TEXACO INTENDS TO DRILL A HORIZONTAL RE-ENTRY ON THE SUBJECT WELL. THE PROPOSED WORK IS ATTACHED.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

PLUG-BACK

²³ I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION ORIGINAL SIGNED BY	
Signature <i>J. Denise Leake</i>		GARY WINK FIELD REP. III	
Printed Name J. Denise Leake		Approved By:	
Title Engineering Assistant		Title: SW 16 0 2000	
Date 3/28/00		Approval Date: - - 2000	
Telephone 397-0405		Expiration Date:	
		Conditions of Approval: Attached ☐	

DISTRICT I

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

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

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

State of New Mexico
Energy, Minerals and Natural Resources Department**OIL CONSERVATION DIVISION**P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-10

Revised February 10, 1999

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 30-025-34011	² Pool Code 46970	³ Pool Name MONUMENT ABO
⁴ Property Code 20361	⁵ Property Name NEW MEXICO 'E' STATE NCT-2	
⁷ OGRID Number 022351	⁸ Operator Name TEXACO EXPLORATION & PRODUCTION INC.	
		⁶ Well No. 2
		⁹ Elevation 3727'

¹⁰ Surface Location

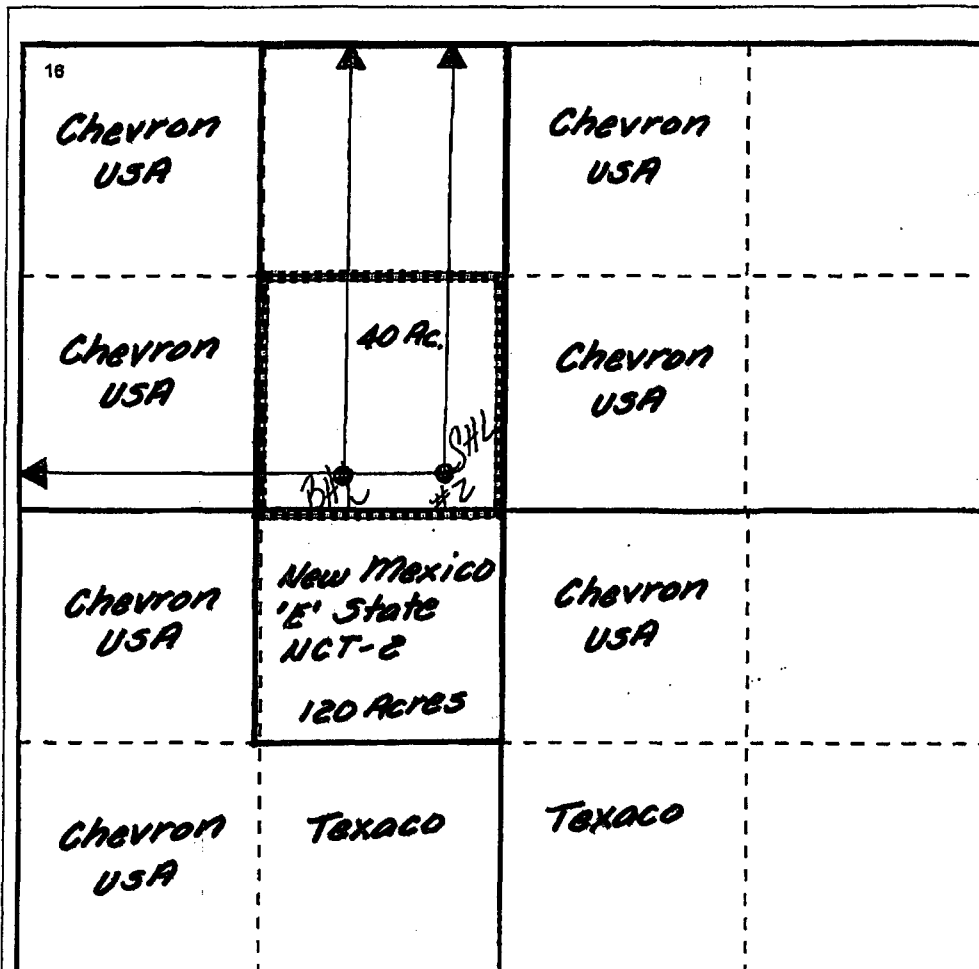
UI or lot no	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
F	23	19-S	36-E		2310	NORTH	2175	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UI or lot no	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
F	23	19-S	36-E		2310	NORTH	1650	WEST	LEA

¹² Dedicated Acre 40	¹³ Joint or Infill No	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

¹⁷ 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

J. Denise Leake

Position

Engineering Assistant

Date

3/28/00

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

Signature & Seal of
Professional Surveyor

Certificate No.



Texaco North America Production
Permian Business Unit

500 North Lorraine
Midland TX 79701

P O Box 3109
Midland TX 79702

April 18, 2000

Directional Drilling - Horizontal Re-entry
Non-Standard Location
New Mexico E State NCT-2/No. 2
S.L. 2310' FNL & 2175' FWL
Sec. 23, T-19-S, R-36-E
Monument Abo
Lea County, New Mexico

Chevron U.S.A.
P. O. Box 1150
Midland, Texas 79702

Gentlemen:

Texaco is currently in the process of directionally drilling the captioned well. The well was drilled at a standard surface location. During the well preparation phase to directionally drill this well, a gyro survey was run. The survey revealed that the current BHL (2401' FNL & 2345' FWL @ 7141' MD) is non-standard to the South (91') and East (35'). Texaco plans to directionally drill from the current non-standard BHL to a standard BHL of 2310' FNL & 1650' FWL as was approved in the permitting for this re-entry.

As an offset operator of the captioned well, please sign this waiver which states that you don't object to the non-standard BHL as it pertains to your lease.

If you have no objection, please sign and fax a copy to me at (915) 688-4831 at your earliest convenience.

Sincerely,

R.J. Ryan
Project Engineer

WAIVER APPROVED:

COMPANY:

Chevron USA

BY:

DATE:

4/18/2000