

5/24/00 - 6/13/00 - MS - NV - NSL

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 and that any omission of data, information or notification is cause to have the application packet taken.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Case No. 12487

Exhibit No. 1

Submitted by:

Texaco Exploration and Production, Inc.

Hearing Date: September 7, 2000

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

A. Phil Ryan
Print or Type Name

A. Phil Ryan
Signature

Commission Coordinator
Title

5/23/00
Date



Texaco North America Production
Denver Region - Permian Business Unit

601 North Lincoln
Midland, TX 79701

P.O. Box 1109
Midland, TX 79702

May 23, 2000

GOV – STATE AND LOCAL GOVERNMENTS

Unorthodox Location

**Cotton Draw Unit Well No. 89
Paduca South, Wolfcamp Field
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 250' FSL & 1980' FEL, Unit Letter "O", of Section 3, T-25-S, R-32-E.

This well must be drilled in this location due to geological conditions. It is believed the environment of deposition for Wolfcampian reservoirs in the Cotton Draw area represents detrital sediments. Lithologically these are composed of spiculitic limestones with fair to good porosity, but low matrix permeability and productivity. Using attribute analysis on 3D seismic, Texaco believes it can find not only thicker zones of the Wolfcamp detrital, but; also, identify potentially fracture-enhanced reservoirs.

The attached map is a four mile square mile area (sections 2, 3, 10 & 11 from T-25-S, R-31-E) seismic attribute map identifying the Cotton Draw Unit well #89 as being the best opportunity for thicker and better reservoir rock in the Wolfcamp. To venture out of the thickest part of the Wolfcamp identified by seismic could reduce the reservoir quality considerably. Therefore, Texaco's reason for this location is seismically and geologically driven.

Notice sent to the offset operators (See attached postal receipts).

If there are any questions, please feel free to contact me at (915) 688-4606.

