

PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

January 10, 2003

Chevron USA
15 Smith Road
Midland, Texas 79702

Attn: Mr. Mike Mullins

Re: Resignation/Designation of Successor Unit Operator
Cotton Draw Unit
Eddy and Lea Counties, New Mexico

Dear Mr. Mullins:

We are in receipt of your resignation/designation of successor unit operator, wherein Texaco Producing Inc. has resigned as unit operator of the Cotton Draw Unit and designated Chevron USA as the successor unit operator.


The Commissioner of Public Lands has this date approved the resignation of Texaco Producing Inc. and the designation of Chevron USA as the successor unit operator of this unit. Our approval is subject to like approval by the Bureau of Land Management and the New Mexico Oil Conservation Division.

This change in operators is effective September 25, 2002. In accordance with this approval, Chevron USA is now responsible for all operations and the reporting of all production from the unit.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY:


JAMI BAILEY, Director
Oil/Gas and Minerals Division
(505) 827-5744

PL/JB/cpm

xc: Reader File

Texaco Producing Inc.

OCD- -Roy Johnson

TRD

BLM

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766

ADMINISTRATION

Phone (505) 827-5700
Fax (505) 827-5853

GENERAL COUNSEL

Phone (505) 827-5713
Fax (505) 827-4262

PUBLIC AFFAIRS

Phone (505) 827-1245
Fax (505) 827-5766

COMMERCIAL RESOURCES

Phone (505) 827-5724
Fax (505) 827-6157

MINERAL RESOURCES

Phone (505) 827-5744
Fax (505) 827-4739

ROYALTY MANAGEMENT

Phone (505) 827-5772
Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793
Fax (505) 827-5711

**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

April 26, 2002

Texaco Exploration and Production Inc.
P.O. Box 3109
Midland, Texas 79702

Attention: Mr. Mike Mullins

Re: Cotton Draw Unit
First Revision to Wolfcamp Participating Area
Eddy and Lea Counties, New Mexico

Dear Mr. Mullins:

Your application letter of January 30, 2002 requesting approval of the First Revision to the Wolfcamp Participating Area, Cotton Draw Unit, Eddy and Lea County, New Mexico was received on February 4, 2002.

The Commissioner of Public Lands has this date approved your application for the First Revision to the Wolfcamp Participating area. The effective date of this revision is February 1, 2000. Our approval is subject to like approval by the Bureau of Land Management.

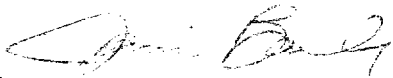
The approved participating area contains 959.92 acres and is described as follows:

Township 25 South, Range 31 East
Section 2: lots 1,2,3,4, S/2N/2, S/2
Section 11: N/2

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS


BY:
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/pm

xc: Reader File
OCD-Attention: Mr. Roy Johnson
BLM Roswell - Attention Mr. John Simitz
TRD Attn: Mr. Valdean Severson
RMD Attn: Ms.Linda Vieira

COMMISSIONER'S OFFICE

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Fax (505) 827-5853

GENERAL COUNSEL

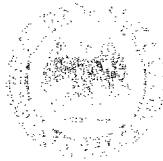
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Commissioner of Public Lands
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Fax (505) 827-5711

February 8, 2002

Texaco Exploration & Production, Inc.
P.O. Box 3109
Midland, Texas 79702

Attn: Mr. Mike Mullins

Re: 2002 Plan of Development
Cotton Draw Unit
Eddy & Lea Counties, New Mexico

Dear Mr. Mullins:

The Commissioner of Public Lands has, of this date, approved the above-captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

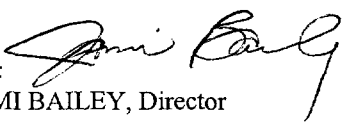
The possibility of drainage by wells outside of the unit area and the need for further development of the unit may exist. You may be contacted at a later date regarding these possibilities.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY:


JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm

xc: Reader File

OCD

BLM

COMMISSIONER'S OFFICE

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Fax (505) 827-5853

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Phone (505) 827-5713

Fax (505) 827-4262

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Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

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January 10, 2002

Chevron-Texaco
P. O. Box 3109
Midland, Texas 79702

Attention: Mr. Mike Mullins

Re: Cotton Draw Unit
Commercial Well Determination
Cotton Draw Unit Well No. 87
NE/4NE/4 Sec. 11-25S-31E
Eddy and Lea Counties, New Mexico

Dear Mr. Mullins:

This office is in receipt of your letter of July 13, 2001, together with the data that supports your commercial determination regarding the Cotton Draw Unit Well No. 87, NE/4NE/4, Sec. 11-25S-31E.

The Bureau of Land Management, by their letter of November 30, 2001, has advised this office that they have concurred with your determination that the Cotton Draw Unit Well No. 87 is capable of producing unitized substances in paying quantities from the Wolfcamp formation.

Please be advised that the Commissioner of Public Lands concurs with Chevron-Texaco and the Bureau of Land Management's determinations that the Cotton Draw Unit Well No. 87 is a commercial well in the Wolfcamp formation and is entitled to participate in the Wolfcamp participating area. Please submit a copy of the proposed Wolfcamp participating area to this office for our approval.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

A handwritten signature in cursive script, appearing to read "Jami Bailey".

BY:
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/pm

xc: Reader File
OCD-Attention: Mr. Roy Johnson
BLM Roswell - Attention Mr. Gary Gourley



Texaco Exploration and Production Inc.
Permian Business Unit

500 North Loraine
Midland TX 79701

P O Box 3109
Midland TX 79702

January 31, 2002

NM186150 - Cotton Draw Unit Agreement
Eddy and Lea Counties, New Mexico
2002 Plan of Development

Bureau of Land Management
Roswell District Office
Attn: Mr. Gary Gourley
2909 W. Second Street
Roswell, New Mexico 88201-2019

Commissioner of Public Lands
State of New Mexico Land Office
Attn: Mr. Pete Martinez
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

Gentlemen:

As Unit Operator of the Cotton Draw Unit, Texaco Exploration and Production Inc. ("Texaco") hereby submits for your approval a plan of development and operations for the subject unit for 2002.

PAST OPERATIONS

As you are aware, effective December 1, 1999, Texaco Exploration and Production Inc. sold its interests in the oil and gas leases encompassing both the Delaware Sand Participating Area and the Delaware Sand "A" Participating Area within the Cotton Draw Unit to Leede Operating Company, L.L.C. Subsequently, Sahara Operating Company (Leede's operating entity) has been approved as Sub-Operator of the Delaware formation underlying the Cotton Draw Unit. Accordingly, this letter will only address operations and activity in formations below the base of the Delaware formation.

There are currently three (3) wells within the Cotton Draw Unit completed from the Devonian formation, which are the Cotton Draw Unit wells #76 (Sec. 1, T25S-R31E), #84 (Section 2, T25S-R31E) and #86 (Section 12, T25S-R31E).

There is one (1) well currently completed in the Atoka formation, being the Cotton Draw Unit well #67 (Section 35, T24S-R31E).

Three (3) wells have been drilled to test the Wolfcamp formation; the Cotton Draw Unit wells #87 (Section 11, T25S-R31E), #88 (Section 7, T24S-R32E) and #89 (Section 3, T25S-R31E). Well #87 was successfully completed from the Wolfcamp formation and has qualified as a commercial well. Accordingly, by letter, dated January 30, 2002, Texaco has filed an application for the First Enlargement of the Participating Area for the Wolfcamp Formation within the Cotton Draw Unit. Wells #88 and #89, drilled to test the Wolfcamp formation, have not been as successful. In the near future, we will provide you with information requesting your concurrence that wells #88 and #89 are non-commercial.

Bureau of Land Management
Commissioner of Public Lands
January 31, 2002
Page 2

Lastly, we have drilled and are currently attempting to complete the Cotton Draw Unit well #90 (Section 36, T24S-R31E) from the Morrow formation.

Attached for your information is (1) a list, indicating the status of all of the wells within the Cotton Draw Unit that have penetrated depths below the Delaware formation, (2) tabular production for 2001 for the active wells producing from formations below the Delaware formation in the Cotton Draw Unit and (3) three separate maps which display the Morrow, the Devonian and the proposed enlargement of the Wolfcamp Participating Areas within the Cotton Draw Unit. The attached maps also display the wells described above.

DEVELOPMENT PLANS FOR 2002

Texaco will attempt to complete the Cotton Draw Unit well #90 from the Morrow formation. Pending the results from our completion attempt in said well, we will evaluate further opportunities in the Morrow formation. Also, we will be evaluating the results from our recent drilling to establish production from the Wolfcamp formation.

If you have any questions, please contact the undersigned at (915) 687-7273. For your information, our new mailing address is 15 Smith Road, Midland, Texas 79705.

Very truly yours,



Mike Mullins
Landman

Attachments

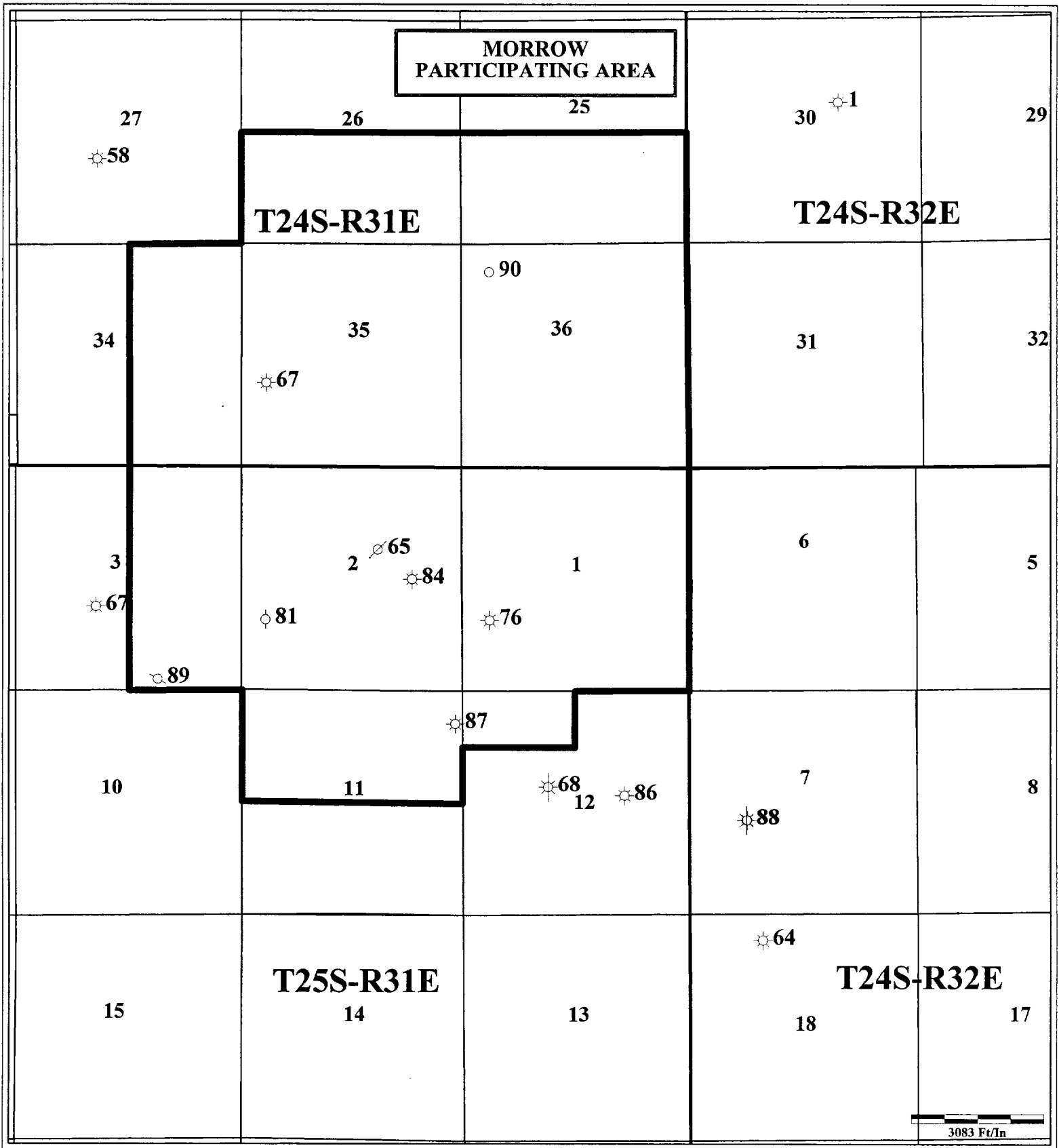
cc: Devon Energy Production Company
Attn: Mr. Ken Gray
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102-8260

State of New Mexico
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

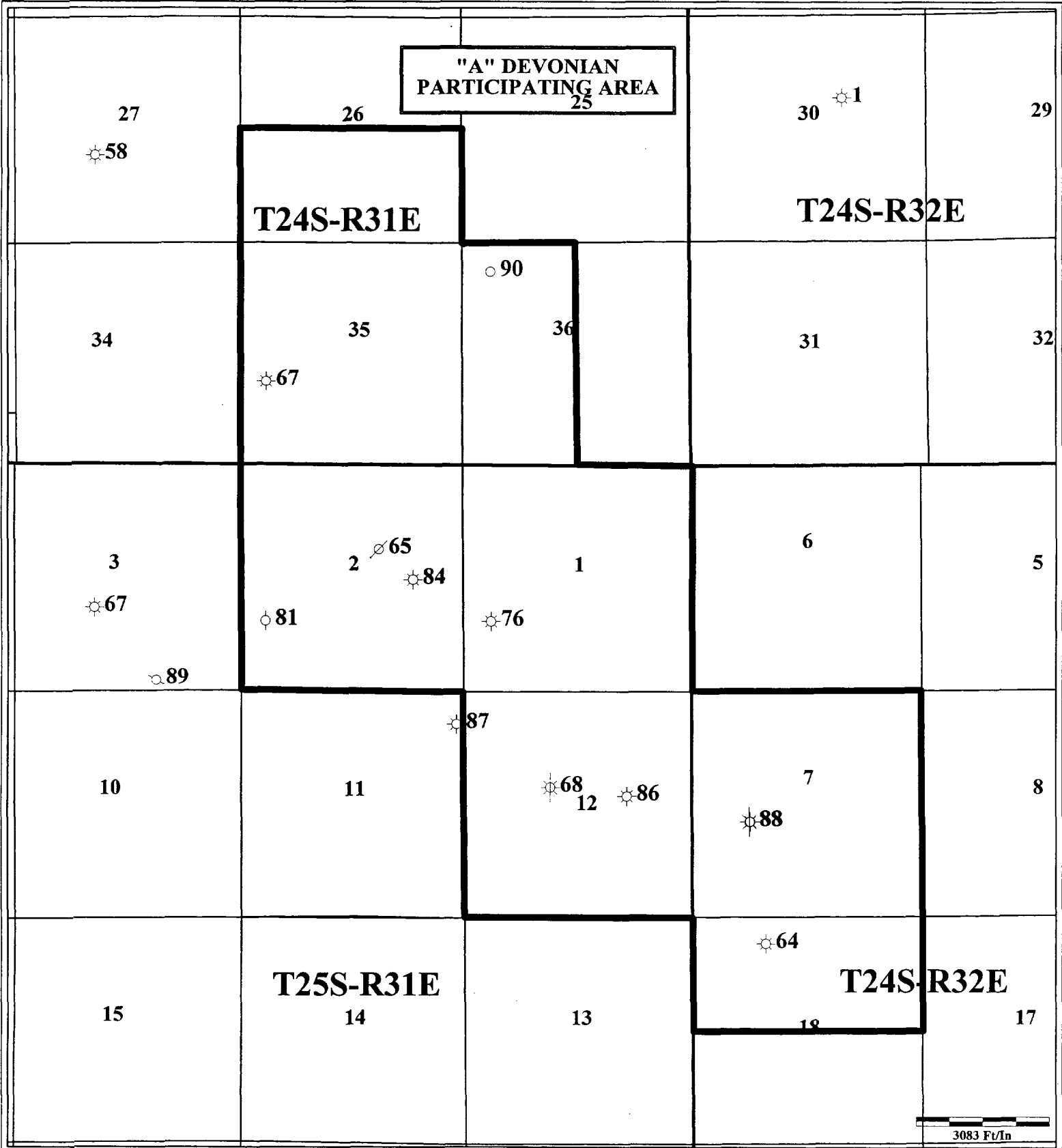
COTTON DRAW UNIT
EDDY COUNTY, NEW MEXICO
WELL STATUS
JANUARY 28, 2002

Cotton Draw Unit #64	T.A.'d	Producer
Cotton Draw Unit #65	Active	SWD Well
Cotton Draw Unit #67	Active	Producer
Cotton Draw Unit #68	T.A.'d	Producer
Cotton Draw Unit #76	Active	Producer
Cotton Draw Unit #81	T.A.'d	Producer
Cotton Draw Unit #84	Active	Producer
Cotton Draw Unit #86	Active	Producer
Cotton Draw Unit #87	Active	Producer
Cotton Draw Unit #88	T.A.'d	Producer
Cotton Draw Unit #89	T.A.'d	Producer
Cotton Draw Unit #90	Completing	Producer

[illegible][illegible]



"A" DEVONIAN
PARTICIPATING AREA
25



3083 Ft/In



Texaco Exploration and Production Inc.
Permian Business Unit

500 North Loraine
Midland TX 79701

P O Box 3109
Midland TX 79702

January 30, 2002

NM186150 - Cotton Draw Unit Agreement
Eddy and Lea Counties, New Mexico

Application for the Approval of the
First Enlargement of the Participating Area
for the Wolfcamp Formation

Bureau of Land Management
Roswell District Office
Attn: Mr. Gary Gourley
2909 W. Second Street
Roswell, New Mexico 88201-2019

Commissioner of Public Lands
State of New Mexico Land Office
Attn: Mr. Pete Martinez
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

Gentlemen:

By our letter, dated July 13, 2001, your offices were furnished with information on the completion of the Cotton Draw Unit #87 well. Your offices both made the determination that said well qualifies as a commercial well in the Wolfcamp formation, pursuant to the Cotton Draw Unit Agreement.

Accordingly, Texaco Exploration and Production Inc., as Unit Operator of the Cotton Draw Unit Agreement, pursuant to Section 11 of the Unit Agreement, respectfully submits for your approval the selection of the following described lands for inclusion in the First Enlargement of the Participating Area for the Wolfcamp Formation:

Township 25 South, Range 31 East, Eddy County, New Mexico

Section 2: All

Section 11: N/2

containing 959.92 acres, more or less

Your records will reflect that the Initial Participating Area for the Wolfcamp Formation covered all of Section 2, Township 25 South, Range 31 East, Eddy County, New Mexico.

In support of our application, attached are the following items:

- 1) A map, marked as Exhibit "A", showing the pertinent portion of the unit area and the boundary of the proposed First Enlargement of the Participating Area for the Wolfcamp Formation.

Bureau of Land Management
Commissioner of Public Lands
January 30, 2002
Page 2

- 2) A schedule, marked as Exhibit "B", showing the lands entitled to participation in the unitized substances produced from the Wolfcamp formation, with the percentages of participation of each tract indicated.
- 3) A Wolfcamp structure map, supporting the boundary of the proposed First Enlargement of the Participating Area for the Wolfcamp Formation.

We are furnishing Devon Energy Production Company, L.P., the only other working interest owner, with a copy of this application.

Texaco respectfully requests your approval of the above described lands to constitute the First Enlargement of the Participating Area for the Wolfcamp Formation. The effective date of the participating area will be April 1, 2000, per Section 11 of the Cotton Draw Unit Agreement.

If you have any questions, please contact the undersigned at (915) 687-7273. For your information, our new mailing address is 15 Smith Road, Midland, Texas 79705.

Very truly yours,



Mike Mullins
Landman

Attachments

cc: Devon Energy Production Company
Attn: Mr. Ken Gray
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102-8260

State of New Mexico
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

EXHIBIT "B"
FIRST ENLARGEMENT OF THE PARTICIPATING AREA
FOR THE WOLF CAMP FORMATION
COTTON DRAW UNIT AGREEMENT
EDDY AND LEA COUNTIES, NEW MEXICO

Tract No..	Lease No.	Description	Participating Acres	Percentage of Participation	Working Interest Owner and Percent Interest
1	NM 0503	T25S-R31E Sec. 11: N/2	320.00	33.336111 %	Texaco Exploration and Production Inc. – 50 % Devon Energy Production Company L.P. – 50 %
35	K-4562	T25S-R31E Sec. 2: All	639.92	66.663889 %	Texaco Exploration and Production Inc. – 50 % Devon Energy Production Company L.P. – 50 %

SUMMARY

Type Land	Committed Acres	Percent
Federal	320.00	33.336111 %
State	639.92	66.663889 %
TOTAL	959.92	100.000000 %



1446

Texaco Exploration and Production Inc.
Permian Business Unit

500 North Loraine
Midland TX 79701

P O Box 3109
Midland TX 79702

JUL 25 PM 1:19

July 13, 2001

NM186150 - Cotton Draw Unit
Eddy and Lea Counties, New Mexico
Cotton Draw Unit Well No. 87

Bureau of Land Management
Roswell District Office
Attn: Mr. Gary Gourley
2909 W. Second Street
Roswell, New Mexico 88201-2019

Commissioner of Public Lands
State of New Mexico Land Office
Attn: Mr. Pete Martinez
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

Gentlemen:

Texaco Exploration and Production Inc. , as operator of the Cotton Draw Unit, recently completed the Cotton Draw Unit #87 well from the Wolfcamp formation, said well being located 772' FNL and 154' FEL of Section 11, T25S-R31E, Eddy County, New Mexico. We have attached information for your review to make a commercial well determination for said well.

At such time that you advise Texaco that the subject well qualifies as a commercial well, we will submit an application for a participating area or an enlargement of an existing participating area to your offices for your review. Please contact the undersigned at (915) 688-4488, with any questions.

Very truly yours,

Mike Mullins
Landman

Attachments

cc: Devon Energy Production Company
Attn: Mr. Ken Gray
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102-8260

State of New Mexico
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

**TEXACO EXPLORATION AND PRODUCTION INC.
COMMERCIALITY DETERMINATION**

Well Name: Cotton Draw Unit # 87

Formation: Wolfcamp

Location: 772' FNL 154' FEL Section 11 T-25S R-31E Eddy County, New Mexico

Date Spud: 11/29/99

Date Completed: 2/8/2000

Date of First Delivery: 3/23/2000

Total Well Cost (Drilling and Completion): \$ 1,562,500

Operating Cost: (Estimated) \$ 40,000/year

Severance Tax: 7.09% condensate 7.93% natural gas

Ad Valorem Tax: 1.387%

Current Gas Price: \$3.00/MCF

Current Oil Price: \$ 27.00/BBL

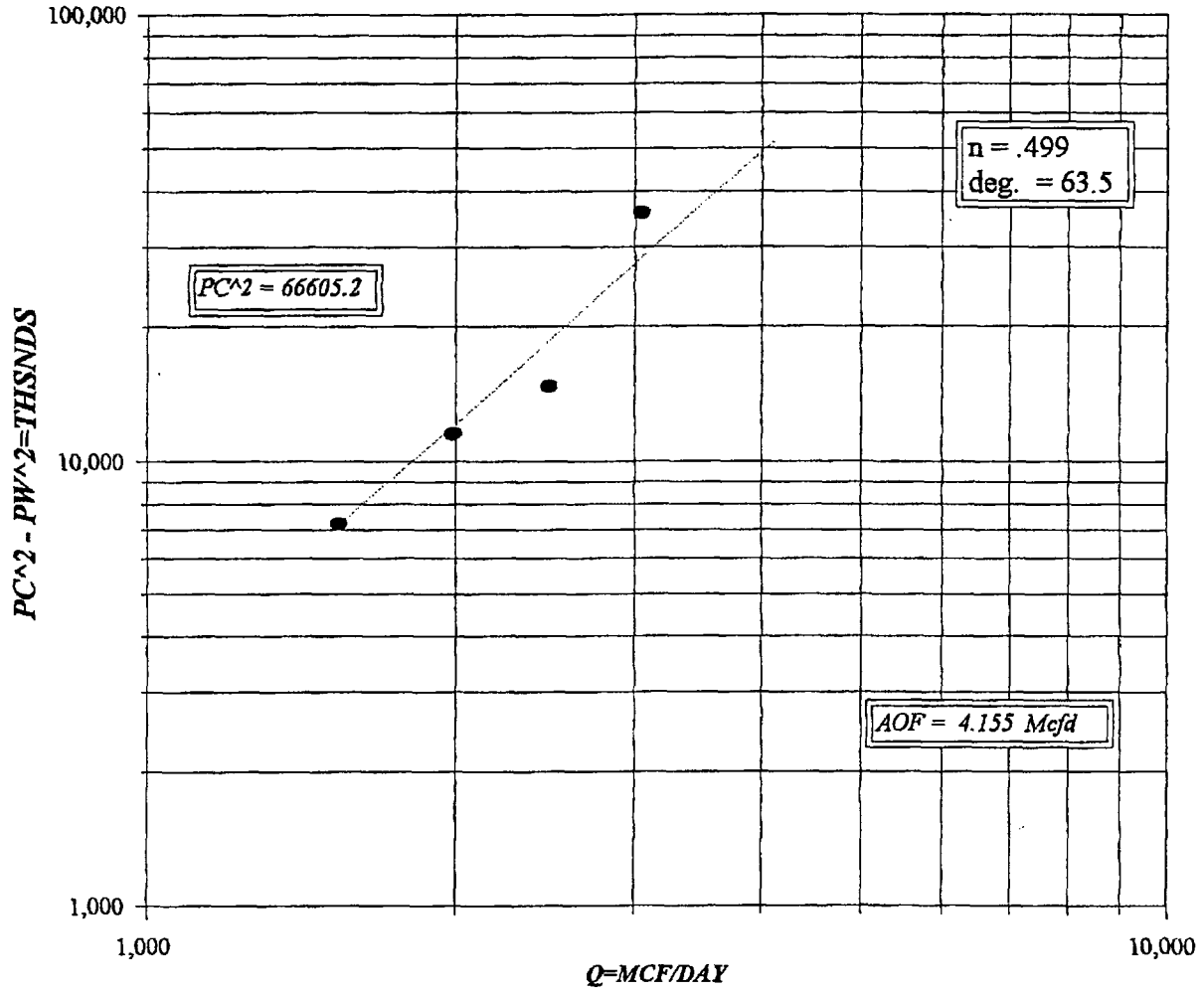
Royalty Rate: 12.5% Subject to various overrides

Payout; 1.0 years

Production forecast: 2500 MCF starting 3/23/2000

YEAR	MMCF
2000	528
2001	750
2002	350
2003	200
2004	140

TEXACO E & P COTTONDRAW #87



0 COMPANY : TEXACO E & P LEASE : COTTON DRAW WELL NO. : 87
 UNIT : SECTION : TOWNSHIP :
 L : 12790 H : 12790 L/H : 1 G/GMIX :
 %CO2 : 0.809 %N2 : 0.681 H2S : DATE : 3/22/00
 d : 2.441 Pr : 0.010763 GH : 0.0 RANGE :

Pc = 8161.2 PC2 = 66605.2 *

Pt2 = ***** Pw = 7706.2 *
 ***** 7415.2 *
 ***** 7198.2 *
 ***** 5558.2 *

VOL 1 : 1542 PSIA 1 : 7706.2 RESV.TEMP 201.9
 VOL 2 : 1992 PSIA 2 : 7415.2
 VOL 3 : 2475 PSIA 3 : 7198.2 SHUT-IN PR= 8161.2
 VOL 4 : 3045 PSIA 4 : 5558.2

PCR : 670
 TCR : 408

Pc2-Pw2= 7219.7 Pw2 = 59385.5 *
 ***** 54985.2 *
 ***** 51814.1 *
 ***** 30893.6 *

n = 0.499 *

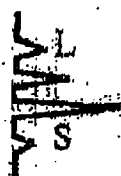
Pc2/(Pc2-Pw2) = 9.226 *
 5.732 *
 4.503 *
 1.865 *

[Pc2/Pc2-Pw2]n = 3.028 *
 2.388 *
 2.118 *
 1.364 *

AOF= Q 4.669 *
 4.757 *
 5.241 *
 4.155 *

LINE	RATE 1		RATE 2		RATE 3		RATE 4	
	1ST	2ND	1ST	2ND	1ST	2ND	1ST	2ND
1 QM	1.542	1.542	1.992	1.992	2.475	2.475	3.045	3.045
2 TW	534	534	534	534	534	534	534	534
3 Ts	661.9	661.9	661.9	661.9	661.9	661.9	661.9	661.9
4 T	598.0	598.0	598.0	598.0	598.0	598.0	598.0	598.0
PR (est)	11.50		11.07		10.74		8.30	
5 Z(est)	1.210	1.210	1.179	1.179	1.156	1.156	0.981	0.981
6 TZ	723.8	723.8	705.0	705.0	691.1	691.1	586.8	586.8
7 GH/TZ	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
8 eS	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
9 l-e-S	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
10 Pt	7706.2	7706.2	7415.2	7415.2	7198.2	7198.2	5558.2	5558.2
11 Pt2 /1000	59385.5	59385.5	54985.2	54985.2	51814.1	51814.1	30893.6	30893.6
12 Pr	0.010763	0.010763	0.010763	0.010763	0.010763	0.010763	0.010763	0.010763
13 Pc=PrTZ	7.790	7.790	7.588	7.588	7.438	7.438	6.316	6.316
14 PcQm	12.01	12.01	15.12	15.12	18.41	18.41	19.23	19.23
15 L/H(PcQm)	144.3	144.3	228.5	228.5	338.9	338.9	369.8	369.8
16 Pw	0	0	0	0	0	0	0	0
17 Pw2	59385.5	59385.5	54985.2	54985.2	51814.1	51814.1	30893.6	30893.6
18 Ps2	59385.5	59385.5	54985.2	54985.2	51814.1	51814.1	30893.6	30893.6
19 Ps	7706.2	7706.2	7415.2	7415.2	7198.2	7198.2	5558.2	5558.2
20 P	7706.2	7706.2	7415.2	7415.2	7198.2	7198.2	5558.2	5558.2
21 Pr	11.50	11.50	11.07	11.07	10.74	10.74	8.30	8.30
22 Tr	1.47	1.47	1.47	1.47	1.47	1.47	1.47	1.47
23 Z	1.210	1.210	1.179	1.179	1.156	1.156	0.981	0.981

FORM C122-D *



Laboratory Services, Inc.

4016 Fiesta Drive
Hobbs, New Mexico 88240

Telephone: (505) 297-3719

FOR:

Texaco E & P, Inc.
Attention: Mr. R. W. Lemmons
205 E. Bender
Hobbs, New Mexico 88240

SAMPLE: Sta. #361040684
IDENTIFICATION: Cotton Draw #87
COMPANY: TEPI
LEASE:
PLANT:

SAMPLE DATA:

DATE SAMPLED: 3/23/00 11:35 am
ANALYSIS DATE: 3/24/00
PRESSURE - PSIG 624
SAMPLE TEMP. °F 70
ATMOS. TEMP. °F 65

GAS (XX) LIQUID ()
SAMPLED BY: R. W. Lemmons
ANALYSIS BY: Vickie Walker

REMARKS:

H2S = 0

COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM
Hydrogen Sulfide (H2S)	0.000	
Nitrogen (N2)	0.031	
Carbon Dioxide (CO2)	0.809	
Methane (C1)	87.138	
Ethane (C2)	7.429	1.982
Propane (C3)	2.140	0.591
I-Butane (IC4)	0.427	0.189
N-Butane (NC4)	0.684	0.199
I-Pentane (IC5)	0.224	0.082
N-Pentane (NC5)	0.197	0.071
Hexane Plus (C6+)	0.362	0.149
	100.000	3.218

BTU/CU.FT. - DRY 1184
AT 14.650 DRY 1181
AT 14.650 WET 1111
AT 14.73 DRY 1137
AT 14.73 WET 1117

MOLECULAR WT. 18.9237

SPECIFIC GRAVITY -
CALCULATED 0.654
MEASURED

NEW MEXICO G.O.R./G. MIX		
NO. OF BBLs PRODUCED	=	12.0
API GRAVITY @ 60 DEG.	=	53.0
.....		
SPECIFIC GRAVITY OF GAS	=	0.6540
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX		
TOTAL GAS PRODUCED	=	377
G.O.R.	=	31.438
G.MIX	=	0.748

Submit in duplicate to
appropriate district office.
See Rule 401 & Rule 1122

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Form C-122
Revised October, 1999

MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

Operator TEXACO E & P						Lease or Unit Name COTTONDRAW					
Type Test <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special						Test Date 3/22/00		Well No. 87			
Completion Date		Total Depth		Plug Back TD 13048		Elevation		Unit Ltr - Sec - TWP - Rgs			
Csg. Size 5"	Wt. 18#	d 4.276	Set At 13048		Perforations: From: 12895 To: 12960				County EDDY		
Tbg. Size 2 7/8	Wt. 6.5	d 2.441	Set At 12790		Perforations: From: To:				Pool		
Type Well-Single-Bradenhead-G.G. or G.O. Multiple SINGLE						Packer Set At 12790		Formation			
Producing Thru tubing		Reservoir Temp. °F 201		Mean Annual Temp. °F 60		Baro. Press.-P ₁ 13.2		Connection SALES			
L 12790	H 12790	Gg 0.654	%CO ₂ 0.809	%N ₂ 0.681	%H ₂ S n/a	Prover n/a	Meter Run 3.068	Taps flg			
FLOW DATA				TUBING DATA				CASING DATA			
No.	Prover Line Size	Orifice Size	Press p.s.i.g.	Diff. h _w	Temp. °F	Press p.s.i.g.	Temp. °F	Press p.s.i.g.	Temp. °F	Duration of Flow	
S1						8148	n/a	pkc	n/a		
1	3.068 x 1.500		624	18	77	7693				60 min	
2	3.068 x 1.500		626	27	56	7402				60 min	
3	3.068 x 1.500		626	42	64	7185				60 min	
4	3.068 x 1.500		629	62	56	5545				60 min	
5											
RATE OF FLOW CALCULATIONS											
No.	COEFFICIENT (24 Hour)		$\sqrt{h_w P_m}$	Pressure P _m	Flow Temp. Factor Ft.	Gravity Factor F _g	Super Compress Factor F _{pv}		Rate of Flow Q, Mcfd		
1									1542		
2	GAS VOLUMES		MEASURED	BY	TOTAL	FLOW	METER		1992		
3									2475		
4									3045		
5											
No.	P _r	Temp. °R	T _r	Z	Gas Liquid Hydrocarbon Ratio 31.438 Mcf bbl.						
1					A.P. I. Gravity of Liquid Hydrocarbons 53 Deg.						
2					Specific Gravity Separator Gas 0.654 XXXXXXXX						
3	TOTAL	FLOW			Specific Gravity Flowing Fluid N/A XXXXXX						
4					Critical Pressure 673 P.S.I.A. 670 P.S.I.A.						
5					Critical Temperature 371 R. 408 R.						
P _c 8161.2		P _{c2} 66605.2									
No.	P _r ²	P _w	P _w ²	P _c ² -P _w ²	(1) $\frac{P_c^2}{P_c^2 - P_w^2} = \frac{1.865}{\quad}$ (2) $\left[\frac{P_c^2}{P_c^2 - P_w^2} \right]^n = \frac{1.364}{\quad}$						
1		7706.2	59385.5	7219.7							
2		7415.2	54985.2	11620							
3		7198.2	51814.1	14791.1							
4		5558.2	30893.6	35711.6							
5											
Absolute Open Flow 4.155 Mcfd @ 15.025					Angle of Slope (°): 63.5			Slope n: 0.4986			
Remarks: * WELL MADE 12 BBLS OF 53.0 API GRAVITY CONDENSATE DURING TEST.											
Approved By Division:			Conducted By: PRO WELL TESTING			Calculated By: MB			Checked By: BM		

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0137
Expires: December 31, 1991

SUBMIT ORIGINAL WITH 5 COPIES

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER NEW WELL WELL WELL		5. Lease Designation and Serial No.	
1b. Type of Completion: NEW <input checked="" type="checkbox"/> WORK <input type="checkbox"/> DEEPE <input type="checkbox"/> PLUG <input type="checkbox"/> DIFF. <input type="checkbox"/> OTHER WELL OVER N BACK RESVR		6. If Indian, Allottee or Tribe Name	
2. Name of Operator TEXACO EXPLORATION & PRODUCTION INC.		7. If Unit or CA, Agreement Designation	
3. Address and Telephone No. 205 E. Bender, HOBBS, NM 88240 397-0405		8. Well Name and Number COTTON DRAW UNIT	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At Surface Unit Letter A : 772 Feet From The NORTH Line and 154 Feet From The EAST Line At proposed prod. zone		9. API Well No. 30-015-30818	
At Total Depth		14. Permit No.	12. County or Parish EDDY
15. Date Spudded 11/29/99		Date Issued	13. State
16. Date T.D. Reached 1/20/00	17. Date Compl. (Ready to Prod.) 2/8/00	18. Elevations (Show whether DF, RT, GR, etc.)	19. Elev. Casinhead
20. Total Depth, MD & TVD 13097	21. Plug Back T.D., MD & TVD 13048	22. If Multiple Compl., How Many*	23. Intervals Rotary Tools Drilled By --> CableTools
24. Producing Interval(s), Of This Completion - Top, Bottom, Name (MD and TVD)* 12895-12960 WOLFCAMP			25. Was Directional Survey Made YES
26. Type Electric and Other Logs Run SDS, GYRO, PLTEXP, SONIC, NGT,			27. Was Well Cored NO
28. CASING RECORD (Report all Strings set in well)			
CASING SIZE & GRADE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE
13 3/8"		730'	17 1/2"
9 5/8"		4353'	12 1/4"
7"		12,620'	8 1/2"
5" LINER		13096'	5 7/8"
29. LINER RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT
			SCREEN
30. TUBING RECORD			
SIZE	DEPTH SET	PACKER SET	
31. Perforation record (interval, size, and number) 12895-960		32. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
		DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
		12895-12960	2000 GALS 20% HCL,
			16000 GALS 20% SXE
			2000 GALS 20% HCL

33. PRODUCTION							
Date First Production 2/18/00		Production Method (Flowing, gas lift, pumping - size and type pump) FLOWING				Well Status (Prod. or Shut-in) PROD	
Date of Test 3-23-00	Hours tested 24 HRS	Choke Size	Prod'n For Test Period	Oil - Bbl. 48	Gas - MCF 2500	Water - Bbl. 0	Gas - Oil Ratio
Flow Tubing Press. 5920	Casing Pressure	Calculated 24- Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API -(Corr.)	
34. Disposition of Gas (Sold, used for fuel, vented, etc.) SOLD						Test Witnessed By	
35. List of Attachments SURVEY.							
36. I hereby certify that the foregoing is true and correct							
SIGNATURE <i>J. Denise Leake</i>				TITLE Engineering Assistant		DATE 4/20/00	
TYPE OR PRINT NAME J. Denise Leake							

REPORT NO.

