

TEXACO

ST. OF N.M. "R" (NCT-3) 24-TN
LEA COUNTY, NEW MEXICO
VACUUM AREA
PRODUCTION MAP
SC: 1"=1000'

LEGEND



GRAYBURG/SAN ANDRES PROD.

GLORIETA PROD.

DRINKARD

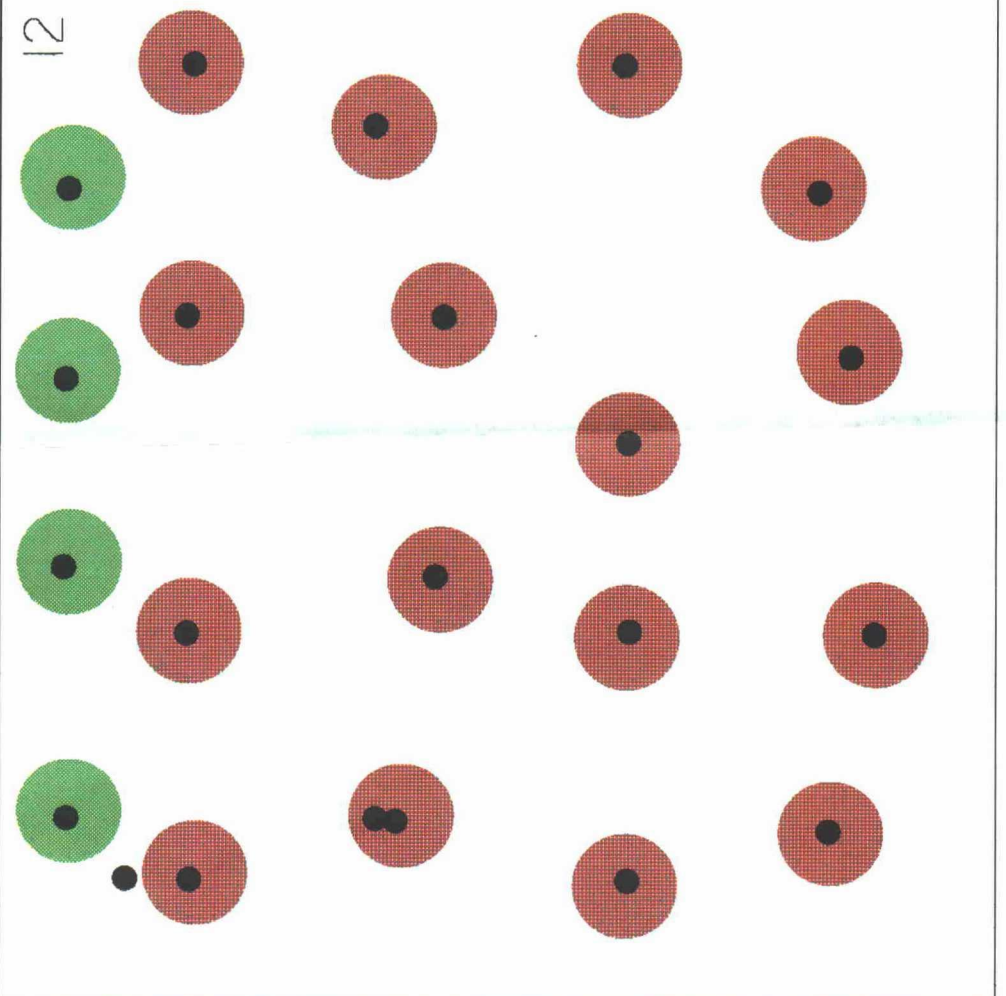