Sincerely,

A. Phil Ryan
Commission Coordinator
Attachments
CC: BLM, Roswell, NM

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

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

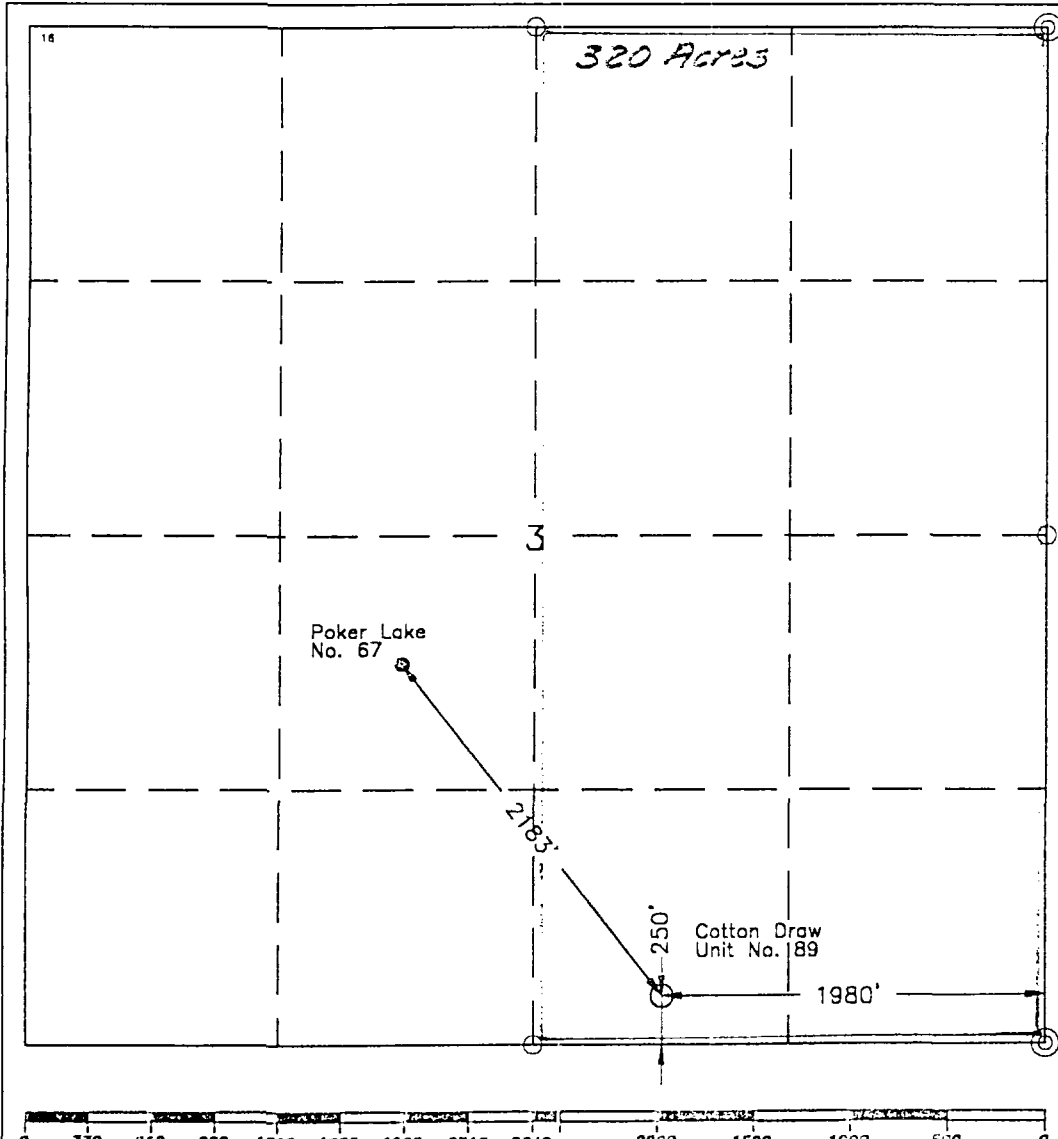
Fee Lease-3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name Paduca South, Wolfcamp, Delaware					
4 Property Code		5 Property Name Cotton Draw Unit						6 Well Number 89	
7 OGRID No. 22351		8 Operator Name TEXACO EXPLORATION & PRODUCTION, INC.						9 Elevation 3419'	
10 Surface Location									
UL or lot no. 0	Section 3	Township 25-S	Range 31-E	Lot idn	Feet from the 250'	North/South line South	Feet from the 1920'	East/West line East	County Lea
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	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 <i>A. Phil Ryan</i>	
	Printed Name A. Phil Ryan	
	Position Commissioner Coordinator	
	Company Texaco Expl. & Prod. Inc.	
	Date April 27, 2000	
	17 SURVEYOR CERTIFICATION	
	I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.	
	Date Surveyed April 25, 2000	
Signature & Seal of Professional Surveyor <i>John S. Piper</i>		
Certificate No. 7254 John S. Piper		
Sheet 1 of 1		

○ = Staked Location ● = Producing Well ◐ = Injection Well ~ = Water Supply Well - = Plugged & Abandon Well

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Bass Enterprises Prod. Inc.
201 main St.
Forth Worth, Tx 76102-3131

Attn: Mr. J. Wayne Bailey

2. Article Number (Copy from service label)

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

X Douglas ☐ Agent
☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Concho Resources Inc.
110 W Louisiana Suite 410
Midland Tx 79701

Attn: Mr Mike Gray

2. Article Number (Copy from service label)

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

X Kerschell ☐ Agent
☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes**SENDER: C**

- Complete item 4 if F
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Devon Energy Corp.
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102-8260