1287575/6198186

S T A R

Schlumberger

PAGE NO. 1

Schlumberger Transient Analysis Report

TEST DATE:

3/27&5/22/00

Based on Model Verified Interpretation
Of Schlumberger Well Test Data

COMPANY: DEVON ENERGY	WELL: COTTON DRAW UNIT #87
TEST IDENTIFICATION	WELL LOCATION
Test Type PRESSURE B U	Field W/C
Test No. ONE & TWO	County EDDY
Formation WOLFCAMP	State NEW MEXICO
Test Interval (ft) 12895-12960	Location
COMPLETION CONFIGURATION	TEST STRING CONFIGURATION
Casing / Liner Size (in) 5	Tubing Length (ft) / I.D. (in) 12,719/2.982
Perforated Interval (ft) 12,895-12,960	Packer Depth (ft) 12,719
Perforated Interval (ft)	Gauge Depth (ft) / Type 12790/WTQR
Perforated Interval (ft)	Downhole Valve (Y/N) / Type N
Perforated Interval (ft)	
Perforated Interval (ft)	TEST CONDITIONS
Perforated Interval (ft)	Tbg / Wellhead Pressure (psi)
Net Pay (ft) 16	
INTERPRETATION RESULTS	ROCK / FLUID / WELLBORE PROPERTIES
Model of Behavior HOMOGENEOUS	Gas Gravity 0.665
Fluid Type Used for Analysis GAS	Viscosity (cp) 0.03617
Estimated Reservoir Pressure (psi) 10,062 @ 12,790	Total Compressibility (1/psi) 3.18E-05
Transmissibility (md.ft/cp) 1313	Porosity (%) 7
Effective Permeability (md) 2.97	Reservoir Temperature (F) 195
Skin (DIM) 20.7	Water Cut (%)
Pressure Drop (skin, psi) 2,234	
Radius of Investigation (ft) 2,540	
Distance to boundary (ft) 360	
Distance to boundary (ft) 375	

PRODUCTION RATE DURING TEST: 2198 MSCF/D

SUMMARY:

This report contains the analysis of the data acquired during two build up tests, conducted on 27 March 2000 and 22 May 2000, on the Devon Cotton Draw Unit #87 in Eddy County, New Mexico. These tests were conducted by Schlumberger's Hobbs, New Mexico Testing District (505 393 4107). The data was taken using slickline conveyed electronic pressure gauges. The gauges were run in the wellbore with the well flowing, taking gradient stops as specified. Once the gauges were in place, the well was shut in and a build up was taken.

The data was modeled using a homogeneous reservoir model with changing wellbore storage and skin. Log log and semi log analysis techniques were used to interpret this data. Agreement between the two analysis methods was excellent. The permeability was calculated to be 2.97 md, using a thickness of 16 feet. The skin was calculated to be positive 20.7, causing a pressure drop of 2,234 psi. The reservoir pressure was extrapolated from the type curve to be 10,062 psi at gauge depth.

For further discussion of this analysis, please refer to the interpretation discussion on page two of this report. If you have any questions, please call Marc Pearcy at 405 840 2781.

Cotton Draw Unit #87 Interpretation Discussion:

This report contains the analysis of the data acquired during two build up tests, conducted on 27 March 2000 and 22 May 2000, on the Devon Cotton Draw Unit #87 in Eddy County, New Mexico. These tests were conducted by Schlumberger's Hobbs, New Mexico Testing District (505 393 4107).

The data was taken using slickline conveyed, electronic pressure gauges. The gauges were run in the wellbore with the well flowing, taking flowing gradient stops as specified. Once the gauges were in place, the well was shut in and a build up test was taken. Static gradient stops were taken as the gauges were retrieved from the well. The flowing and static gradient stop data and plots were included in a previous data report.

The data from both build up tests was modeled using a homogeneous reservoir with changing wellbore storage and skin. The radial flow regime was reached after approximately 2 hours of build up time on both tests and continued until the data deviated from infinite acting behavior. The infinite acting radial flow regime is indicated by the constant pressure derivative on the plot of log-log pressure and pressure derivative versus shut in time (using the pseudopressure function). As a result of obtaining radial flow data, both log log and semi log analysis techniques could be used in this interpretation. Agreement between the two analysis methods was excellent on the tests analyzed from both wells.

The interpretation plots from both well tests along with the parameters calculated using each interpretation technique are included in the body of this report. A comparison of the parameters calculated from each well test is presented in the table below.

	k	Skin	Ext. Pressure	$L_1/L_2/L_3$
Test 1 (3/27/00)	3.28 md	19.8	10,062 psi	250 ft/550 ft
Test 2 (5/22/00)	2.97 md	20.7	10,046 psi	360 ft/375 ft/2500 ft

The behavior of the pressure derivative during the late time on both tests, was indicative of a decrease in transmissibility away from the wellbore. In order to match this behavior a model was constructed with two no flow outer boundary conditions, 360 feet and 375 feet away from the wellbore. In order to match the original reservoir pressure extrapolated from the initial build up test a third boundary was used 2500 feet away from the wellbore. This indicates no pressure depletion was seen as a result of the production between these two build up tests.

In order to validate this interpretation, a simulation of the test sequence was made using the model created from this analysis. The measured test data was then plotted on the same scale as the simulated data. Agreement between the measured data and the simulated data is excellent. This plot is presented in the body of this report.

If you have any questions, please call Marc Pearcy at 405 840 2781.

Schlumberger**1287575 : Main Results**

Company DEVON ENERGY
Field PADUCA SOUTH
Well COTTON DRAW UNIT #87
Test WOLFCAMP/1

Continent

Date 27 MARCH 2000
Gauge WTQR897
Depth 12,790
Formation interval 12,895-12,960
Perforated interval 12,895-12,960

TEST TYPE Standard

FLUID TYPE Gas

Porosity Phi (%) 7
Well Radius rw 0.3 ft
Pay Zone h 16 ft

Gas Gravity 0.665117
Pseudo-Critical P 668.077 psia
Pseudo-Critical T 368.922 °R

Reservoir T 195 °F
Reservoir P 10000 psia
Properties @ Reservoir T&P
Total Compr. ct 3.17815E-5 psi-1
Viscosity 0.0361664 cp

Flow Period # 6
Rate 0 MSCF/day
Rate Change 2361 MSCF/day
P at dt=0 6971.66 psia
Pi 10062.3 psia
Time Match 706 (hr)-1
Pressure Match 2.39E-8 (psi2/cp)-1

RESERVOIR Homogeneous
BOUNDARY // Faults
WELL Storage & Skin
Storage C 0.000607 STB/psi
Ci/Cf 3.79993
Alpha 9000
Skin factor 19.8
Delta P Skin 2079.54 psia

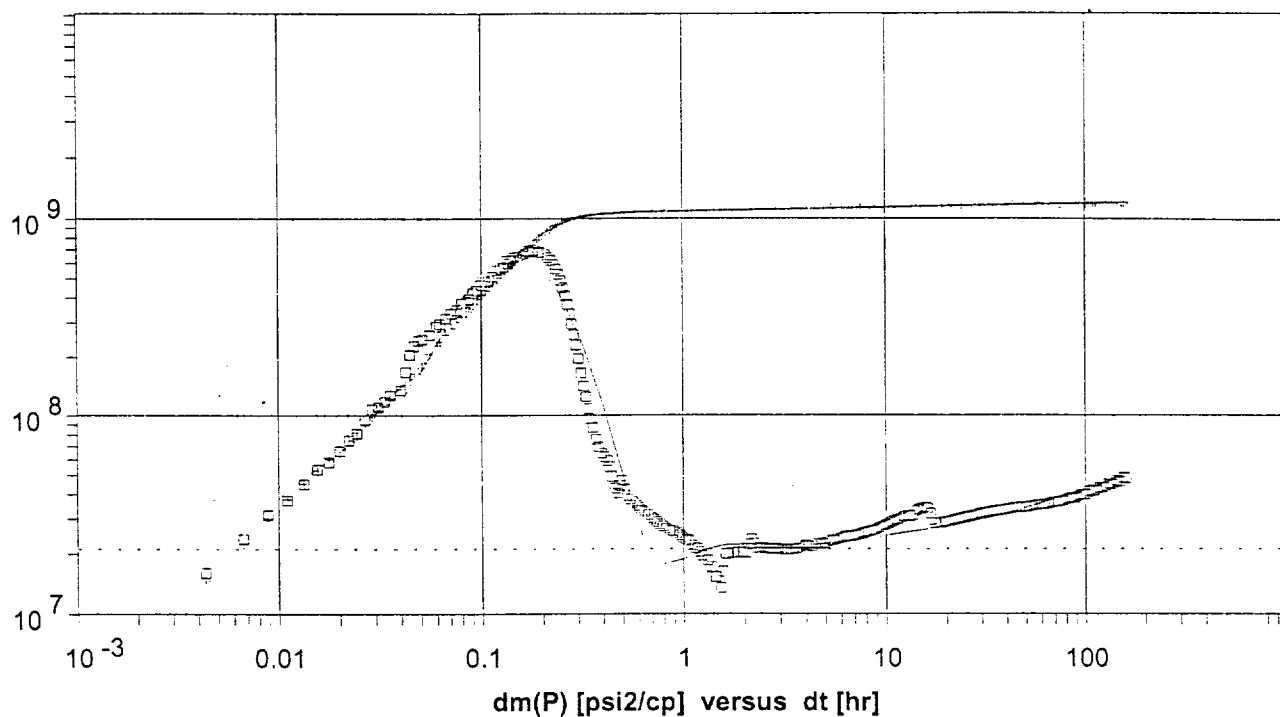
kh 52.5 md.ft
k 3.28 md
Mobility k/mu 90.8
Investig. R 2370 ft
Tested Volume 3.51749E6 Barrels
L1 sealing at 250 ft
L2 sealing at 550 ft

TEST #1 - 27 MARCH 2000

Schlumberger**1287575 : Log-Log**

Company DEVON ENERGY
Field PADUCA SOUTH
Well COTTON DRAW UNIT #87
Test WOLFCAMP/1

MBJ Continent



Flow Period # 6
Rate 0 MSCF/day
Rate Change 2361 MSCF/day
P at dt=0 6971.66 psia
Smoothing 0
Pi 10062.3 psia

Time Match 706 (hr)⁻¹
Pressure Match 2.39E-8 (psi²/cp)⁻¹

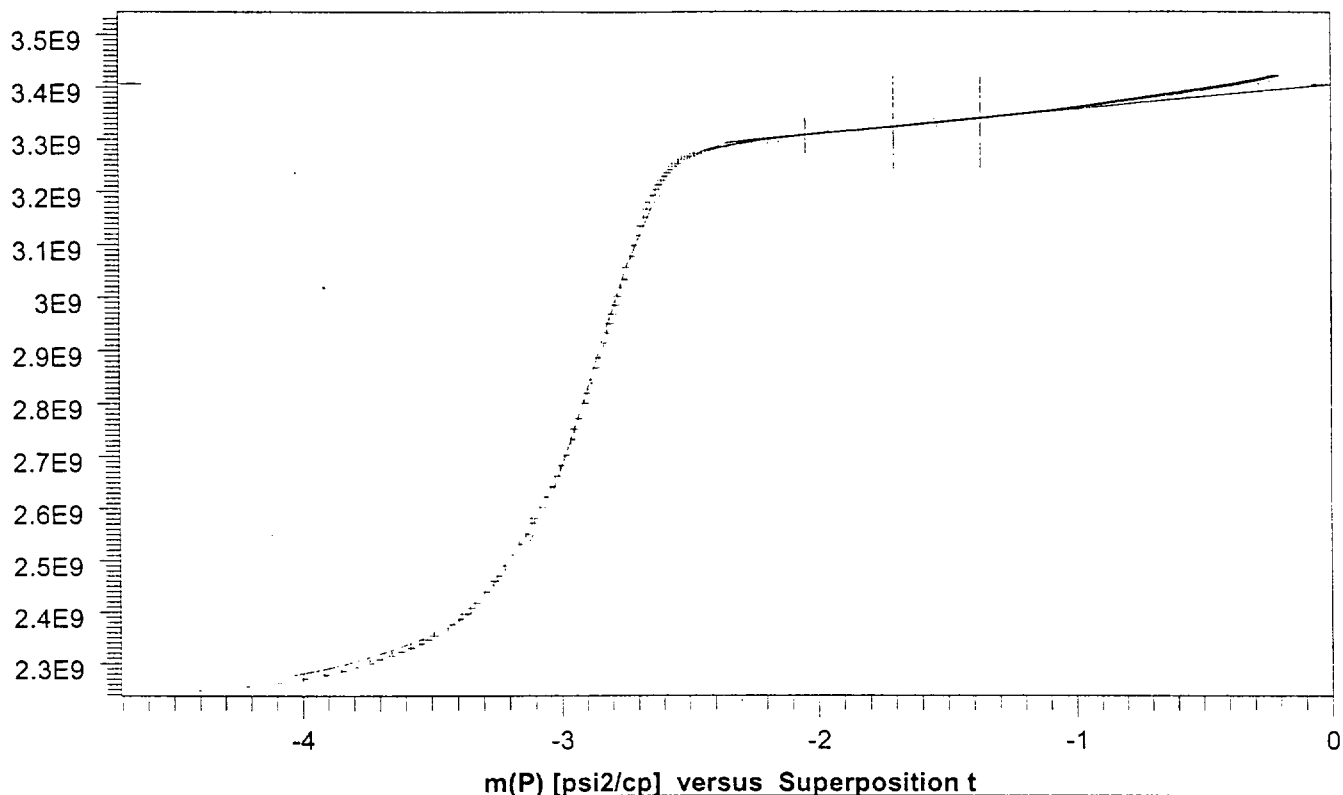
RESERVOIR Homogeneous
BOUNDARY // Faults
WELL Storage & Skin
Storage C 0.000607 STB/psi
Ci/Cf 3.79993
Alpha 9000
Skin factor 19.8
Delta P Skin 2079.54 psia

kh 52.5 md.ft
k 3.28 md
Mobility k/mu 90.8
Investig. R 2370 ft
Tested Volume 3.51749E6 Barrels

L1 sealing at 250 ft
L2 sealing at 550 ft



TEST #1 - 27 MARCH 2000

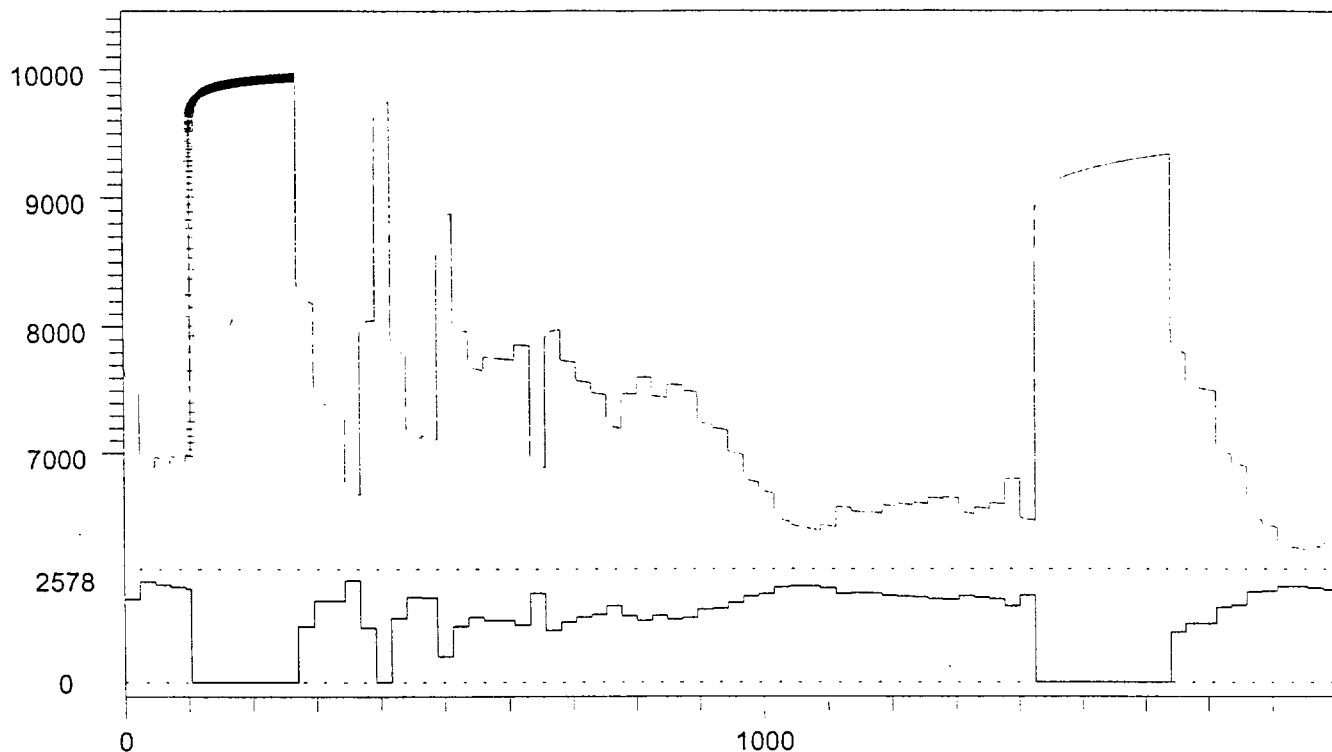
<div style="background-color: black; color: white; padding: 2px; text-align: center;">Schlumberger</div>		1287575 : Semi-Log		<div style="background-color: black; color: white; padding: 2px; text-align: center;">Continent</div>	
		Company	DEVON ENERGY		
		Field	PADUCA SOUTH		
		Well	COTTON DRAW UNIT #87		
		Test	WOLFCAMP/1		



Flow Period #	6	RESERVOIR	Homogeneous
Rate	0 MSCF/day	BOUNDARY	// Faults
Rate Change	2361 MSCF/day	WELL	Storage & Skin
P at dt=0	6971.66 psia	Storage C	0.000607 STB/psi
Pi	10062.3 psia	Ci/Cf	3.79993
STRAIGHT	LINE	Alpha	9000
		Skin factor	19.8
		Delta P Skin	2079.54 psia
From	2.20883 hr	kh	52.5 md.ft
To	4.85333 hr	k	3.28 md
Slope	4.86E7 psi2/cp	Mobility k/mu	90.8
Intercept	3.4046E9 psi2/cp	Investig. R	2370 ft
value at dt=1hr	3.30523E9 psi2/cp	Tested Volume	3.51749E6 Barrels
-> m*	3.4046E9 psi2/cp	L1 sealing at	250 ft
-> p*	9890.39 psia	L2 sealing at	550 ft
-> PMatch	2.37E-8 (psi2/cp)-1		
-> k.h	52.1 md.ft		
-> k	3.25 md		
-> Skin	19.2		
Delta P Skin	1970		

TEST #1 - 27 MARCH 2000



1287575 : Simulation			
	Company		DEVON ENERGY
	Field		PADUCA SOUTH
	Well		COTTON DRAW UNIT #87
	Test		WOLFCAMP/1



P [psia] & Q [MSCF/day] versus T [hr]

Flow Period #	6	RESERVOIR	Homogeneous
Rate	0 MSCF/day	BOUNDARY	// Faults
Rate Change	2361 MSCF/day	WELL	Storage & Skin
P at dt=0	6971.66 psia	Storage C	0.000607 STB/psi
Pi	10062.3 psia	Ci/Cf	3.79993
		Alpha	9000
Time Match	706 (hr)-1	Skin factor	19.8
Pressure Match	2.39E-8 (psi ² /cp)-1	Delta P Skin	2079.54 psia
		kh	52.5 md.ft
		k	3.28 md
		Mobility k/mu	90.8
		Investig. R	2370 ft
		Tested Volume	3.51749E6 Barrels
		L1 sealing at	250 ft
		L2 sealing at	550 ft



TEST #1 - 27 MARCH 2000

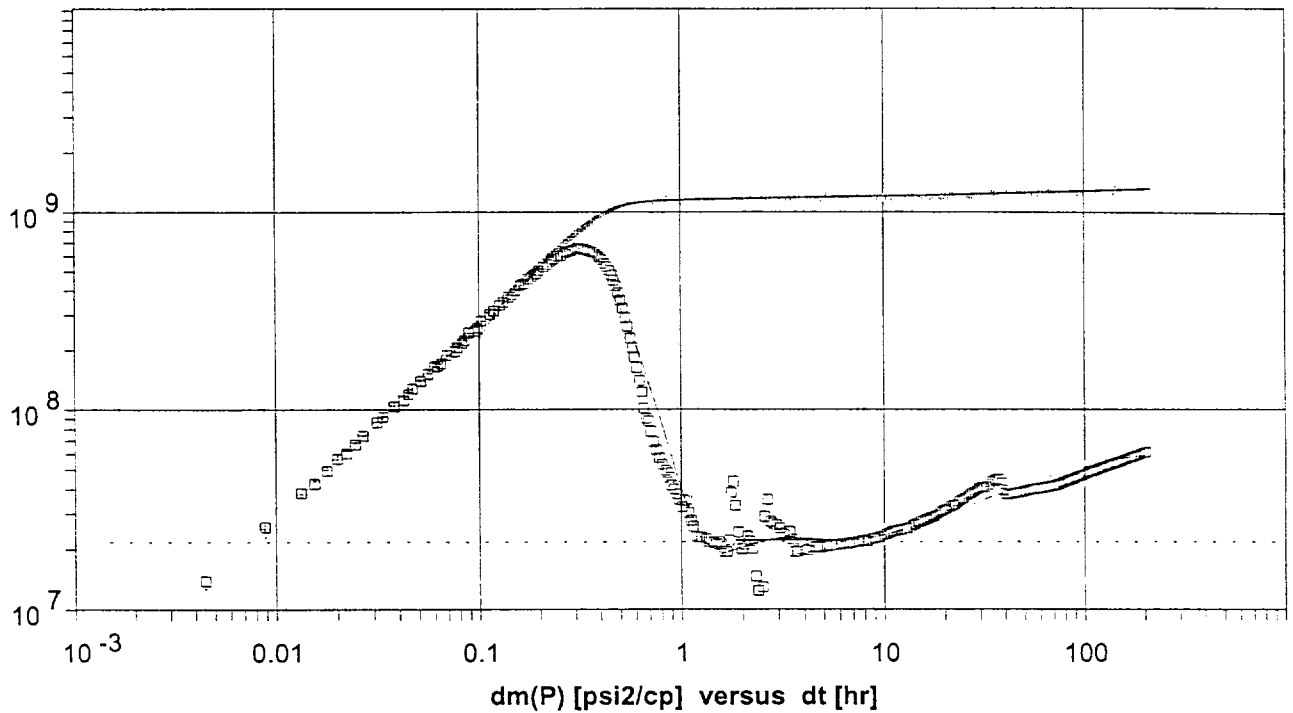
	6198186 : Main Results		
	Company	DEVON ENERGY	
	Field	PADUCA SOUTH	
	Well	COTTON DRAW UNIT #87	
	Test	WOLFCAMP/2	

Date 22 MAY 2000
 Gauge WTQR931
 Depth 12,790
 Formation interval 12,895-12,960
 Perforated interval 12,895-12,960

TEST TYPE	Standard	FLUID TYPE	Gas
Porosity Phi (%)	7	Gas Gravity	0.665117
Well Radius rw	0.3 ft	Pseudo-Critical P	668.077 psia
Pay Zone h	16 ft	Pseudo-Critical T	368.922 °R
		Reservoir T	195 °F
		Reservoir P	10000 psia
		Properties	@ Reservoir T&P
		Total Compr. ct	3.17815E-5 psi-1
		Viscosity	0.0361664 cp
Flow Period #	54	RESERVOIR	Homogeneous
Rate	0 MSCF/day	BOUNDARY	Rectangle
Rate Change	2198 MSCF/day	WELL	Storage & Skin
P at dt=0	5833.49 psia	Storage C	0.00115 STB/psi
Pi	10046.4 psia	Ci/Cf	2.94777
		Alpha	14200
Time Match	339 (hr)-1	Skin factor	20.7
Pressure Match	2.32E-8 (psi2/cp)-1	Delta P Skin	2234.34 psia
		kh	47.5 md.ft
		k	2.97 md
		Mobility k/mu	82.1
		Investig. R	2540 ft
		Tested Volume	4.02939E6 Barrels
		L1 sealing at	360 ft
		L2	none
		L3 sealing at	375 ft
		L4 sealing at	2500 ft

TEST #2 - 22 MAY 2000

6198186 : Log-Log			
	Company		DEVON ENERGY
	Field		PADUCA SOUTH
	Well		COTTON DRAW UNIT #87
	Test	WOLFCAMP/2	



Flow Period # 54
 Rate 0 MSCF/day
 Rate Change 2198 MSCF/day
 P at dt=0 5833.49 psia
 Smoothing 0
 Pi 10046.4 psia



 Time Match 339 (hr)⁻¹
 Pressure Match 2.32E-8 (psi²/cp)⁻¹

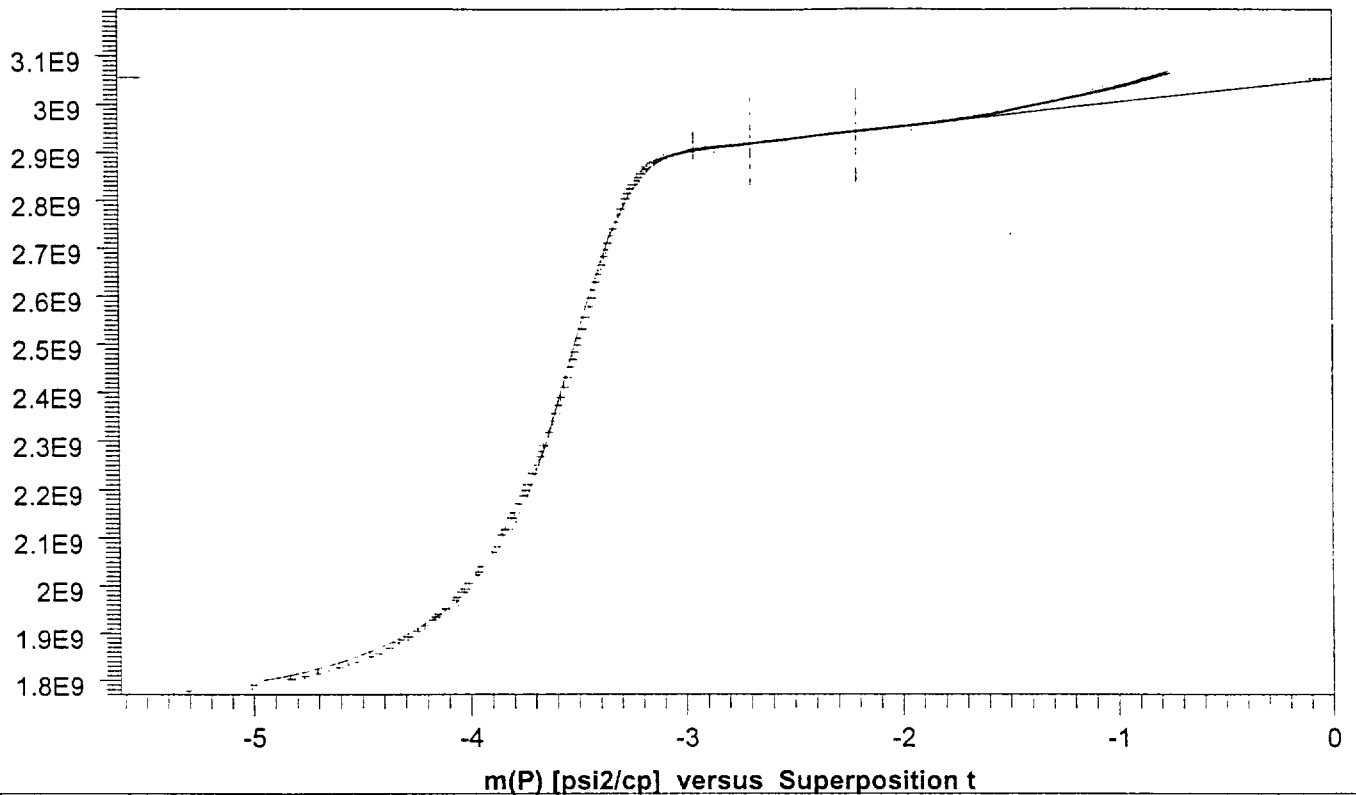
RESERVOIR Homogeneous
 BOUNDARY Rectangle
 WELL Storage & Skin
 Storage C 0.00115 STB/psi
 Ci/Cf 2.94777
 Alpha 14200
 Skin factor 20.7
 Delta P Skin 2234.34 psia

 kh 47.5 md.ft
 k 2.97 md
 Mobility k/mu 82.1
 Investig. R 2540 ft
 Tested Volume 4.02939E6 Barrels



 L1 sealing at 360 ft
 L2 none
 L3 sealing at 375 ft
 L4 sealing at 2500 ft

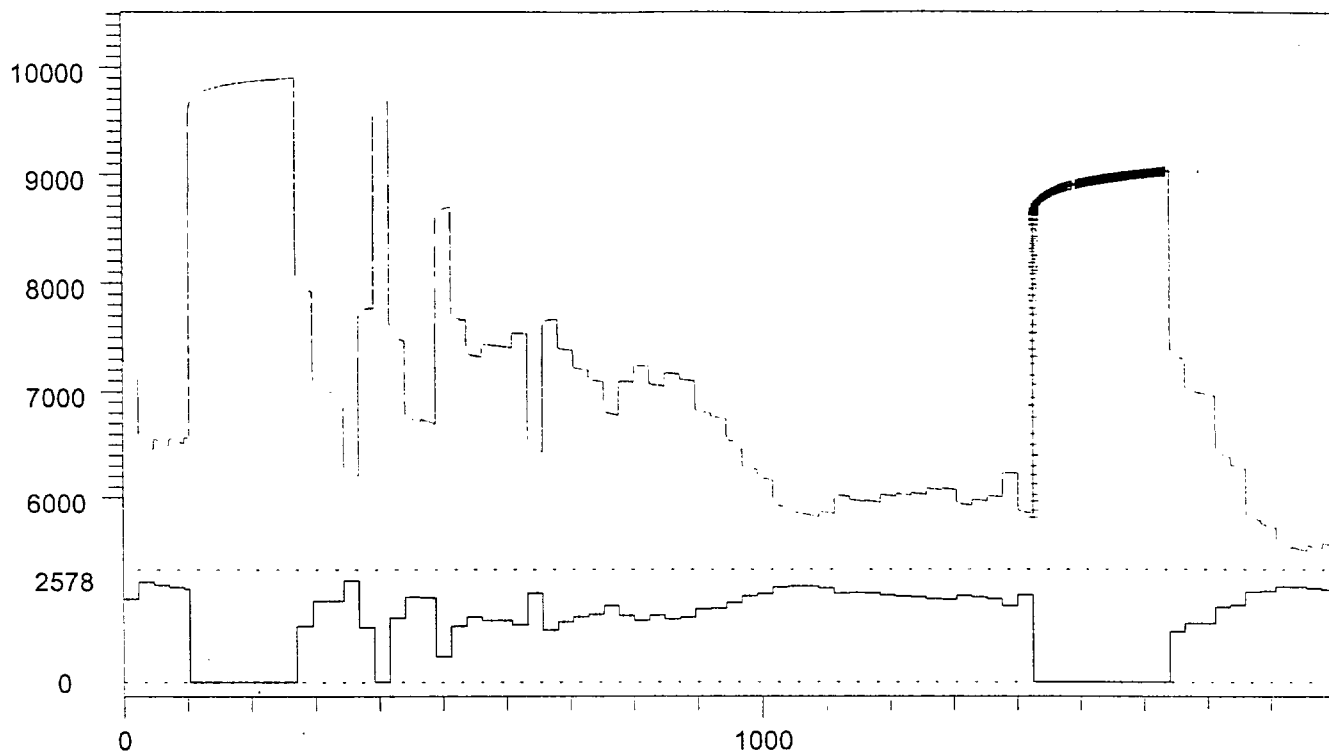
TEST #2 - 22 MAY 2000

	6198186 : Semi-Log		
	Company	DEVON ENERGY	
	Field	PADUCA SOUTH	
	Well	COTTON DRAW UNIT #87	
	Test	WOLFCAMP/2	



Flow Period #	54	RESERVOIR	Homogeneous
Rate	0 MSCF/day	BOUNDARY	Rectangle
Rate Change	2198 MSCF/day	WELL	Storage & Skin
P at dt=0	5833.49 psia	Storage C	0.00115 STB/psi
Pi	10046.4 psia	Ci/Cf	2.94777
		Alpha	14200
STRAIGHT	LINE	Skin factor	20.7
		Delta P Skin	2234.34 psia
From	1.8445 hr	kh	47.5 md.ft
To	5.7245 hr	k	2.97 md
Slope	5.06E7 psi2/cp	Mobility k/mu	82.1
Intercept	3.05335E9 psi2/cp	Investig. R	2540 ft
value at dt=1hr	2.90353E9 psi2/cp	Tested Volume	4.02939E6 Barrels
-> m*	3.05335E9 psi2/cp	L1 sealing at	360 ft
-> p*	9000.23 psia	L2	none
-> PMatch	2.27E-8 (psi2/cp)-1	L3 sealing at	375 ft
-> k.h	46.5 md.ft	L4 sealing at	2500 ft
-> k	2.91 md		
-> Skin	19.7		
Delta P Skin	2140		
TEST #2 - 22 MAY 2000			

6198186 : Simulation		
	Company DEVON ENERGY	
	Field PADUCA SOUTH	
	Well COTTON DRAW UNIT #87	
	Test WOLFCAMP/2	



P [psia] & Q [MSCF/day] versus T [hr]

Flow Period # 54
Rate 0 MSCF/day
Rate Change 2198 MSCF/day
P at dt=0 5833.49 psia
Pi 10046.4 psia
Time Match 339 (hr)-1
Pressure Match 2.32E-8 (psi²/cp)-1

RESERVOIR Homogeneous
BOUNDARY Rectangle
WELL Storage & Skin
Storage C 0.00115 STB/psi
Ci/Cf 2.94777
Alpha 14200
Skin factor 20.7
Delta P Skin 2234.34 psia

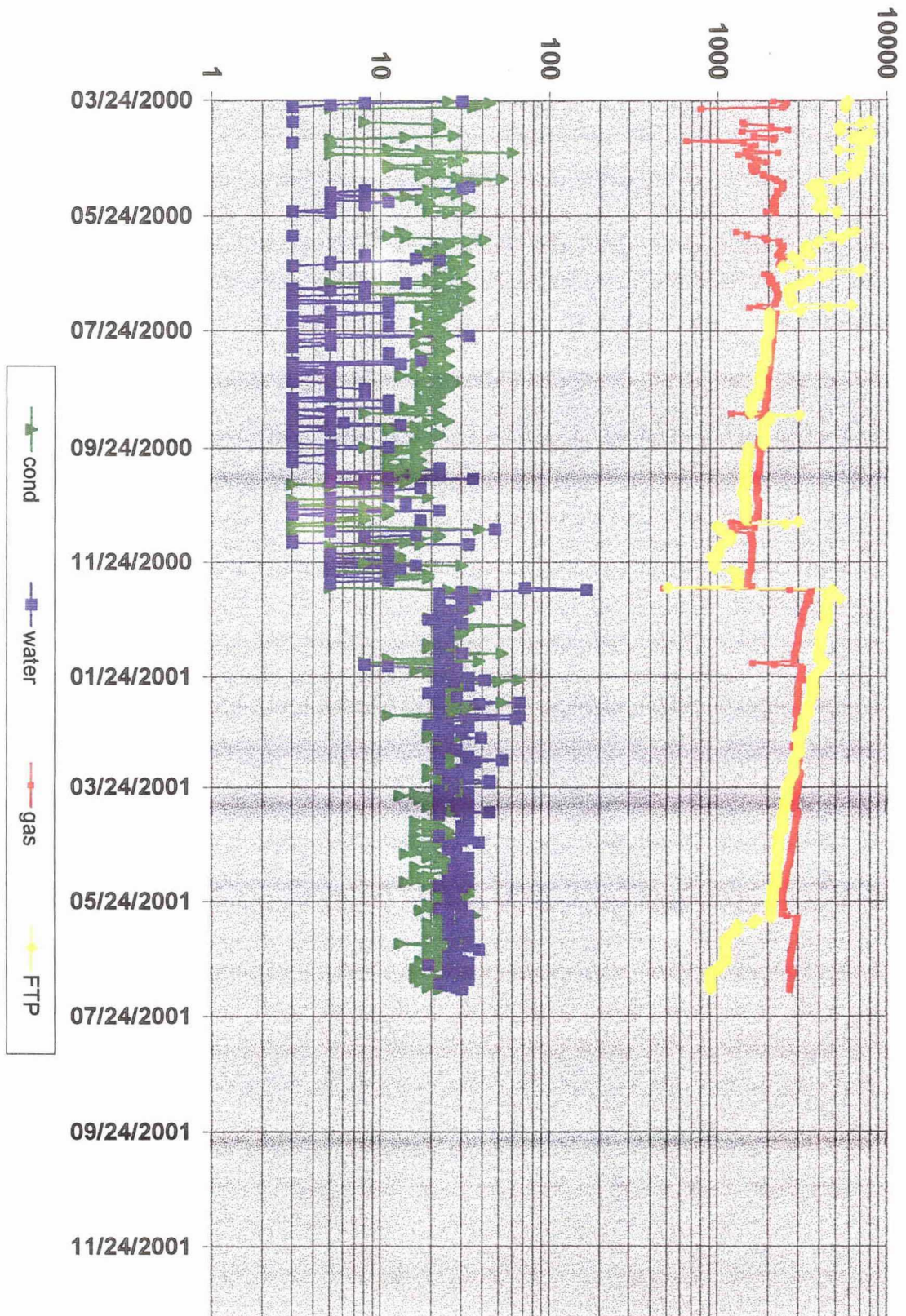
kh 47.5 md.ft
k 2.97 md
Mobility k/mu 82.1
Investig. R 2540 ft
Tested Volume 4.02939E6 Barrels

L1 sealing at 360 ft
L2 none
L3 sealing at 375 ft
L4 sealing at 2500 ft

TEST #2 - 22 MAY 2000

MCFD, BPD, PSIG

CDU 87





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

May 24, 2000

Lori Wrotenbery
Director
Oil Conservation Division

Texaco Exploration & Production, Inc.
P. O. Box 3109
Midland, Texas 79702
Attention: A. Phil Ryan

Administrative Order NSL-4452

Dear Mr. Ryan:

Reference is made to the following: (i) your application dated May 16, 2000; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe including the file on Texaco Exploration & Production, Inc.'s ("Texaco") Cotton Draw Unit Agreement (Case No. 1446: all concerning Texaco's request for its proposed Cotton Draw Unit Well No. 88 to be drilled at an unorthodox Wolfcamp gas well location 2210 feet from the South line and 1360 feet from the West line (Unit K) of Section 7, Township 25 South, Range 32 East, NMPM, Undesignated South Paduca-Wolfcamp Gas Pool, Eddy County, New Mexico.

Lots 1, 2, 3, and 4 and the E/2 W/2 (W/2 equivalent) of Section 7 is to be dedicated to this well in order to form a standard 319.88-acre stand-up gas spacing and proration unit for this pool.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

It is our understanding that Texaco is seeking this location exception based on a 3-D seismic survey of the immediate area, which indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Wolfcamp formation than a well drilled at a location considered to be standard within the SW/4 equivalent of Section 7.