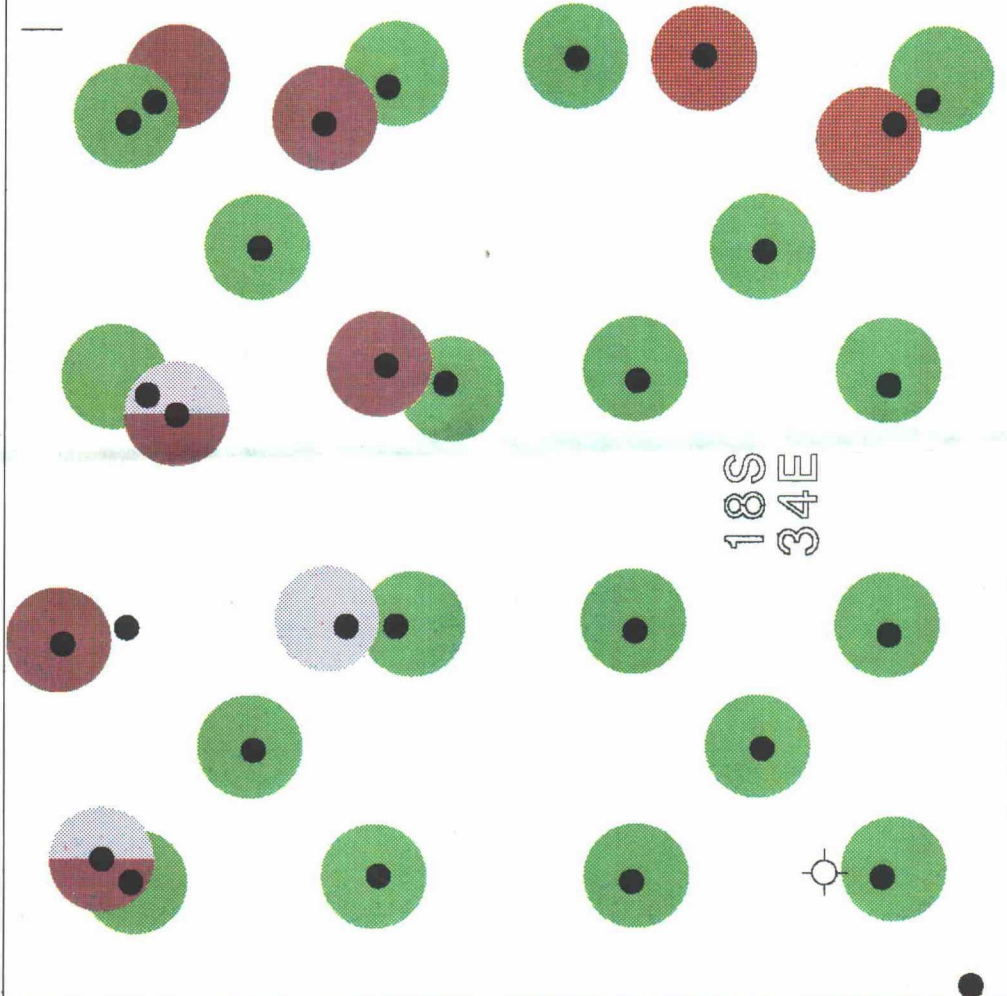
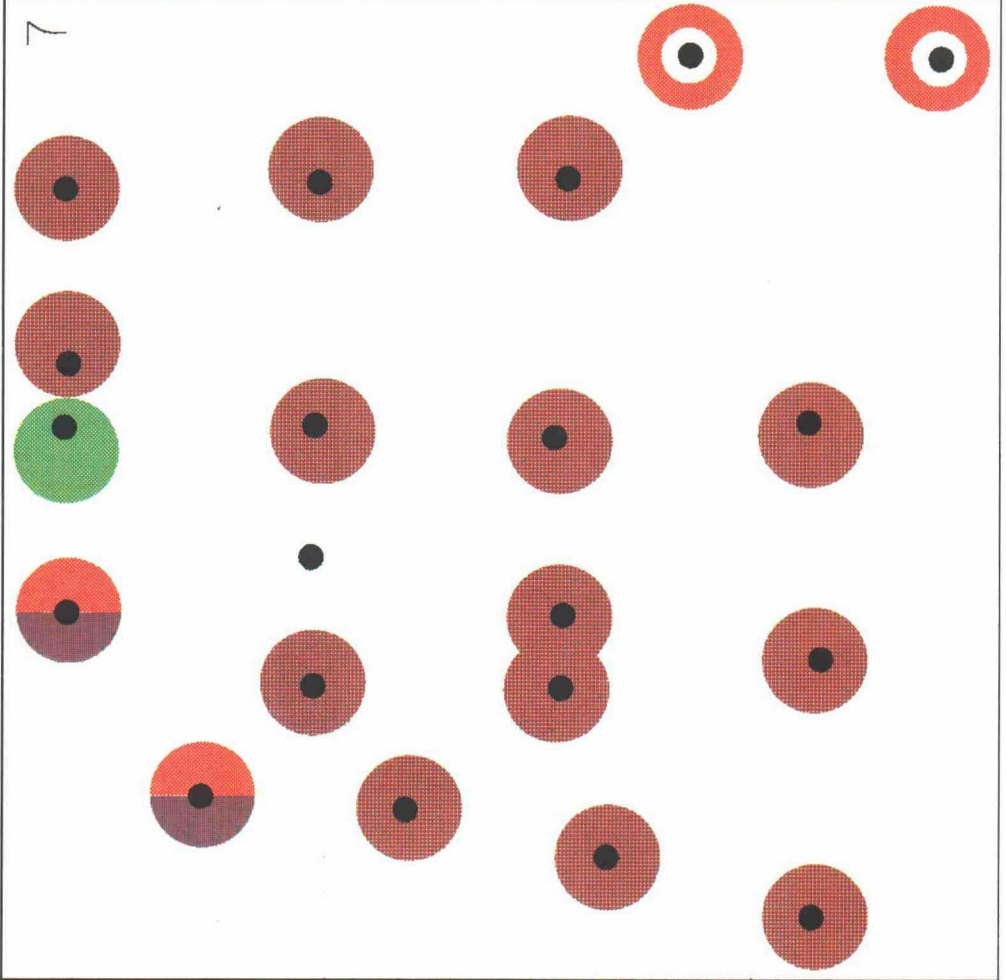
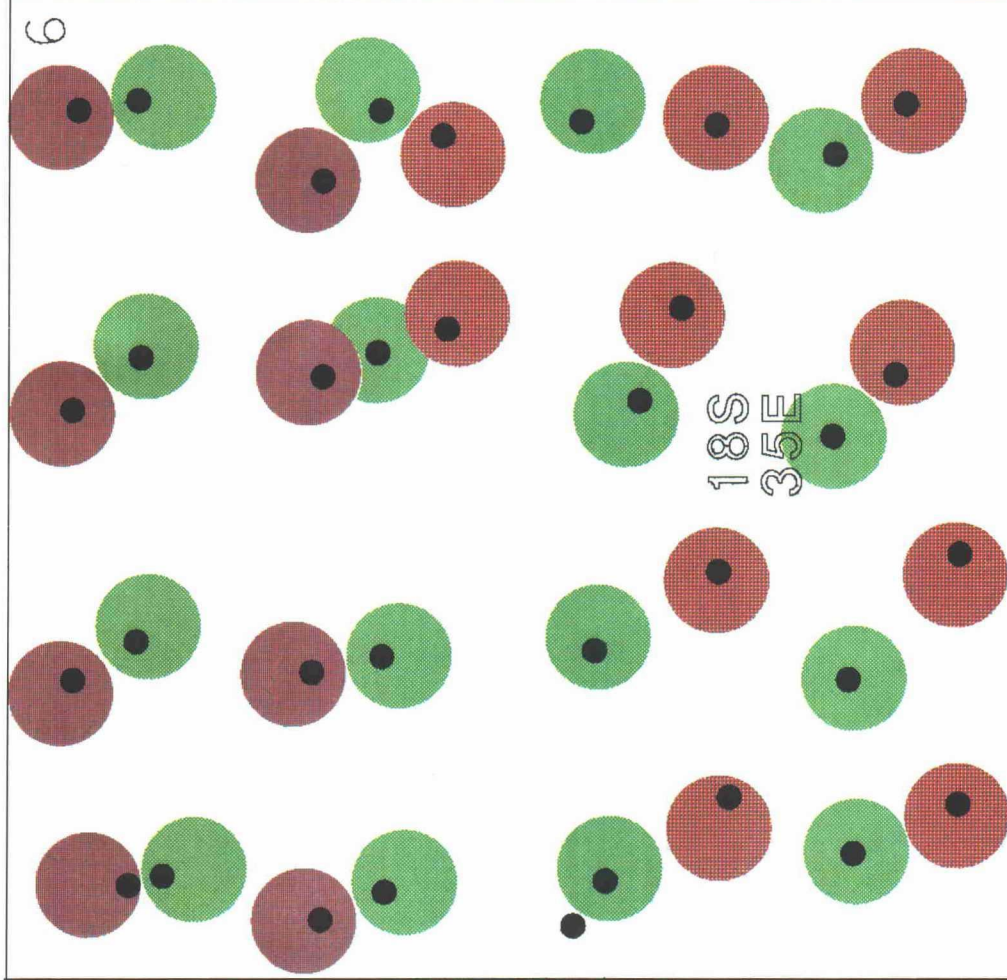
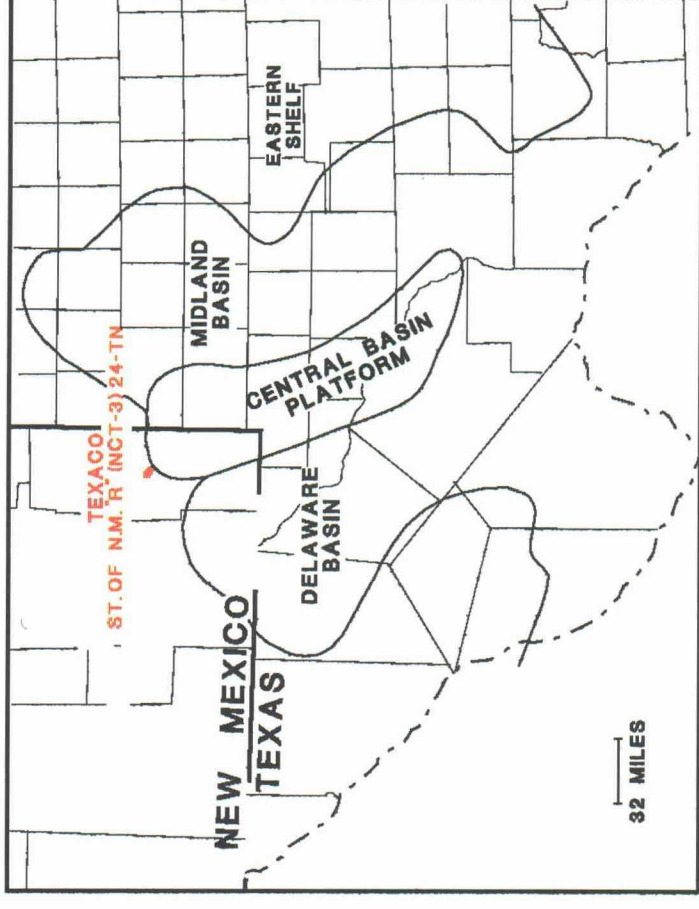
ABO PROD.

