



Texaco Exploration and Production Inc.
Permian Business Unit

500 North Loraine
Midland TX 79701

P O Box 3109
Midland TX 79702

April 16, 2001

NMOCD

Attn: Chris Williams
1625 N French Drive
Hobbs, NM 88240

RE: Notice of Intent to Down-hole Commingle the Teague Lower Paddock/Blinebry, N. (Assoc.) Pool with the Teague Drinkard-Abo, N. Pool in the R.R. Sims "A" #9 well (API # 30 025 35051).

Dear Sir:

Texaco Exploration and Production, Inc. respectfully states its intention to down-hole commingle the Teague Lower Paddock/Blinebry, N (Assoc.) and Teague Drinkard-Abo, N. pools for the R.R. Sims "A" #9 well, as pre-approved by Division Order No. R-11363. We state that this commingling will not reduce the value of the total remaining production. Instead, commingling will allow our company to recover additional reserves that would not have been economically viable to capture otherwise.

The above cited well will be tested in the Teague Lower Paddock/Blinebry, N (Assoc.) (Pool Code 96314) and an established rate and pressure will be documented before DHC with the Teague Drinkard-Abo, N. pool (Pool Code 96313). Production splits will be determined from this testing based on relative proportions, as indicated in the following example:

Blinebry:	25 oil / 315 mcf	Production Splits:	68% of oil / 63% of gas
Drinkard-Abo:	12 oil / 185 mcf	Production Splits:	32% of oil / 37% of gas

The perforated intervals for each pool are as follows:

Blinebry:	5580 - 5888'
Drinkard-Abo:	6372 - 7068'

Ownership and percentages between the Teague Lower Paddock/Blinebry, N. (Assoc.) and the Teague Drinkard-Abo, N. are identical for the specified well and lease.

If you have any questions concerning this matter, please contact Denise Leake at (915) 688-4752 or myself at (915) 688-4639. Thank you in advance for your attention to this.

Sincerely,

Tim Nein
Production Engineer
Hobbs Operating Unit

cc: File

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL API NO.	30-025-35051
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil / Gas Lease No.	
7. Lease Name or Unit Agreement Name	SIMS R. R. "A"
8. Well No.	9
9. Pool Name or Wildcat	Tge Lwr Pad/Blinby/Tge Drnkrd-Abo.N.
10. Elevation (Show whether DF, RKB, RT,GR, etc.)	3323'

SUNDY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMITS
(FORM C-101) FOR SUCH PROPOSALS.

1. Type of Well:	OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>
2. Name of Operator	TEXACO EXPLORATION & PRODUCTION INC.
3. Address of Operator	205 E. Bender, HOBBS, NM 88240
4. Well Location	Unit Letter <u>M</u> : <u>330</u> Feet From The <u>SOUTH</u> Line and <u>1010</u> Feet From The <u>WEST</u> Line Section <u>4</u> Township <u>23S</u> Range <u>37E</u> NMPM <u>LEA</u> COUNTY
10. Elevation (Show whether DF, RKB, RT,GR, etc.)	3323'

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPERATION <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER: <u>DHC</u> <input checked="" type="checkbox"/>	OTHER: <u></u> <input type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

TEXACO INTENDS TO DOWNHOLE COMMINGLE THE TEAGUE LOWER PADDOCK BLINEBRY, N. (ASSOC) & TEAGUE DRINKARD-ABO, N. POOLS FOR THE SUBJECT WELL AS PRE-APPROVED BY DIVISION ORDER NO. R-11363. THIS COMMINGLING WILL NOT REDUCE THE VALUE OF THE TOTAL REMAINING PRODUCTION AND WILL ALLOW TEXACO TO RECOVER ADD'L RESERVES THAT WOULD NOT HAVE BEEN ECONOMICALLY VIABLE TO CAPTURE OTHERWISE.