Division records indicate that the current boundary of the Texaco operated Cotton Draw Unit Area comprises the following described lands in Eddy County, New Mexico:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM

Section 25:	S/2
Section 26:	S/2
Section 34:	E/2
Sections 35 and 36:	All

TOWNSHIP 25 SOUTH, RANGE 31 EAST, NMPM

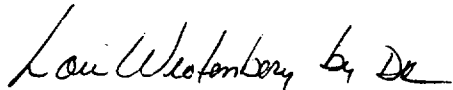
Sections 1 and 2: All
Section 3: E/2
Section 11: N/2
Sections 12 and 13: All

TOWNSHIP 25 SOUTH, RANGE 32 EAST, NMPM

Section 7: All
Section 18: All.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox gas well location is hereby approved.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
File: Unit Case No. 1446 /



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

October 15, 1999

Texaco Exploration & Production, Inc.
P. O. Box 3109
Midland, Texas 79702
Attention: A. Phil Ryan

Administrative Order NSL-4366

Dear Mr. Ryan:

Reference is made to the following: (i) your application dated October 12, 1999; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe including the file on Texaco Exploration & Production, Inc.'s ("Texaco") Cotton Draw Unit Agreement (Case No. 1446): all concerning Texaco's request for its proposed Cotton Draw Unit Well No. 87 to be drilled at an unorthodox Wolfcamp gas well location 772 feet from the North line and 154 feet from the East line (Unit A) of Section 11, Township 25 South, Range 31 East, NMPM, Undesignated South Paduca-Wolfcamp Gas Pool, Eddy County, New Mexico.

The N/2 of Section 11 is to be dedicated to this well in order to form a standard 320-acre lay-down gas spacing and proration unit for this pool.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Wolfcamp formation than a well drilled at a location considered to be standard within the NE/4 of Section 11.

Division records indicate that the current boundary of the Texaco operated Cotton Draw Unit Area comprises the following described lands in Eddy County, New Mexico:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM

Section 25:	S/2
Section 26:	S/2
Section 34:	E/2
Sections 35 and 36:	All

TOWNSHIP 25 SOUTH, RANGE 31 EAST, NMPM

Sections 1 and 2:	All
Section 3:	E/2
Section 11:	N/2

Sections 12 and 13: All


TOWNSHIP 25 SOUTH, RANGE 32 EAST, NMPM

Section 7: All

Section 18: All.

By the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe
U. S. Bureau of Land Management - Carlsbad
File: Unit Case No. 1446 /



Texaco Exploration
and Production Inc
Denver Division

#1446
file
NOV - 5 1998
P O Box 2100
Denver CO 80201
4601 DTC Boulevard
Denver CO 80237

November 2, 1998

Bureau of Land Management
Roswell District Office
2909 W. 2nd
Roswell, New Mexico 88201
Attn: Mr. John Simitz

State of New Mexico
Commissioner of Public Lands
P.O. Box 1148
Santa Fe, New Mexico 87504-1148
Attn: Pete Martinez

Cotton Draw Unit Well #86 (Section 12, T25S, R31E)
USA NMLC 061862 (Texaco's NM186464)
Initial "A" Participating Area for the Devonian formation
Cotton Draw Unit (Texaco's NM186150)
Eddy and Lea Counties, New Mexico

Gentlemen:

Texaco, as operator of the Cotton Draw Unit, has recently completed the CDU #86 well as a Devonian producer. Enclosed for your file are copies of various completion forms for this well. Texaco and Devon consider this well to be a paying well under the terms of the Unit Agreement and revenues will be paid based upon the Participating Area approved for the CDU #76 well. Please contact me at (303) 793-4512 if you have any questions concerning this matter.

Very truly yours,

David L. Sleeper
(303) 793-4512
Permian Business Unit

dls:jm
Enclosures

cc: Devon Energy Corporation (Nevada)
1500 Mid America Tower
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
Attn: Ken Gray

State of New Mexico
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 875054

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0137
Expires: December 31, 1991

3160-4
October 1990

3. MIT ORIGINAL WITH 5 COPIES

5. Lease Designation and Serial No.
LC 061862

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

6. If Indian, Allottee or Tribe Name

Type of Well: OIL ☐ GAS ☒ DRY ☐ OTHER ☐
WELL WELL
Type of Completion: EW ☒ WORK ☐ DEEPEN ☐ PLUG ☐ DIFF. ☐ OTHER ☐
ELL OVER BACK RESVR.

7. If Unit or CA, Agreement Designation

COTTON DRAW UNIT

8. Well Name and Number

COTTON DRAW UNIT

Name of Operator
TEXACO EXPLORATION & PRODUCTION INC.

86

Address and Telephone No. 205 E. Bender, HOBBS, NM 88240 397-0405

9. API Well No.

30-015-29850

Location of Well (Report location clearly and in accordance with any State requirements. *)

surface
Letter J : 2600 Feet From The SOUTH Line and 1500 Feet From The EAST Line
proposed prod. zone

10. Field and Pool, Exploratory Area
NW PADUCA DEVONIAN

11. SEC., T., R., M., or BLK. and Survey or Area
Sec. 12, Township 25-S, Range 31-E

total Depth

14. Permit No. Date Issued

12. County or Parish

EDDY

13. State

NM

Date Spudded 27/98 16. Date T.D. Reached 8/13/98 17. Date Compl. (Ready to Prod.) 8/24/98 18. Elevations (Show whether DF, RT, GR, etc.) GR 3421' 19. Elev. Casinhead

total Depth, MD & TVD 16499' 21. Plug Back T.D., MD & TVD 16499' 22. If Multiple Compl., How Many* 23. Intervals Rotary Tools Cable Tools
Drilled By -->

reducing Interval(s), Of This Completion -- Top, Bottom, Name (MD and TVD)*

1-16499' DEVONIAN

25. Was Directional Survey Made

NO

type Electric and Other Logs Run

IT-CNL-LDT, GR-DLL-SONIC, GR-DLL-BHC-SONIC

27. Was Well Cored

YES

CASING RECORD (Report all Strings set in well)

CASING SIZE & GRADE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENT RECORD	AMOUNT PULLED
18 5/8	87.5#	695'	24	1325 SACKS CIRC	
13 3/8	68#	4281'	17 1/2	3250 SACKS - CIRCUL	
9 5/8	47 & 53.5#	12450'	12 1/4	3700 SACKS - TOC @	

LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
8"	14820'		550 SX		3 1/2"	12953'	16365'
2"	16436'				2 7/8"	16367'	

perforation record (interval, size, and number)

1-16499'

32. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
16471-16499'	9 BBLS 20% HCL ACID &
	19 BBLS 3% KCL WTR

PRODUCTION

First Production 8/27/98		Production Method (Flowing, gas lift, pumping - size and type pump) FLOWING					Well Status (Prod. or Shut-in) P	
of Test 7-98	Hours tested 24 HRS	Choke Size	Prod'n For Test Period	Oil - Bbl. 0	Gas - MCF 6000	Water - Bbl. 5	Gas - Oil Ratio	
Tubing Press.	Casing Pressure	Calculated 24- Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API -(Corr.)		
Disposition of Gas (Sold, used for fuel, vented, etc.)						Test Witnessed By		

st of Attachments

2

every certify that the foregoing is true and correct

ATURE *J. Denise Leake* TITLE Engineering Assistant

DATE 10/8/98

OR PRINT NAME J. Denise Leake

3160-5
1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT --" for such proposals

5. Lease Designation and Serial No.

LC 061862

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

COTTON DRAW UNIT

8. Well Name and Number

COTTON DRAW UNIT

86

9. API Well No.

30-015-29850

10. Field and Pool, Exploratory Area
NW PADUCA DEVONIAN

11. County or Parish, State

EDDY, NM

SUBMIT IN TRIPLICATE

Type of Well: ☐ OIL WELL ☒ GAS WELL ☐ OTHER

Name of Operator
TEXACO EXPLORATION & PRODUCTION INC.

Address and Telephone No. 205 E. Bender, HOBBS, NM 88240 397-0405

Location of Well (Footage, Sec., T., R., M., or Survey Description)

Letter J : 2600 Feet From The SOUTH Line and 1500 Feet From The

ST Line Section 12 Township 25-S Range 31-E

Check Appropriate Box(s) To Indicate Nature of Notice, Report, or Other Data

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ OTHER: OPT
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

07-98; ON 24 HR OPT. FLOWED 0 BO, 5 BW, & 5000 MCFGPD.
AL REPORT

I hereby certify that the foregoing is true and correct

NATURE J. Denise Leake TITLE Engineering Assistant DATE 10/8/98

OR PRINT NAME J. Denise Leake

space for Federal or State office use

ROVED BY TITLE DATE

DITIONS OF APPROVAL, IF ANY:

5 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



Texaco Exploration
and Production Inc
Denver Division

P O Box 2100
Denver CO 80201
4601 DTC Boulevard
Denver CO 80237

May 27, 1998

Bureau of Land Management
Roswell District Office
2909 W. 2nd
Roswell, New Mexico 88201
Attn: Mr. John Simitz

State of New Mexico
Commissioner of Public Lands
P.O. Box 1148
Santa Fe, New Mexico 87504-1148
Attn: Pete Martinez

Cotton Draw Unit Well #84
Initial "A" Participating Area for the Devonian formation
Cotton Draw Unit
Eddy and Lea Counties, New Mexico

Gentlemen:

Texaco, as operator of the Cotton Draw Unit, has recently completed the CDU #84 as a Devonian producer. Enclosed for your file are copies of various completion forms for this well. Texaco and Devon consider this well to be a paying well under the terms of the Unit Agreement and revenues will be paid based upon the Participating Area recently approved for the CDU #76 well. Please contact me at (303) 793-4512 if you have any questions concerning this matter.

Very truly yours,

David L. Sleeper
(303) 793-4512
Permian Business Unit

dls:jm
Enclosures

cc: Devon Energy Corporation (Nevada)
1500 Mid America Tower
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
Attn: Ken Gray

✓ State of New Mexico
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

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.	30-015-29728
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil / Gas Lea	

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____	7. Lease Name or Unit Agreement Name COTTON DRAW UNIT
b. Type of Completion: NEW WELL <input checked="" type="checkbox"/> WORKOVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF RES. <input type="checkbox"/> OTHER _____	

2. Name of Operator TEXACO EXPLORATION & PRODUCTION INC.	8. Well No. 84
---	----------------

3. Address of Operator 205 E. Bender, HOBBS, NM 88240	9. Pool Name or Wildcat PADUCA DEVONIAN
--	--

4. Well Location Unit Letter <u>I</u> : <u>2615</u> Feet From The <u>SOUTH</u> Line and <u>1160</u> Feet From The <u>EAST</u> Line Section <u>2</u> Township <u>25-S</u> Range <u>31-E</u> NMPM <u>EDDY</u> COUNTY
--

10. Date Spudded 8/24/97	11. Date T.D. Reached 3/9/98	12. Date Compl. (Ready to Prod.) 3/19/98	13. Elevations (DF & RKB, RT, GR, etc.) 3455'	14. Elev. Csghead
-----------------------------	---------------------------------	---	--	-------------------

15. Total Depth 16,585'	16. Plug Back T.D. 16,585'	17. If Mult. Compl. How Many Zones?	18. Intervals Drilled By ROTARY	Rotary Tools Cable Tools
----------------------------	-------------------------------	-------------------------------------	------------------------------------	-----------------------------

19. Producing Interval(s), of this completion - Top, Bottom, Name 16,295-16,585 DEVONIAN	20. Was Directional Survey Made NO
---	---------------------------------------

21. Type Electric and Other Logs Run GR-AIT-DN-BHC-SONIC GR-CBL	22. Was Well Cored YES
--	---------------------------

23. CASING RECORD (Report all Strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENT RECORD	AMOUNT PULLED
18 5/8	87.5#	700'	24	1575 SACKS	
13 3/8	68#	4500'	17 1/2	3250 SACKS	
9 5/8	47 & 53.5#	12000'	12 1/4	3700 SACKS	
7 5/8 LINER	39#	14700'	8 1/2	600 SACKS	
5 1/2	20#	16400'	6 1/2	500 SACKS	

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					3 1/2"	16180'	16200'

26. Perforation record (interval, size, and number) 16,295-16,585 OH	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.
---	---

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
16295-16585	ACID FRAC 30,000 GALS DGA320 & 35,000 GALS YF330

28. PRODUCTION

Date First Production 4/8/98	Production Method (Flowing, gas lift, pumping - size and type pump) FLOWING	Well Status (Prod. or Shut-in) P
---------------------------------	--	-------------------------------------

Date of Test 5-01-98	Hours tested 24 HRS	Choke Size 14/64"	Prod'n For Test Period	Oil - Bbl. 0	Gas - MCF 14,129	Water - Bbl. 6	Gas - Oil Ratio
-------------------------	------------------------	----------------------	------------------------	-----------------	---------------------	-------------------	-----------------

Flow Tubing Press. 5000 PSI	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API -(Corr.)
--------------------------------	-----------------	-------------------------	------------	-----------	--------------	----------------------------

29. Disposition of Gas (Sold, used for fuel, vented, etc.) SOLD	Test Witnessed By
--	-------------------

30. List Attachment

31. I hereby certify that the information on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNATURE <u>J. Denise Leake</u>	TITLE <u>Engineering Assistant</u>	DATE <u>5/19/98</u>
TYPE OR PRINT NAME <u>J. Denise Leake</u>	Telephone No. <u>397-0405</u>	

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true verticle depths shall be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

CDU #84		in Mexico	Northwestern New Mexico	
		Canyon	T. Ojo Alamo	T. Penn "B"
Rustler	666	Strawn	T. Kirtland-Fruitland	T. Penn "C"
Salado	1034	Atoka	T. Pictured Cliffs	T. Penn "D"
Lamar	4356	Miss	T. Cliff House	T. Leadville
Ramsey	4375	Devonian	T. Menefee	T. Madison
Cherry Canyon	5350	Silurian	T. Point Lookout	T. Elbert
Manzanita Mkr.	5550	Montoya	T. Mancos	T. McCracken
Blue Mkr.	5788	Simpson	T. Gallup	T. Ignacio Otzte
Brushy Canyon	7051	McKee	T. Base Greenhorn	T. Granite
Bone Springs	8273	Ellenburger	T. Dakota	T.
Wolfcamp	12132	Br. Wash	T. Morrison	T.
Strawn	13626	Delaware Sand	T. Todilto	T.
Atoka	13757	Bone Springs	T. Entrada	T.
Morrow	14408		T. Wingate	T.
Mississippian	15896		T. Chinle	T.
Woodford	16202		T. Permian	T.
Silurian	16349		T. Penn "A"	T.
T. Cisco (Bough C)		T.		

OIL OR GAS SANDS OR ZONES

No. 1, from	to	No. 3, from	to
No. 2, from	to	No. 4, from	to

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in the hole.

No. 1, from	to	feet
No. 2, from	to	feet
No. 3, from	to	feet

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
0	666		ANHYDRITE	16202	16349		DOLOMITE
666	1034		SALT				
1034	4356		LIMESTONE				
4356	4375		SAND				
4375	5350		SAND				
5350	5550		LIMESTONE				
5550	5788		SHALE				
5788	7051		SAND				
7051	8273		LIMESTONE				
8273	12132		SHALE/LIMESTON				
12132	13626		SAND/LIMESTONE				
13626	13757		SHALE				
13757	14408		LIMESTONE				
14408	15896		LIMESTONE				
15896	16202		SHALE				

Cotton Draw #84

LOCATION
LEASE & WELL

Sec 2, 25S, 31E Eddy County, New Mexico
(Give Unit, Section, Township and Range)

OPERATOR

Texaco E & P P. O. Box 46510 Denver, Co. 80201

DRILLING CONTRACTOR

NABORS DRILLING USA, INC.

The Undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above-described well and that he has conducted deviation tests and obtained the following results:

DEGREES @ DEPTH		DEGREES @ DEPTH		DEGREES @ DEPTH		DEGREES @ DEPTH	
1	289	3/4	6806	1	13988		
3/4	489	3/4	7296	1 1/2	14685		
1	697	3/4	7772				
3/4	1178	1	8236				
3/4	1678	1	8713				
1/2	2178	1 3/4	9191				
1	2676	1 3/4	9670				
1/2	3179	2	9956				
1/2	3655	1 1/4	10435				
1 3/4	4133	1 1/2	10916				
1	4360	1/2	11416				
1	4848	1 1/2	11881				
1	5321	1 1/4	12531				
3/4	5814	1/2	13020				
1	6314	1/2	13520				

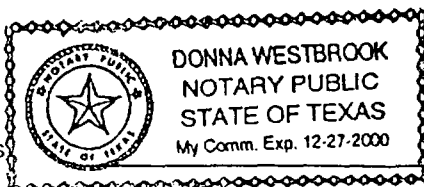
Drilling Contractor

Nabors Drilling USA, Inc.

By

Brent Sanders, Engineering Manager

Subscribed and sworn to before me this 23rd day of March, 1998



My Commision Expires

Notary Public

MIDLAND

County

TEXAS

Submit in duplicate to
appropriate district office
See Rule 401 & Rule 1122

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-122
Revised 4-1-91

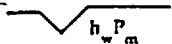
OIL CONSERVATION DIVISION

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

MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

Operator Texaco E&P, INC						Lease or Unit Name Cotton Draw					
Type Test <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special						Test Date 4-9-98		Well No. #84			
Completion Date 3-21-98		Total Depth 16585		Plug Back TD		Elevation		Unit Ltr. - Sec. - TWP - Rge.			
Cg. Size 5 1/2		WL	d	Set At 16295	Perforations: From: 16295 To: 16585				County Eddy		
lbg. Size 3 1/2		WL	d	Set At 16180	Perforations: From: To:				Pool		
Type Well - Single - Bradenhead - G.G. or G.Q. Multiple						Packer Set At 16180		Formation			
Producing Thru TBG		Reservoir Temp. °F 249.9@16157		Mean Annual Temp. °F 60		Baro. Press. - P 13.2		Connection			
L 16157	II 16157	Gg .585	% CO ₂ 2.015	% N ₂ 1.266	% H ₂ S 0.6	Prover		Meter Run		Taps	

FLOW DATA						TUBING DATA		CASING DATA		Duration of Flow	
NO.	Prover Line Size	X	Orifice Size	Press. p.s.i.g.	Diff. h _w	Temp. °F	Press. p.s.i.g.	Temp. °F	Press. p.s.i.g.		Temp. °F
SI							5263		PKR		26 hrs
1.							5253				1 hr
2.							5011				1 hr
3.							4843				1 hr
4.							4663				1 hr
5.											

RATE OF FLOW CALCULATIONS							
NO.	COEFFICIENT (24 HOUR)		Pressure P _m	Flow Temp. Factor Ft	Gravity Factor Fg	Super Compress. Factor, F _{pv}	Rate of Flow Q, Mcfd
1.							6.712
2.							16.008
3.		Volumes measured by total flow					19.883
4.							24.569
5.		METER					

NO.	P _r	Temp. °R	T _r	Z	Gas Liquid Hydrocarbon Ratio	Mc/bbl
1.					Dry gas	
2.					Dry	
3.					.585	XXXXXXXXXX
4.		N/A			*677	N/A
5.					*341	N/A

NO.	P _i ²	P _w	P _w ²	P _c ² - P _w ²
1.		5263.8	27707.6	286.0
2.		5168.1	26709.3	1284.3
3.		5102.7	26037.5	1956.1
4.		5020.8	25208.4	2785.2
5.				

1) $\frac{P_c^2}{P_c^2 - P_w^2} = 10.051$

2) $\left[\frac{P_c^2}{P_c^2 - P_w^2} \right]^n = 3.718$

AOF = Q $\left[\frac{P_c^2}{P_c^2 - P_w^2} \right]^n = 91.348$

Absolute Open Flow 91,348	Mcfd @ 15.025	Angle of Slope 60.36	Slope, n .5690
----------------------------------	---------------	-----------------------------	-----------------------

Remarks: **No fluid ** BHP Inst set @ This depth**

*** = Corrected to 2% CO₂ & 1.266% N₂**

Approved By Division	Conducted By: Texaco	Calculated By: B.M.	Checked By: B.M.
----------------------	--------------------------------	-------------------------------	----------------------------



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

**State of New Mexico
Commissioner of Public Lands**

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS
(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5713

PLANNING
(505)-827-5752

May 29, 1998

EnergyPro, Inc.
500-A S. Hangar Drive
Georgetown, Texas 78628

Attn: Mr. Don C. Pfister

Re: Preliminary Approval
Proposed T. P. "A" State Unit
Lea County, New Mexico

Dear Mr. Pfister:

This office has received the copy of the unit agreement which you have submitted for the proposed T. P. "A" State Unit area, Lea County, New Mexico. This agreement meets the general requirements of the Commissioner of Public Lands, who has this date granted you preliminary approval as to form and content.

Preliminary approval shall not be construed to mean final approval of this agreement in any way and will not extend any short term leases, until final approval and an effective date have been given.

When submitting your agreement for final approval, please submit the following:

1. Application for final approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been committed.
2. Pursuant to Rule 1.045, applications for approval shall contain a statement of facts showing.
 - a. That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy.
 - b. That under the proposed unit operation, the State of New Mexico will receive its fair share of the recoverable oil and gas in place under its lands in the proposed unit area.
 - c. That each beneficiary institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the unit area.
 - d. That such unit agreement is in other respects for the best interest of the trust.
3. All ratifications from the Lessees of Record and Working Interest Owners. All signatures should be acknowledged by a notary and one set must contain original signatures.

"WE WORK FOR EDUCATION"

EnergyPro, Inc.
May 29, 1998
Page 2

4. Order of the New Mexico Oil Conservation Division. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division.
5. Please submit two copies of the Unit Agreement.
6. A copy of the Unit Operating Agreement (if applicable).
7. The filing fee for a Unit Agreement is thirty (\$30.00) dollars for every section or partial section thereof. Please submit a filing fee in the amount of \$60.00.
8. On Page 5 of the agreement, Article 17, Effective Date & Term, please fill in the term (5 years and so long as).
9. Copies of all the well records for the initial unit well.
10. A \$20,000 Surface Improvement Damage Bond for the operator. Enclosed are copies of our Surface Improvement Damage Bond forms.
11. The word Development is misspelled in Article 3, Page No. 2, of the agreement.
12. A ratification is needed for Petroleum Development Corporation.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS



BY:
JAMI BAILEY, Director
Oil/Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
pc: Reader File

OCD—Mr. Roy Johnson



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5795

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS
(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5713

PLANNING
(505)-827-5752

January 15, 1998

Texaco Exploration and Production Inc.
P.O Box 2100
Denver Colorado 80201

Attention: Mr. David L. Sleeper

Re: Cotton Draw Unit
Initial "A" Devonian Participating Area
Eddy County, New Mexico

Dear Mr. Sleeper:

This office is in receipt of your application letters of July 9, 1997 and January 8, 1998 requesting our approval of the Initial "A" Devonian Participating Area for the Cotton Draw Unit, Eddy County, New Mexico.

The Commissioner of Public Lands has this date approved your application for the Initial "A" Devonian Participating area. The effective date of this PA is May 1, 1997. Our approval is subject to like approval by the Bureau of Land Management.

The approved participating area contains 4,152.08 acres and is described as follows:

Township 24 South, Range 31 East

Section 26: S/2

Section 35: Lots 1,2,3,4, N/2 N/2S/2

Section 36: Lots 1, 2, NW/4, N/2SW/4

Township 25 South, Range 31 East

Section 1: Lots 1,2,3,4, S/2N/2, S/2

Section 2: Lots 1,2,3,4, S/2N/2, S/2

Section 12: All

Township 25 South, Range 32 East

Section 7: Lots 1,2,3,4, E/2, E/2W/2

Section 18: Lots 1,2, NE/4, E/2NW/4

Texaco Exploration and Production Inc.
January 15, 1998
Page 2

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS



BY:
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/pm

xc: Reader File
OCD-Attention: Mr. Roy Johnson
BLM Roswell - Attention Mr. John Simitz



State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148

SANTA FE, NEW MEXICO 87504-1148

RAY POWELL, M.S., D.V.M.
COMMISSIONER

(505) 827-5760
FAX (505) 827-5766

January 19, 1998

Canon, Short & Gaston
Attorneys at Law
P.O. Box 2890
Midland, Texas 79702

Attn: Mr. Michael J. Canon

Re: Designation of Sub-Operator
Anderson Ranch Unit
Lea County, New Mexico

Dear Mr. Canon:

We have received a designation of sub-operator application, wherein Grand Banks Energy Company has designated Autry C. Stephens as sub-operator of the Anderson Ranch Unit Well No. 19. Your designation of sub-operator is hereby approved.

This designation of sub-unit operator from Grand Banks Energy Company to Autry C. Stephens for the Anderson Ranch Unit Well No. 19 is effective December 12, 1997.

This designation of sub-operator does not relieve the unit operator of the responsibility for compliance with the terms of the unit agreement and applicable state regulations.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

A handwritten signature in black ink, appearing to read "Jami Bailey".

BY:
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm
xc: Reader File OCD TRD Grand Banks Energy Company Autry C. Stephens

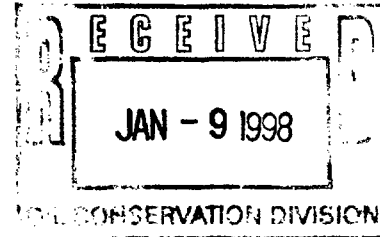


Texaco Exploration and Production Inc
Western E&P Region

P O Box 2100
Denver CO 80201
4601 DTC Boulevard
Denver CO 80237

January 8, 1998

Bureau of Land Management
Roswell District Office
2909 W. 2nd
Roswell, New Mexico 88201-2019
Attn: Mr. John Simitz



Application for approval of Initial "A" Participating
Area for the Devonian formation
Cotton Draw Unit #76 Well
Cotton Draw Unit
Eddy and Lea Counties, New Mexico

Gentlemen:

Attached are new Exhibits "A" and "B" amending our above noted application sent out under our letter dated July 9, 1997. The new exhibits reflect, as to our originally proposed participating area outline, the addition of NE Section 1, NE Section 7, SW Section 12, W/2NW & SW Section 2, and the deletion of SW Section 25 and SE Section 18. The result of these amendments is a participating area of 4,152.08 acres. Please review the enclosed exhibits and if everything is in order, return your approval of this participating area outline. By copy of this letter, we are asking for like approval from the State Land Office and OCD.

Very truly yours,
TEXACO EXPLORATION AND PRODUCTION INC.

David L. Sleeper
Dls:jm

Enclosures

Cc: State of New Mexico
Commissioner of Public Lands
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attn: Pete Martinez

State of New Mexico ✓
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87504

Devon Energy Corporation (Nevada)
1500 Mid-America Tower, 20 North Broadway
Oklahoma City, Oklahoma
Attn: Ken Gray

COTTON DRAW UNIT

INITIAL "A" DEVONIAN PARTICIPATING AREA

EDDY & LEA COUNTIES, NEW MEXICO

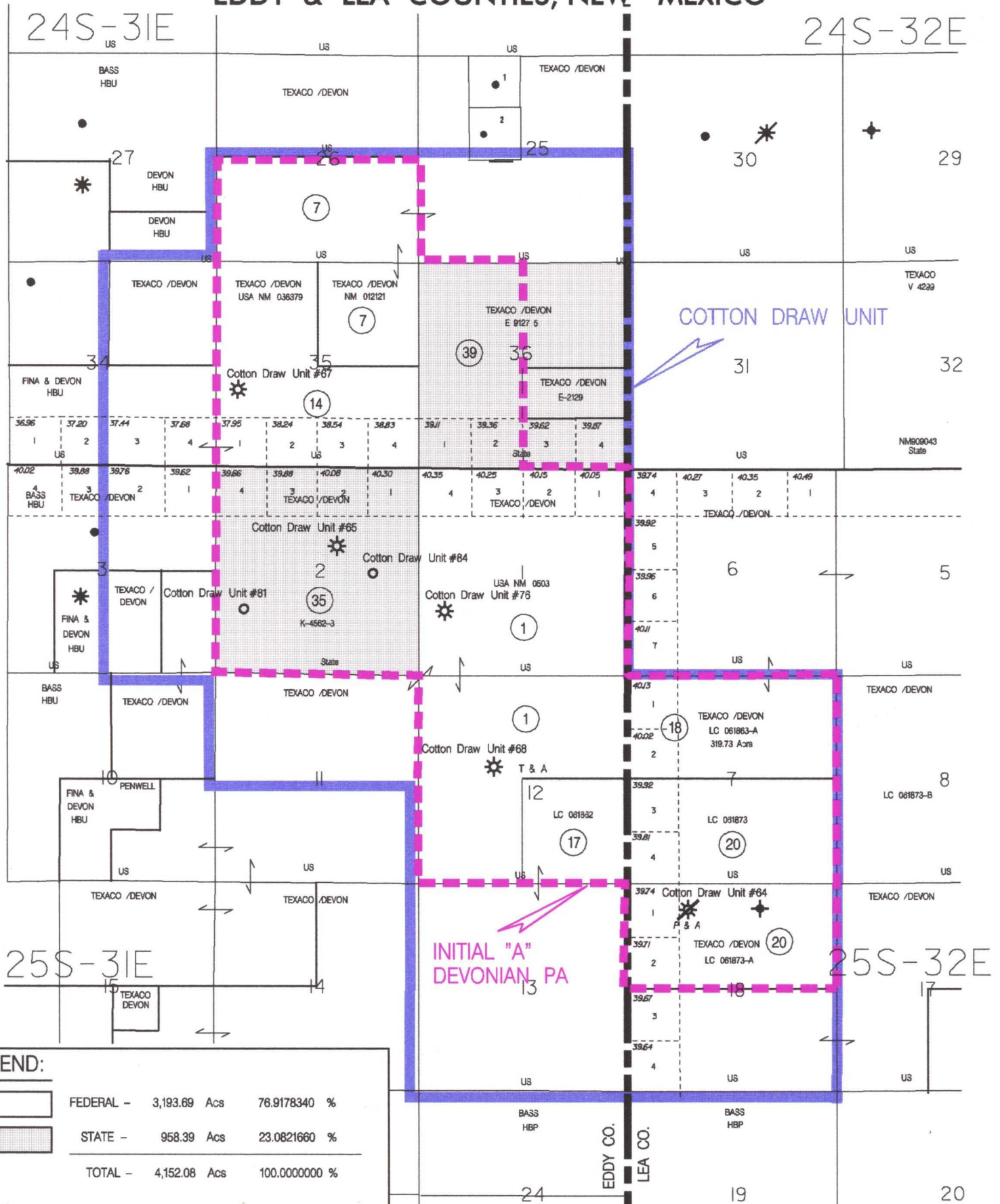


EXHIBIT "B"
INITIAL "A" PARTICIPATING AREA
DEVONIAN FORMATION
COTTON DRAW UNIT AGREEMENT
EDDY AND LEA COUNTIES, NEW MEXICO

Tract No.	Lease No.	Description	Participating Acres	Percentage of Participation	Working Interest Owner and Percent Interest
1	NM 0503	<u>T25S-R31E</u> Sec. 1: Lots 1-4, S/2N/2 & S/2 (ALL) Sec. 12: N/2 & SW/4	1,120.80	26.9936995%	Texaco Exploration and Production Inc. - 50% Devon Energy Corporation (Nevada) - 50%
7	NM 012121	<u>T24S-R31E</u> Sec. 26: S/2 Sec. 35: NE/4	480.00	11.5604709%	Texaco Exploration and Production Inc. - 50% Devon Energy Corporation (Nevada) - 50%
14	NM 036379	<u>T24S-R31E</u> Sec. 35: NW/4, N/2S/2 Lots 1-4	473.56	11.4053679%	Texaco Exploration and Production Inc. - 50% Devon Energy Corporation (Nevada) - 50%
17	LC 061862	<u>T25S-R31E</u> Sec. 12: SE/4	160.00	3.8534903%	Texaco Exploration and Production Inc. - 50% Devon Energy Corporation (Nevada) - 50%
18	LC 061863-A	<u>T25S-R32E</u> Sec. 7: Lots 1, 2, E/2NW/4 & NE/4 (N/2)	320.15	7.7105933%	Texaco Exploration and Production Inc. - 50% Devon Energy Corporation (Nevada) - 50%
20	LC 061873	<u>T25S-R32E</u> Sec. 7: Lots 3 & 4, E/2SW/4 & SE/4 (S/2)	319.73	7.7004778%	Texaco Exploration and Production Inc. - 50% Devon Energy Corporation (Nevada) - 50%

Tract No.	Lease No.	Description	Participating Acres	Percentage of Participation	Working Interest Owner and Percent Interest
20	LC 061873-A	<u>T25S-R32E</u> Sec. 18: Lots 1 & 2, E/2NW/4 & NE/4 (N/2)	319.45	7.6937342%	Texaco Exploration and Production Inc. - 50% Devon Energy Corporation (Nevada) - 50%
35	K-4562-3	<u>T25S-R31E</u> Sec. 2: Lots 1-4, S/2N/2 & S/2 (ALL)	639.92	15.4120345%	Texaco Exploration and Production Inc. - 50% Devon Energy Corporation (Nevada) - 50%
39	E-9127-5	<u>T24S-R31E</u> Sec. 36: NW/4, N/2SW/4 & Lots 1 & 2 (W/2)	318.47	7.6701316%	Texaco Exploration and Production Inc. - 50% Devon Energy Corporation (Nevada) - 50%
<u>SUMMARY</u>					
Type Land			Committed Acres	Percent	
Federal			3,193.69	83.3308980%	
State			<u>958.39</u>	<u>16.6691020%</u>	
TOTAL			4,152.08	100.0000000%	



Texaco Exploration and Production Inc.
Western E&P Region

P.O. Box 2100
Denver CO 80201
3601 DTC Boulevard
Denver CO 80237

1446

July 21, 1997

Mr. John Simitz
Bureau of Land Management
Roswell District Office
2909 W. 2nd
Roswell, New Mexico 88201

23

Gentlemen:

Our proposed Initial "A" Devonian Participating Area for the Cotton Draw Devonian Field is based on well and 2D and proprietary 3D seismic mapping of the Cotton Draw structure. Interpretation of Devonian penetrations in the Cotton Draw Unit (CDU) #64, CDU # 65, CDU #68, and the CDU #76 when combined with structural interpretation of the Cotton Draw 3D seismic survey has resulted in an integrated structural map of the Cotton Draw structure as previously furnished.

The aerial extent of the gas filled portion of the structure has been interpreted from well log and Drill Stem Test evaluation from all of the above referenced penetrations of the Devonian. The west-southwest closure on this structure consists of a large, down to the west, high angle, reverse fault which forms the structural trap in this direction. This fault interpretation indicates that the previous Devonian P. A. needs to be redefined and portions of sections 12, 18 and all of section 13, TWP 25 S, RNG 31 E, need to be excluded from the P. A. since they are either down-thrown or down-dip of the gas/water contact. This information, when combined with the completion of the Devonian discovery in the CDU #76, suggests that the Devonian structure can be expected to produce economic volumes of gas over the majority of the closed portion of the structure down to a proposed gas/water contact of 13,160' Sub Sea. Based on these evaluations and our interpretation of the bounding fault to the west, we have suggested the enclosed Participating Area for this formation.

Very truly yours,

Timothy M. Shepard
Geologist
Permian Basin Business Unit

cc: State of New Mexico
Commissioner of Public Lands
P. O. Box 1148
Santa Fe, NM 87504-1148
Attn.: Mr. Pete Martinez

State of New Mexico ✓
Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87504



Texaco Exploration and Production
Western E&P Region

Box 1000
Lawrence, CO 80201
1901 17th Boulevard
Lawrence, CO 80237

14

July 9, 1997

VIA CERTIFIED MAIL - RETURN RECEIPT

Bureau of Land Management
Roswell District Office
2909 W. 2nd
Roswell, New Mexico 88201
Attn: Mr. John Simitz

Application for commercial determination of Cotton Draw Unit Well #76
and for approval of Initial "A" Participating Area for the Devonian formation
Cotton Draw Unit
Eddy and Lea Counties, New Mexico

Gentlemen:

Texaco Exploration and Production Inc., as Unit Operator for the Cotton Draw Unit Agreement, pursuant to Section 11 of the unit agreement, respectfully submits for your approval 1) the determination of the Cotton Draw Unit Well #76 (located 1650' FSL & 660' FWL Section 1, T25S, R31E, Eddy County, New Mexico) as a well capable of producing unitized substances in paying quantities and 2) the selection of the following described land to constitute the Initial "A" Participating Area for the Devonian producing zone or formation, to wit:

T-24-S, R-31-E

Section 25: SW/4

Section 26: S/2

Section 35: N/2, N/2S/2, Lots 1-4 (All)

Section 36: NW/4, N/2SW/4, Lots 1 & 2 (W/2)

Eddy County, New Mexico

T-25-S, R-31-E

Section 1: Lots 3 & 4, S/2NW/4, S/2

Section 2: Lots 1-3, SE/4NW/4, S/2NE/4, SE/4

Section 12: N/2, SE/4

Eddy County, New Mexico

T-25-S, R-32-E

Section 7: Lots 1-4, E/2W/2, SE/4

Section 18: Lots 1 & 2, E/2NW/4, E/2

Lea County, New Mexico

containing 3,752.22 acres.

In support of this application we have included the following items:

- (1) An ownership map marked Exhibit "A" showing the pertinent portion of the unit area, and the boundary of the proposed participating area.
- (2) A schedule marked Exhibit "B" showing the lands entitled to participation in the unitized substances produced from the Devonian formation, with the percentages of participation of each tract indicated thereon.
- (3) A Devonian structure map supporting the boundary of the proposed participating area.
- (4) A copy of Form 3160-5 for the subject well.
- (5) Various attachments (in triplicate) including economic and engineering data supporting the proposed participating area and indicating the subject well should be determined commercial under the terms of the Unit Agreement.

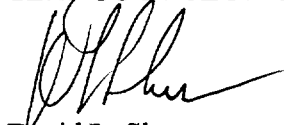
We are furnishing Devon Energy Corporation (Nevada), the only other working interest owner, with a copy of this submittal. They have previously agreed with the contents herein.

We respectfully request your determination that the Cotton Draw Unit #76 Well is commercial and request your approval of the hereinabove selected land to constitute the Initial "A" Devonian Participating Area. The effective date of the participating area will be May 1, 1997, per Section 11 of the Cotton Draw Unit Agreement.

If you have any questions for Texaco or need any additional information, please feel free to contact either me, Mr. Jim Dore (303) 793-4868 for engineering, or Mr. Tim Shepard (303) 793-4607 for geology. Thank you for your consideration of the above.

Very truly yours,

TEXACO EXPLORATION AND PRODUCTION INC.