DEVONIAN PROD.

PROD. EXAMINER CATANACH
OIL CONSERVATION DIVISION

TEXACO EXHIBIT NO. 2

CASE NO. 9152



TEXACO INC. SOUTHERN REGION

DATE: 6/87

TEXACO

ST. OF N.M. "R" (NCT-3) 24-TN

LEA COUNTY, NEW MEXICO

VACUUM AREA
PRODUCTION MAP

SC: 1"=1000'

LEGEND



GRAYBURG/SAN ANDRES PROD.



GLORIETA PROD.



DRINKARD PROD.



ABO PROD.



DEVONIAN PROD.

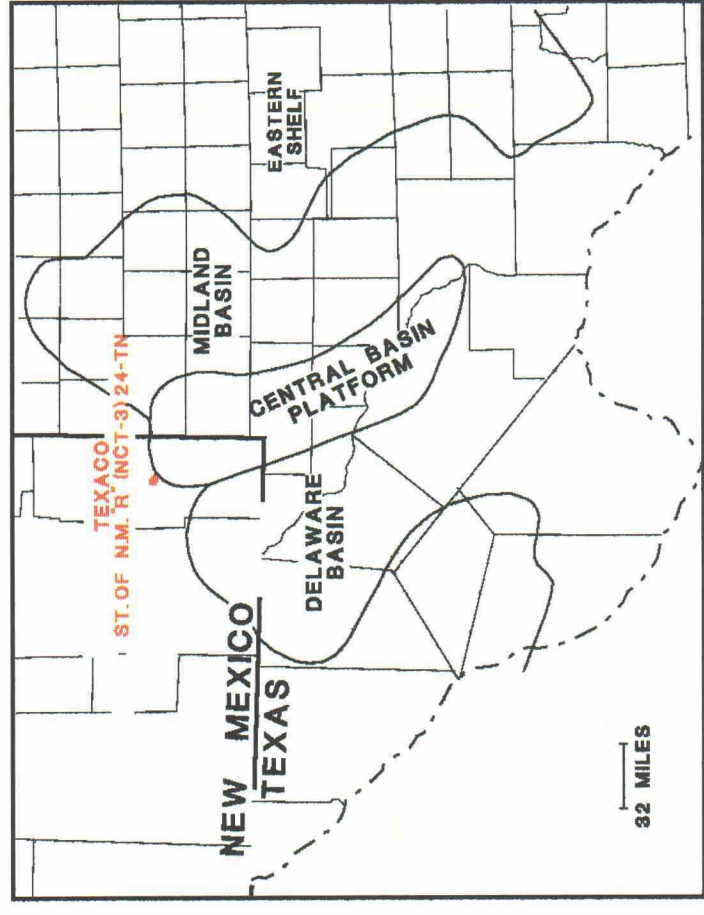


DEVONIAN PROD.