2. Article Number (Copy from service label)

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

C. Signature

X SBE ☐ Agent
☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

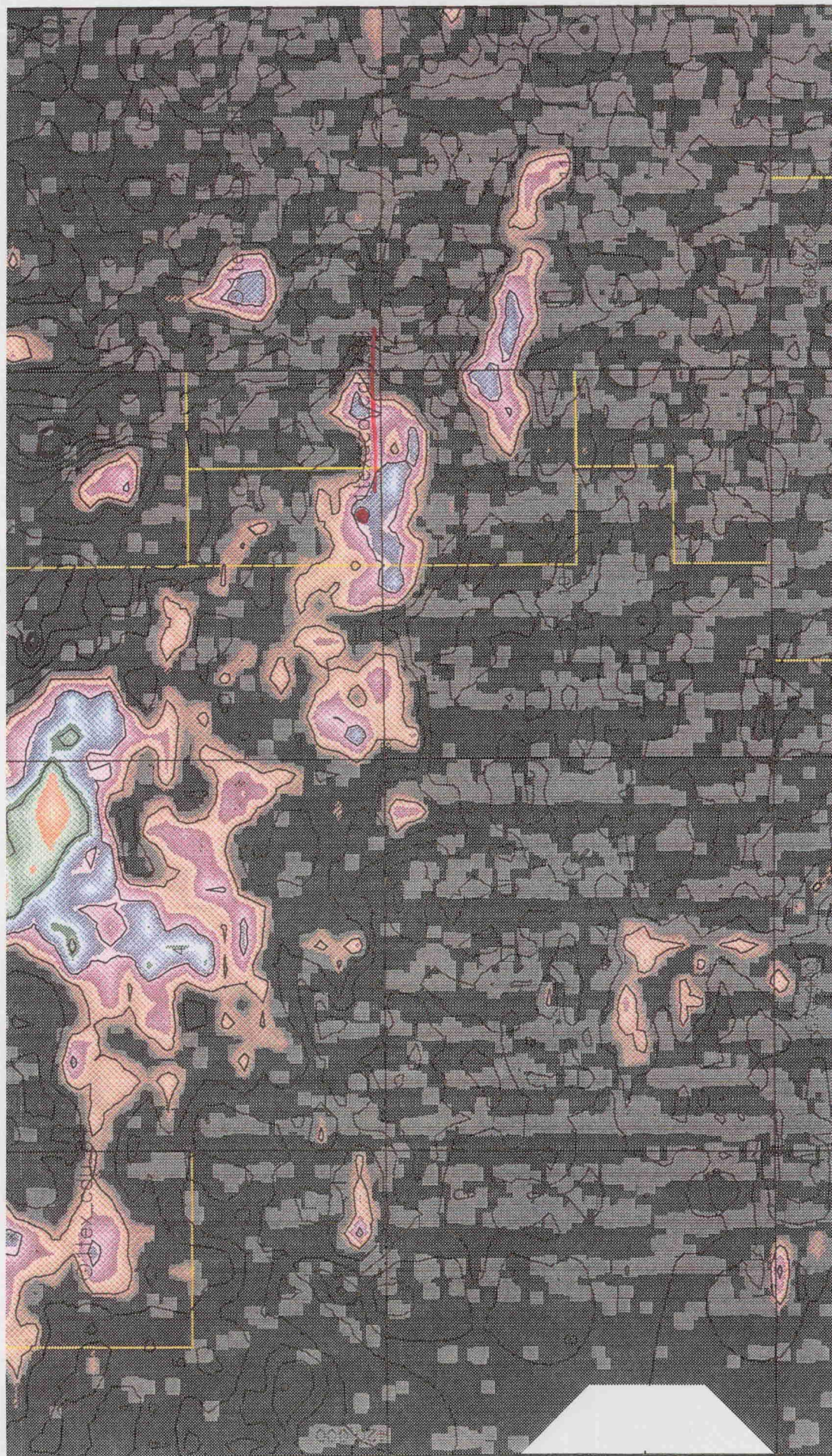
4. Restricted Delivery? (Extra Fee) ☐ Yes