David L. Sleeper
(303) 793-4512
Land Representative

dls:jm

cc: State of New Mexico
Commissioner of Public Lands
P.O. Box 1148
Santa Fe, New Mexico 87504-1148
Attn: Mr. Pete Martinez

Devon Energy Corporation (Nevada)
1500 Mid America Tower
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
Attn: Ken Gray

State of New Mexico
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 875054

EXHIBIT "A"

COTTON DRAW UNIT

INITIAL "A" DEVONIAN PARTICIPATING AREA

EDDY & LEA COUNTIES, NEW MEXICO

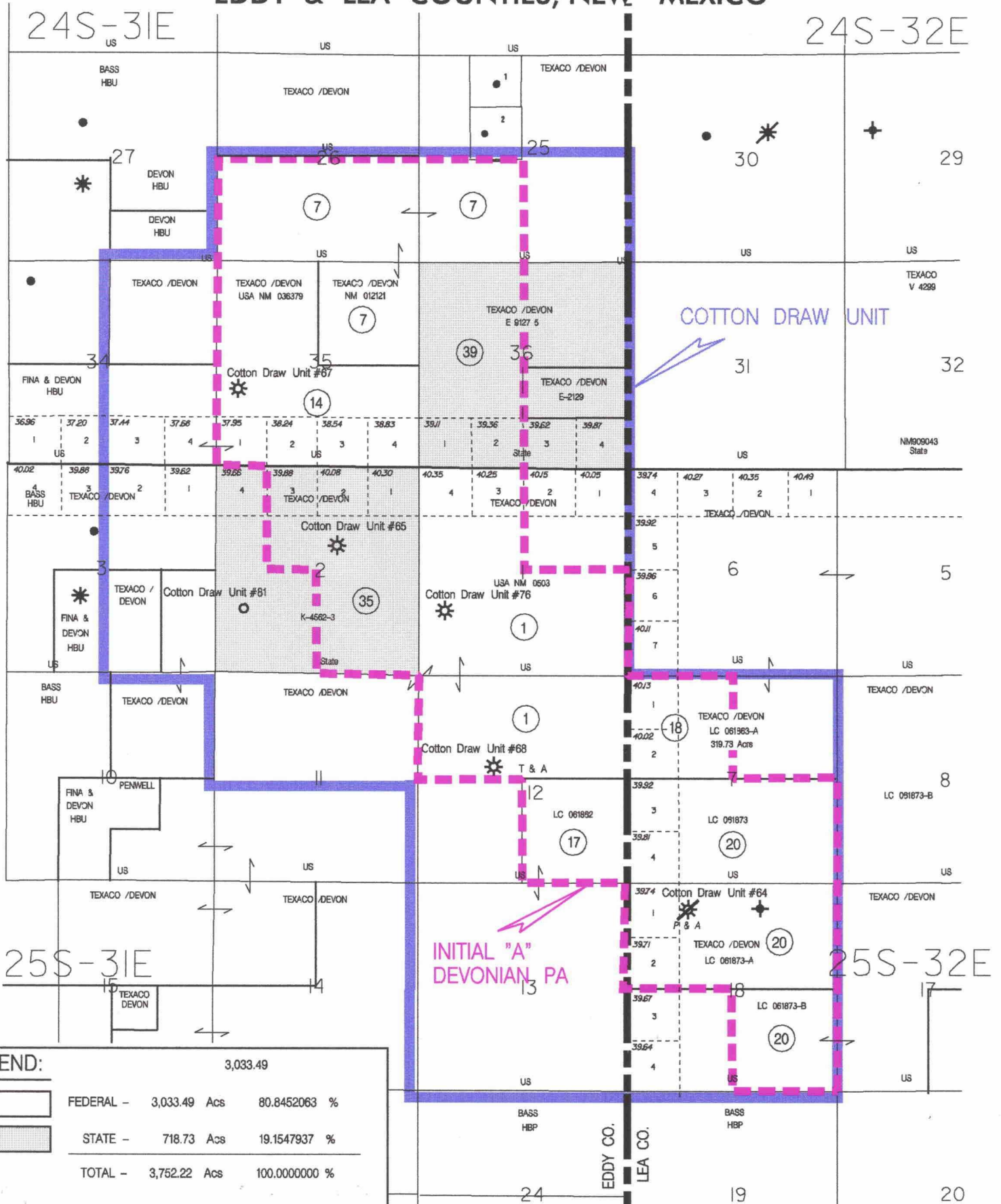
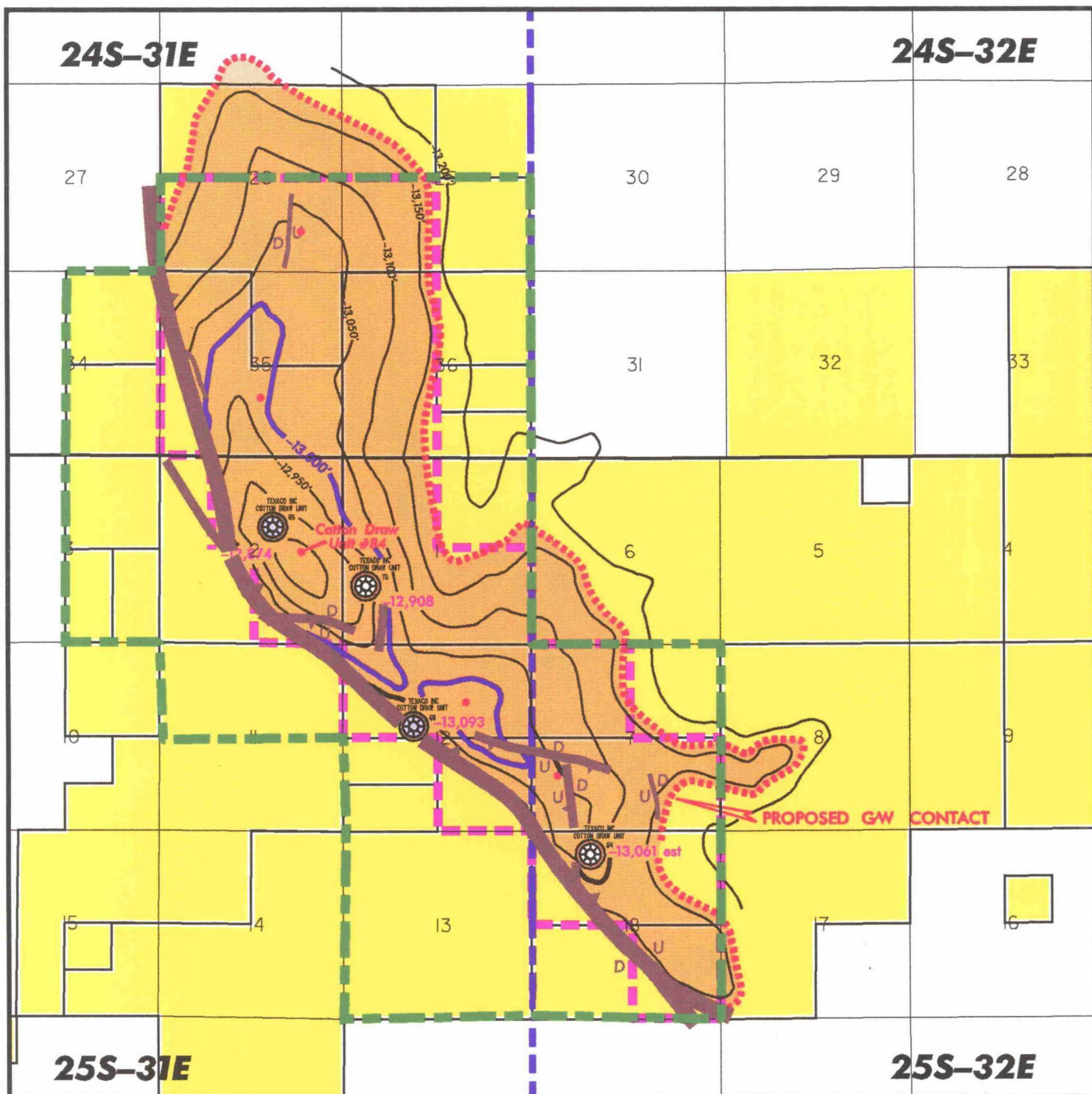


EXHIBIT "B"
INITIAL "A" PARTICIPATING AREA
DEVONIAN FORMATION
COTTON DRAW UNIT AGREEMENT
EDDY AND LEA COUNTIES, NEW MEXICO


Tract No.	Lease No.	Description	Participating Acres	Percentage of Participation	Working Interest Owner and Percent of Interest
1	NM 0503	<u>T25S-R31E</u> Sec. 1: Lots 3&4 S/2NW/4 & S/2 Sec. 12: N/2	800.60	21.3367020%	Texaco Exploration and Production Inc. - 50% Devon Energy Corporation (Nevada) - 50%
7	NM 012121	<u>T24S-R31E</u> Sec. 26: S/2 Sec. 25: SW/4 Sec. 35: NE/4	640.00	17.0565692%	Texaco Exploration and Production Inc. - 50% Devon Energy Corporation (Nevada) - 50%
14	NM 036379	<u>T24S-R31E</u> Sec. 35: NW/4, N/2S/2 Lots 1-4	473.56	12.6207951%	Texaco Exploration and Production Inc. - 50% Devon Energy Corporation (Nevada) - 50%
17	LC 061862	<u>T25S-R31E</u> Sec. 12: SE/4	160.00	4.2641423%	Texaco Exploration and Production Inc. - 50% Devon Energy Corporation (Nevada) - 50%
18	LC 061863-A	<u>T25S-R32E</u> Sec. 7: Lots 1, 2, & E/2NW/4 (NW/4)	160.15	4.2681399%	Texaco Exploration and Production Inc. - 50% Devon Energy Corporation (Nevada) - 50%
20	LC 061873	<u>T25S-R32E</u> Sec. 7: Lots 3 & 4, E/2SW/4 & SE/4 (S/2)	319.73	8.5210889%	Texaco Exploration and Production Inc. - 50% Devon Energy Corporation (Nevada) - 50%

Tract No.	Lease No.	Description	Participating Acres	Percentage of Participation	Working Interest Owner and Percent of Interest
20	LC 061873-A	<u>T25S-R32E</u> Sec. 18: Lots 1 & 2, E/2NW/4 & NE/4 (N/2)	319.45	8.5136266%	Texaco Exploration and Production Inc. - 50% Devon Energy Corporation (Nevada) - 50%
20	LC 061873-B	<u>T25S-R32E</u> Sec. 18: SE/4	160.00	4.2641423%	Texaco Exploration and Production Inc. - 50% Devon Energy Corporation (Nevada) - 50%
35	K-4562-3	<u>T25S-R31E</u> Sec. 2: Lots 1-3, SE/4NW/4, S/2NE/4 & SE/4	400.26	10.6672850%	Texaco Exploration and Production Inc. - 50% Devon Energy Corporation (Nevada) - 50%
39	E 9127-5	<u>T24S-R31E</u> Sec. 36: NW/4, N/2SW/4 & Lots 1 & 2 (W/2)	318.47	8.4875087%	Texaco Exploration and Production Inc. - 50% Devon Energy Corporation (Nevada) - 50%
SUMMARY					
Type Land			Committed Acres	Percent	
Federal			3,033.49	80.8452063%	
State			<u>718.73</u>	<u>19.1547937%</u>	
TOTAL			3,752.22	100.0000000%	




LEGEND

- TEXACO LEASEHOLD
- PROSPECT AREA
- DEVONIAN PRODUCTION
- DEVONIAN PENETRATION
- INITIAL "A" DEVONIAN P.A.
- COTTON DRAW UNIT



TEXACO E & P INC.
WESTERN E & P REGION
AREA



**COTTON DRAW
DEVONIAN STRUCTURE MAP**

EDDY AND LEA COUNTIES
NEW MEXICO

STRUCTURE BASE WOODFORD
CONTOUR INTERVAL = 50'

CONT. INT.: 50'

DATUM: BASE WOODFORD

DATE: JUNE 1994

REV. DATE: JUNE 1997

GEOLOGIST: W. R. M. & T. M. S.

ENGINEER: J. R. D.

LANDMAN: D. L. S.

Form 3160-5
(June 1990)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT --" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well: ☐ OIL WELL ☒ GAS WELL ☐ OTHER

2. Name of Operator: **TEXACO EXPLORATION & PRODUCTION INC.**

3. Address and Telephone No. **P.O. Box 2100, Denver Colorado 80201 (303)621-4851**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Unit Letter **L** : **1650** Feet From The **SOUTH** Line and **660** Feet From The **WEST** Line Section **1** Township **25-S** Range **31-E**

5. Lease Designation and Serial No.
NM-0503

6. If Indian, Alottee or Tribe Name

7. If Unit or CA, Agreement Designation
COTTON DRAW UNIT8. Well Name and Number
COTTON DRAW UNIT**76**9. API Well No.
30-015-2925210. Field and Pool, Exploratory Area
COTTON DRAW (BRUSHY CANYON)11. County or Parish, State
EDDY, NEW MEXICO

12. Check Appropriate Box(s) To Indicate Nature of Notice, Report, or Other Data

TYPE OF SUBMISSION

- ☐ Notice of Intent
- ☒ Subsequent Report
- ☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
- ☐ Recompletion
- ☐ Plugging Back
- ☐ Casing Repair
- ☐ Altering Casing
- ☒ OTHER: **COMPLETION**
- ☐ Change of Plans
- ☐ New Construction
- ☐ Non-Routine Fracturing
- ☐ Water Shut-Off
- ☐ Conversion to Injection
- ☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

1. DRILLED 4-1/2 INCH HOLE TO 16,560'. TD @ 7:00 PM 04-23-97.
2. RU SCHLUMBERGER. RAN GR-CNL-LDT 16605'-16380' GR-BHC SONIC 16600'-16380' AND FMS 16607'-16382'. 04-25-97.
3. RU SCHLUMBERGER. RUN AND SET PKR W/ 2 3/8" X 10' PUP JT, SN AND WL ENTRY GUIDE. TOP PACKER @ 16310'. TIH W/ BAKER MODEL E-22 ANCHOR TBG SEAL ASSEMBLY W/ BAKER MODEL L-10 ON-OFF TOOL, PICKING UP 2-7/8" TBG, LACK. 04-26-97.
4. FINISHED TIH W/ SEAL ASSEMBLY ON 297 JTS 9393' 2-7/8" 6.5# L-80 ABM AND 222 JOINTS 2-7/8" 8.7# L-80 BTS-6. TEST PACKER TO 1000#. 04-27-97.
5. DOWELL FRAC'D W/ 30,000 GALS DGA320 & 35,000 GALS YF330 IN 3 EQUAL STAGES. PUMPED 500 GALS ACID, 10,000 GALS DGA 320 @ 9100 PSI @ 15 BPM. (BROKE FROM 9100 PSI TO 4000 PSI W/ 5000 GALS ACID ON FORMATION) 10,000 GALS YF330 AND 10,000 DGA320 @ 3500 PSI @ 15 BPM 5000 GALS YF330 @ 1638 BLW FROM THIS JOB+ 66 PREVIOUS = TOTAL BLW - 1704. 05-01-97.
6. FLOW ON 4 PT TEST 4TH PT: 9.9809 MMCFD. 5000 PSI, 15/64 CK. FINAL SITP 5320 PSIG. RIG REL @ 3:00 PM MDT 05-01-97.

*I hereby certify that the foregoing is true and correct.

SIGNATURE C.P. Basham TITLE Eng. Assistant.DATE 5/20/97TYPE OR PRINT NAME Sheilla D. Reed-High

(This space for Federal or State office use)

APPROVED

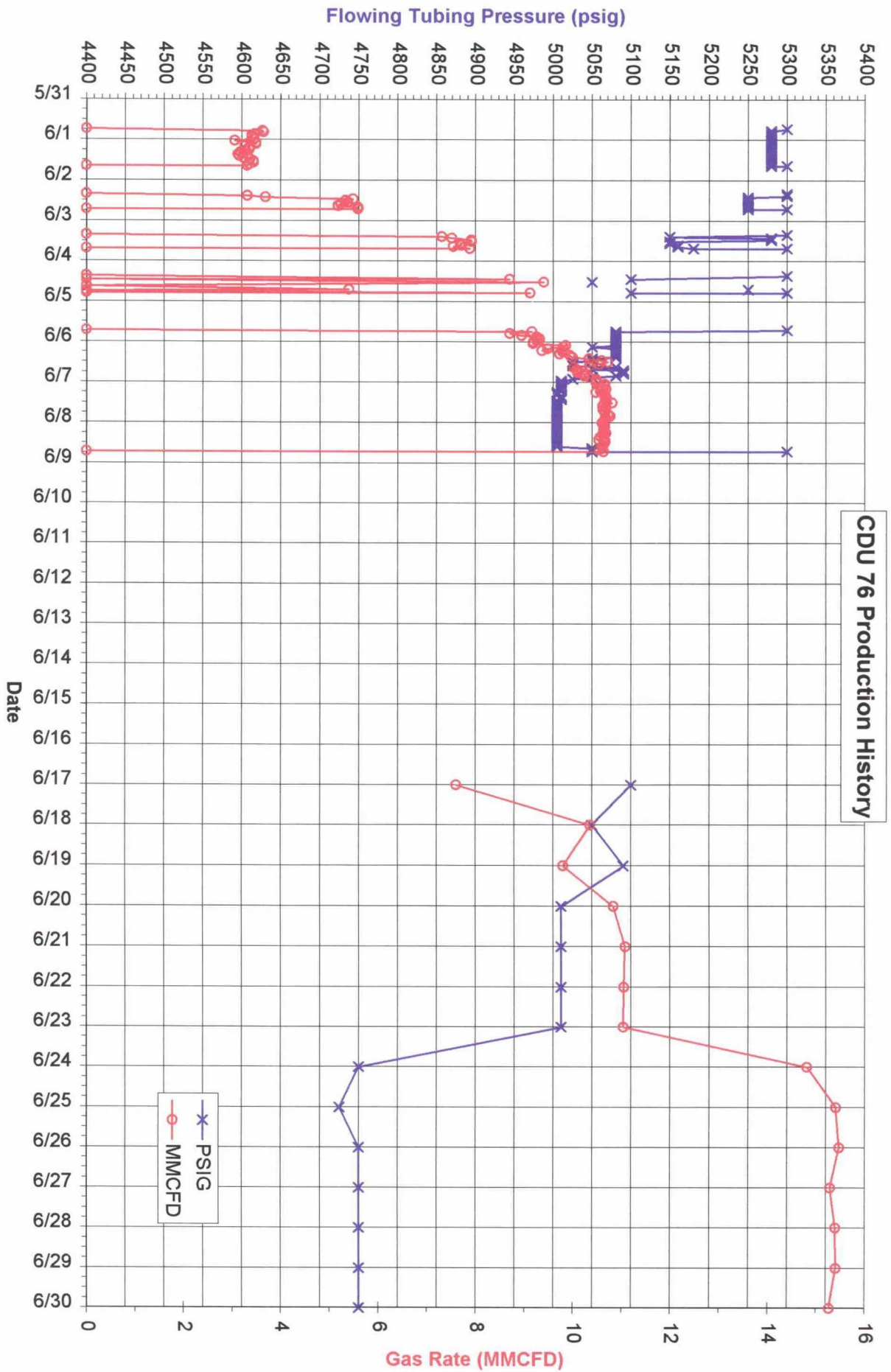
CONDITIONS OF APPROVAL IF ANY

TITLE

DATE

The U.S.C. Section 101, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Bureau of Land Management



**TEXACO EXPLORATION AND PRODUCTION INC.
COMMERCIALITY DETERMINATION**

Well Name: Cotton Draw Unit # 76

Formation: Devonian

Location: 1,650 ft FSL - 660 ft FWL, Section 1, T25S - R31E, Eddy County, New Mexico

Date Spud: 10/27/96

Date Completed: 5/1/97

Date of First Delivery: 6/16/97

Total Well Cost (Drilling & Completion): \$ 4,925,000

Operating Cost (Estimated): \$50,000/Year

Severance Tax: 7.09%

Ad Valorem Tax: 1.387%

Current Net Gas Price: \$1.41/MCF

Royalty Rate: 12.5% Subject to various overrides.

Payout: 1.0 Year

Production Forecast: 15 MMCFD starting 6/25/97

YEAR	MMCF
1997	3210
1998	5475

----- Gas Well -----

-- Four point test ---

(C) Copyright 1990
by Douglas M Boone
All Rights Reserved
Version 3.0

Well Name **Cotton Draw Unit 76**

Field Name

1-Jul-97

Gas Gravity **0.590**% N2 **1.21 %**Cond. (yes=1) **0**% CO2 **2.21 %**Depth of Zone **16,400** feet% H2S **0.40 %**Tubing ID **2.41** inch.TEMP-res **253** 'FReservoir Pre **7000** psiaTEMP-surf **60** 'FAOF **287,136** mcf/d

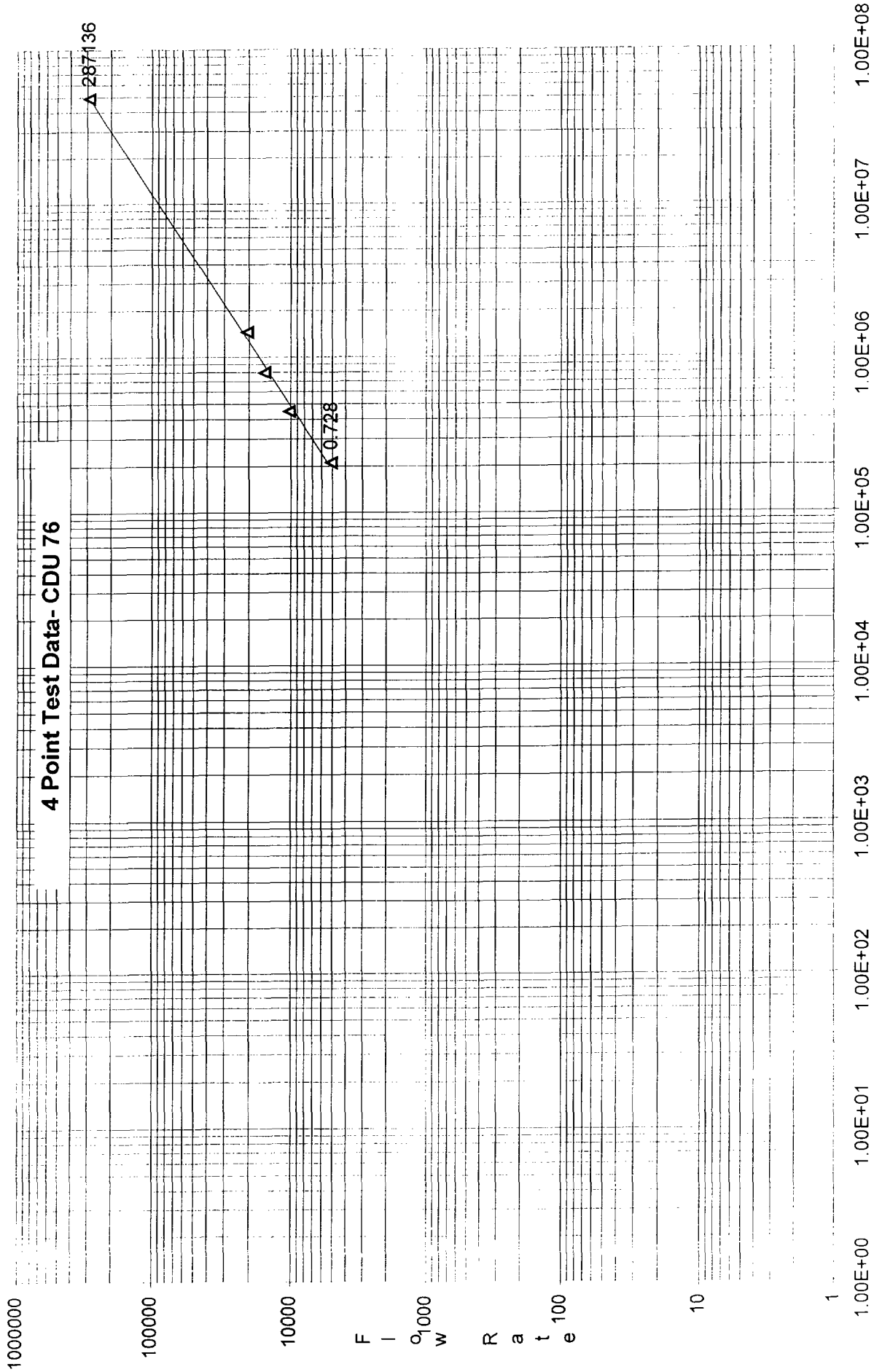
Pc 682.73

N slope **0.728**

Tc 350.84

Pwf measured	FTP	Rate	Pwf	Z	BHP/Z
psia	psia	mcf/d	psia		psia
6985	5315	5046	6985	1.1685	5978
6968	5104	10217	6968	1.1674	5969
6943	4725	15300	6943	1.1658	5956
6896	4135	20400	6896	1.1627	5931

Note: This 4 point test was conducted 5/16/97 with bottom hole pressure gauges in well.



REPORT NO.
151037

PAGE NO. 1

TEST DATE:
30-MAY-1997

STAR

Schlumberger Transient Analysis Report Based on Model Verified Interpretation Of a Schlumberger Well Test

Schlumberger

COMPANY: TEXACO E & P INC.		WELL: COTTON DRAW UNIT #76	
TEST IDENTIFICATION		WELL LOCATION	
Test Type	BUILDUP	Field	COTTON DRAW
Test No.	ONE	County	EDDY
Formation	DEVONIAN	State	NEW MEXICO
Test Interval (ft)	16400 to 16623	Sec/Twn/Rng	S1/25S/31E
COMPLETION CONFIGURATION		TEST STRING CONFIGURATION	
Total Depth (MD/TVD) (ft)	16623	Tubing Length (ft)/I.D. (in) ..	6993 / 2.259
Casing Size O.D. (in)	5.5" - 20#	Tubing Length (ft)/I.D. (in) ..	9327 / 2.441
Hole Size (in)	4.625	Packer Depth (ft)	16310
Perforated Interval (ft)	16400 to 16623	Gauge Depth (ft)/Type	16309/WTQR-910
Net Pay (ft)	55	TEST CONDITIONS	
INTERPRETATION RESULTS		ROCK/FLUID/WELLBORE PROPERTIES	
Model of Behavior	2-POROSITY	Gas Gravity	0.59
Fluid Type Used for Analysis ..	GAS	Impurities, N2/CO2/H2S (mol.%)	1.21/2.21/0.4
Reservoir Pressure (psil)	6999 @ 16309'	Liquid/Gas Ratio (STB/MMSCF) ..	0.0
Transmissibility (md.ft/cp) ..	93648	Water Cut (%)	0
Effective Permeability (md) ..	49 (to Gas)	Viscosity (cp)	0.0288
Skin Factor	-5.57	Total Compressibility (1/psi) ..	6.37838E-05
Storativity Ratio, Omega	0.08	Porosity (%)	8
Interporos.Flow Coef., Lambda ..	8.2E-8	Reservoir Temperature (F)	265
Radius of Investigation (ft) ..	6705		

PRODUCTION RATE DURING TEST: 10.6 MMSCF/D = Q-Last

COMMENTS:

A BOTTOMHOLE PRESSURE BUILDUP TEST WAS CONDUCTED FROM 30-MAY-1997 TO 15-JUN-1997 OF THE DEVONIAN FORMATION. THE TEST CONSISTED OF FIVE FLOW PERIODS AND FIVE BUILDUP PERIODS, WITH A 3-DAY FINAL FLOW PERIOD AND A 7-DAY FINAL BUILDUP PERIOD. ANALYSIS OF EACH OF THE DIAGNOSTIC LOG-LOG PLOTS OF PRESSURE AND DERIVATIVE INDICATES THE PRESENCE OF A NATURALLY-FRACTURED (2-POROSITY) SYSTEM WITH SKIN AND VARIABLE WELLBORE STORAGE EFFECTS IN EARLY TIME, TRANSITIONAL FLOW REGIME IN MID TIME, AND INFINITE ACTING RADIAL FLOW FOR THE TOTAL SYSTEM (FISSURES+MATRIX) AT LATE TIME. THE FINAL SHUT-IN PERIOD WAS MATCHED USING A TWO-POROSITY SYSTEM MODEL WITH PSEUDO STEADY STATE INTERPOROSITY FLOW AND VARIABLE WELLBORE STORAGE (SEE ANALYSIS RESULTS AND PLOTS, PAGES 2-6). BASED ON THE MATCH, THE BUILDUP RESPONSE WAS IN INFINITE ACTING RADIAL FLOW AFTER 20-HRS SHUT-IN TIME.

THE TESTED INTERVAL HAS THE CHARACTERISTICS OF HIGH PERMEABILITY EFFECTIVE TO GAS AND A HIGHLY STIMULATED WELLBORE CONDITION AT THE TIME OF THE TEST. NO SEALING OR SUPPORTING OUTER BOUNDARIES WERE OBSERVED WITHIN THE 6700-FT RADIUS OF INVESTIGATION FOR THE TEST. FOR QUESTIONS ABOUT THIS REPORT, PLEASE CONTACT DEBORA HALLFORD AT (303) 843-9090.

REPORT NO.
151037

PAGE NO. 2

CALCULATIONS
GAS WELL
LOG-LOG ANALYSIS

Schlumberger

LOG [DELTA M(P)] VS. LOG (DELTA T) PLOT

TWO-POROSITY SYSTEM WITH PSEUDO STEADY STATE INTERPOROSITY FLOW
SKIN AND VARIABLE WELLBORE STORAGE
PD VS. TD/CD

DATA IDENTIFICATION

FLOW PERIOD * 21. BUILDUP
M(P) = $2.096E+09$ PSI**2/CP @ DELTA T=0
FLOW RATE CHANGE = 10598 MSCF/D

TYPE-CURVE MATCH

CURVE MATCH, $CD * E(2S) = 0.756041$
STORATIVITY RATIO, $OMEGA = 0.079196$
TRANSITION CURVE, $LAMBDA * E(-2S) = 5.603E-03$
PRESSURE MATCH, $PD / DELTA M(P) = 2.469E-07$ 1/(PSI**2/CP)
TIME MATCH, $(TD/CD) / DELTA T = 45.806$ 1/HR

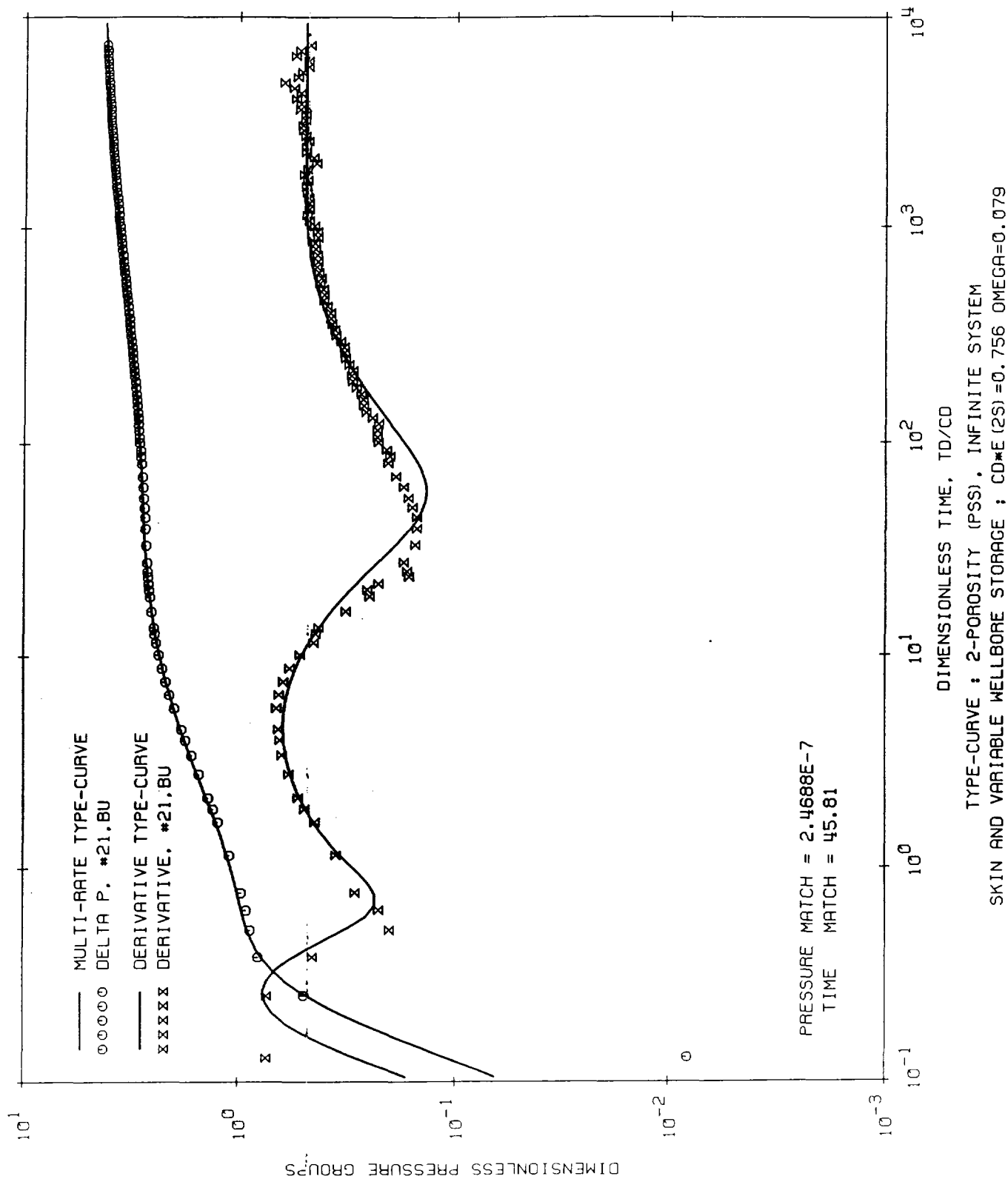
CALCULATIONS

KH 2697.1 MD.FT
KH/MU 93648 MD.FT/CP
K 49.037 MD
C 0.6031 BBL/PSI
CD 51713
LAMBDA $8.19122E-8$
SKIN, S -5.567
RADIUS OF INVESTIGATION ... 6705.2 FT (@ 160.2 HR)

COMMENTS

USING 2-POROSITY (PSS), INFINITE SYSTEM RESERVOIR MODEL
WITH SKIN AND VARIABLE WELLBORE STORAGE;
 $Ca/C=178.5$ (1) 0.14 (2) $CoD=0.17$ (1) 0.85 (2)

DIMENSIONLESS MULTI-RATE
 PLOT: LOG-LOG MATCH WITH
 2-POROSITY MODEL

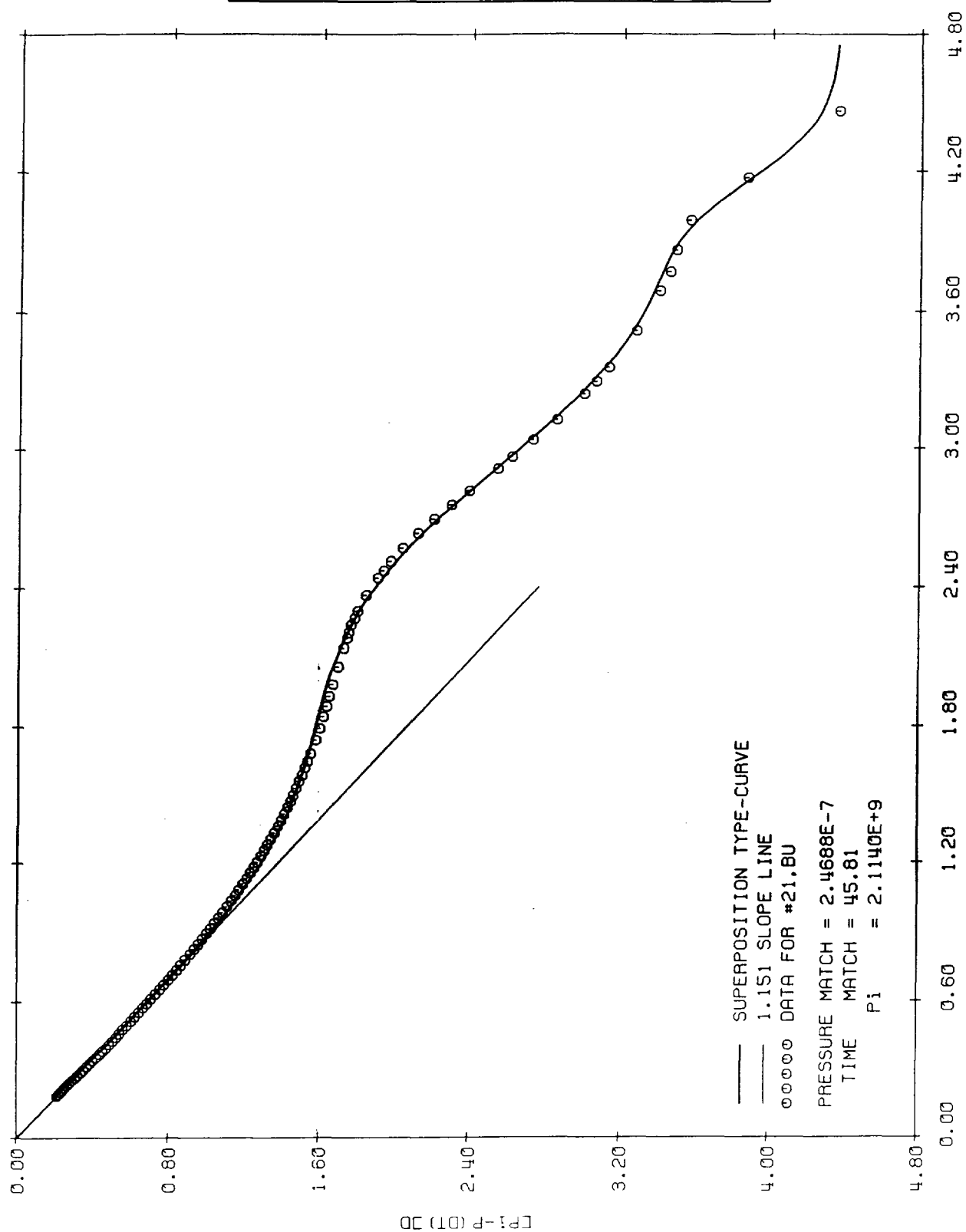


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151037

PAGE NO. 4

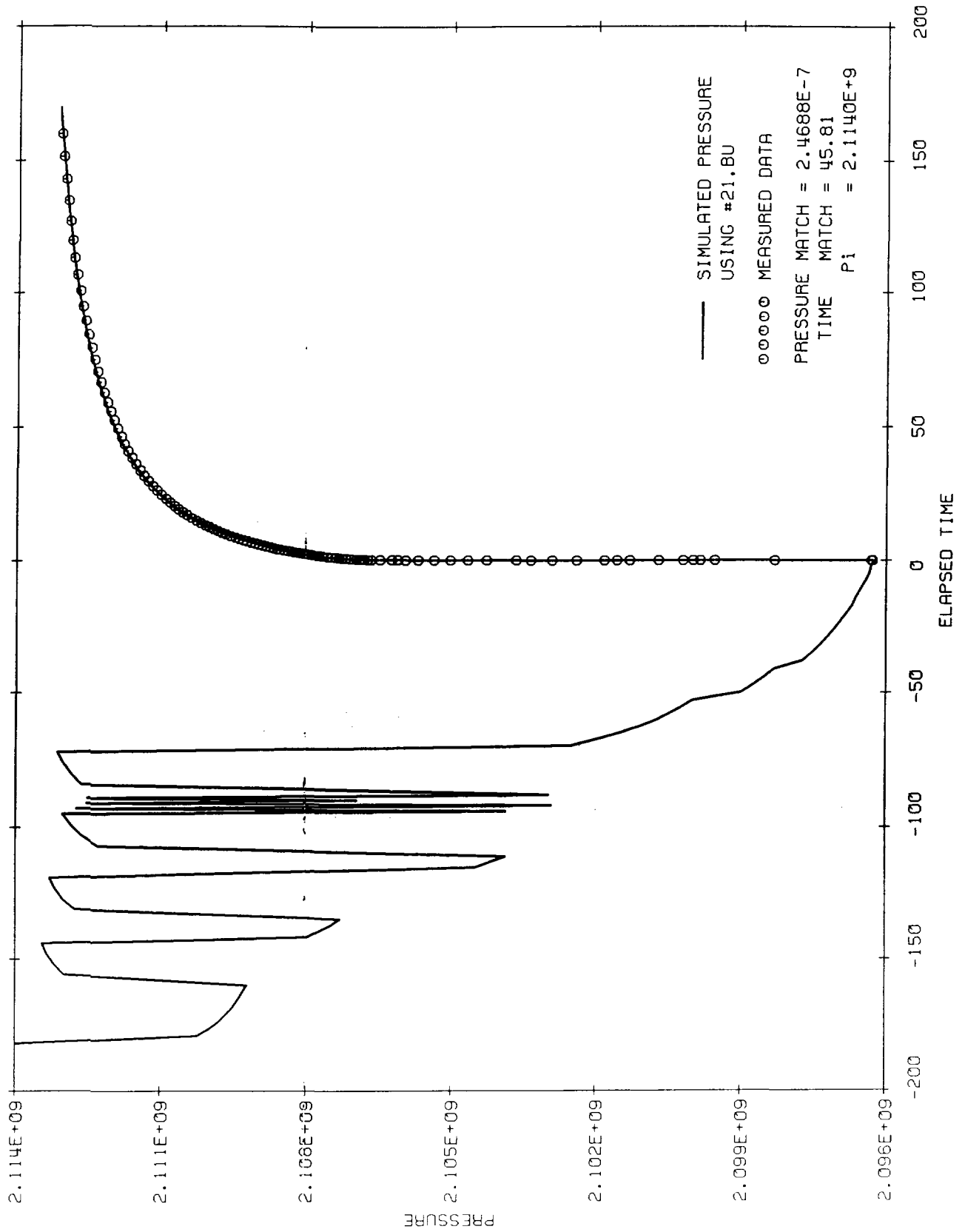
DIMENSIONLESS SUPERPOSITION
PLOT FOR
#21.BU

Schlumberger



PRESSURE HISTORY MATCH SIMULATION

Schlumberger



REPORT NO.
151037

PAGE NO. 6

FLOWRATE DATA
USED IN ANALYSIS
COTTON DRAW UNIT #76

Schlumberger

Page 1 of 1

ET VS. FLOWRATE

USING PRODUCTION HISTORY PROVIDED BY TEXACO
COTTON DRAW UNIT #76 - BUILDUP TEST CONDUCTED 30-MAY-1997

	ET (hrs) PRIOR TO FINAL BUILDUP	GAS FLOWRATE (MSCF/D)
1	-182.00	3354.0
2	-160.00	0.00000E-01
3	-144.00	4975.0
4	-135.00	0.00000E-01
5	-119.00	7684.0
6	-111.00	0.00000E-01
7	-95.000	8700.0
8	-94.000	0.00000E-01
9	-93.000	9400.0
10	-92.000	0.00000E-01
11	-91.000	5400.0
12	-90.000	0.00000E-01
13	-89.000	9123.0
14	-88.000	0.00000E-01
15	-72.000	9610.0
16	-53.000	10283.
17	-41.000	10649.
18	-29.000	10661.
19	-17.000	10634.
20	-5.0000	10598.
21	0.00000E-01	0.00000E-01

ANY INTERPRETATIONS OR RECOMMENDATIONS ARE OPINIONS AND NECESSARILY BASED ON INFERENCES AND EMPIRICAL FACTORS AND ASSUMPTIONS, WHICH ARE NOT INFALLIBLE. ACCORDINGLY, SCHLUMBERGER - GEOQUEST CANNOT AND DOES NOT WARRANT THE ACCURACY OR CORRECTNESS OF ANY INTERPRETATION OR MEASUREMENT. UNDER NO CIRCUMSTANCES SHOULD ANY INTERPRETATION OR MEASUREMENT BE RELIED UPON AS THE SOLE BASIS FOR ANY DRILLING, COMPLETION, WELL TREATMENT OR PRODUCTION DECISION OR ANY PROCEDURE INVOLVING RISK TO THE SAFETY OF ANY DRILLING VENTURE, DRILLING RIG OR ITS CREW OR ANY OTHER INDIVIDUAL. THE CUSTOMER HAS FULL RESPONSIBILITY FOR ALL DRILLING, COMPLETION, WELL TREATMENT, AND PRODUCTION PROCEDURES, AND ALL OTHER ACTIVITIES RELATING TO THE DRILLING OR PRODUCTION OPERATION.