PETROLEUM EXAMINER CATANACH
OIL CONSERVATION DIVISION

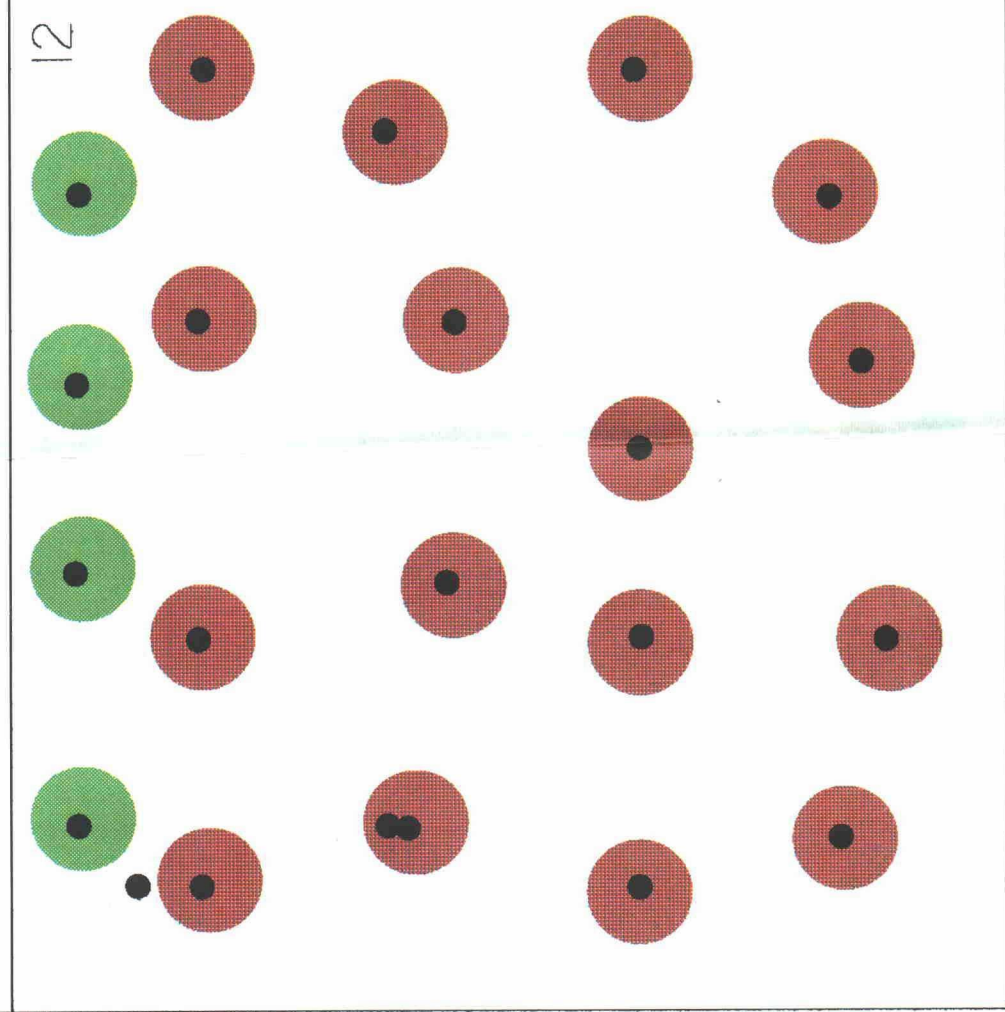
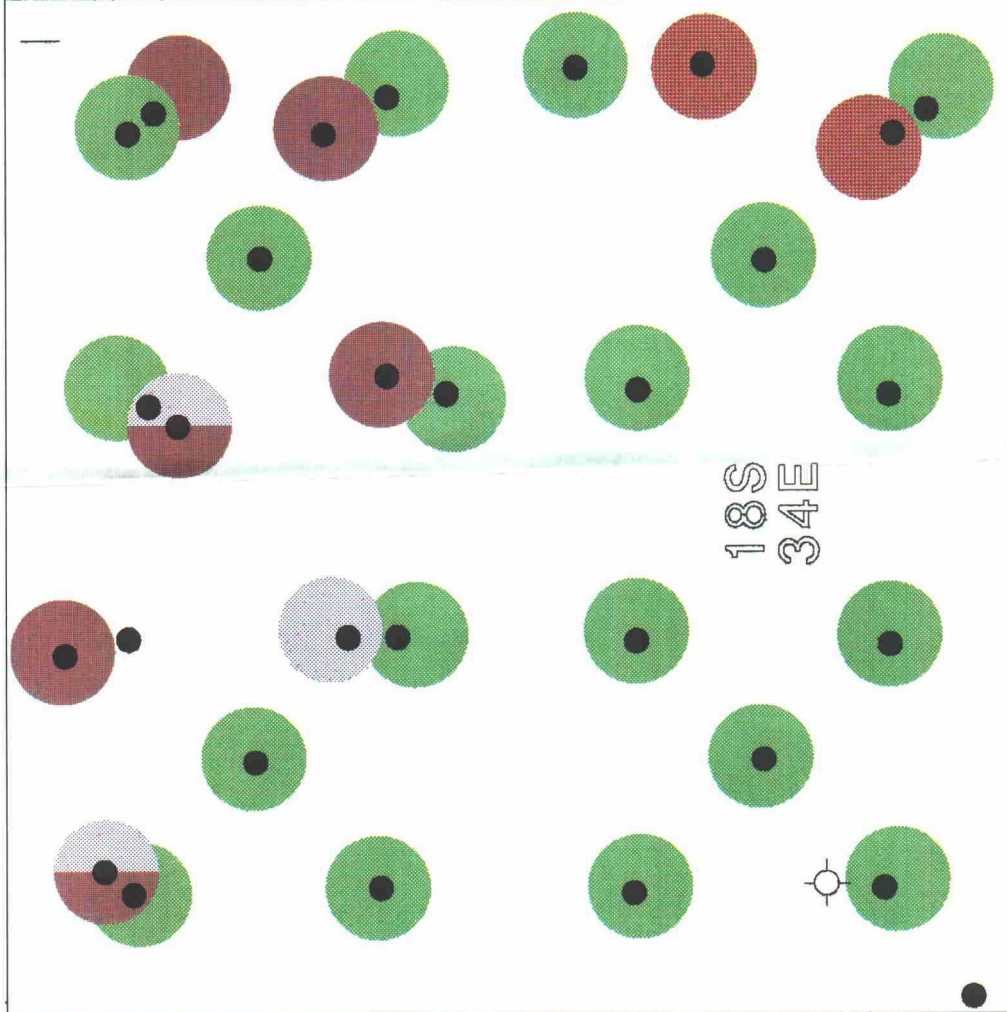
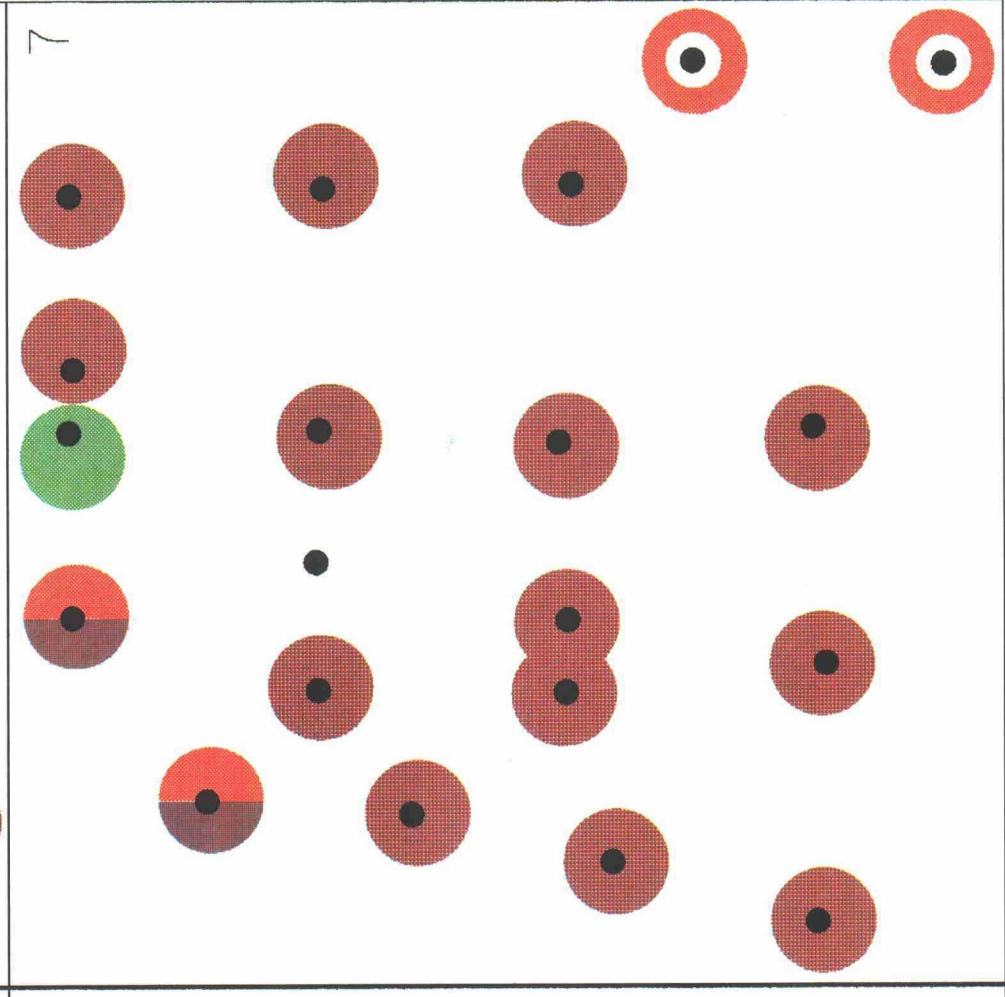
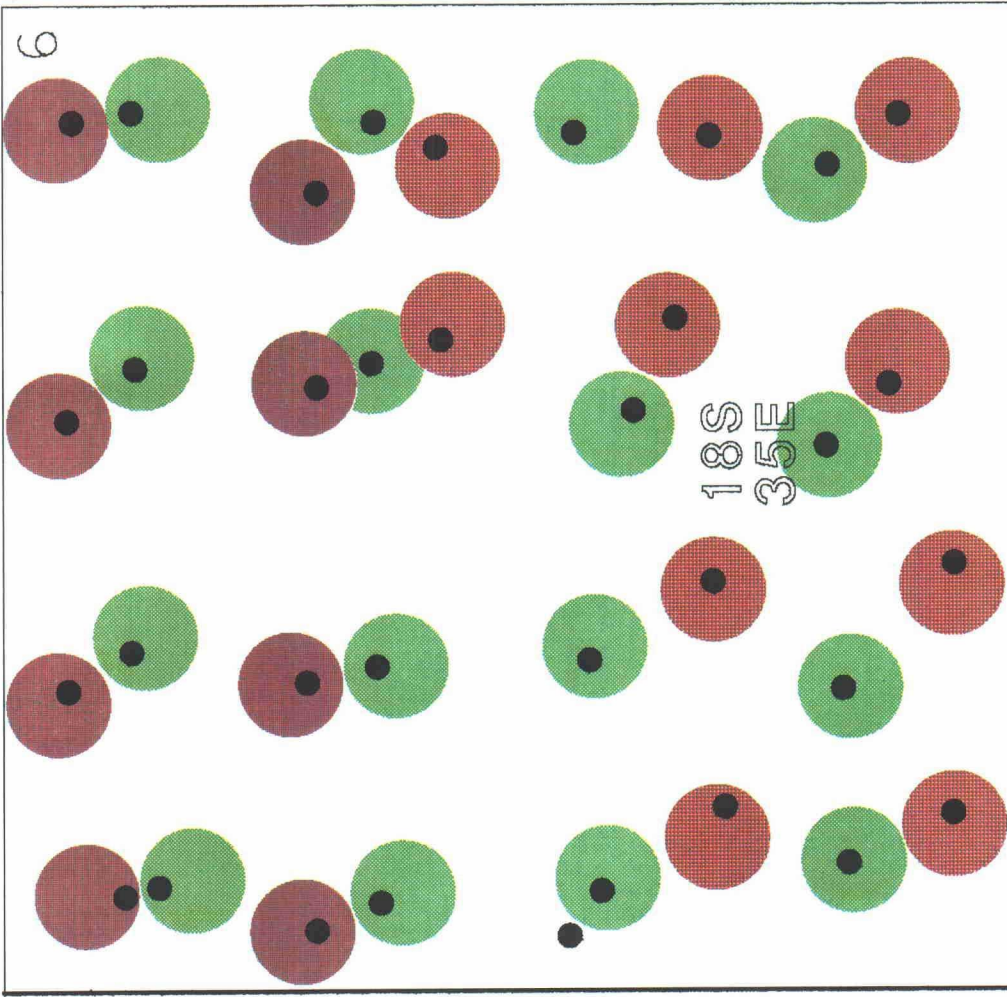
TEXACO EXHIBIT NO. 2