THE WELL WILL BE TESTED IN THE TEAGUE LOWER PADDOCK/BLINEBRY, N. (ASSOC) (POOL CODE-96314) AND AN ESTABLISHED RATE & PRESSURE WILL BE DOCUMENTED BEFORE DHC WITH THE TEAGUE DRINKARD-ABO N. POOL (POOL CODE-96313). PRODUCTION SPLITS WILL BE DETERMINED FROM THIS TESTING BASED ON RELATIVE PROPORTIONS, AS INDICATED IN THE FOLLOWING EXAMPLE:

BLINEBRY: .25 OIL/ 315 MCF	PRODUCTION SPLITS: 68% OF OIL/ 63% OF GAS
DRINKARD/ABO: 12 OIL/ 185 MCF	PRODUCTION SPLITS: 32% OF OIL/ 37% OF GAS

THE PERFORATED INTERVALS FOR EACH POOL ARE AS FOLLOWS:

BLINEBRY: 5580-5888'
DRINKARD/ABO: 6372-7068'

OWNERSHIP AND PERCENTAGES BETWEEN THE TEAGUE LOWER PADDOCK/BLINEBRY, N. (ASSOC) AND THE TEAGUE DRINKARD-ABO, N. ARE IDENTICAL FOR THE SPECIFIED WELL & LEASE.

*Copy has been sent to the
Commissioner of Public Lands for the State of New Mexico*

DI DHC Order No. 0035

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

SIGNATURE J. Denise Leake TITLE Engineering Assistant DATE 4/23/01

TYPE OR PRINT NAME J. Denise Leake Telephone No. 397-0405

(This space for State Use)

APPROVED [Signature] TITLE Geologist DATE 4/23/01

CONDITIONS OF APPROVAL IF ANY

CHASE CIBP TO 5807'. TAG UP ON LOOSE CIBP #2. DRILL ON CIBP'S & SAND TO 5946. TAG 3RD CIBP. PULL MILL TO 5062.

5-25-01: LOWER TOOLS & TAG @ 5946'. NO FILL. TIH W/2 7/8" TBG. TIH W/PKR, & SN ON TBG. PKR SWINGING @ 5538. CIRC HLE W/90 BBLS PKR FLUID. SET PKR @ 5538 W/18,000# COMP. TEST CSG & PKR TO 500# FOR 30 MINS-OK. NDBOP. NU 3000# TREE & WRAP-AROUND.

5-26-01: RU SWAB. FL @ 1700. PUT DOWN FLOWLINE @ 2:30 PM ON 20/64 CHOKE.

5-29-01: FLOW 24 HRS. RIG DOWN.

6-03-01: FLOWED 24 HRS. 127 BO, 164 BW, & 383 MCF.

8-27-01: MIRU. RU REVERSE UNIT. ND TREE. UNSET PKR. TIH W/BIT & DC'S ON WS. STOP BIT @ 1480'.

8-28-01: TAG FILL @ 5904'. PULL BIT TO 5302. RU FOAM AIR UNIT.

8-29-01: TIH W/BIT TO 5904. C/O SAND 5904-54. DRILL ON CIBP 5954-58.

8-30-01: LOWER TOOLS & TAG @ 5958. DRILL ON CIBP 4 HRS. DRILL LOOSE. LOWER TOOLS. TAG 3RD CIBP @ 5990. KNOCK LOOSE & PUSH TO 7151. REGAIN CIRC. DRILL 7151-7153. PULL BIT TO 5302.

8-31-01: TIH W/BIT & TAG @ 7153. TIH W/PIN COLLAR, TBG, SN & TAC. TBG @ 7085. SN @ 7051. TAC @ 5515. LEFT OPEN DN FLOWLINE.

9-04-01: KILL W/50 BBLS 2% KCL WTR. NDBOP. SET TAC W/14,000# TENSION. NUWH. TIH W/FILTER, PMP & RDS.

9-05-01: RESPACE PUMP. ADD PONY ROD. HUNG ON WELL. LOAD & TEST TBG TO 500# W/30 BBLS. RIG DOWN. PUMPING @ 10:00 AM.

9-06-01: ON 24 HR OPT. PUMPING 24 BO, 125 BW, & 89 MCF.

DOWNHOLE BLINEBRY & DRINKARD ABO AS PER DHC ORDER NO. 0035 (ATTACHED)

FINAL REPORT

10-29-01

DHC

10-30-01

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