MODEL-VERIFIED (tm) REPORT

Schlumberger

THIS IS SCHLUMBERGER'S MODEL-VERIFIED (tm) INTERPRETATION REPORT. WITH MODEL-VERIFIED (tm) INTERPRETATION, THE GOAL OF THE SCHLUMBERGER ANALYST IS TO CONSTRUCT A TOTAL SYSTEM RESERVOIR MODEL THAT MATCHES ALL OF YOUR WELL TEST DATA. THIS PROVIDES YOU WITH RELIABLE ANSWERS THAT YOU CAN HAVE CONFIDENCE IN.

FROM THE DIAGNOSTIC LOG-LOG PLOT OF PRESSURE AND PRESSURE DERIVATIVE, THE SCHLUMBERGER ANALYST IDENTIFIES THE FLOW REGIMES GOVERNED BY THE INNER BOUNDARY CONDITIONS, BASIC RESERVOIR BEHAVIOR, AND OUTER BOUNDARY CONDITIONS. A RESERVOIR MODEL IS THEN CONSTRUCTED AND THE TEST DATA ARE MATCHED TO IT. IN ORDER TO VERIFY THE QUALITY OF THE MATCH, THE THEORETICAL MODEL RESPONSE (TYPE CURVE) AND THE TEST DATA ARE PLOTTED TOGETHER. THE PRESENTATION OF THE MATCH CAN BE SHOWN IN ANY OF THREE DIFFERENT FORMS.

- 1) LOG-LOG PLOT (DELTA PRESSURE AND DERIVATIVE vs. DELTA TIME)
- 2) SEMI-LOG PLOT (PRESSURE vs. SUPERPOSITION TIME)
- 3) CARTESIAN PLOT (PRESSURE vs. TIME)

SCHLUMBERGER USES SUPERPOSITION TECHNIQUES (MULTI-RATE ANALYSIS) TO ACCOUNT FOR THE WELL'S PRIOR PRODUCTION HISTORY. ESPECIALLY IN CASES WHERE THE PRIOR PRODUCTION IS ERRATIC OR UNUSUAL, SUPERPOSITION IS THE ONLY MEANS OF PROVIDING AN ACCURATE TYPE CURVE MATCH OF THE WELL TEST DATA. FOR GAS WELLS, THE PSEUDO-PRESSURE TECHNIQUE IS USED TO ACCOUNT FOR THE CHANGE IN GAS PROPERTIES WITH CHANGING PRESSURE.

IN SOME INSTANCES, THE WELL TEST DATA WILL NOT BE UNIQUE, i.e., MORE THAN ONE RESERVOIR MODEL WILL MATCH THE TEST DATA. THE MOST APPROPRIATE MODEL CAN BE DETERMINED AS WE WORK WITH YOU AND DISCUSS THE AREA LITHOLOGY AND GEOLOGY.

THE RESERVOIR ANSWERS DERIVED FROM MODEL-VERIFIED (tm) INTERPRETATION CAN INCLUDE; EFFECTIVE PERMEABILITY (K), SKIN DAMAGE (s), RESERVOIR PRESSURE (P*), FRACTURE HALF-LENGTH (Xf), FRACTURE CAPACITY (Kfw), BOUNDARY CONDITIONS AND DISTANCE TO BOUNDARIES, AS WELL AS THE MODEL OF BASIC RESERVOIR BEHAVIOR.

USING THE RESERVOIR MODEL DETERMINED BY MODEL-VERIFIED (tm) INTERPRETATION, FLOWRATE PREDICTIONS CAN BE MADE FOR THE WELL. ADDITIONALLY, WE CAN HELP YOU OPTIMIZE WELL PERFORMANCE BY USING SCHLUMBERGER'S NODAL ANALYSIS SOFTWARE TO EXAMINE THE WELL'S SENSITIVITY TO DIFFERENT COMPLETION DESIGNS (e.g., FRACTURE HALF-LENGTH, TUBING SIZE, WELLHEAD PRESSURE, SKIN VALUE, SHOT DENSITY). THIS AFFORDS YOU THE OPPORTUNITY TO FORECAST PRODUCTION POTENTIAL FOR THE WELL BEFORE MAKING FINAL COMPLETION/RECOMPLETION DECISIONS.

WELL TEST MODELS

Schlumberger

THE SCHLUMBERGER ANALYST CONSTRUCTS THE TOTAL SYSTEM RESERVOIR MODEL THAT BEST MATCHES YOUR TEST DATA BY CHOOSING THE INNER BOUNDARY CONDITION(S), A BASIC RESERVOIR MODEL, AND THE OUTER BOUNDARY CONDITION(S). THESE COMPONENTS ARE PUT TOGETHER INTO ONE RESERVOIR MODEL AND THE TEST DATA IS MATCHED BY ADJUSTING THE MODEL PARAMETERS (e.g., PERMEABILITY AND SKIN) TO OBTAIN THE BEST FIT. THE FOLLOWING IS A PARTIAL LIST OF THE MODEL COMPONENTS AVAILABLE TO THE SCHLUMBERGER ANALYST FOR MATCHING YOUR WELL TEST DATA.

INNER BOUNDARY CONDITION

- NO WELLBORE STORAGE
- CONSTANT WELLBORE STORAGE
- VARIABLE WELLBORE STORAGE
- FINITE CONDUCTIVITY VERTICAL FRACTURE
- INFINITE CONDUCTIVITY VERTICAL FRACTURE
- UNIFORM FLUX VERTICAL FRACTURE
- HORIZONTAL FRACTURE
- PARTIAL PENETRATION

BASIC RESERVOIR MODEL

- HOMOGENEOUS
- DUAL POROSITY, PSEUDO STEADY STATE INTERPOROSITY FLOW
- DUAL POROSITY, TRANSIENT INTERPOROSITY FLOW
- TRIPLE POROSITY
- DUAL PERMEABILITY
- RADIAL COMPOSITE

OUTER BOUNDARY CONDITION

- INFINITE SYSTEM
- SINGLE SEALING NO FLOW BOUNDARY
- PARTIALLY SEALING BOUNDARY
- SINGLE CONSTANT PRESSURE BOUNDARY
- TWO INTERSECTING NO FLOW BOUNDARIES (WEDGE GEOMETRY)
- PARALLEL NO FLOW BOUNDARIES (CHANNEL)
- GAS CAP/BOTTOM WATER DRIVE
- CLOSED (NO FLOW) CIRCLE
- CONSTANT PRESSURE CIRCLE
- CLOSED (NO FLOW) RECTANGLE
- CONSTANT PRESSURE RECTANGLE
- MIXED BOUNDARY RECTANGLE

FOR SOME APPLICATIONS, SUCH AS HORIZONTAL AND LAYERED RESERVOIR TESTS, ALL OF THE POSSIBLE COMBINATIONS ARE NOT AVAILABLE. REFERENCES ON MOST MODEL COMPONENTS CAN BE FOUND IN SPE PAPERS.

SEQUENCE OF EVENTS

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DATE	TIME (HR:MIN)	DESCRIPTION	ET (MINS)	BHP (PSIA)	WHP (PSIG)
30-MAY	16:10	Gradient Stop 0 Ft.	-2873	5287	
30-MAY	16:57	Gradient Stop 5000 Ft.	-2826	5839	
30-MAY	17:34	Gradient Stop 10000 Ft.	-2789	6370	
30-MAY	18:15	Gradient Stop 15000 Ft.	-2748	6871	
30-MAY	18:36	Gradient Stop 16000 Ft.	-2727	6968	
30-MAY	19:00	Gradient Stop 16200 Ft.	-2703	6987	
30-MAY	19:18	Gradient Stop 16309 Ft.	-2685	6997	
31-MAY	16:29	START FLOW	-1414	6997	
01-JUN	16:03	END FLOW & START SHUT-IN	0	6992	
02-JUN	08:31	END SHUT-IN	988	6998	
02-JUN	08:32	START FLOW	989	6997	
02-JUN	16:23	END FLOW & START SHUT-IN	1460	6987	
03-JUN	08:23	END SHUT-IN	2420	6997	
03-JUN	08:28	START FLOW	2425	6997	
03-JUN	16:27	END FLOW & START SHUT-IN	2904	6979	
04-JUN	08:42	END SHUT-IN	3879	6997	
04-JUN	08:42	START FLOW	3879	6997	
04-JUN	22:04	END FLOW & START SHUT-IN	4681	6978	
05-JUN	17:03	END SHUT-IN	5820	6997	
05-JUN	17:05	START FLOW	5822	6997	
08-JUN	17:05	END FLOW & START SHUT-IN	10142		
15-JUN	09:17	END SHUT-IN	19754		
15-JUN	09:24	Gradient Stop 16309 Ft.	19761		
15-JUN	09:46	Gradient Stop 16200 Ft.	19783		

Continued next page

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151037

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BOTTOMHOLE PRESSURE LOG

FIELD REPORT NO. 151037

COMPANY : TEXACO E & P INC.

INSTRUMENT NO. WTQR-910

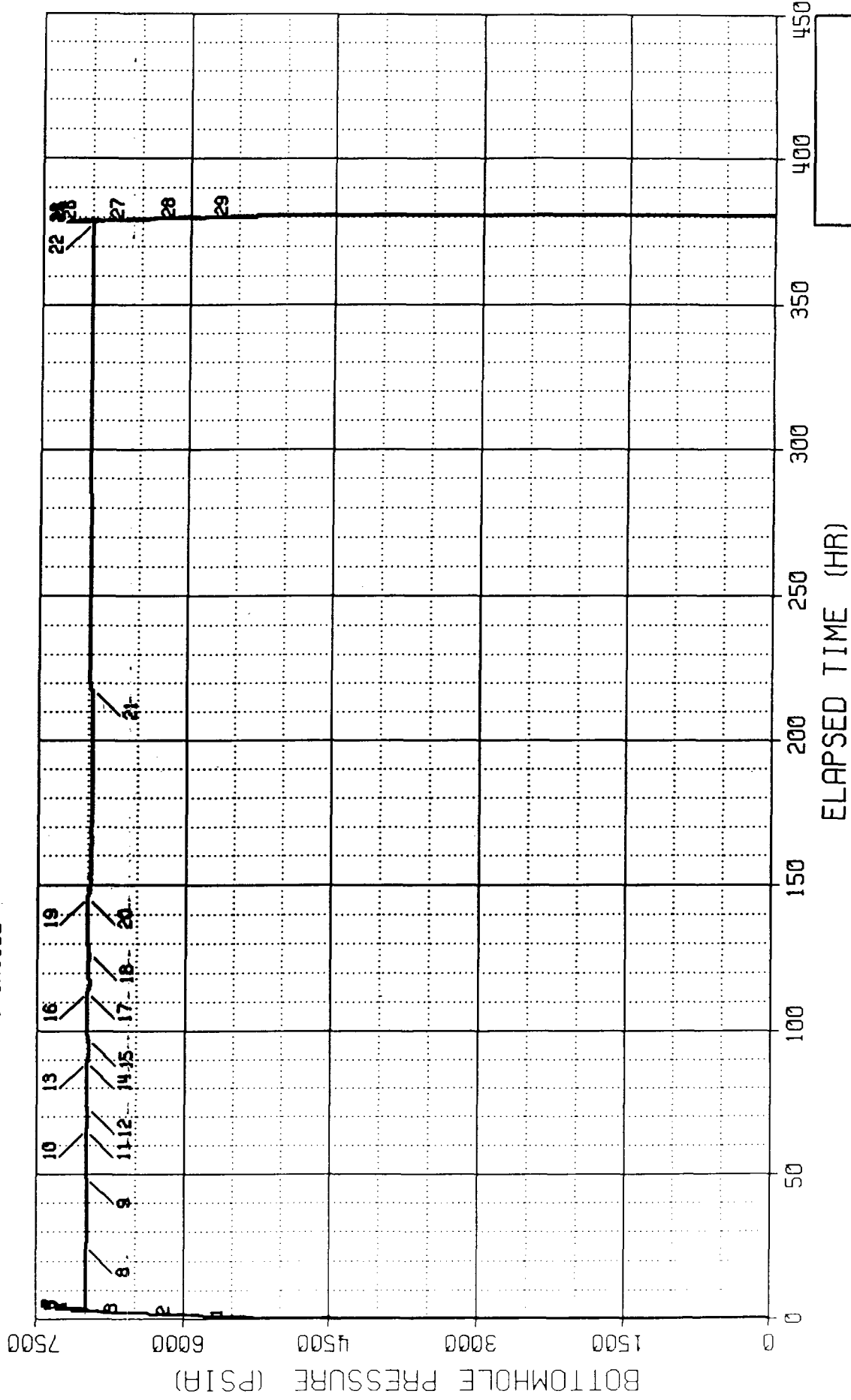
WELL : COTTON DRAW UNIT #76

DEPTH : 16309 FT

CAPACITY : 16000 PSI

PORT OPENING : INSIDE

Electronic Pressure Data



BOTTOMHOLE PRESSURE LOG

FIELD REPORT NO. 151037

COMPANY : TEXACO E & P INC.

INSTRUMENT NO. WTQR-910

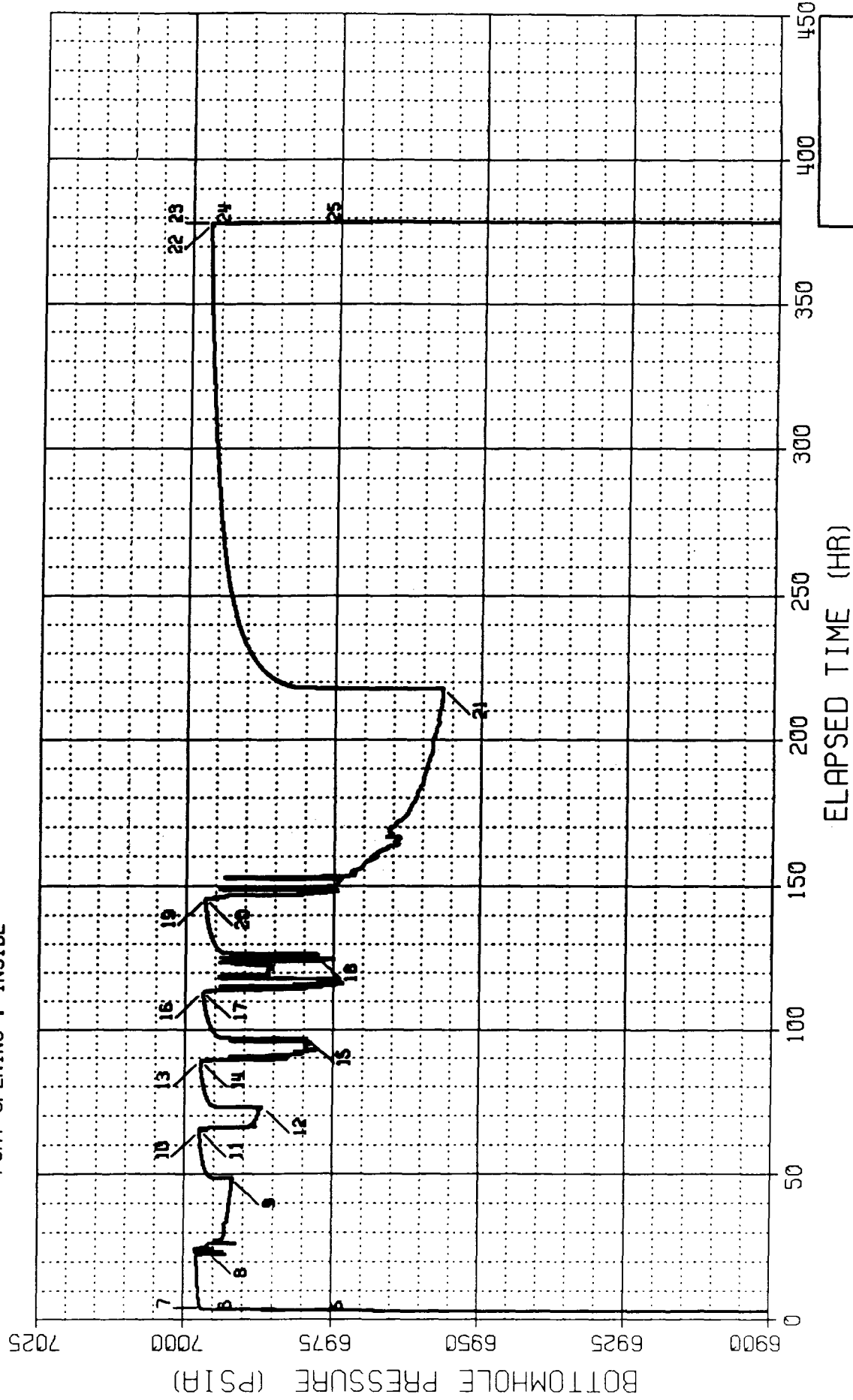
WELL : COTTON DRAW UNIT #76

DEPTH : 16309 FT

CAPACITY : 16000 PSI

EXPANDED PLOT OF TEST

PORT OPENING : INSIDE

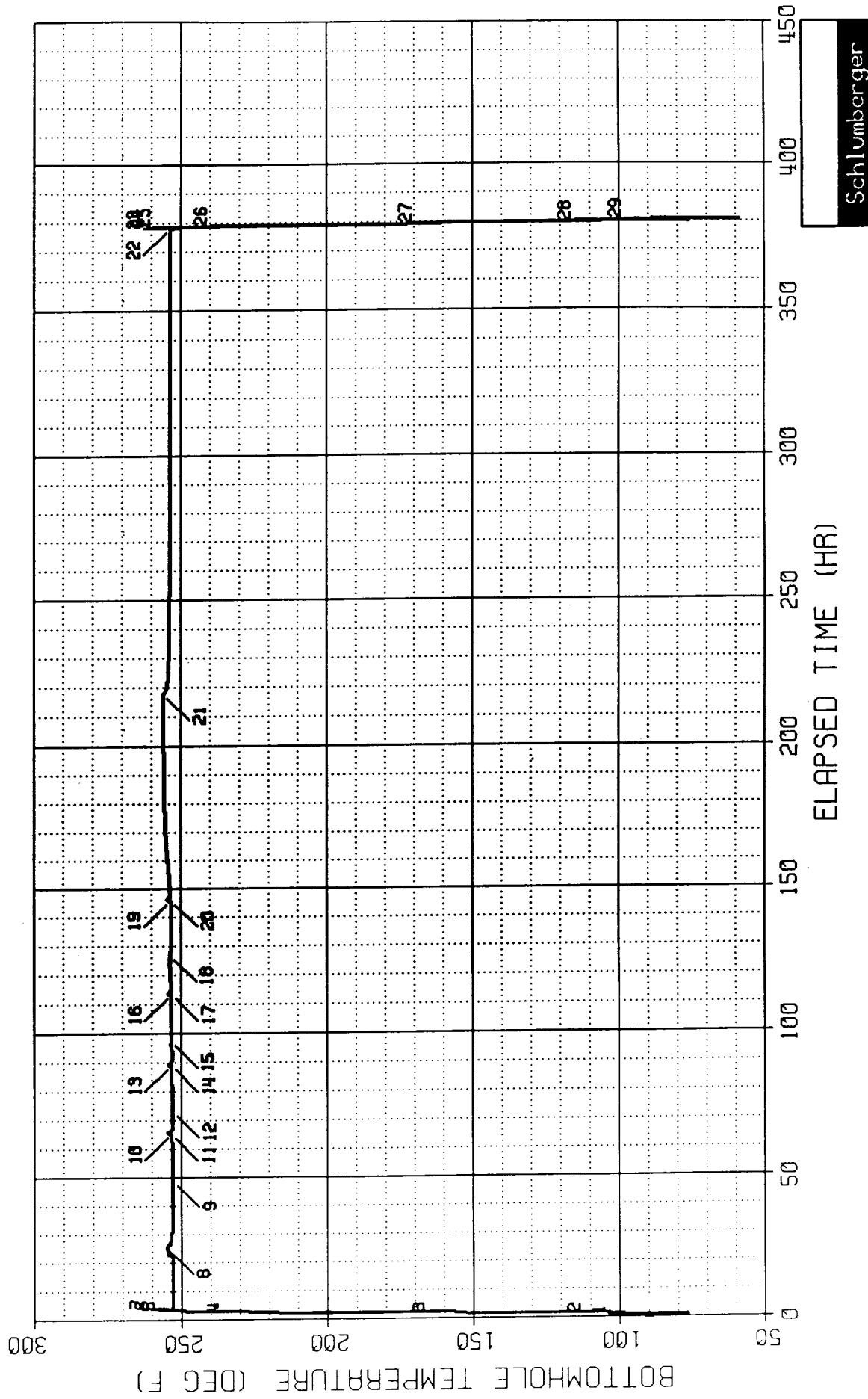


Schlumberger

BOTTOMHOLE TEMPERATURE LOG

FIELD REPORT NO. 151037 COMPANY : TEXACO E & P INC.
INSTRUMENT NO. WTQR-910 WELL : COTTON DRAW UNIT #76
DEPTH : 16309 FT

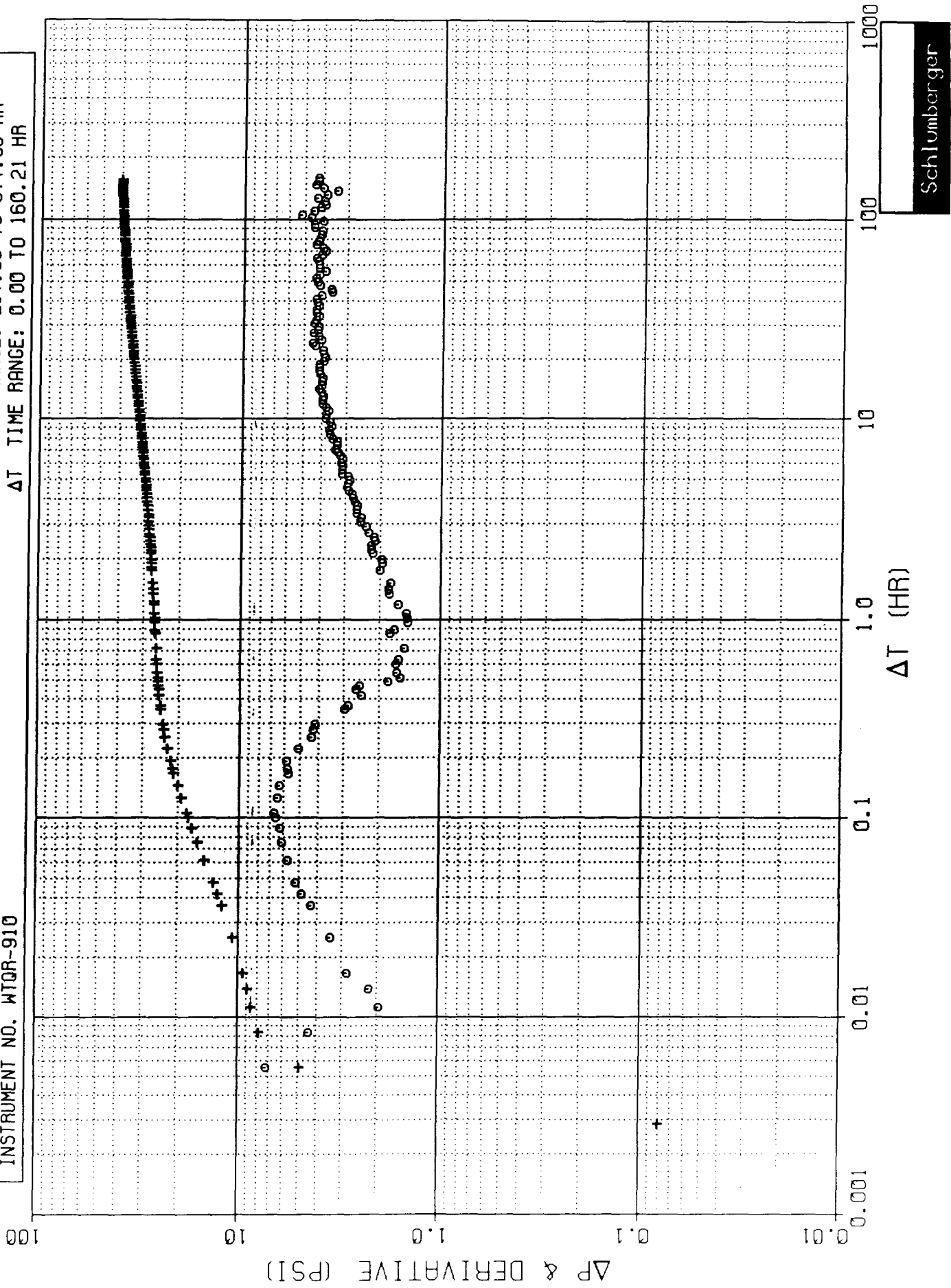
Electronic Temperature Data

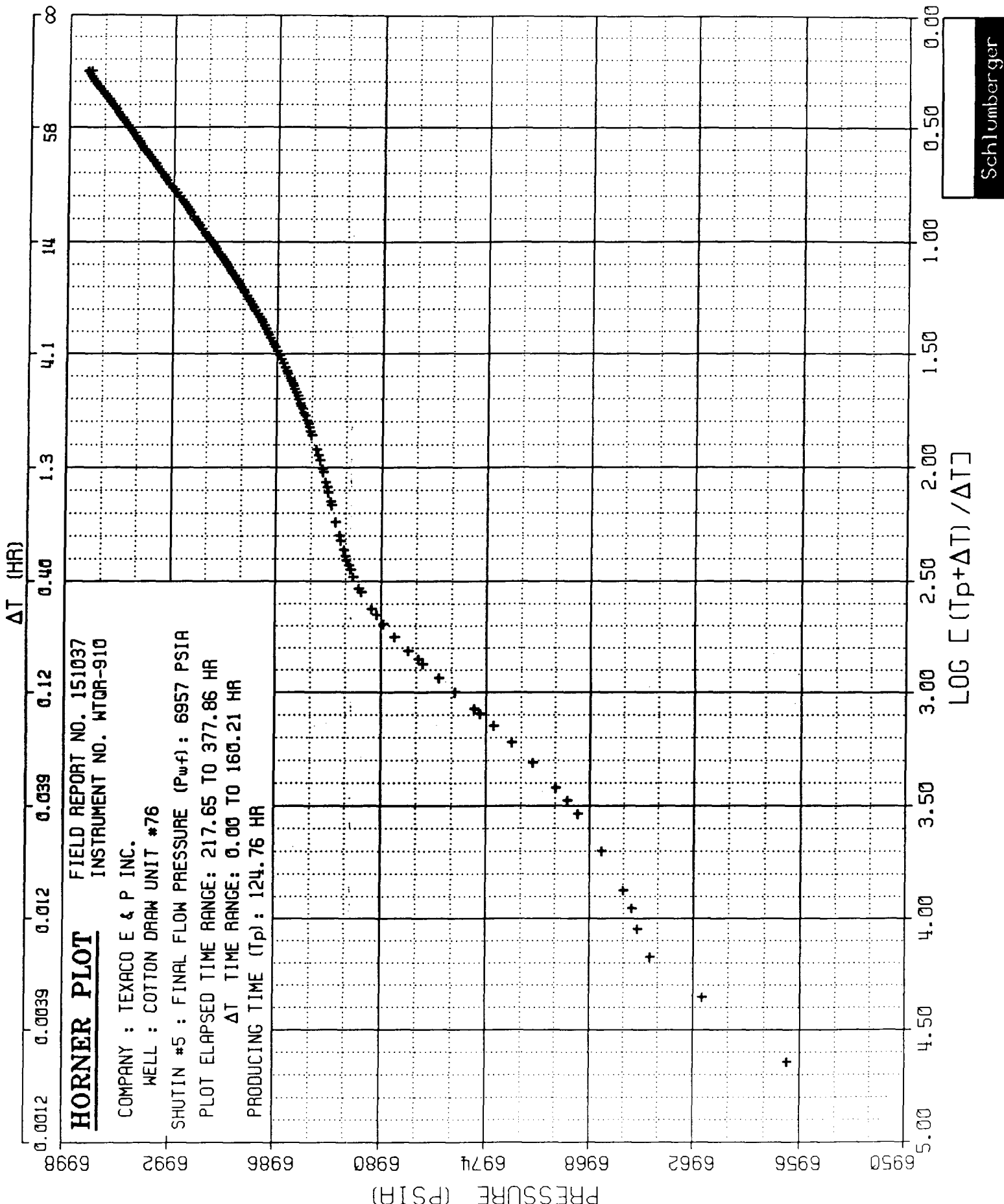


LOG LOG PLOT

COMPANY : TEXACO E & P INC.
WELL : COTTON DRAW UNIT #76
FIELD REPORT NO. 151037
INSTRUMENT NO. WTQR-910

SHUTIN #5 : PRODUCING TIME (Tp): 124.76 HR
FINAL FLOW PRESSURE (Pwf): 6957 PSIA
PLOT ELAPSED TIME RANGE: 217.65 TO 377.86 HR
 ΔT TIME RANGE: 0.00 TO 160.21 HR

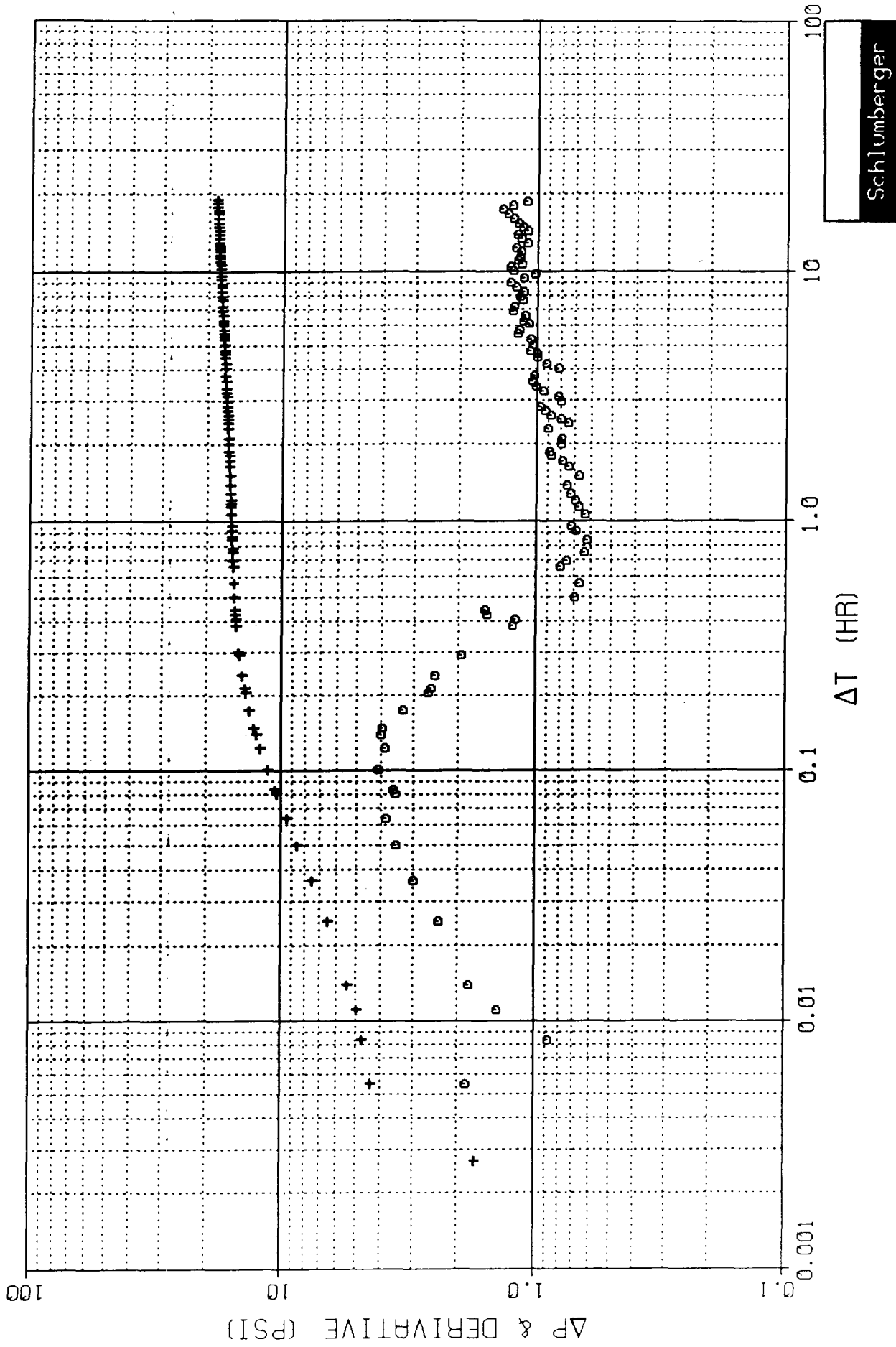


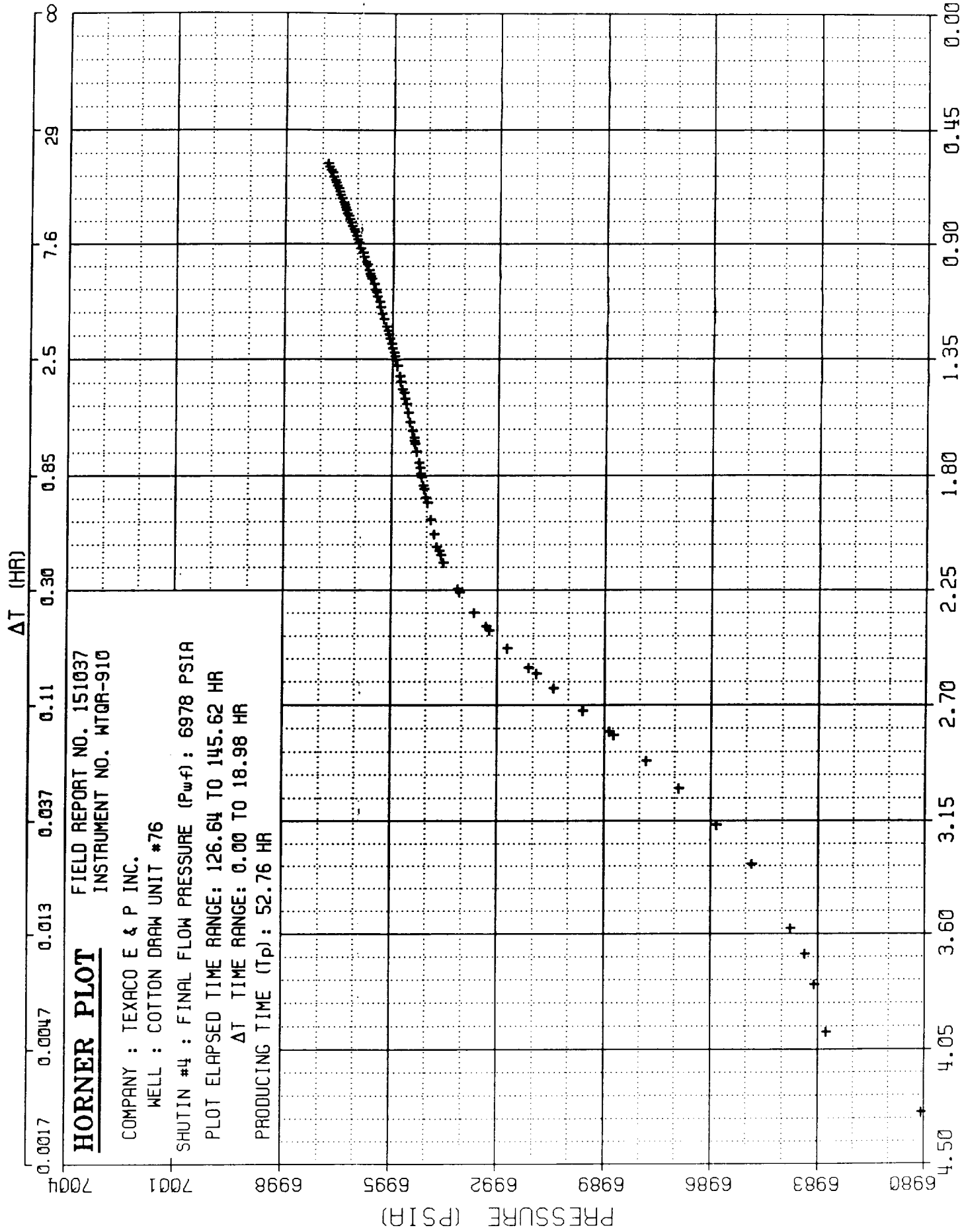


LOG LOG PLOT

COMPANY : TEXACO E & P INC.
WELL : COTTON DRAW UNIT #76
FIELD REPORT NO. 151037
INSTRUMENT NO. WTQR-910

SHUTIN #4 : PRODUCING TIME (Tp): 52.76 HR
FINAL FLOW PRESSURE (Pwf): 6978 PSIA
PLOT ELAPSED TIME RANGE: 126.64 TO 145.62 HR
 ΔT TIME RANGE: 0.00 TO 18.98 HR