CASE NO. 9152



TEXACO INC. SOUTHERN REGION

DATE: 6/87



COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.L.	
LAND OFFICE	
OPERATOR	

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501
TEXACO EXHIBIT #3
CASE 9152

1A. Indicate Type of Lease
STATE FEDERAL
3. State Oil & Gas Lease No.
B-1306

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work
Type of Well DRILL DEEPEN PLUG BACK
Oil Well or Gas Well OTHER SINGLE TONGE MULTIPLE TONGE

7. Unit Agreement Name
8. Name of Lease Name
N.M. "R" State NCT-3

Name of Operator
Texaco Producing Inc.

9. Well No.
24-TN

Address of Operator
P. O. Box 728, Hobbs, New Mexico 88240

10. Field and Pool, or Wildcat
*See Attachment

Location of Well UNIT LETTER P LOCATED 860 FEET FROM THE South LINE
660 FEET FROM THE East LINE OF SEC. 1 TWP. 18-S SEC. 34-E

11. County
Lea

19. Proposed Depth 13,900'
19A. Formation **See Attachment
20. Rotary or C.T. Rotary

Elevations (Show whether DF, KT, etc.) 3985' GR
21A. Kind & Status Plug. Bond Blanket
21B. Drilling Contractor

22. Approx. Date Work will start
May 25, 1987

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
48"	40"	150#	40'	Redi-Mix	Surface
30"	26"	136#	400'	1000	Circulate
24"	20"	133#	1550'	1950	Circulate
17-1/2"	13-3/8"	68#	2800'	2050	Circulate
12-1/4"	9-5/8"	40# & 36#	5000'	1750	Circulate
8-3/4"	7"	26# & 29#	12,500'	1850	Circulate
6-1/8"	5"	18#	12,200-13,900'	250	Top of Line

CEMENTING PROGRAM

SURFACE CASING: 1000 sacks "H" 2% CaCl, 1/4# Flocele (15.6 ppg, 1.18 cu.ft./sx)

1ST INTERMEDIATE CASING: 1950 sx 50/50 Poz "H", 2% CaCl, 1/4# Flocele (14.2 ppg, 1.26 cu. ft./sx.).

2ND INTERMEDIATE CASING: 1st stage: 700 sacks 50/50 Poz "H", 15% Salt, 1/4# Flocele (14.2 ppg, 1.28 cu. ft./sx.) followed by 250 sxs "H", 2% CaCl (15.6 ppg, 1.18 cu. ft./sx.). 2nd stage: 1100 sx Class "H" light weight, 2% CaCl, (13.1 ppg, 1.69 cu. ft./sx.). DV tool @ 1560', ECP @ 1563'

ALL OTHER WELLS IN THIS 1/4, 1/4 SECTION ARE OPERATED BY TEXACO.

PLEASE 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.
L. J. Seeman
Dist. Petr. Engr. Date 5/20/87

(This space for State Use)

Orig. Signed by
Paul Kautz
Geologist

APPROVED BY TITLE DATE MAY 21 1987

No production from McKee Gas will be authorized until unorthodox location is approved.

Permit Expires 6 Months From Approval Date Unless Drilling Underway.

NEW MEXICO "R" STATE NCT-3 WELL NO. 24-TN
LEA COUNTY, NEW MEXICO

Continuation to Form C-101

3RD INTERMEDIATE CASING: 1500 sacks Class "H" Light Weight (12.7 ppg, 1.84 cu. ft./sx.) followed by 250 sacks "H", 1/4# Flocele. (15.6 ppg, 1.18 cu. ft./sx.).

4TH INTERMEDIATE CASING: 1ST STAGE: 400 sacks Light Weight, 10# Gilsonite, 1/4# Flocele, 0.6% Halad-9, 0.4% HR-4 (12.4 ppg, 2.00 cu. ft./sx.) followed by 250 sacks "H", 1/4# Flocele, .8% Halad-9 (15.6 ppg, 1.18 cu. ft./sx.). 2ND STAGE: 1200 sacks Class "H" Light Weight, 1/4# Flocele (12.4 ppg, 2.00 cu. ft./sx.).