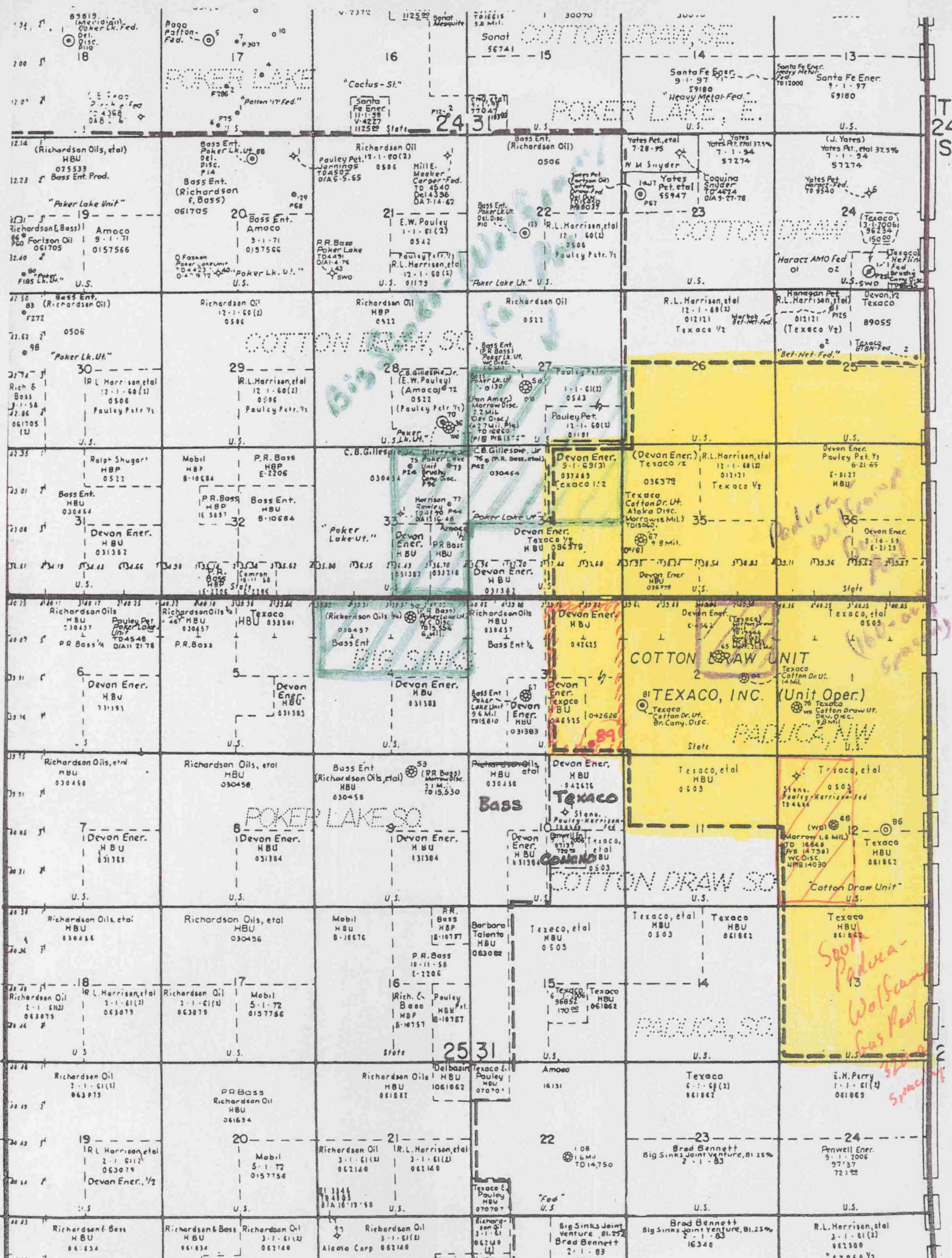
Offset Operator List

**Bass Enterprises Production Co.
Attn: Mr. J. Wayne Bailey
201 Main St.
Fort Worth, TX 76102-3131**

**Concho Resources Inc.
Attn: Mr. Mike Gray
110 W. Louisiana, Suite 410
Midland, TX 79701**

**Devon Energy Corporation
Attn: Mr. Jimmy D. Sparks
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102-8260**





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24
S

2
S

2
S

R-31-E

R-32-E



R-31-E

EDDY CO.

LEA CO.

R-32-E

COTTON DRAW UNIT AREA
EDDY & LEA COUNTIES, NEW MEXICO

EXHIBIT "A"

Contracted
LEGEND Unit



UNIT BOUNDARY



STATE LAND --- 3,197.88 ACRES



FEDERAL LAND --- 31,866.38 ACRES



FEE LAND --- 80.00 ACRES

SCALE = 1 MILE

Area

8-19-70