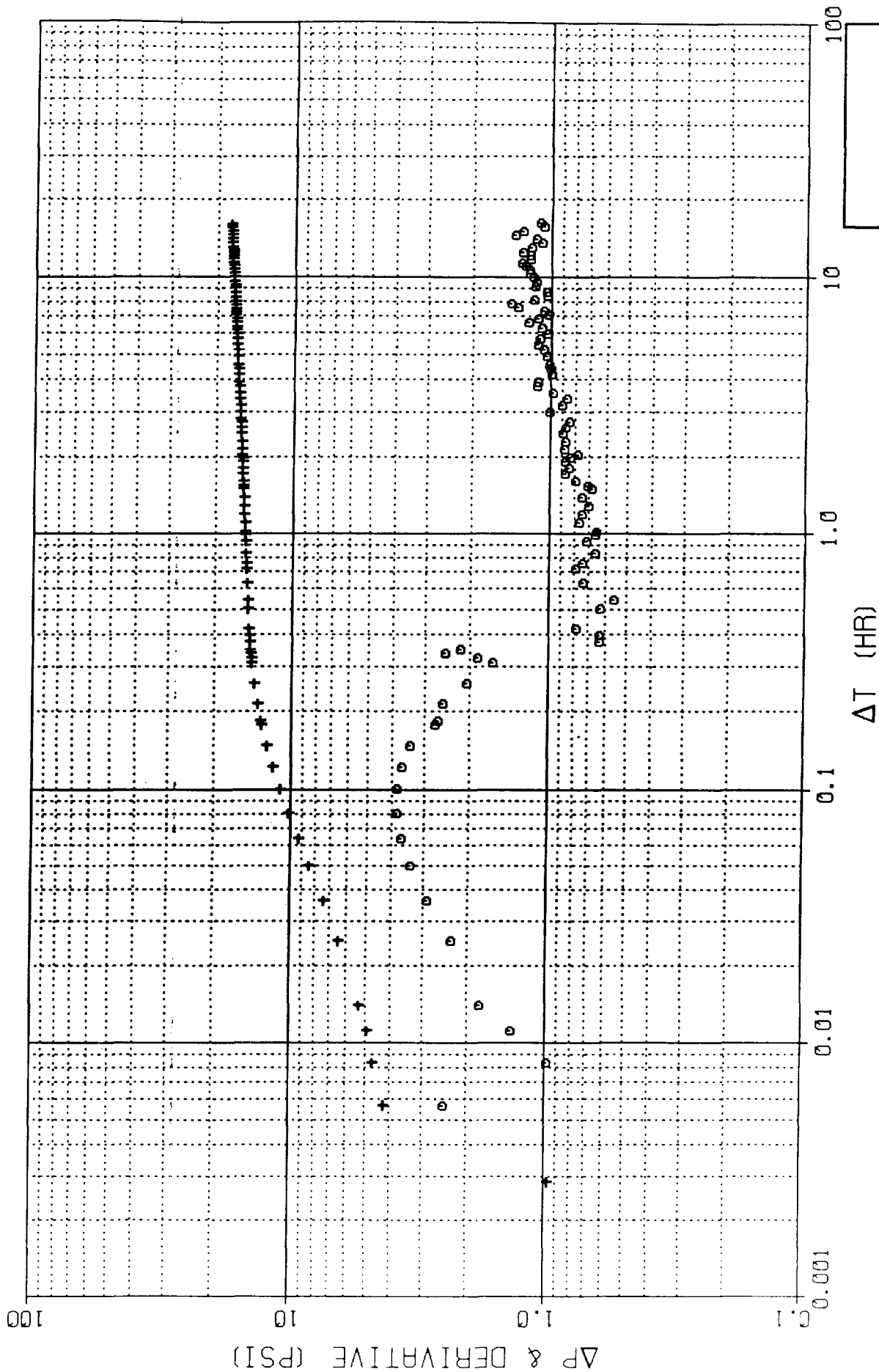


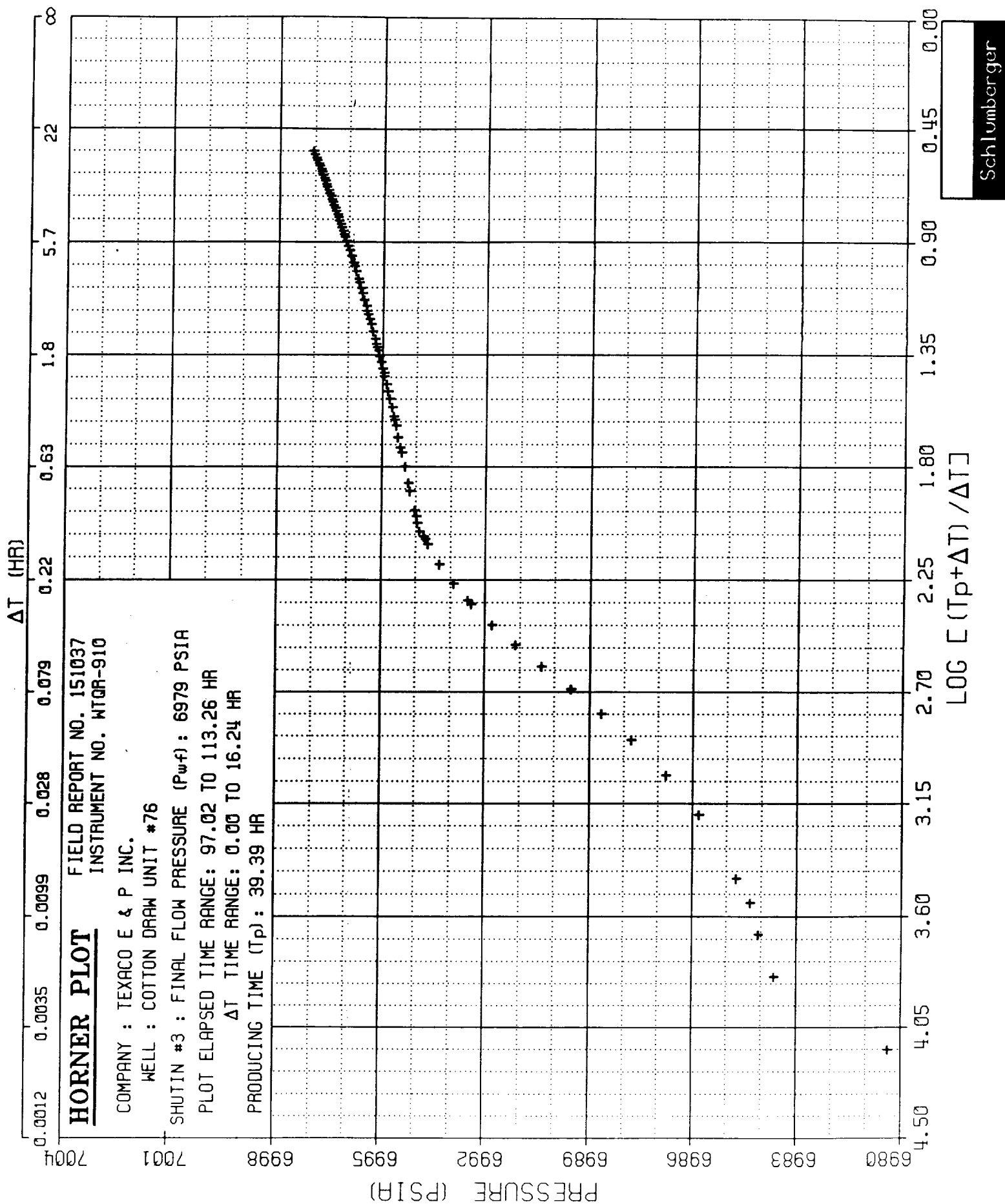


LOG LOG PLOT

COMPANY : TEXACO E & P INC.
WELL : COTTON DRAW UNIT #76
FIELD REPORT NO. 151037
INSTRUMENT NO. WTQR-910

SHUTIN #3 : PRODUCING TIME (Tp): 39.39 HR
FINAL FLOW PRESSURE (Pwf): 6979 PSIA
PLOT ELAPSED TIME RANGE: 97.02 TO 113.26 HR
 ΔT TIME RANGE: 0.00 TO 16.24 HR

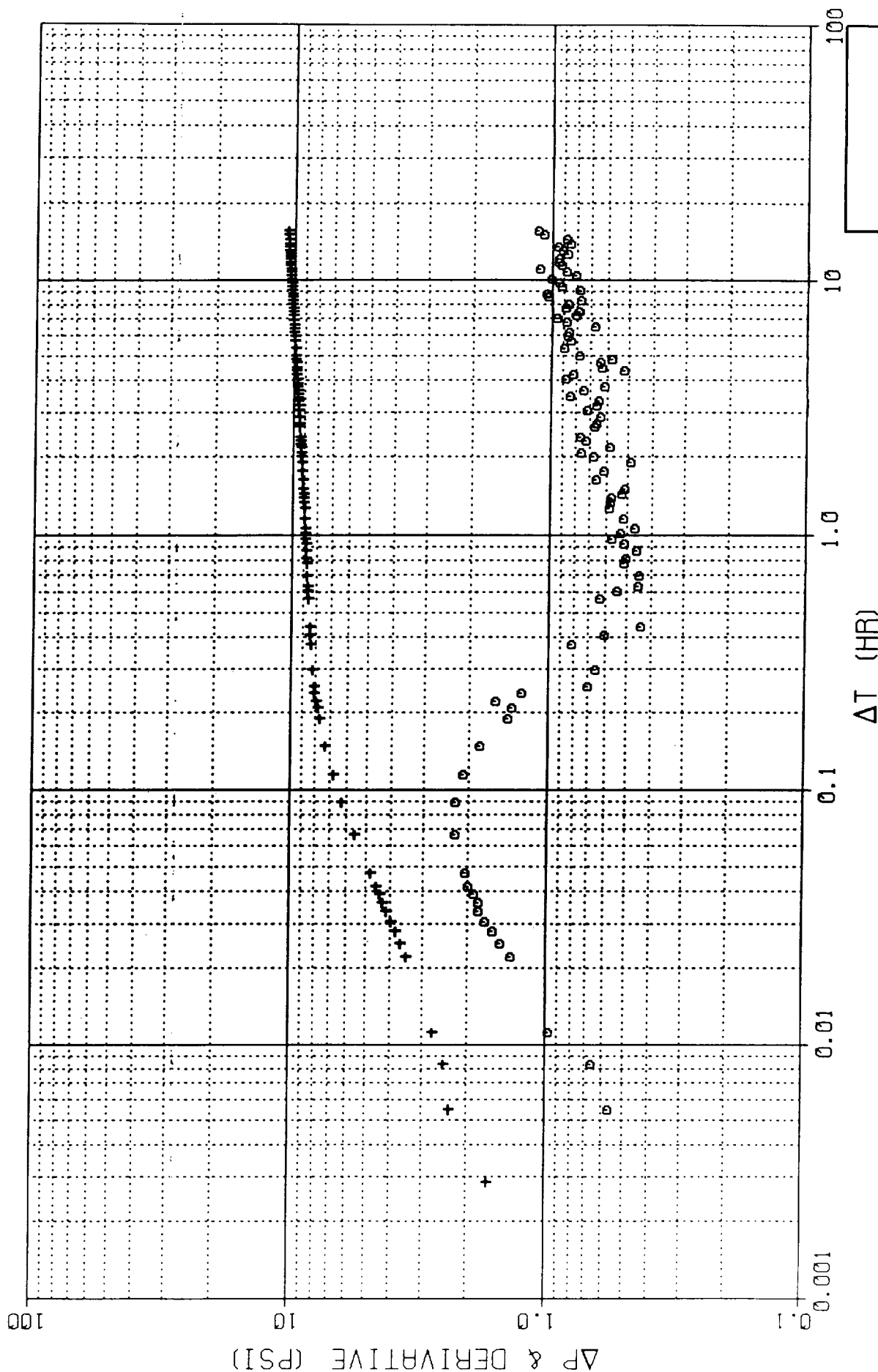


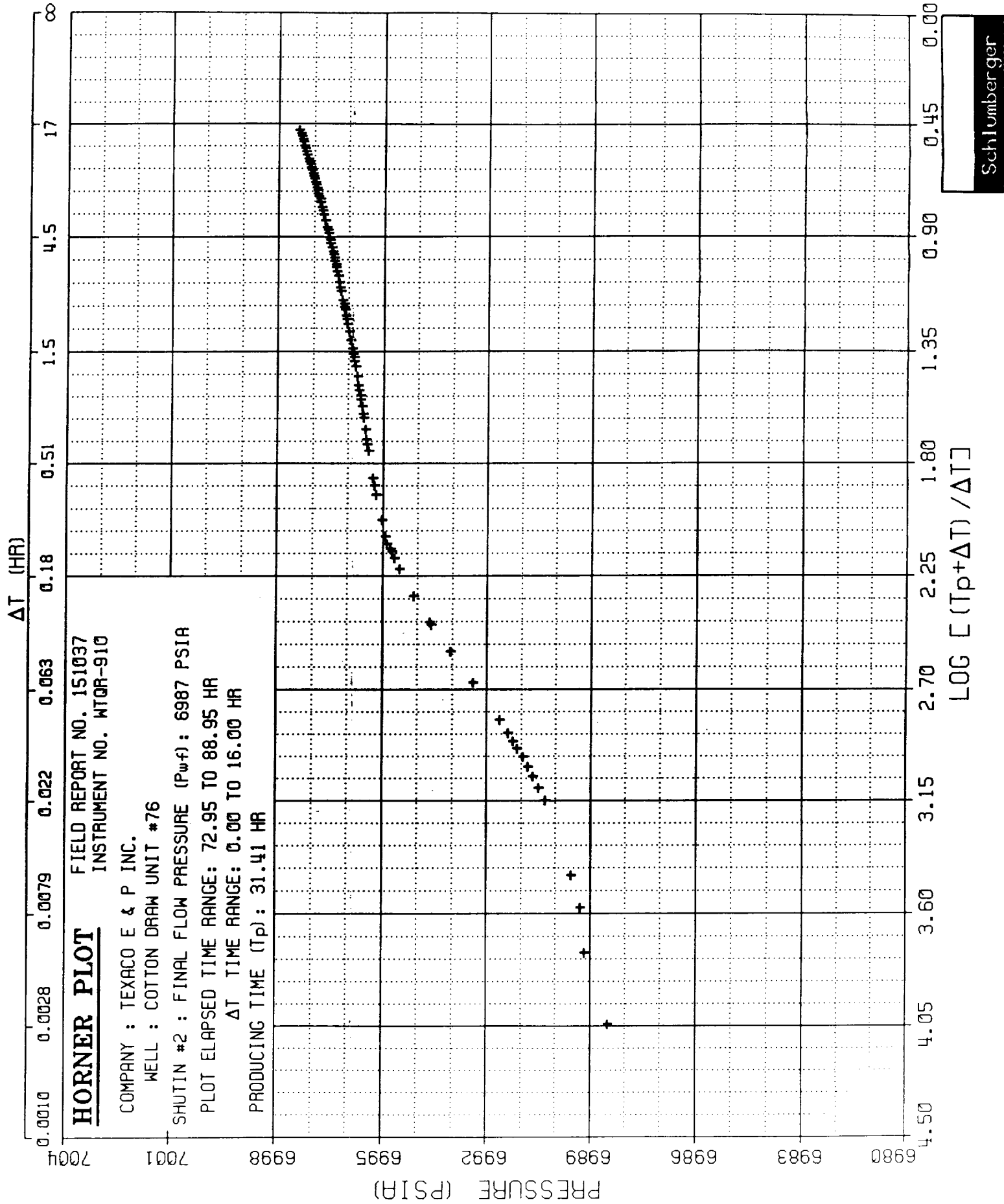


LOG LOG PLOT

COMPANY : TEXACO E & P INC.
WELL : COTTON DRAW UNIT #76
FIELD REPORT NO. 151037
INSTRUMENT NO. WTQR-910

SHUTIN #2 : PRODUCING TIME (Tp): 31.41 HR
FINAL FLOW PRESSURE (Pwf): 6987 PSIA
PLOT ELAPSED TIME RANGE: 72.95 TO 88.95 HR
 ΔT TIME RANGE: 0.00 TO 16.00 HR

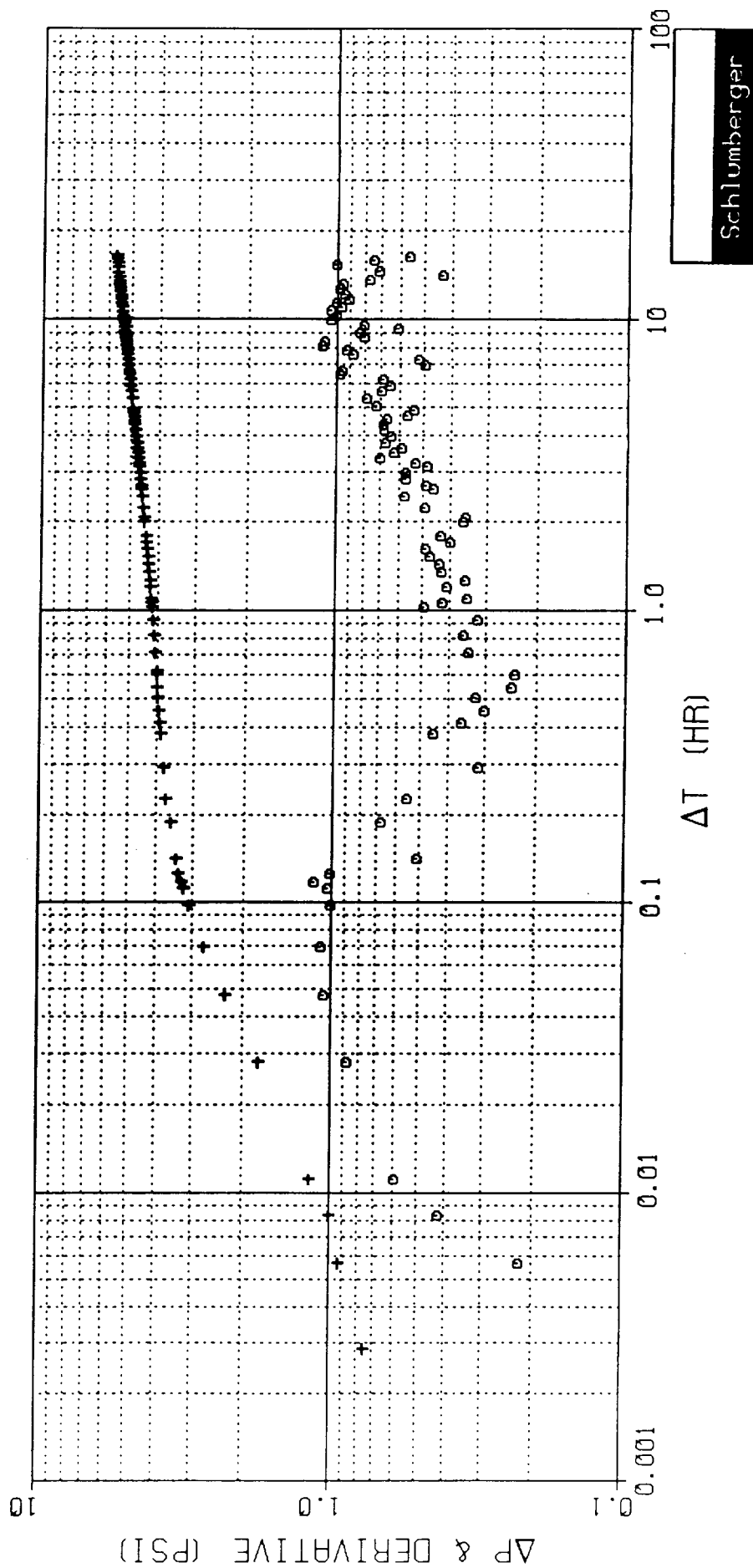


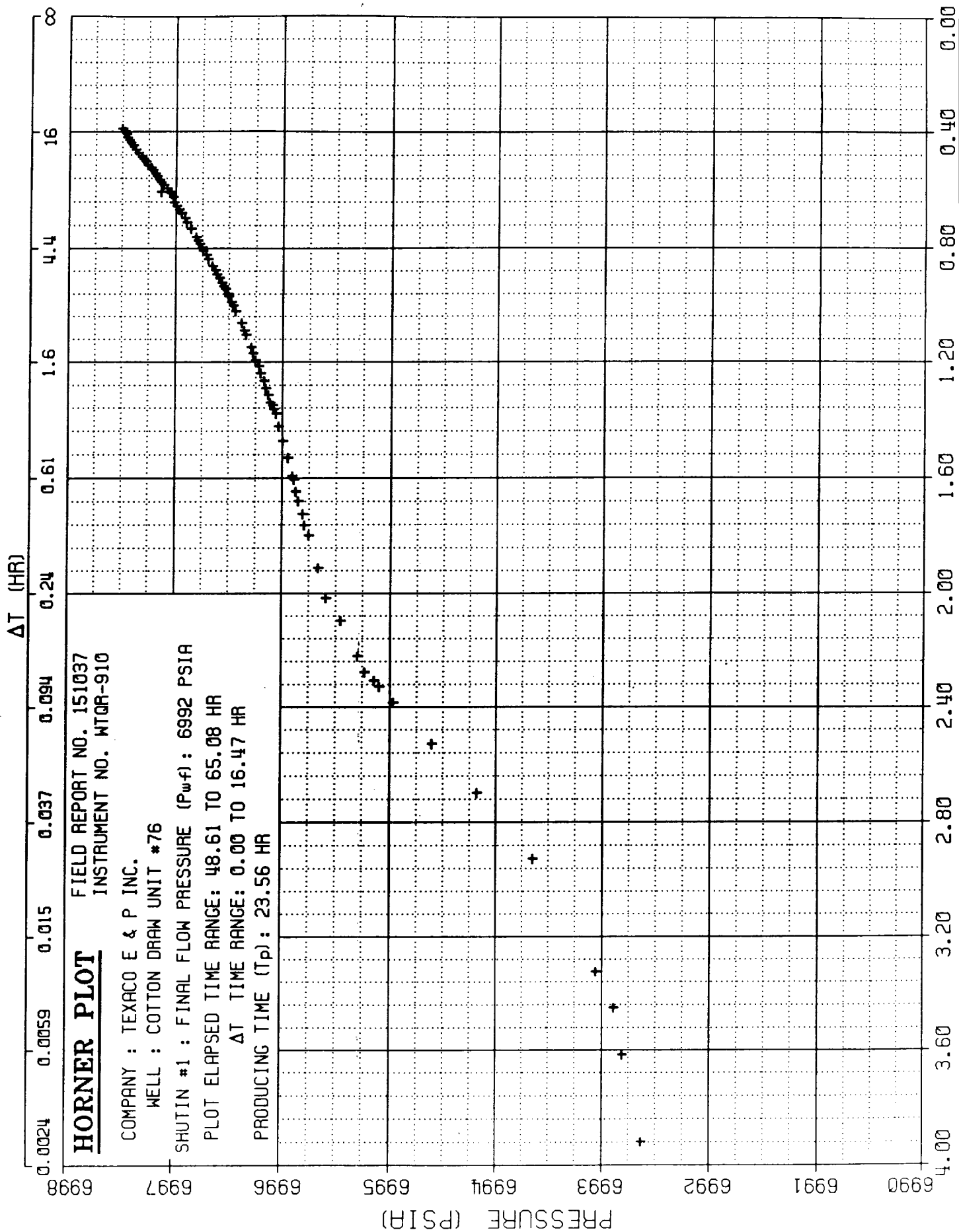


LOG LOG PLOT

COMPANY : TEXACO E & P INC.
WELL : COTTON DRAW UNIT #76
FIELD REPORT NO. 151037
INSTRUMENT NO. WTQR-910

SHUTIN #1 : PRODUCING TIME (Tp): 23.56 HR
FINAL FLOW PRESSURE (Pwf): 6992 PSIA
PLOT ELAPSED TIME RANGE: 48.61 TO 65.08 HR
ΔT TIME RANGE: 0.00 TO 16.47 HR







Texaco Exploration and Production Inc
Western E&P Region

P. O. Box 2100
Denver, CO 80201
4601 DTC Boulevard
Denver, CO 80237

February 22, 1995

District Supervisor
Bureau of Land Management
Roswell District Office
P. O. Box 1397
Roswell, New Mexico 88202-1397

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

New Mexico Oil Conservation Division ✓
P. O. Box 2088
Santa Fe, New Mexico 87501-2088

All Working Interest Owners
(Address List Attached)

COTTON DRAW UNIT

Secondary Recovery Unit
Lea County, New Mexico

In Reply To: 14-08-0001-5247
3180 (065)

Gentlemen:

As operator of the Cotton Draw Unit, Texaco Exploration and Production Inc. submits a 1995 plan of development and operations for the subject unit for your approval.

PAST OPERATIONS

The unitized interval of the Cotton Draw Unit is the Paduca Delaware Pool. The unit became effective on August 1, 1968, and water injection commenced the same date. Texaco performed all conversions to water injection prior to unitization.

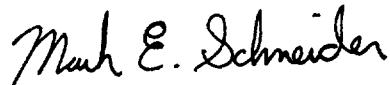
Enclosed for your information is a unit production plot, a current well status list, and a map of the unit.

Total production from the unit from August 1, 1968, through December 31, 1994, is 7,718 MBO and 6244 MMCF. Cumulative injection for the same time period is 39,060 MBW. The average production for the month of December 1994, was 111 BOPD, 92 MCFD, and 1001 BWPD.

DEVELOPMENT PLANS FOR 1995

Texaco modified injection to a line drive pattern in a portion of the unit during 1993. The line drive configuration was a technical success, reducing field decline rates from 15% to 5%. Unfortunately, the low volumes produced, combined with high operating costs, continued to degrade the economics of the unit. In 1995 we will reduce the area of injection to only the individual wells which are economic to produce. Wells which are subeconomic will be plugged and abandoned. Texaco will perform equipment installations and well workovers as needed to produce the Unit in an efficient manner. We are currently acquiring a 3D Survey to evaluate the deeper potential in the Cotton Draw Unit Area.

Very truly yours,

A handwritten signature in cursive script that reads "Mark E. Schneider".

Mark E. Schneider
Permian West - Hobbs South
Area Manager

ATTACHMENTS

MES:clf
feb\17mes1.doc

**COTTON DRAW UNIT
LEA COUNTY, NEW MEXICO**

Working Interest Owners

**Texaco Exploration and Production Inc.
P. O. Box 3109
Midland, Texas 79702**

**Bass Enterprises Prod.
201 Main Street
Fort Worth, TX 76102
ATTN: Joint Interest Manager**

**Fina Oil & Chemical Company
P. O. Box 2990
Midland, TX 79702
ATTN: Mr. Keith Seanard**

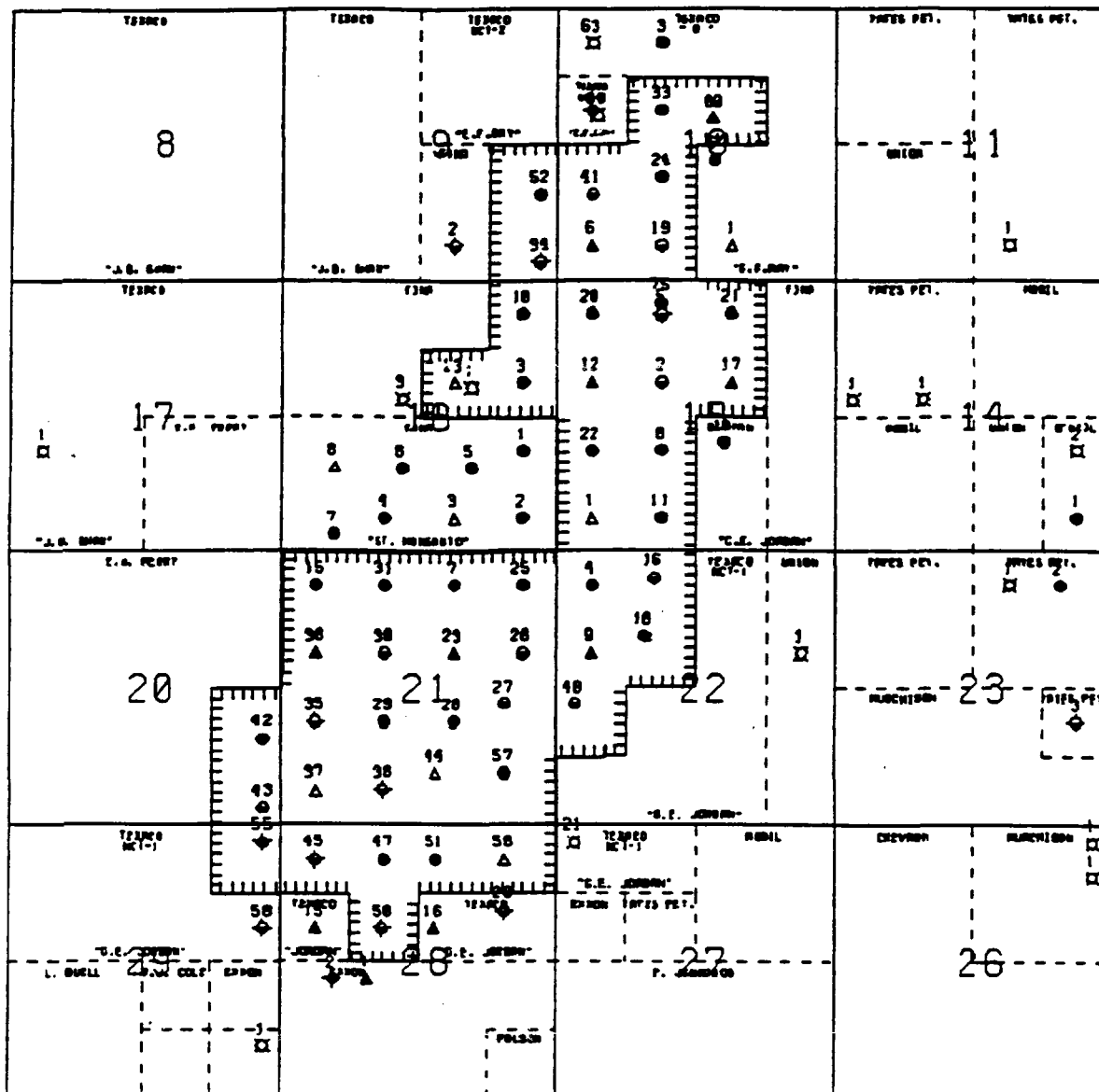
**Devon Energy Corp.
Suite 1500
20 North Broadway
Oklahoma City, OK 73102
ATTN: Mr. Steve Blair**

**Devon Energy Partners
Suite 1500
20 North Broadway
Oklahoma City, OK 73102
ATTN: Mr. Steve Blair**

COTTON DRAW UNIT
Lea County, New Mexico
Well Status
December 1994

Well No.	STATUS			Well No.	STATUS	
1	Active	Injector		28	Active	Producer
2	Active	Injector		29	Shut-In	Producer
3	Active	Injector		30	Shut-In	Injector
4	Active	Producer		31	Shut-In	Producer
5	Plugged and Abandoned			33	Active	Producer
6	Active	Injector		34	Plugged and Abandoned	
7	Shut-In	Producer		35	Plugged and Abandoned	
8	Shut-In	Producer		36	Shut-In	Injector
9	Active	Injector		37	Active	Producer
10	Shut-In	Producer		38	Plugged and Abandoned	
11	Active	Injector		41	Shut-In	Producer
12	Active	Injector		42	Shut-In	Producer
13	Plugged and Abandoned			43	Shut-In	Producer
15	Active	Producer		44	Shut-In	Producer
16	Active	Producer		45	Plugged and Abandoned	
17	Active	Injector		47	Shut-In	Producer
18	Shut-In	Producer		48	Shut-In	Producer
19	Active	Injector		50	Plugged and Abandoned	
20	Active	Producer		51	Active	Producer
21	Shut-In	Producer		52	Active	Producer
22	Active	Producer		55	Plugged and Abandoned	
23	Active	Injector		56	Shut-In	Producer
24	Active	Producer		57	Shut-In	Producer
25	Active	Producer		60	Shut-In	Injector
26	Active	Injector		75	Active	Producer
27	Shut-In	Producer				

R-32-E



T-25-S

LEGEND	
●	OIL PRODUCER
▲	WATER INJECTOR
◆	PROD PRODUCER
◊	PROD INJECTOR
□	LOCATION
○	DRY HOLE
●	SHOT-IN OIL PRODUCER
▲	SHOT-IN WATER INJECTOR

COTTON DRAW UNIT

DELAWARE SAND PARTICIPATING AREA

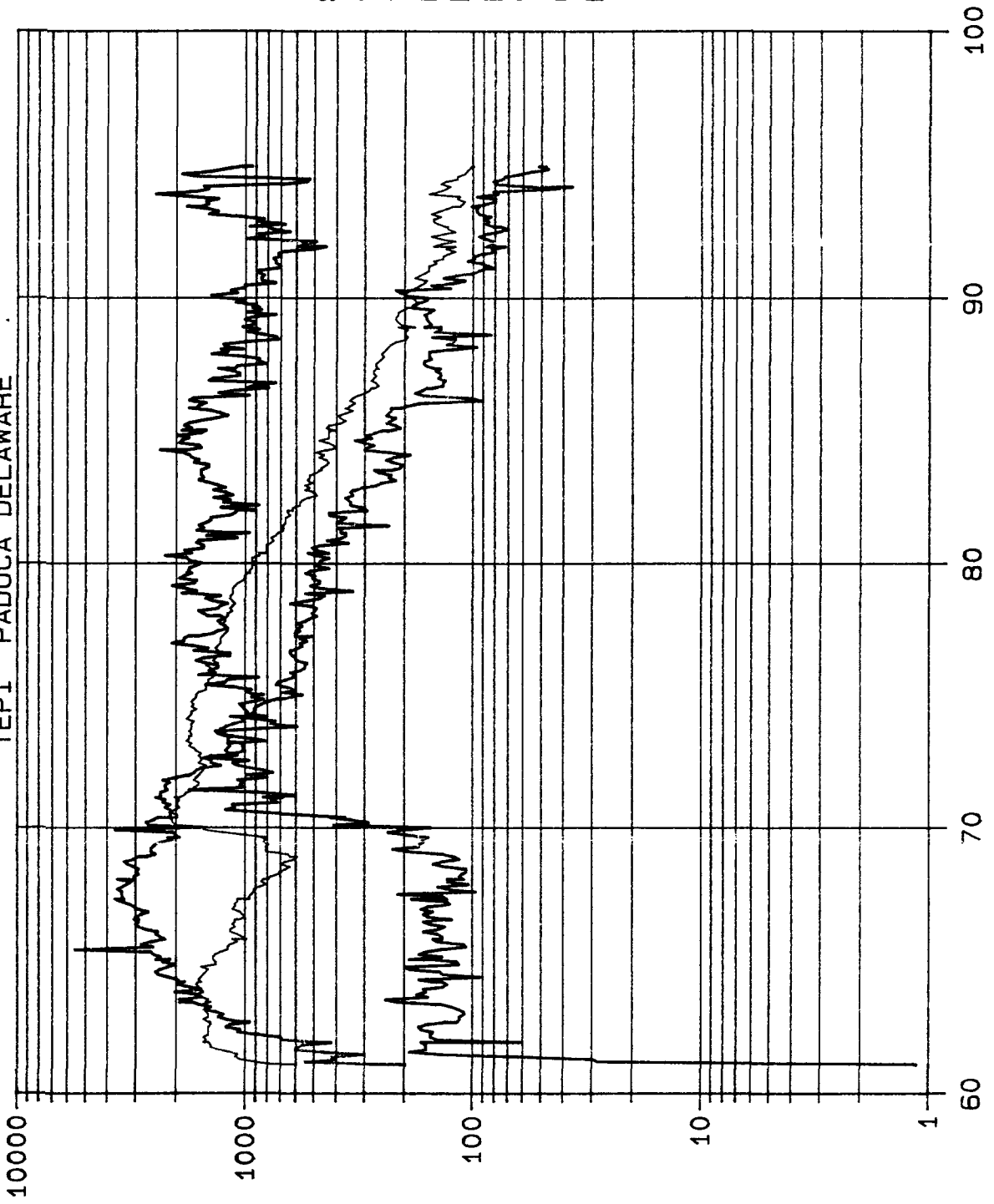


Since Start
of Production

COTTON DRAW PADUCA DELAWARE
TEPI PADUCA DELAWARE

LEASE DATA
LSE 00000
FLD
OPER
ZONE
--
COUNTY
STATE

STATUS 12-94
CO 11098 MBO
CG 12116 MMC
BOPD 99
BWPD 928
MCFPD 48
WELLS 44
CI 39060 MBWI
BWIPD 1001

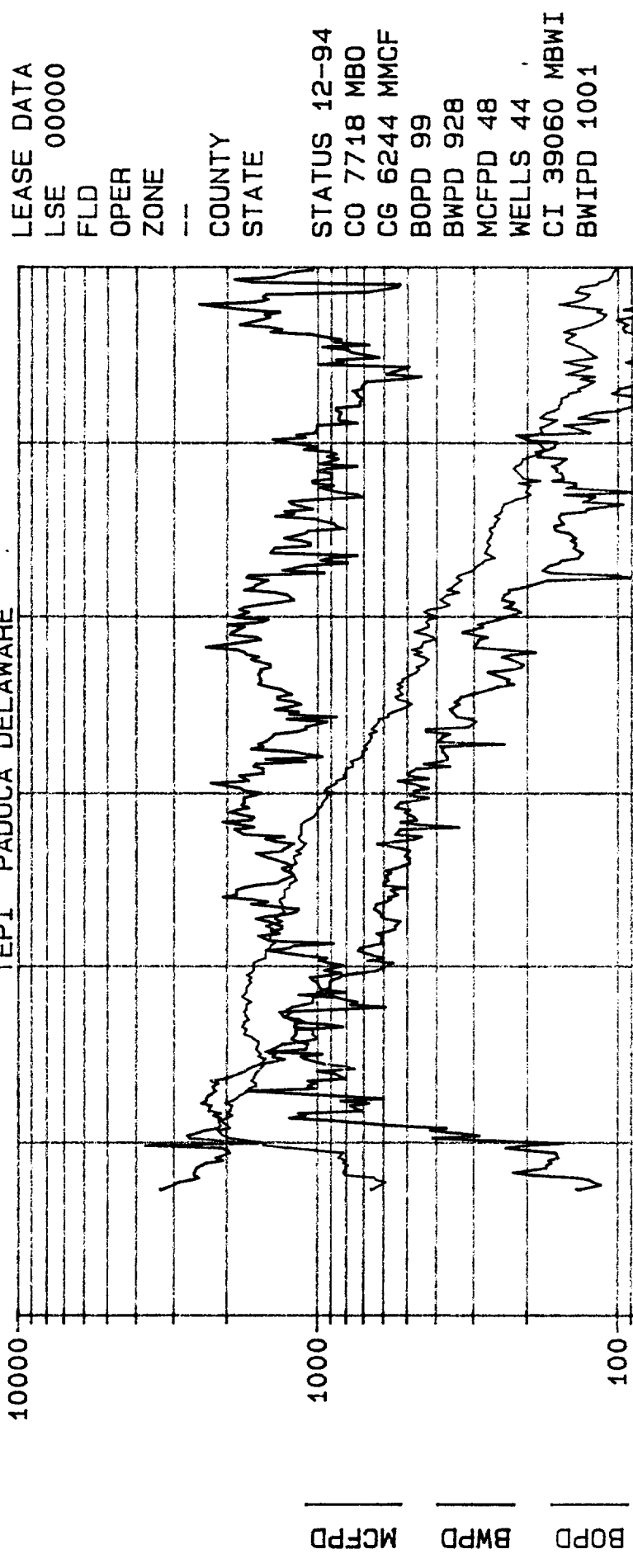


BOPD
BWPD
MCFPD

YEARS

Since INJECTION
began 8/1/68

COTTON DRAW PADUCA DELAWARE
TEPI PADUCA DELAWARE





Texaco Exploration and Production Inc.
Midland Producing Division

ADJUDICATION DIVISION

RECEIVED
FEB 21 1994
8 35

1446

OK'd 2-24-94

February 16, 1994

District Supervisor
Bureau of Land Management
Roswell District Office
1717 West Second Street
Roswell, New Mexico 88201-2019

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

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

All Working Interest Owners
(Address List Attached)

COTTON DRAW UNIT

Secondary Recovery Unit
Lea County, New Mexico
In Reply To: 14-08-0001-5247
3180 (065)

Gentlemen:

As operator of the Cotton Draw Unit, Texaco Exploration and Production Inc. submits a 1994 plan of development and operations for the subject unit for your approval.