PRODUCTION LINER: 250 sacks 50/50 Poz "H", 0.8% Halad-9 (14.2 ppg, 1.26 cu. ft./sx.).

*10. Field and Pool or Wildcat

Vacuum - Upper Pennsylvanian
Vacuum - Devonian
Wildcat

*19. Formation

Penn.
Devonian
McKee SS ***

The BOP in Exhibit C will be used until first string of Intermediate casing is set. The BOP in Exhibit F will be used thereafter.

***Location for McKee is an unorthodox location and is not subject to administrative approval. We request approval of this permit to drill and test the McKee with provision that no allowable will be assigned until after the hearing is decided. (Hearing is scheduled for June 17, 1987).

All distances must be from the outer boundaries of the Section.

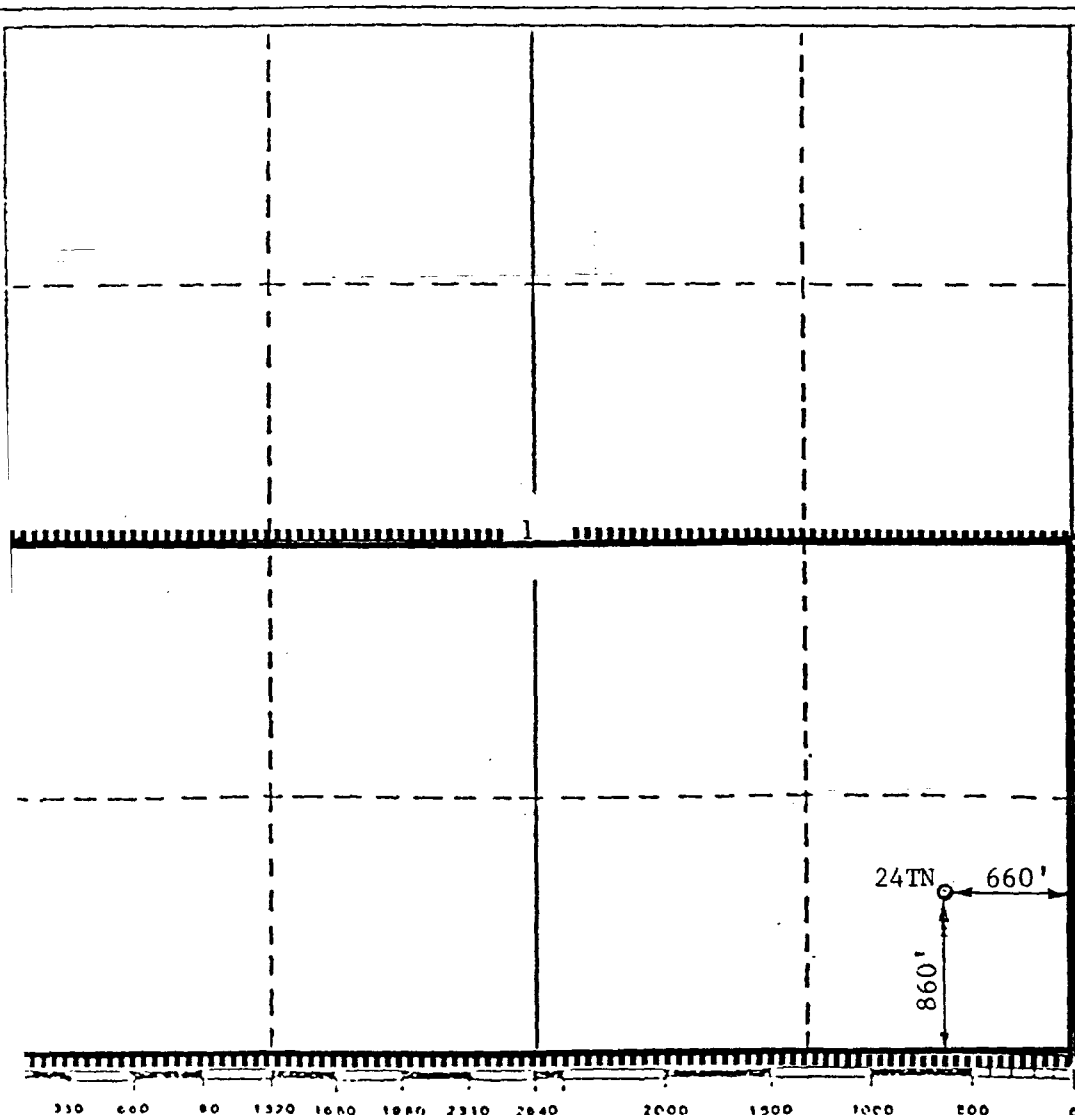
Operator Texaco Producing Inc.		Lease New Mexico "R" State NCT 3 TN		Well No. 24- 12
Unit Letter P	Section 1	Township 18-S	Range 34-E	County Lea
Actual Footage Location of Well:				
860	feet from the	South	line and	660
				feet from the
				East
				line
Ground Level Elev. 3985'	Producing Formation McKee SS		Pool Wildcat	Dedicated Acreage: 319 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 interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

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 interests, has been approved by the Division.



CERTIFICATION

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

B. L. Eiland
Name

B. L. Eiland

Position

Division Surveyor

Company

Texaco Producing Inc.

Date

April 15, 1987

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.

REGISTERED LAND SURVEYOR
B. L. Eiland
April 15, 1987

Registered Professional Engineer and/or Land Surveyor

B. L. Eiland
B. L. Eiland

Certificate No. 4386

All distances must be from the outer boundaries of the Section.

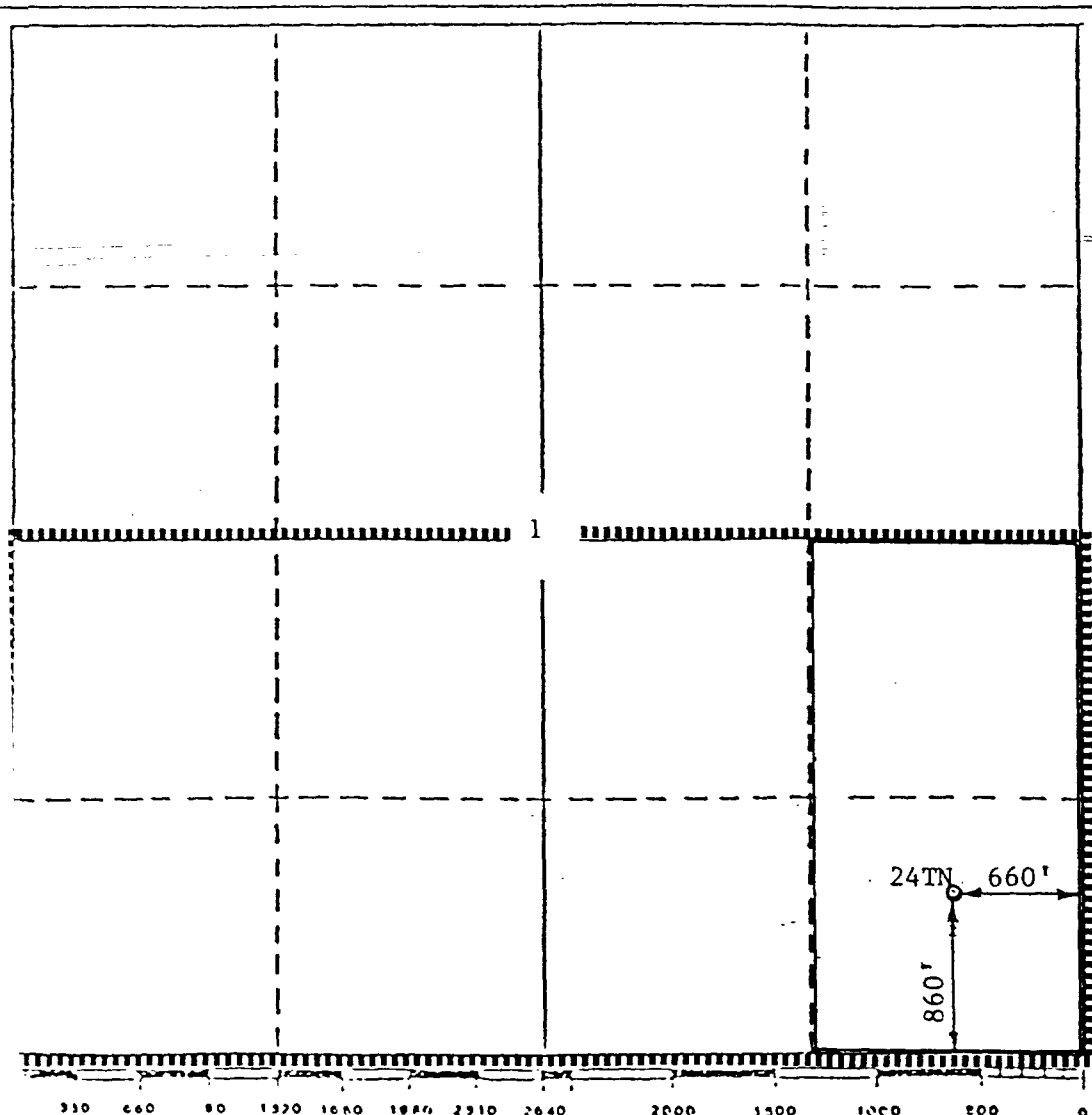
Operator Texaco Producing Inc.		Lease New Mexico "R" State NCT 3 TN			Well No. 24- <u>11</u>		
Well Letter P	Section 1	Township 18-S	Range 34-E	County Lea			
Actual Footage Location of Well:							
860	feet from the	South	line and	660	feet from the	East	line
Ground Level Elev. 3985'	Producing Formation Penn/Devonian		Pool Vacuum - Upper Pennsylvanian Vacuum - Devonian		Dedicated Acreage: 80		Acres

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

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 interests, has been approved by the Division.



CERTIFICATION

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

B. L. Eiland

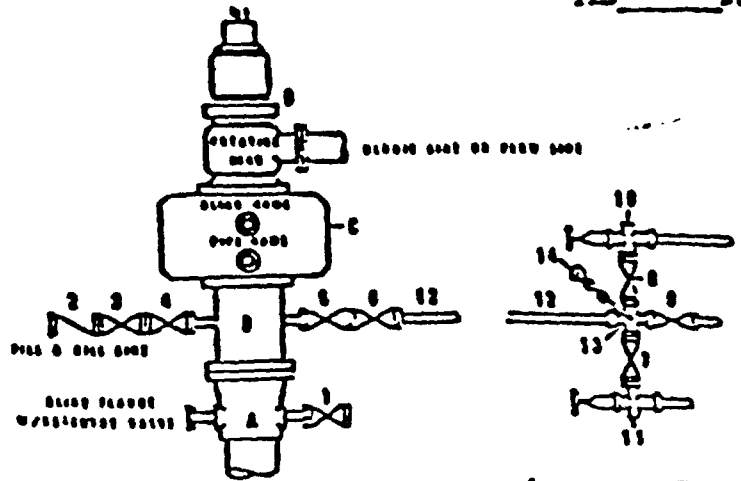
Name
B. L. Eiland
Position
Division Surveyor
Company
Texaco Producing Inc.
Date
April 15, 1987

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REGISTERED LAND SURVEYOR
B. L. EILAND
April 15, 1987
Registered Professional Engineer
and Land Surveyor
B. L. Eiland
Certificate No. 4386

**CONDITION II-B 3000 W.P.
FOR AIR DRILLING OR
WHERE YATES AIR BLOWS ARE EXPECTED**

H₂S TANK READY
YES _____ NO _____



INSTALLING CONTROL

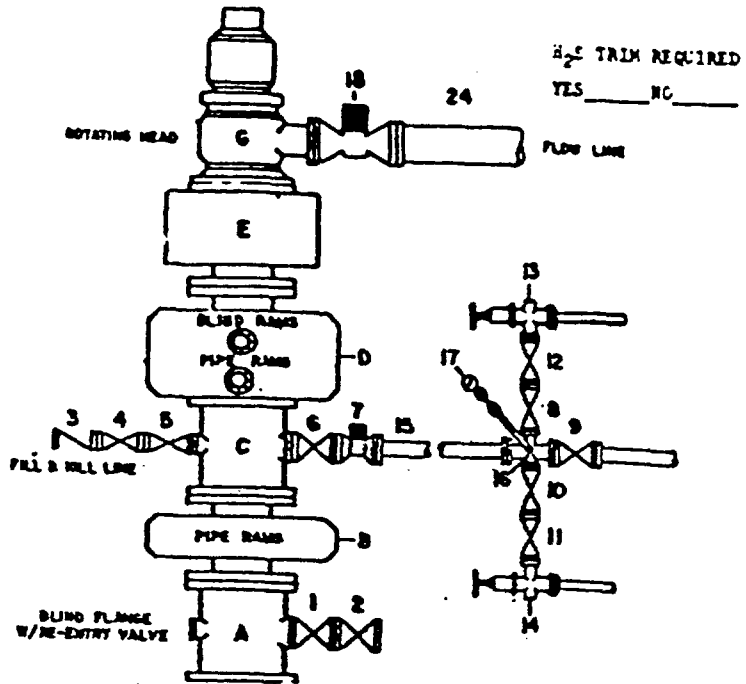
MATERIAL LIST - CONDITION II - B

- 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 and extended choke line.
- 1,3,4, 7,8 2" minimum 3000# W.P. flanged full opening steel gate valve, or Balliburnton or Torr Plug valve.
- 2 3" minimum 3000# W.P. back pressure valve
- 5,6,9 3" minimum 3000# W.P. flanged full opening steel gate valve, or Balliburnton or Torr Plug valve.
- 12 2" minimum schedule 80, Grade "B", seamless line pipe
- 13 2" minimum x 2" 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.)