PAST OPERATIONS

The unitized interval of the Cotton Draw Unit is the Paduca Delaware Pool. The unit became effective on August 1, 1968, and water injection commenced the same date. Texaco performed all conversions to water injection prior to unitization.

Enclosed for your information is a unit production plot, a current well status list and a map of the unit.

Bureau of Land Management,
Commissioner of Public Lands,
New Mexico Oil Conservation
Division, and Working
Interest Owners

-2-

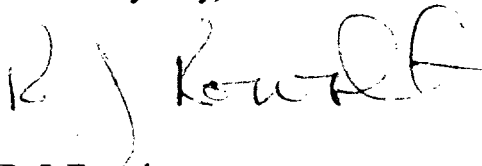
February 16, 1994

Total production since the initiation of the flood through November 30, 1993, is 8,200,100 barrels of oil. Cumulative injection for the same time period is 39,116,000 barrels of water. The average production for the month of November 1993, was 157 BOPD, 78 MCFD and 2,479 BWPD.

DEVELOPMENT PLANS FOR 1994

Texaco modified injection to a line drive pattern in a portion of the unit during 1993. In 1994, we plan to monitor and analyze results of the modification. Future work is dependent on the success of the injection modification. Texaco will perform equipment installations and well workovers as needed to produce the Unit in an efficient manner.

Yours very truly,

A handwritten signature in black ink, appearing to read "R. J. Rowalt". The signature is written in a cursive, flowing style.

R. J. Rowalt
Assistant Division Manager

JHO/srt
Attachments

**COTTON DRAW UNIT
LEA COUNTY, NEW MEXICO**

Working Interest Owners

**Texaco Exploration and Production Inc.
P. O. Box 3109
Midland, Texas 79702**

**Bass Enterprises Prod.
201 Main Street
Fort Worth, TX 76102
ATTN: Joint Interest Manager**

**Fina Oil & Chemical Company
P. O. Box 2990
Midland, TX 79702
ATTN: Mr. Keith Seanard**

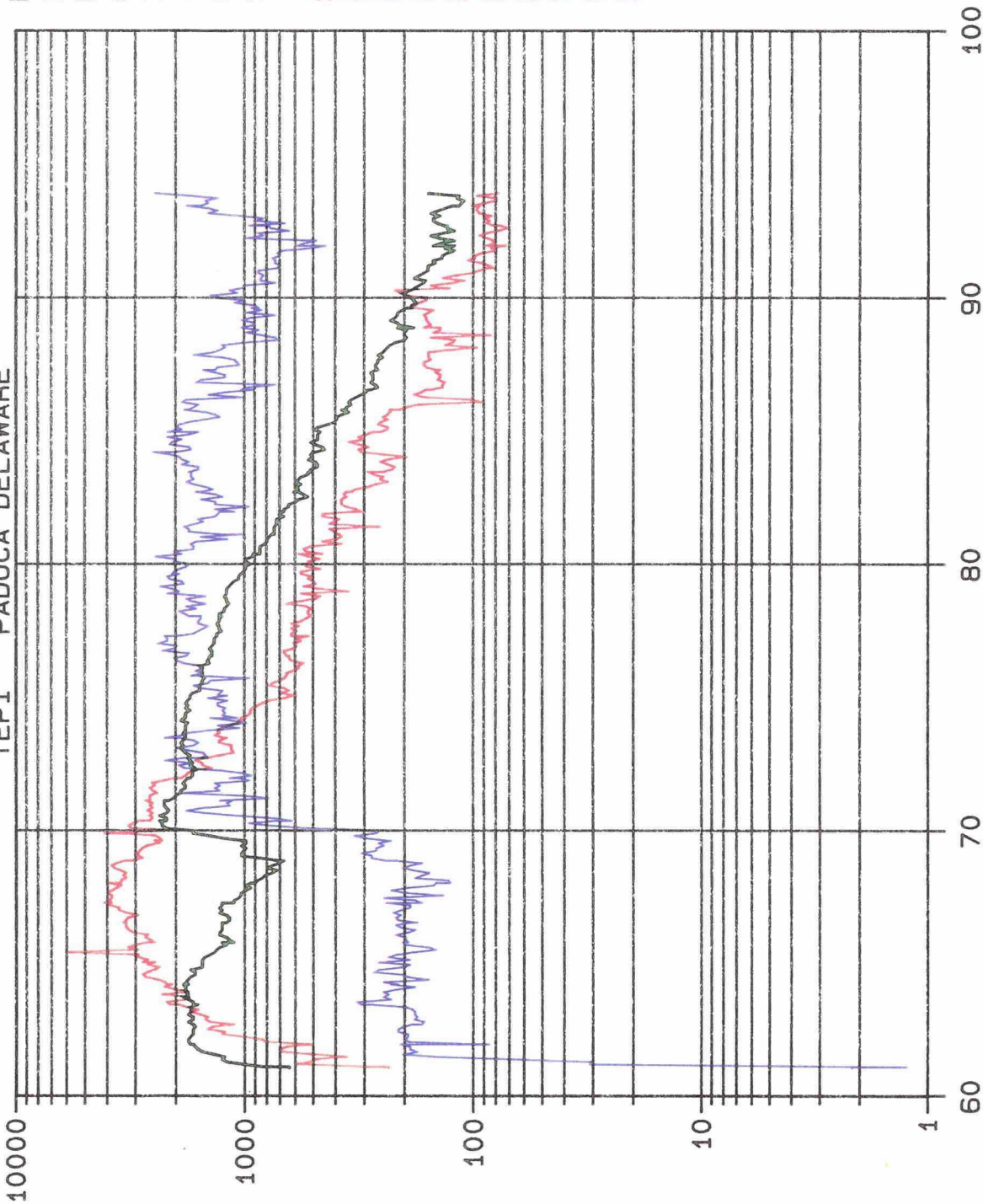
**Devon Energy Corp.
Suite 1500
20 North Broadway
Oklahoma City, OK 73102
ATTN: Mr. Steve Blair**

**Devon Energy Partners
Suite 1500
20 North Broadway
Oklahoma City, OK 73102
ATTN: Mr. Steve Blair**

COTTON DRAW UNIT PADUCA DELAWARE TEPI PADUCA DELAWARE

LEASE DATA
 LSE 145870
 FLD 49460
 OPER TEPI
 ZONE 49460
 --
 COUNTY 0
 STATE 30

STATUS 11-93
 CO 12066 MBO
 CG 13412 MMCF
 CW 13096 MBW
 BOPD 157
 BWPD 2479
 MCFPD 78
 WELLS 1
 CI 39116 MBWI
 BWIPD 2479



BOPD
 BWPD
 MCFPD

YEARS

**COTTON DRAW UNIT
LEA COUNTY, NEW MEXICO
WELL STATUS
DECEMBER, 1993**

WELL NO.	STATUS			WELL NO.	STATUS	
1	Active	Injector		28	Active	Producer
2	Active	Injector		29	Active	Producer
3	Active	Injector		30	Shut-in	Injector
4	Active	Producer		31	Active	Producer
5	Plugged & Abandoned			33	Active	Producer
6	Active	Injector		34	Plugged & Abandoned	
7	Shut-in	Producer		35	Plugged & Abandoned	
8	Active	Producer		36	Active	Injector
9	Active	Injector		37	Active	Producer
10	Active	Producer		38	Plugged & Abandoned	
11	Active	Injector		41	Shut-in	Producer
12	Active	Injector		42	Shut-in	Producer
13	Plugged & Abandoned			43	Shut-in	Producer
15	Active	Producer		44	Shut-in	Producer
16	Active	Producer		45	Plugged & Abandoned	
17	Active	Injector		47	Active	Producer
18	Shut-in	Producer		48	Shut-in	Producer
19	Active	Injector		50	Plugged & Abandoned	
20	Active	Producer		51	Active	Producer
21	Active	Producer		52	Active	Producer
22	Active	Producer		55	Plugged & Abandoned	
23	Shut-in	Injector		56	Shut-in	Producer
24	Active	Producer		57	Active	Producer
25	Active	Producer		60	Active	Injector
26	Active	Injector		75	Active	Producer
27	Shut-in	Producer				



RAY POWELL, M.S., D.V.M.
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

(505) 827-5760
FAX (505) 827-5766

SLO REF NO. OG-1374

March 21, 1994

Texaco Exploration & Production, Inc.
P.O. Box 3109
500 N Loraine
Midland, Texas 79701

Attn: Mr. R. J. Rowalt

Re: 1994 Plan of Development
Cotton Draw Unit
Lea County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved the above captioned Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the Unit Area and the need for further development of the unit may exist. You will be contacted at a later date regarding these possibilities.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY B. POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

RBP/FOP/pm
cc: OCD-Roy Johnson
BLM



Texaco Exploration and Production Inc.
Midland Producing Division

600 N. Lora Lee
Midland TX 79701

P.O. Box 1397
Roswell, NM 88202

1-11-24

January 18, 1993

District Supervisor
Bureau of Land Management
Roswell District Office
P. O. Box 1397
Roswell, New Mexico 88202-1397

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

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

All Working Interest Owners
(Address List Attached)

RE: COTTON DRAW UNIT
SECONDARY RECOVERY UNIT
LEA COUNTY, NEW MEXICO

Gentlemen:

As operator of the Cotton Draw Unit, Texaco Exploration and Production Inc. submits a 1992 plan of development and operations for the subject unit for your approval.

PAST OPERATIONS

The unitized interval of the Cotton Draw Unit is the Paduca Delaware Pool. The unit became effective on August 1, 1968, and water injection commenced the same date. Texaco performed all conversions to water injection prior to unitization.

Enclosed for your information is a unit production plot, a current well status list, and a map of the unit.

Bureau of Land Management,
Commissioner of Public Lands,
New Mexico Oil Conservation
Division, and Working
Interest Owners

-2-

January 18, 1993

Total production since the initiation of the flood through November 30, 1992, is 9,571 MBO. Cumulative injection for the same time period is 41,036 MBW. The average production for the month of November, 1992, was 147 BOPD, 89 MCFD and 1,023 BWPD.

DEVELOPMENT PLANS FOR 1992

Plans for 1992 included the following:

1. Plug and abandon Cotton Draw Unit No. 13 (NE Sec. 16-T25S-R32E).
2. Clean out and return to injection:

Cotton Draw Unit No. 1 (SW Sec. 15-T25S-R32E)
Cotton Draw Unit No. 60 (NE Sec. 10-T25S-R32E)
3. Add perforations and acidize Cotton Draw Unit No. 10 (NE Sec. 16-T25S-R32E)

Texaco completed all work listed above during 1992.

Yours very truly,



D. D. Ulrich
Assistant Division Manager

JFG/srt
Attachments

**COTTON DRAW UNIT
LEA COUNTY, NEW MEXICO**

Working Interest Owners

Texaco Exploration and Production Inc.
P. O. Box 3109
Midland, TX 79702

Bass Enterprises Prod.
201 Main Street
Fort Worth, TX 76102
ATTN: Joint Interest Manager

Fina Oil & Chemical Company
P. O. Box 2990
Midland, TX 79702
ATTN: Mr. Keith Seanard

Devon Energy Corp.
20 North Broadway
Suite 1500
Oklahoma City, OK 73102
ATTN: Mr. Steve Blair

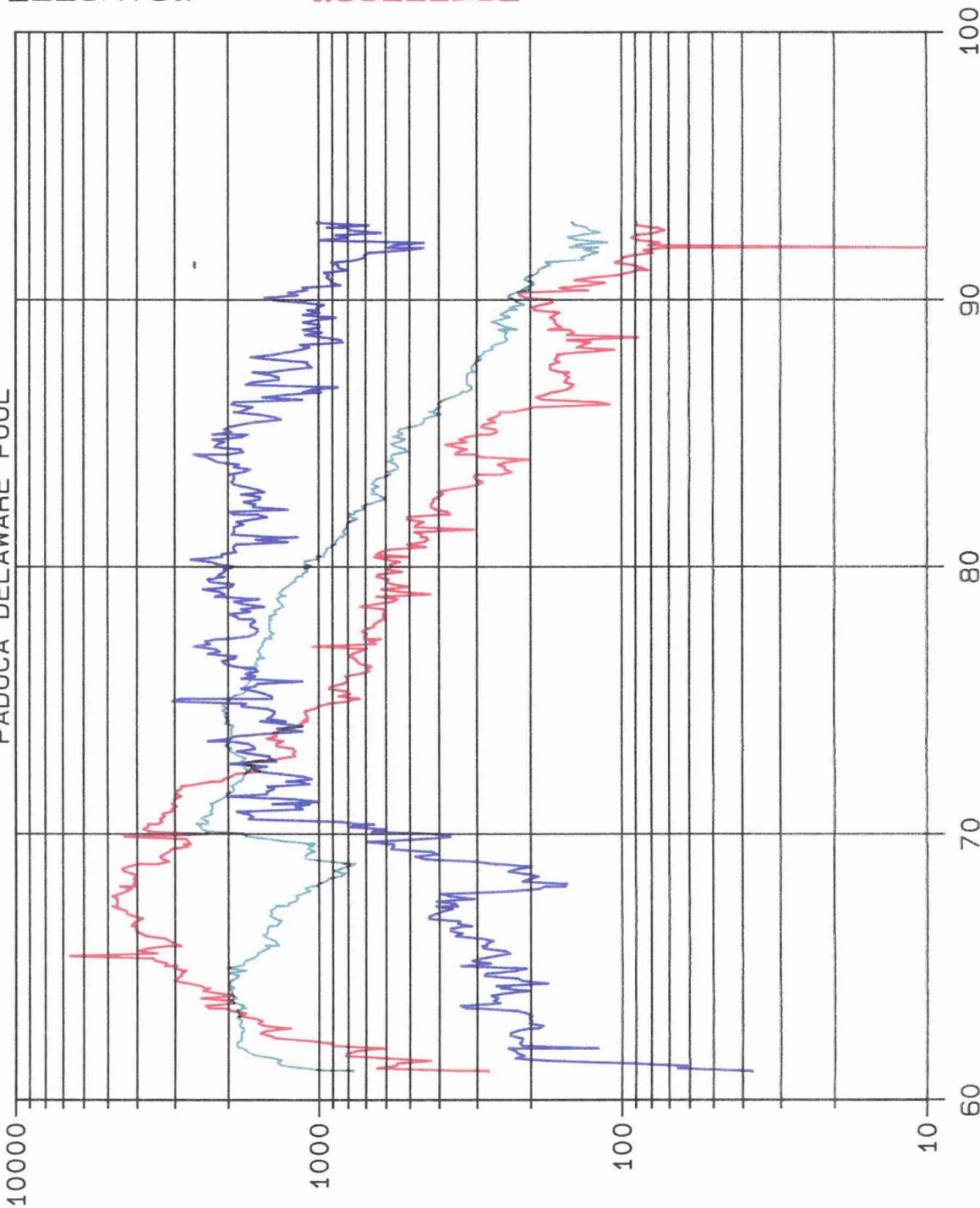
Devon Energy Partners
20 North Broadway
Suite 1500
Oklahoma City, OK 73102
ATTN: Mr. Steve Blair

COTTON DRAW UNIT PADUCA DELAWARE POOL

LEASE DATA

LSE
FLD
OPER
ZONE
COUNTY
STATE

STATUS 11-92
CO 13517 MBO
CG 15651 MMCF
BOPD 147
BWPD 1023
MCFPD 89
WELLS 17 MBWI
CI 41036
BWIPD 0



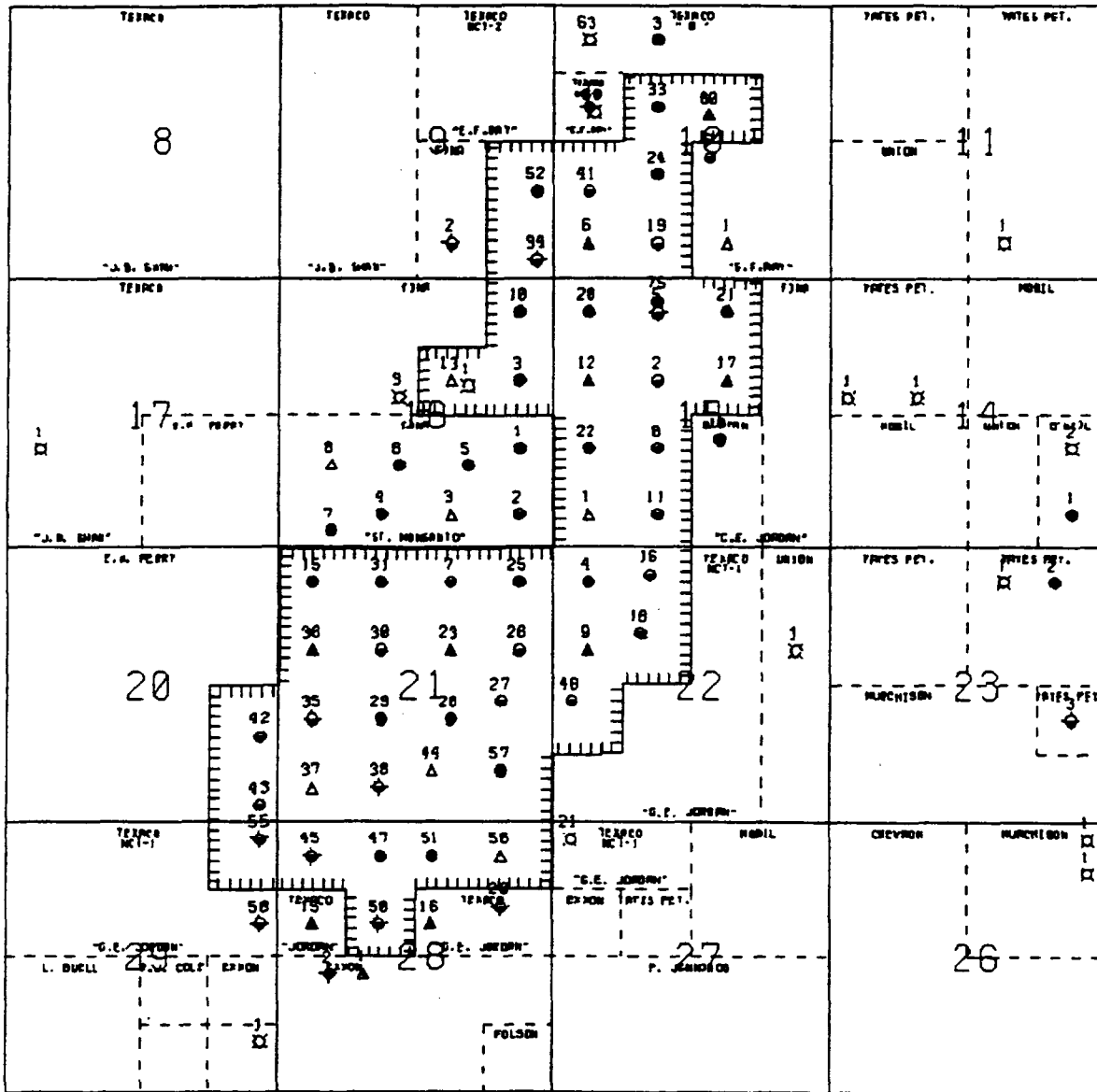
BOPD
BWPD
MCFPD

YEARS

COTTON DRAW UNIT
LEA COUNTY, NEW MEXICO
WELL STATUS
NOVEMBER, 1992

WELL NO.	STATUS		WELL NO.	STATUS	
1	ACTIVE	INJ.	28	ACTIVE	PROD.
2	SHUT-IN	PROD.	29	ACTIVE	PROD.
3	ACTIVE	PROD.	30	SHUT-IN	PROD.
4	ACTIVE	PROD.	31	ACTIVE	PROD.
5	P & A		33	ACTIVE	PROD.
6	ACTIVE	INJ.	34	P & A	
7	SHUT-IN	PROD.	35	P & A	
8	SHUT-IN	PROD.	36	ACTIVE	INJ.
9	ACTIVE	INJ.	37	SHUT-IN	INJ.
10	ACTIVE	PROD.	38	P & A	
11	SHUT-IN	PROD.	41	SHUT-IN	PROD.
12	ACTIVE	INJ.	42	SHUT-IN	PROD.
13	P & A		43	SHUT-IN	PROD.
15	ACTIVE	PROD.	44	SHUT-IN	INJ.
16	SHUT-IN	PROD.	45	P & A	
17	ACTIVE	INJ.	47	ACTIVE	PROD.
18	SHUT-IN	PROD.	48	SHUT-IN	PROD.
19	SHUT-IN	PROD.	50	P & A	
20	ACTIVE	PROD.	51	ACTIVE	PROD.
21	ACTIVE	PROD.	52	ACTIVE	PROD.
22	ACTIVE	PROD.	55	P & A	
23	ACTIVE	INJ.	56	SHUT-IN	INJ.
24	ACTIVE	PROD.	57	ACTIVE	PROD.
25	ACTIVE	PROD.	60	ACTIVE	INJ.
26	SHUT-IN	PROD.	75	SHUT-IN	PROD.
27	SHUT-IN	PROD.			

R-32-E



T-25-S

LEGEND	
●	OIL PRODUCER
○	SHUT-IN OIL PRODUCER
▲	WATER INJECTOR
△	SHUT-IN WATER INJECTOR
◆	PAD PRODUCER
◇	PAD INJECTOR
×	LOCATION
⊗	DRY HOLE

COTTON DRAW UNIT

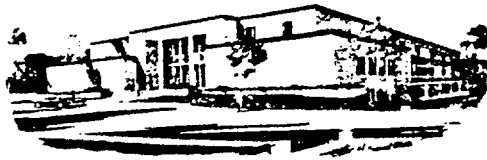
DELAWARE SAND PARTICIPATING AREA



State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

SLO REF NO. OG-1052

March 27, 1989

Texaco U.S.A.
Attn: Joe E. King
P.O. Box 728
Hobbs, New Mexico 88240

#1446

Re: 1989 Plan of Development
Cotton Draw Unit
Lea County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved the above captioned Plan of Development.

Our approval is subject to like approval by all other appropriate agencies.

Enclosed is an approved copy for your files.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

cc: OCD
BLM



January 1989

January 10, 1989

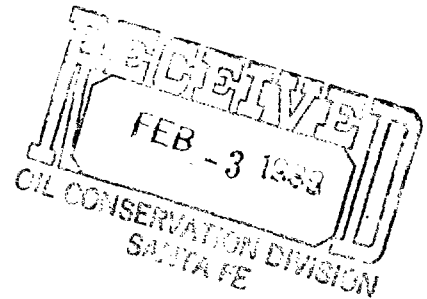
District Supervisor
Bureau of Land Management
Roswell District Office
P. O. Box 1397
Roswell, New Mexico 88201

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

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

All Working Interest Owners
(Address List Attached)

RE: COTTON DRAW UNIT
SECONDARY RECOVERY UNIT
LEA COUNTY, NEW MEXICO



Gentlemen:

PAST OPERATIONS

The unitized interval of this unit is within the Paduca aware Pool. The Cotton Draw Unit became effective on August 1, 1968. Water injection commenced on August 1, 1968 as well. The unit was fully developed with regards to injection well conversions at the onset of the flood. The flood has been operated in a typical manner to date.

A total of 7,951,228 barrels of oil have been recovered since the initiation of the flood through November 31, 1988. A total of 35,693,360 barrels of water have been injected throughout this time period as well. The average production for the month of November, 1988 was 180 BOPD, 165 MCFD and 1034 EWPD.

Bureau of Land Management,
Commissioner of Public Lands,
New Mexico Oil Conservation
Division, and Working
Interest Owners


- 2 -

January 10, 1989

DEVELOPMENT PLANS FOR 1989

There are presently no immediate plans to modify the established course of development for this unit. Continued monitoring of reservoir performance will be in effect throughout the duration of 1989.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Jack King".

PWS:jss

Attachments

COTTON DRAW UNIT
WORKING INTEREST OWNERS

Bass Enterprises Prod. Co.
First City Bank Tower
201 Main Street
Fort Worth, Texas 76102

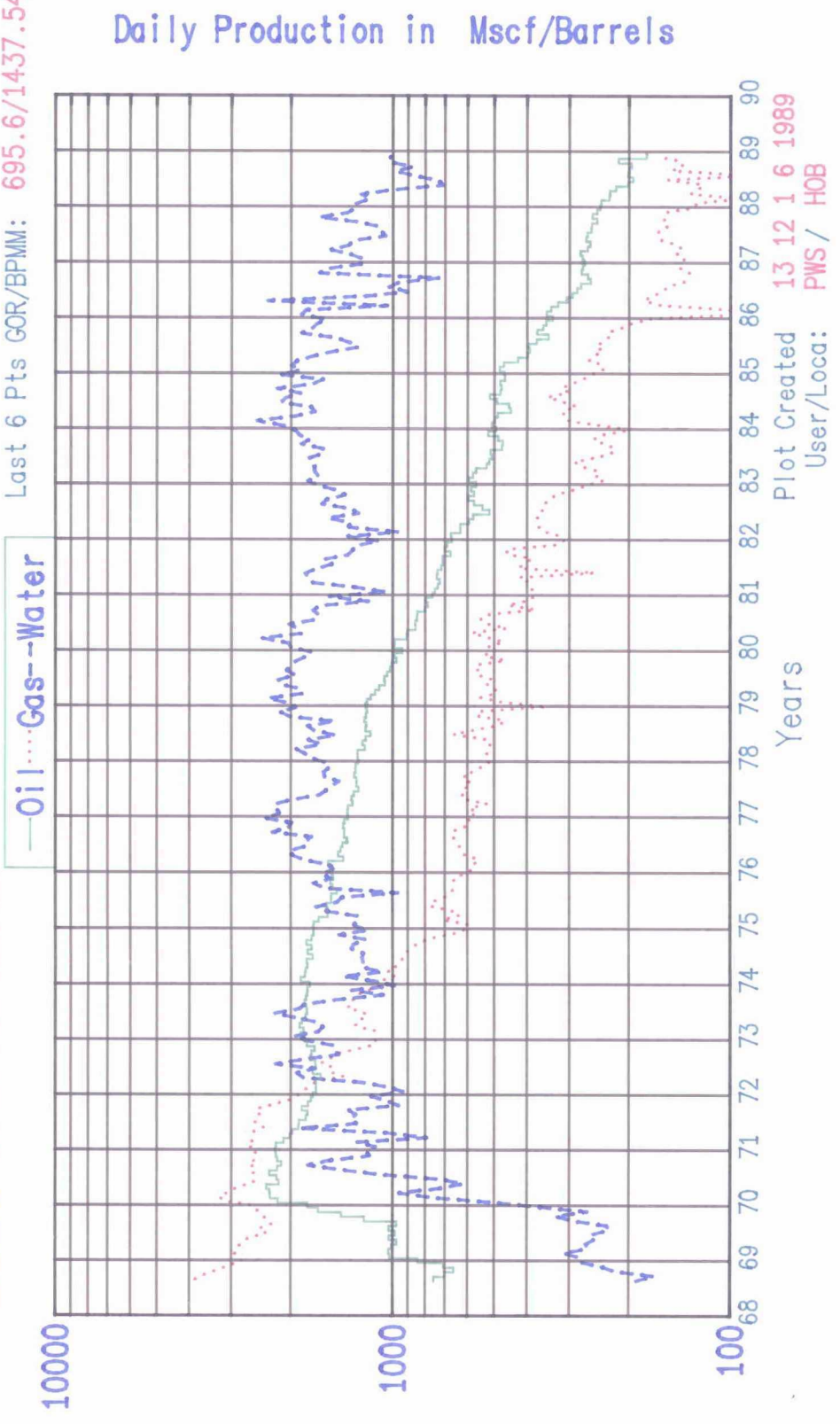
Pauley Petroleum Inc.
P. O. Box 2208
Roswell, NM 88202

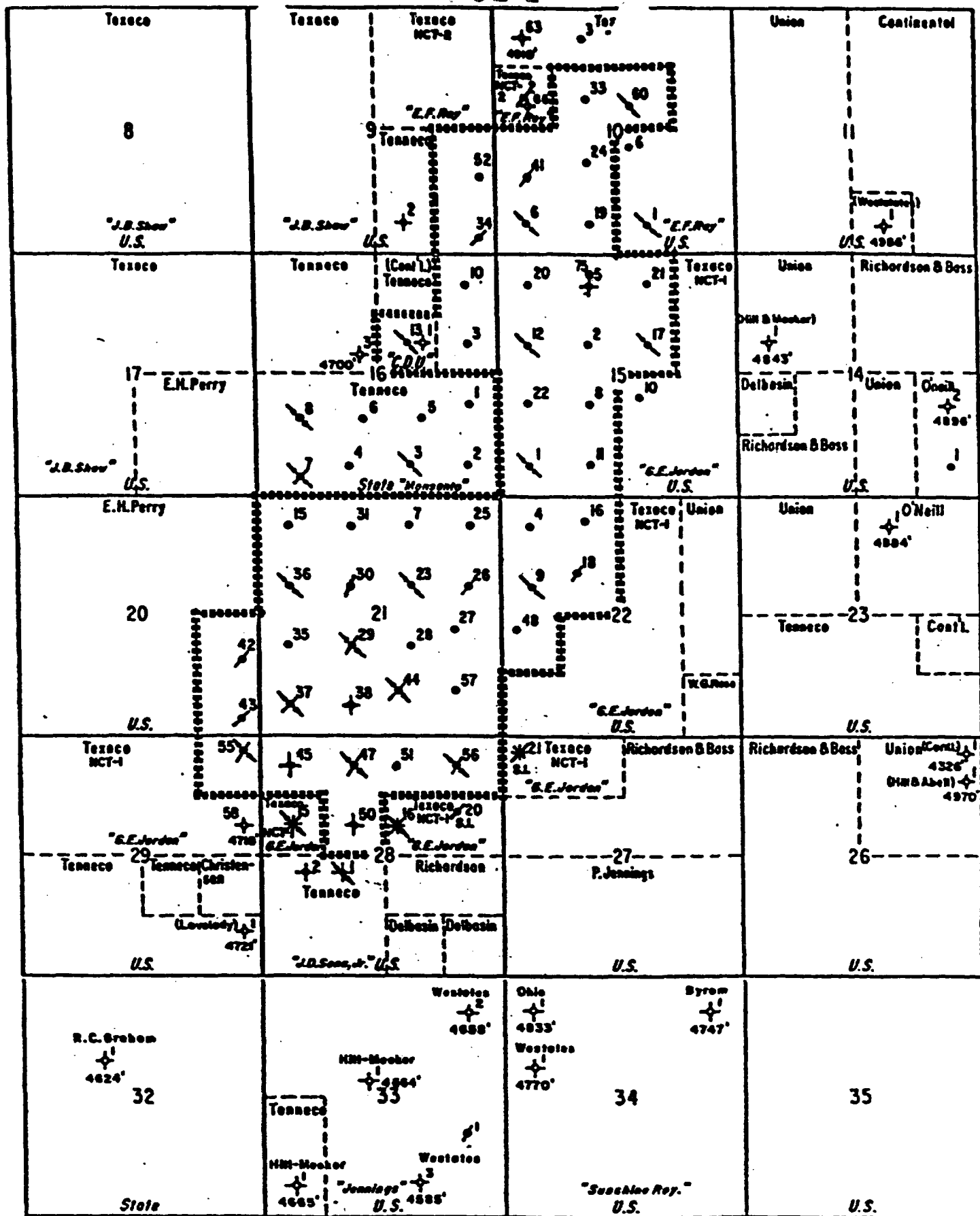
Tenneco Oil Company
Southwestern Division
Attn: Div. Petr. Engr.
7990 I.H. 10 West
San Antonio, Texas 78230

RR Dist: 01	833000	Operator: TEXACO INC.
County: LEA	49460	Field: PADUCA DELAWARE
State: NEW MEXICO	999	Reservoir: DELAWARE
Well Count: 17	145870	Lease: COTTON DRAW UNIT

1-1-88 245 BBLS /7888.068 MMBLS
 IP/Cumul: 129 MCF /6524.622 MMCF

Last 6 Pts GOR/BPMM: 695.6/1437.54





- PRODUCING WELL
- ⚡ INJECTION WELL

TEXACO Inc.
COTTON DRAW UNIT
 (OPERATOR-TEXACO Inc.)
 PADUCA DELAWARE POOL

DEC 31 1969

December 24, 1969

1446

C
O
P
Y

Texaco Inc.
P. O. Box 3109
Midland, Texas 79701

Re: Cotton Draw Unit
Application for First
Enlargement of Morrow
Participating Area
Lea and Eddy Counties
New Mexico

ATTENTION: Mr. J. H. McElroy

Gentlemen:

The Commissioner of Public Lands has this date approved your application for the First Enlargement of Morrow Participating Area to the Cotton Draw Unit, Lea and Eddy Counties New Mexico. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

We are forwarding four sets to the United States Geological Survey in Roswell, New Mexico for their consideration.

Very truly yours,

Ted Bilberry, Director
Oil and Gas Department

TR/ML/s

cc: USGS-Roswell, New Mexico
OCC-Santa Fe, New Mexico



PETROLEUM PRODUCTS

PRODUCING DEPARTMENT -
UNITED STATES
MIDLAND DIVISION

DEC 11 1969
TEXACO INC.
P. O. BOX 3109
MIDLAND, TEXAS 79701

December 9, 1969

1446

186150 - Cotton Draw Unit
Lea and Eddy Counties,
New Mexico

United States Geological Survey
No. 14-08-001-5247

Regional Oil and Gas Supervisor
United States Geological Survey
Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands
State of New Mexico
Box 1148
Santa Fe, New Mexico

Oil Conservation Commission
State of New Mexico
Box 2088
Santa Fe, New Mexico

Gentlemen:

Please refer to our letter of November 14, 1969. The location of Unit Well Number 68 has been changed to 1980' from the West line and 2310' from the North line of Section 12, T-25-S, R-31-E, Eddy County, New Mexico. It will be drilled by Texaco as operator of the Cotton Draw Unit for the account of Texaco Inc. and Pauley Petroleum Inc. It is scheduled as a 16,500' test of the Devonian, Morrow and other formations. Drilling should commence shortly after January 1, 1970.

The location is still within the Initial Devonian Participating Area, and, at the scheduled depth, it will not defer automatic elimination on January 18, 1970.

Yours very truly,

R. T. Maxwell

R. T. Maxwell
Division Landman

RTM:er



Texaco USA
Producing Department
Midland Division

P O Box 3109
Midland TX 79702

1446
March 23, 1990

District Supervisor
Bureau of Land Management
Roswell District Office
P. O. Box 1397
Roswell, New Mexico 88201

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

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

All Working Interest Owners
(Address List Attached)

RE: ~~COTTON DRAW UNIT~~
SECONDARY RECOVERY UNIT
LEA COUNTY, NEW MEXICO

Gentlemen:

PAST OPERATIONS

The unitized interval of the Cotton Draw unit is the Paduca Delaware pool. This unit became effective on August 1, 1968. Water injection commenced on August 1, 1968 as well. The unit was fully developed with regards to injection well conversions at the onset of the flood. The flood has been operated in a typical manner to date. No workovers were performed during 1989. Enclosed for your information are monthly operations reports for 1989, production plots and a current well status list.

A total of 8,030,781 barrels of oil have been recovered since the initiation of the flood through December 31, 1989. A total of 35,057,213 barrels of water have been injected throughout this time period as well. The average production for the month of December 1989 was 185 BOPD, 159 MCFD and 1297 BWPD.

Bureau of Land Management,
Commissioner of Public Lands,
New Mexico Oil Conservation
Division, and Working
Interest Owners

-2-

March 23, 1990

DEVELOPMENT PLANS FOR 1990

There are presently no immediate plans to modify the established course of development for this unit. Continued monitoring of casing leaks and stimulation potential will be in effect throughout the duration of 1990.

Yours very truly,

Texaco Inc.