	TEXACO, INC. PRODUCTION DEPARTMENT (2207) HOUSTON, TEXAS	
	EXHIBIT C	

DATE	REV. NO.	Dwg. No.	

DRILLING CONTROL CONDITION IV-B-6000 PSI WP



MATERIAL CONTROL

MATERIAL LIST - CONDITION IV-B

- A Texaco Wellhead
- B 5000# Single Ram type preventer, hydraulic operated with 1" steel, 5000# W.P. control lines
- C 5000# W.P. Drilling Spool with a minimum 2" flanged outlet for kill line and 3" minimum flanged outlet for choke line.
- D 5000# W.P. Dual Ram Type preventer, hydraulic operated with 1" steel, 5000# W.P. control lines
- E 5000# W.P. Annular Preventer, hydraulic operated with 1" steel, 5000# W.P. control lines
- F Bell Spipple with flowline and fill-up outlets (kill line may also be used for fill-up 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
- 13 3" minimum Schedule 160, Grade B, seamless line pipe
- 16 2" minimum x 3" minimum 5000# W.P. flanged cross
- 13,14 2" minimum 5000# W.P. adjustable choke with carbide trim
- 11 Cameron Red Cray or equivalent (location in choke line optional.)
- 15 2" minimum 5000# hydraulic flanged valve
- 24 2" minimum steel line line

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

TEXACO, INC.
MIDLAND DIVISION
MIDLAND, TEXAS

EXHIBIT F

CAMPBELL & BLACK, P.A.
LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
J. SCOTT HALL
PETER N. IVES
JOHN H. BEMIS
MARTE D. LIGHTSTONE

GUADALUPE PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

May 27, 1987

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Exxon Corporation
Post Office Box 1600
Midland, Texas 79702-1600

Attention: Ms. Beth Bianchi Frantes, Landman

Re: Amended Application of Texaco Producing, Inc. for an
Unorthodox Well Location, Lea County, New Mexico.


Dear Sirs:

This letter is to advise you that Texaco Producing, Inc. has amended its application with the New Mexico Oil Conservation Division seeking approval of its proposed unorthodox well location for its well to be drilled 860 feet from the South line and 660 feet from the East line (Unit P) of Section 1, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

The application has been amended to allow for the inclusion of a completion in the McKee Sandstone and the attendant dedication of a 319 acre S/2 proration unit to the well.

This application remains set for hearing before a Division Examiner on June 17, 1987. Again, you are not required to attend the hearing, but as an offsetting interest owner, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Very truly yours,



J. SCOTT HALL
ATTORNEY FOR TEXACO PRODUCING, INC.

JSH/ab

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
<u>TEXACO</u> EXHIBIT NO. <u>4</u>
CASE NO. <u>915Z</u>

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to: *Exxon Corporation*
P.O. Box 1600
Midland, Texas 79702-1600
Attn: Mr. Beth Brink: Falls

4. Article Number: *P456 360 116*
 Type of Service: Registered Insured
 Certified COD
 Express Mail

5. Signature - Addressee: *X*

6. Signature - Agent: *X* *R. Perkins*

7. Date of Delivery: *5/27/87 mu*

8. Addressee's Address (ONLY if requested and fee paid):
 Always obtain signature of addressee or agent and DATE DELIVERED.

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

P 456 360 116
 RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
 NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to	
<i>Exxon Corporation</i>	
Street and No.	
<i>P.O. Box 1600</i>	
P.O., State and ZIP Code	
<i>Midland, Tex. 79702-1600</i>	
Postage	\$.22
Certified Fee	.75
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	.70
Return Receipt Showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 1.67
Postmark or Date	
<i>5/27/87</i>	

PSN 701 1098C (11/82)

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL
BRUCE D. BLACK
MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
J. SCOTT HALL
PETER N. IVES
JOHN H. BEMIS
MARTE D. LIGHTSTONE

GUADALUPE PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

May 27, 1987

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Marathon Oil Company
Post Office Box 552
Midland, Texas 79702

Attention: Mr. Steve Daniels, Landman

Re: Amended Application of Texaco Producing, Inc. for an
Unorthodox Well Location, Lea County, New Mexico.

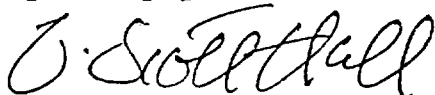
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Very truly yours,



J. SCOTT HALL
ATTORNEY FOR TEXACO PRODUCING, INC.

JSH/ab

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box (es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery.

3. Article Addressed to:

Marathon Oil Company
 P. O. Box 552
 Midland, Texas 79702
 Attn: Steve Daniels, Treasurer

4. Article Number

P 456 360 115

Type of Service:

Registered Insured
 Certified COD
 Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
 X

6. Signature - Agent

[Handwritten Signature]

7. Date of Delivery
 5-29-87 mlu

PS Form 3811, Feb. 1986

DOMESTIC RETURN RECEIPT

P 456 360 115

Marathon Oil Company
 P. O. Box 552
 Midland, Tex. 79702

.22
 .75

.70
 1.67

5/29/87

OFFSET OPERATORS

NEW MEXICO "R" STATE NCT-3 WELL NO. 24 TN
McKEE WILDCAT TEST
LEA COUNTY, NEW MEXICO

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702

Landman: Mr. Steve Daniels
Telephone: (915) 682-1626

Exxon Corporation
P. O. Box 1600
Midland, Texas 79702-1600

Landman: Ms. Beth Bianchi Frantes
Telephone: (915) 683-0101

GRK/so
5/19/87

DEFORE EXAMINER CATALACH	
OIL CONSERVATION DIVISION	
TEXACO	EXHIBIT NO. <u>5</u>
WELL NO.	<u>9157</u>

April 16, 1987

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: WAIVER OF OBJECTION
UNORTHODOX LOCATION
New Mexico "R" State NCT-3 Well No. 24-TN
Wildcat Gas Pool
Lea County, New Mexico

Gentlemen:

As an authorized representative of the below named offset operator, I have been duly informed by Texaco Producing Inc. of their application to complete the subject well and do hereby waive any objection to the granting of an unorthodox location for a McKee Wildcat test.

It is understood that the location is 860' FSL and 660' FEL of Section 1, T-18-S, R-34-E, Lea County, New Mexico.

Yours very truly,

Exxon Corporation
OFFSET OPERATOR

BY:

Jimmie D. Howell

DATE:

4/28/87

April 16, 1987

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: WAIVER OF OBJECTION
UNORTHODOX LOCATION
New Mexico "R" State NCT-3 Well No. 24-TN
Wildcat Gas Pool
Lea County, New Mexico

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It is understood that the location is 860' FSL and 660' FEL of Section 1, T-18-S, R-34-E, Lea County, New Mexico.

Yours very truly,

Marathon Oil Co.
OFFSET OPERATOR

BY:

J. Brown

DATE:

5/11/87