S. G. Snyder
Portfolio Manager

MOS/srt
Attachments

file
chrono

186457 - COTTON DRAW UNIT
LEA COUNTY, NEW MEXICO

(65% Required)

Working Interest Owners

% of Unit Participation

Texaco Inc. (Operator)

23.469388

Bass Enterprises Production Co.
First City Bank Tower
201 Main Street
Fort Worth, Texas 76102

28.571428

Pauley Petroleum Inc.
Attn: Joint Interest
P. O. Box 2208
Roswell, New Mexico 88202

23.469388

Fina Oil & Chemical Co.
6 Desta Drive, Suite 4400
Midland, Texas 79705

24.489796

(3-28-90)

1989

MONTHLY OPERATIONS REPORT

TEXACO INC.

PROJECT-103320
FIELD-PAQUICA DELAWARE
COUNTY-LEA STATE-NEW MEXICO
OPERATOR-TEXACO INC.
EFFECTIVE DATE OF UNIT 08/01/68
WATER INJECTION BEGAN 08/01/68
CUM OIL FOR PRODUCT PRIOR TO 08/01/68
3045892 BARRELS
TOTAL ACRES UTILIZED-1960.00

COTTON DRAW UNIT

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
ALLOWABLE - BBL/DAY	216	231	221	217	212	205	195	185	187	175	180	185
OIL PRODUCTION												
BBL/MONTH	6692	6461	6858	6495	6574	6154	6054	5725	5617	5438	5403	5735
BBL/DAY	216	231	221	217	212	205	195	185	187	175	180	185
CUM. SINCE UNIT	7964267	7970728	7975586	7980441	7985296	7990151	8002863	8014588	8014205	8019643	8025046	8030781
CUM. SINCE DISC.	11830159	11836620	11843478	11849973	11856547	11862701	11868755	11874480	11880097	11885535	11890938	11896673
GAS PRODUCTION												
MCF/MONTH	4829	4471	4947	4965	4876	4480	5758	5683	5453	5336	4855	4939
MCF/DAY	156	160	160	166	157	149	186	183	182	172	162	159
CUM. SINCE UNIT MCF	6573231	6577702	6582649	6587614	6592490	6596978	6602728	6608411	6613864	6619200	6624055	6628994
GAS-OIL RATIO (CF/BBL)	722	692	721	764	742	728	951	993	971	981	899	861
WATER PRODUCTION												
BBL/MONTH	28037	28568	28885	22100	30206	25709	28332	26805	27618	34284	29984	40203
BBL/DAY	904	1020	932	737	974	857	930	858	921	1106	999	1297
CUM. SINCE UNIT	10855728	10884296	10913181	10935281	10965487	10991196	11020028	11046633	11074251	11108535	11138519	11178722
WATER CUT %	80.7	81.6	80.8	77.3	82.1	80.7	82.6	82.3	83.1	86.3	84.7	87.5
INJECTION												
TOTAL WATER INJECTION												
BBL/MONTH	30805	28264	29959	31115	32148	30631	26143	21208	28720	32900	35984	41108
BBL/DAY	994	1009	966	1037	1037	1021	843	684	957	1061	1199	1326
CUM. SINCE UNIT	35751659	35779923	35809882	35840997	35873145	35903776	35929919	35951127	35979847	36012747	36048731	36089839
NET WATER INJECTION												
BBL/MONTH	2768	-304	1074	9015	1942	4922	-2689	-5397	1102	-1384	6000	905
BBL/DAY	89	-11	35	301	63	164	-87	-174	37	-45	200	29
CUM. SINCE UNIT	24895931	24895627	24896701	24905716	24907658	24912580	24909891	24904494	24905596	24904212	24910212	24911117
INJ PRESSURE MAXIMUM	1200	1300	1200	1350	1400	1500	1350	1600	1600	1600	1600	1600
INJ-VITRORAL RATIO	0.87	0.79	0.82	1.06	0.86	0.94	0.73	0.64	0.84	0.81	0.99	0.88
WELL STATUS												
PRODUCERS	17	17	17	17	17	17	17	17	17	17	17	17
INJECTORS	9	9	9	9	9	9	9	9	9	9	9	8
SHUT-IN PRODUCERS	0	0	0	0	0	0	0	0	0	0	0	0
SHUT-IN INJECTORS	0	0	0	0	0	0	0	0	0	0	0	0
RECYCLING INJECTORS	0	0	0	0	0	0	0	0	0	0	0	0
P&A ASD WELLS	10	10	10	10	10	10	10	10	10	10	10	12
TO BE RECONDITIONED (TR-O)	15	15	15	15	15	15	15	15	15	15	15	14
WATER SUPPLY WELLS	7	7	7	7	7	7	7	7	7	7	7	7
TOTAL WELLS	58	58	58	58	58	58	58	58	58	58	58	58

Monthly water injection includes 50% of Well #13 after 8-1-80, and cumulative water injection includes 50% of Well #13 from start of injection.

TEXACO INC.

MIDLAND DIVISION

HOBBS DISTRICT

MONTH ENDING 01-01-90

FIELD NAME/
LEASE NO.WELL
NO.WELL
STATUS

COMMENTS

CONDITION

SEQUENCE
NUMBER

API NUMBER

(2) JOINTLY OWNED AND OPERATED BY TEXACO

353 COTTON DRAW UNIT
003000061030320

TEXACO WI = 23.4693900

1	INJ				12138400	3002508182
2	TR-O	NO REASON GIVEN	05-26-88		12138400	3002508183
3	PM				12138600	3002508194
4	PM				12138700	3002508221
6	INJ				12138800	3002508170
7	TR-O	HELD FOR SR	03-01-86		12138900	3002508215
8	TR-O	HELD FOR SR	04-15-88		12139000	3002508185
9	INJ				12139100	3002508222
10	PM				12139200	3002508195
11	TR-O	NO REASON GIVEN	05-26-88		12139300	3002508187
12	INJ				12139400	3002508190
15	PM				12139500	3002508216
16	PM				12139600	3002508223
17	INJ				12139700	3002508188
18	TR-O	HELD FOR RW	11-02-84		12139800	3002508219
19	TR-O	HELD FOR SR	04-15-88		12139900	3002508175
20	PM				12140000	3002508191
21	PM				12140100	3002508189
22	PM				12140200	3002508192
23	INJ				12140300	3002508217

TEXACO INC.

MIDLAND DIVISION

HOBBS DISTRICT

MONTH ENDING 01-01-90

FIELD NAME/
LEASE NO.WELL
NO.WELL
STATUS

COMMENTS

CONDITION

SEQUENCE
NUMBER

API NUMBER

(2) JOINTLY OWNED AND OPERATED BY TEXACO

	24	PM				12140400	3002508176
	25	PM				12140500	3002508203
	26	TR-O	UNEC. TO OPR.	01-04-82		12140600	3002508204
	27	TR-O	HELD FOR SR	03-20-86		12140700	3002508205
	28	PM				12140800	3002508206
	29	PM				12140900	3002508207
	30	TR-O	HELD FOR INJ	11-26-84		12141000	3002508208
	31	PM				12141100	3002508209
	33	PM				12141200	3002508174
	34	ASP	HELD FOR INJ	11-15-89		12141300	3002508168
	36	INJ				12141400	3002508213
	37	ASD	HELD FOR ASP	04-14-82		12141500	3002508211
	41	TR-O	HELD FOR RW	01-24-80		12141600	3002508179
	42	TR-O	HELD FOR SR	12-11-84		12141700	3002508201
	43	TR-O	HELD FOR RW	10-25-77		12141800	3002508202
	44	ASD	HELD FOR ASP	04-09-82		12141900	3002508214
	47	ASD	HELD FOR ASP	04-12-82		12142000	3002508231
	48	TR-O	HELD FOR SR	06-22-88		12142100	3002508220
	51	PM				12142200	3002508232
	52	PM				12142300	3002508169
	55	ASP	HELD FOR ASP	11-11-89		12142400	3002508235
	56	ASD	HELD FOR ASP	04-10-82		12142500	3002508236

TEXACO INC.

MIDLAND DIVISION HOBBS DISTRICT MONTH ENDING 01-01-90

FIELD NAME/ LEASE NO.	LEASE NAME/ FRS NO.	WELL NO.	WELL STATUS	COMMENTS	CONDITION	SEQUENCE NUMBER	API NUMBER
--------------------------	------------------------	-------------	----------------	----------	-----------	--------------------	------------

(2) JOINTLY OWNED AND OPERATED BY TEXACO

57	PM					12142600	3002508218
60	INJ					12142700	3002508171
75	TR-O			NO REASON GIVEN	05-26-88	12142800	3002527873
1	SI-WS			HELD FOR RW	09-30-76	12142900	3002599104

326	COTTON DRAW UNIT 003000061030326	63	ASD	HELD FOR SR	06-26-63	12143000	3002599099
	TEXACO WI = 50.0000000			E. F. RAY B #1-SWD		12143000	
						12143000	

64	ASD			HELD FOR ASP	05-01-73	12143100	3002521726
				PROP. 1162 ASSIGNED TO		12143100	
				WELL FOR 100% TREATING		12143100	
				FAC.		12143100	

327	COTTON DRAW UNIT 003000061030327	65	NG			12143200	3001510843
	TEXACO WI = 50.0000000					12143200	
						12143200	

329	COTTON DRAW UNIT 003000061030329	67	TR-NG	HELD FOR RW	02-20-76	12143300	3001520210
	TEXACO WI = 50.0000000					12143300	
						12143300	

356	COTTON DRAW UNIT 003000061030351	68	TR-NG-CN	HELD FOR R.W.	04-24-88	12143400	3001520272
	TEXACO WI = 50.0000000					12143400	
						12143400	

354	COTTON DRAW UNIT 003000061030352	13	INJ			12143500	3002508193
	TEXACO WI = 11.7346900					12143500	
						12143500	

362	COTTON DRAW UNIT 003000061030362	69	TR-O	NO REASON GIVEN	05-26-88	12143600	3002522294
						12143600	

TEXACO INC.

MIDLAND DIVISION HOBBS DISTRICT MONTH ENDING 01-01-90

FIELD NAME/ LEASE NO.	LEASE NAME/ FRS NO.	WELL NO.	WELL STATUS	COMMENTS	CONDITION	SEQUENCE NUMBER	API NUMBER
--------------------------	------------------------	-------------	----------------	----------	-----------	--------------------	------------

(2) JOINTLY OWNED AND OPERATED BY TEXACO

TEXACO WI = 42.8461600

		70	PM			12143600	
						12143700	3002522439
		72	TR-O	HELD FOR RW	09-27-71	12143800	3002522738
		73	PM			12143900	3002522882
		74	PM			12144000	3002527186

360 FEDERAL USA 'I'
003000061040360

(FORMERLY WAS

SHELL'S MIDDLETON #3-A)

						12144100	3002520813
						12144100	
						12144100	
						12144100	

TEXACO WI = 71.4300000

359 FEDERAL USA 'J'
003000061040359

(FORMERLY WAS

SHELL'S MIDDLETON #2-A)

						12144200	3002520367
						12144200	
						12144200	
						12144200	

TEXACO WI = 71.4300000

356 GATES, J.M.FED. NCT-1
003000061030356

NG

						12144300	3001520821
						12144300	
						12144300	

TEXACO WI = 50.0000000

313 JORDAN, G.E. NCT-1*
003000061030313

SI-O

UNECON. TO PROD 07-01-88

						12144400	3002508184
						12144400	
						12144400	

TEXACO WI = 50.0000000

		19	ASD	HELD FOR SR	11-30-62	12144500	3002599098
		20	ASD	HELD FOR ASP	01-03-73	12144600	3002508238
		21	ASD	HELD FOR ASP	03-06-73	12144700	3002508226

302 KERSHAW, L.R.
003000061040302

PM

COMP-TUBB

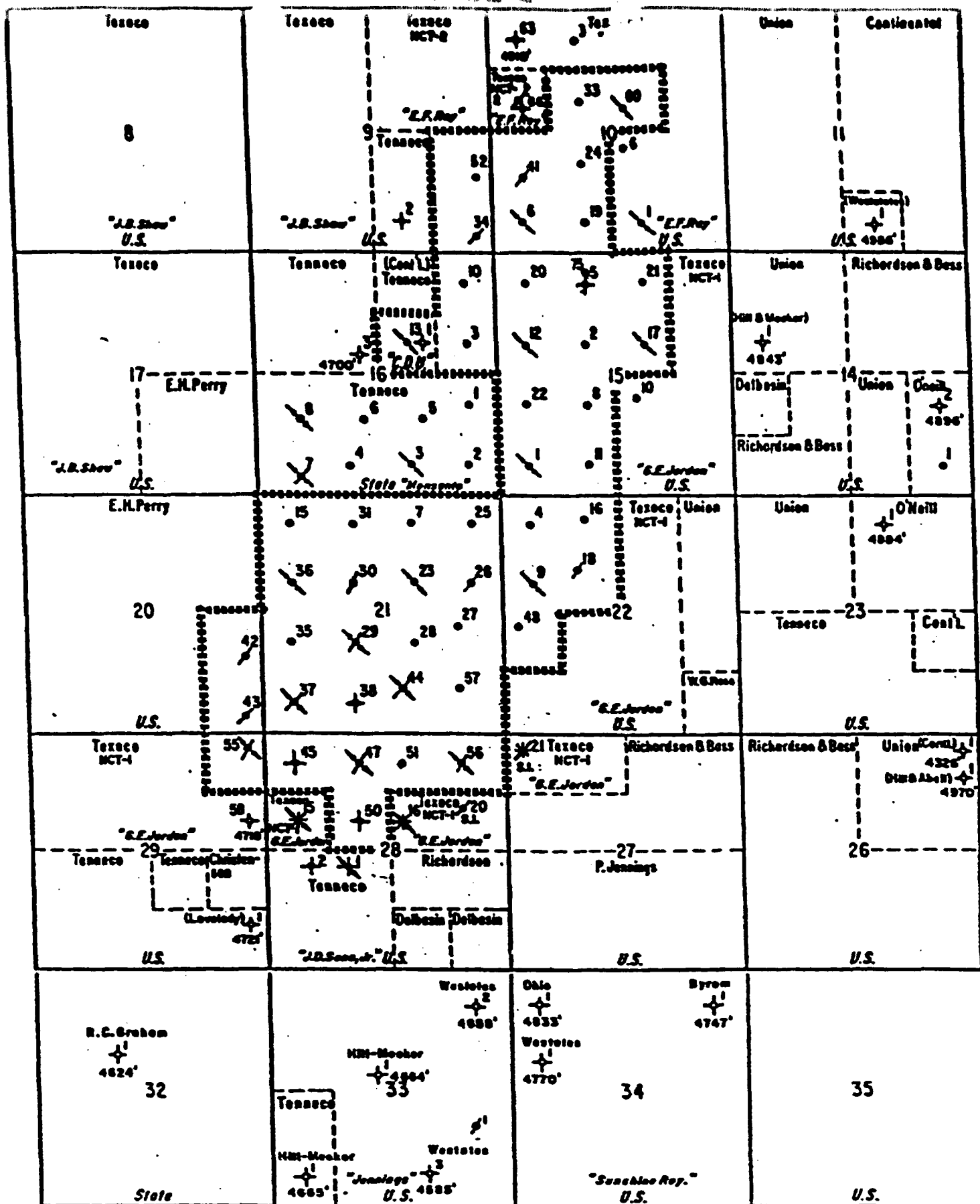
						12144800	3002520495
						12144800	
						12144800	

TEXACO WI = 75.0000000

*DUAL-DRINKARD

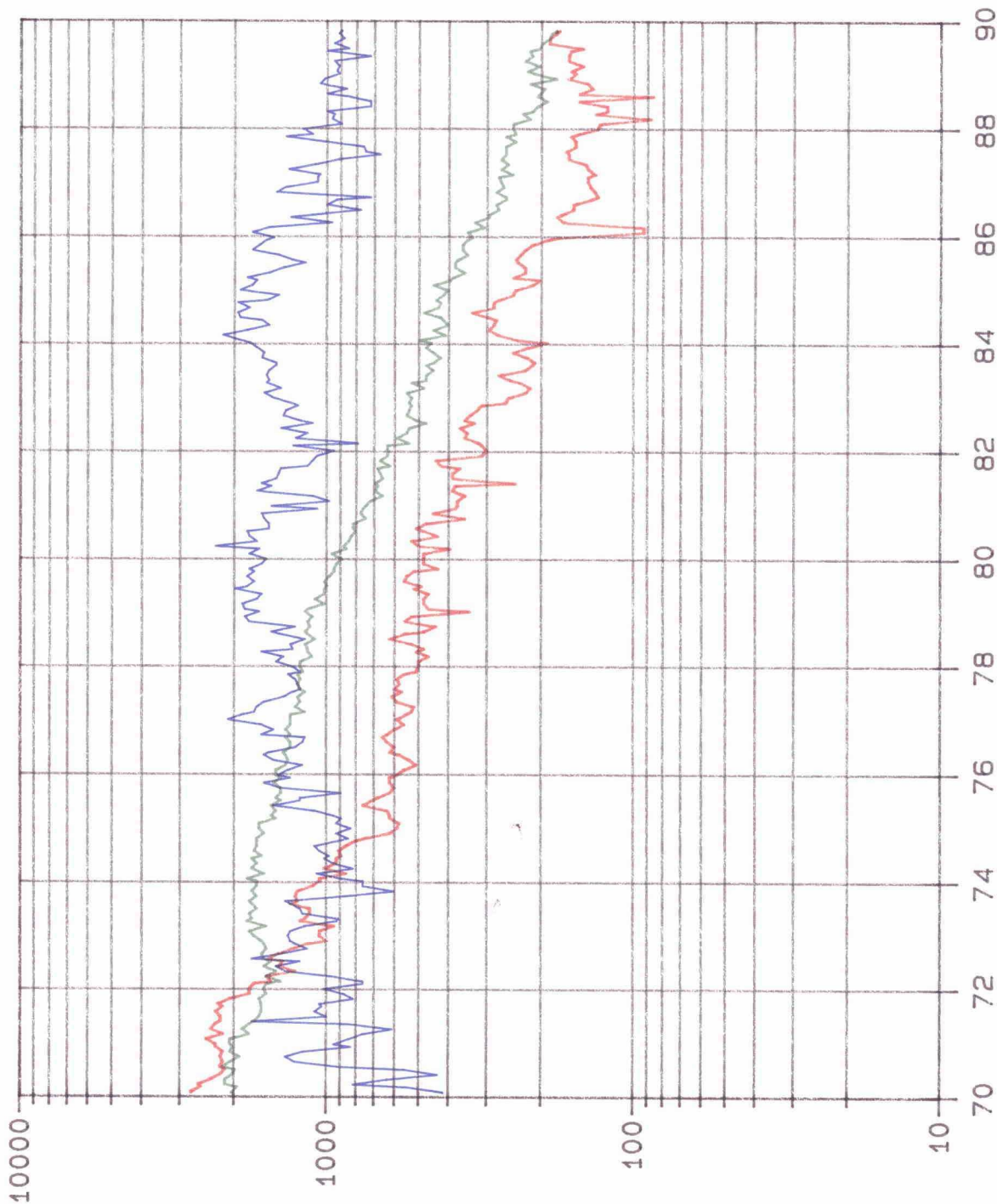
						12144900	3002520495
--	--	--	--	--	--	----------	------------

SUB-AREA - 6104 HOBBS-MONUMENT SUB-AREA



TEXACO Inc.
COTTON DRAW UNIT
 (OPERATOR-TEXACO Inc.)
 PADUCA DELAWARE POOL

Cotton Draw Unit



BOPD
BWPD
MCFFPD

LEASE DATA
LSE
FLD
OPER
ZONE
--
COUNTY
STATE
STATUS
CO 10417 MBO
CG 11175 MMC
BOPD 179
BWPD 904
MCFFPD 176
WELLS 17

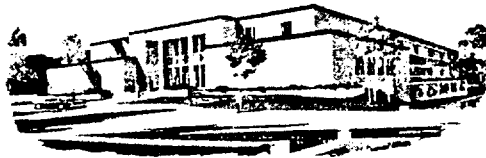
YEARS

State of New Mexico

1446



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

SLO REF NO CG-705

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

March 24, 1988

Texaco USA
Attn: Mr. Joe E. King
P. O. Box 728
Hobbs, New Mexico 88240

Re: 1988 Plan of Development
Cotton Draw Unit
Lea County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved your 1988 Plan of Development for the above captioned unit area.

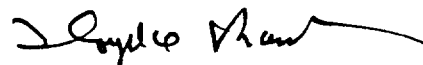
Our approval is subject to like approval by all other appropriate agencies.

Enclosed is an approved copy for your files.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

WRH/FOP/pm
encs.
cc: OCD
BLM



Texaco USA

AT&T
COMMUNICATIONS
CORPORATION

March 7, 1988

District Supervisor
Bureau of Land Management
Roswell District Office
P. O. Box 1397
Roswell, New Mexico 88201

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

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

All Working Interest Owners
(Address List Attached)

RE: COTTON DRAW UNIT
SECONDARY RECOVERY UNIT
LEA COUNTY, NEW MEXICO

Gentlemen:

PAST OPERATIONS

The unitized interval of this unit is within the Paduca Delaware pool. The Cotton Draw Unit became effective on August 1, 1968. Water injection commenced on August 1, 1968 as well. The unit was fully developed with regards to injection well conversions at the onset of the flood. The flood has been operated in a typical manner to date. No workovers were performed during 1987.

A total of 7,873,403 barrels of oil have been recovered since the initiation of the flood through December 31, 1987. A total of 35,057,213 barrels of water have been injected throughout this time period as well. The average production for the month of November, 1987 was 249 BOPD, 155 MCFD and 1371 BWPD.

Bureau of Land Management,
Commissioner of Public Lands,
New Mexico Oil Conservation
Division, and Working
Interest Owners


- 2 -

March 7, 1988

DEVELOPMENT PLANS FOR 1988

There are presently no immediate plans to modify the established course of development for this unit. Continued monitoring of casing leaks and stimulation potential will be in effect throughout the duration of 1988.

Very truly yours,

A handwritten signature in cursive script, appearing to read "J. S. King".

PWS:jss

Attachments

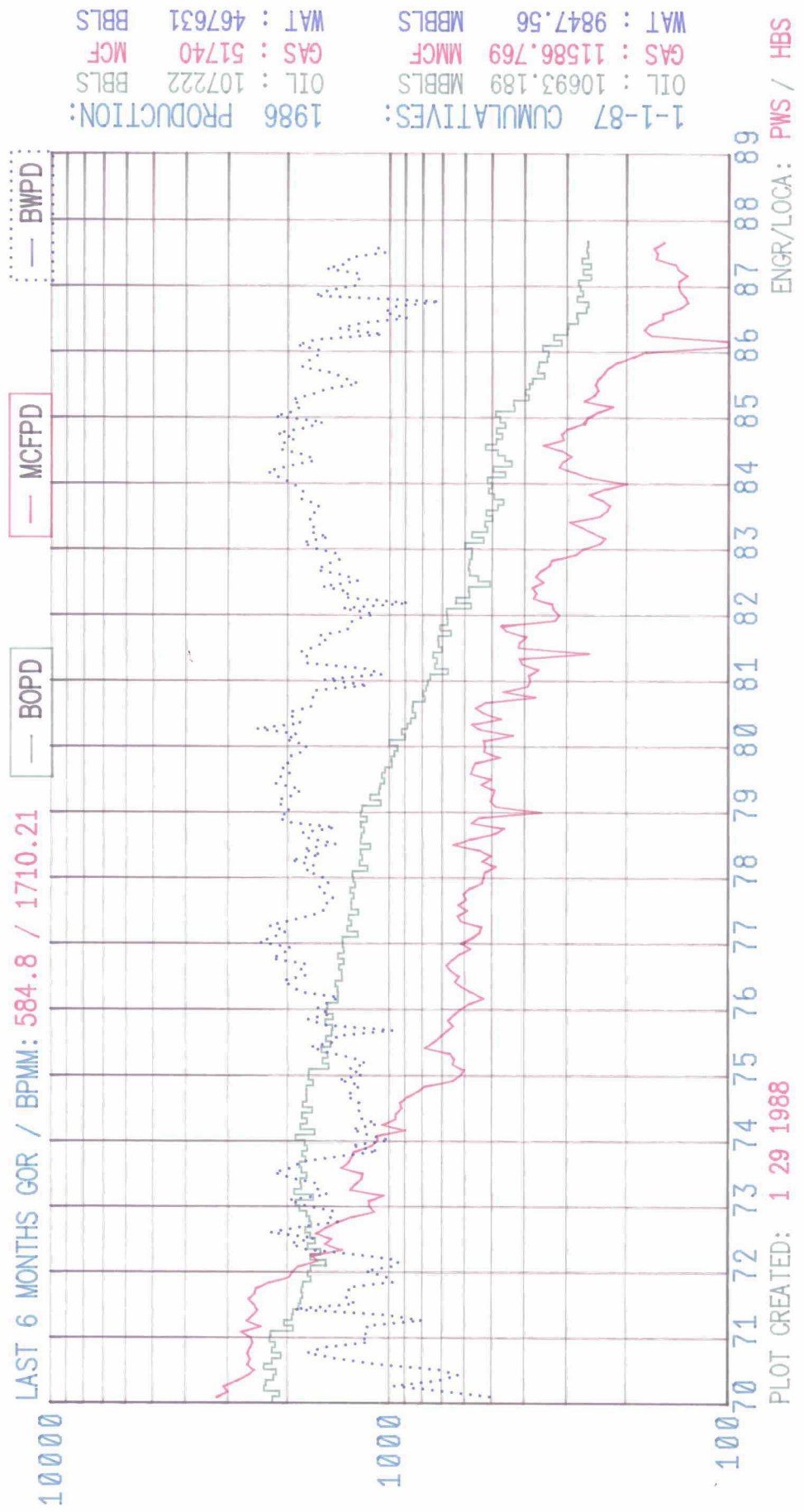
COTTON DRAW UNIT
WORKING INTEREST OWNERS

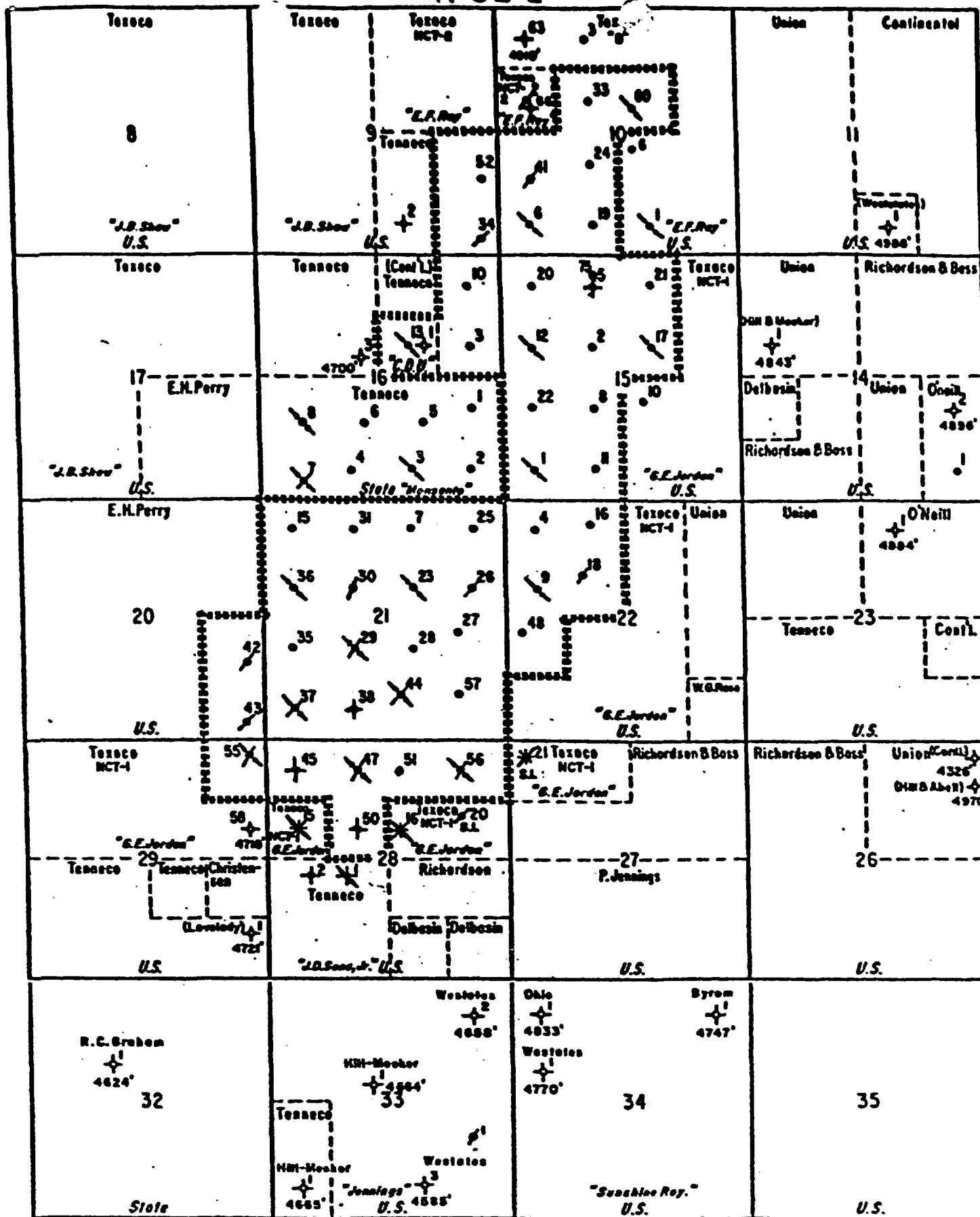
Bass Enterprises Prod. Co.
First City Bank Tower
201 Main Street
Fort Worth, Texas 76102

Pauley Petroleum, Inc.
Attn: Jack McGraw
822 Bldg. of the Southwest
Midland, Texas 79701

Tenneco Oil Company
Southwestern Division
Attn: Div. Petr. Engr.
7990 I.H. 10 West
San Antonio, Texas 78230

PROPERTY NAME: COTTON DRAW UNIT
 FIELD NAME: PADUCA DELAWARE
 OPERATOR NAME: TEXACO INCORPORATED
 PRODUCING WELLS YTD: 23





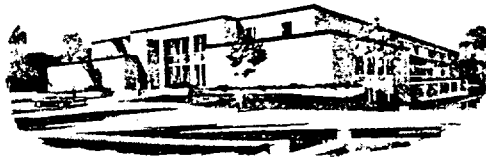
- PRODUCING WELL
- ⚡ INJECTION WELL

TEXACO Inc.
COTTON DRAW UNIT
(OPERATOR-TEXACO Inc.)
PADUCA DELAWARE POOL

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

SLO REF NO. OG-612

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

November 25, 1987

Texaco, USA
ATTENTION: Mr. Joe E. King
P. O. Box 728
Hobbs, New Mexico 88240

Re: Cotton Draw Unit
1987 Plan of Development

Gentlemen:

The Commissioner of Public Lands has this date approved your 1987 Plan of Development for the Cotton Draw Unit Area, Lea County, New Mexico. Such plan advises that you will continue to operate the unit according to the established development plan and continue the monitoring of casing lease and stimulation potential throughout 1987.

Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management.

Enclosed is an approved copy for your files.

If we may be of further help please do not hesitate to call on us.

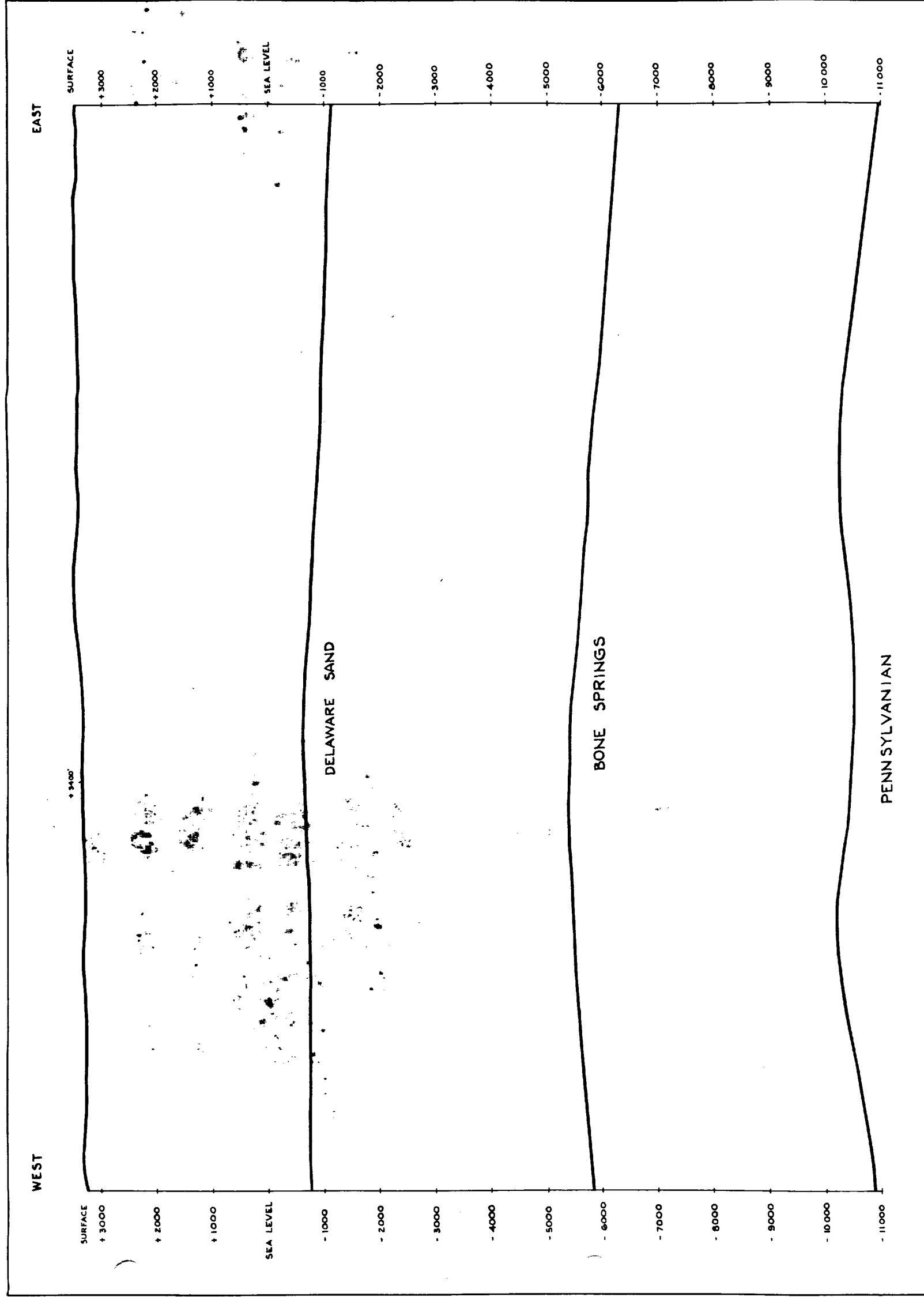
Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

WRH/FOP/pm
encls.

cc: OCD-Santa Fe, New Mexico
BLM-Roswell, New Mexico Attn: Mr. Armando Lopez



EDWIN W. PAULEY - R. L. HARRISON

EAST - WEST CROSS SECTION
PROPOSED
COTTON DRAW UNIT AREA

Structure as interpreted from Seismograph data.

0 1/2 1
Horizontal Scale in Miles

Drawn by C.W.D. December 1955.

FIGURE 4

State of New Mexico



ALEX J. ARMIJO
COMMISSIONER

Commissioner of Public Lands

October 28, 1982

P. O. BOX 1148
SANTA FE, N. M. 87504-1148

Texaco, USA
P. O. Box 3109
Midland, Texas 79702

Re: 1982 Plan of Development
Cotton Draw Unit
Lea and Eddy Counties, New Mexico

ATTENTION: Mr. R. G. Brown

Gentlemen:

The Commissioner of Public Lands has this date approved your 1982 Plan of Development for the Cotton Draw Unit, Lea and Eddy Counties, New Mexico. Such plan proposes to complete the Unit Well No. 75 in the NE/4NW/4 of Section 15, T-25S-R32E and to commence the drilling of the Unit Well No. 76 in the W/2NW/4 of Section 3, T25S-R32E as well as study other improvements and modifications for the water injection system. Our approval is subject to like approval by the United States Minerals Management Service.

Enclosed is an approved copy for your files.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

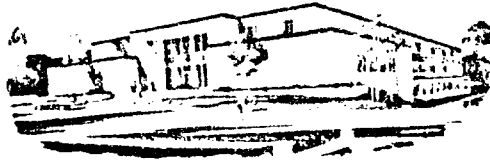
ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
FLOYD O. PRANDO, Assistant Director
Oil and Gas Division
AC 505/827-2748

AJA/FOP/pm
encls.

cc: OCD-Santa Fe, New Mexico
USMMS-Albuquerque, New Mexico
Administration

State of New Mexico



Commissioner of Public Lands

September 4, 1981

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Texaco U. S. A.
P. O. Box 3109
Midland, Texas 79702

1446

Re: Cotton Draw Unit
1981 Plan of Development
Lea and Eddy Counties, New Mexico

ATTENTION: Mr. Alan R. McDaniel

Gentlemen:

Your 1981 Plan of Development, has this date been approved by the Commissioner of Public Lands. Such plan indicates that Texaco is making every reasonable economic effort to assure complete development of State Lands within this unit.

Thank you for the attached plan, your concise and adequate presentation has greatly facilitated our review and approval.

Enclosed is one approved copy for your files. In the future please file three copies with this office of your Plan of Development, also, please remit a Three (\$3.00) Dollar filing fee at your earliest convenience.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-2748

AJA/RDG/pm
encls.

cc: OCD-Santa Fe, New Mexico ✓
USGS-Albuquerque, New Mexico



PETROLEUM PRODUCTS

PRODUCING DEPARTMENT -
UNITED STATES
MIDLAND DIVISION

August 13, 1971

TEXACO INC.
P. O. BOX 8108
MIDLAND, TEXAS 79701

186150 Cotton Draw Unit
Lea and Eddy Counties,
New Mexico

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

Gentlemen:

We enclose for your records, copy of Application for Approval of Second Revision "Contraction" of the First Enlarged Morrow Participating Area of the Cotton Draw Unit, Lea and Eddy Counties, New Mexico.

We are, as of this date, submitting for approval, copies to both United States Geological Survey and Commissioner of Public Lands, State of New Mexico.

Yours very truly,

E. H. Watkins
Division Landman

By Wm. R. Dowdy
Wm. R. Dowdy

WRD:ER

Enclosures

IN RE: Cotton Draw Unit Area
No. 14-08-001-5247,
Lea and Eddy Counties,
New Mexico

RECEIVED
JUL 12 1971
JUL 12 1971

Application for approval
of Second Revision "Contraction"
of the First Enlarged
Morrow Participating Area

TO THE REGIONAL OIL AND GAS SUPERVISOR, UNITED STATES GEOLOGICAL SURVEY
TO THE COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Texaco Inc., as Unit Operator for the Cotton Draw Unit, on June 18, 1970, completed Cotton Draw Unit Well No. 68 as a Morrow gas well in the Southeast Quarter of the Northwest Quarter of Section 12, Township 25 South, Range 31 East, Eddy County, New Mexico, being within the boundary of the Cotton Draw Morrow Participating Area. The production has been such that the well could not be classed as capable of production in paying quantities, as defined in Article 9 of the Unit Agreement (quantities sufficient to repay the costs of drilling and producing operations, with a reasonable profit). Article 11 of the Unit Agreement provides that the participating area shall be revised from time to time, when results of further drilling operations reasonably proves land not to be productive in paying quantities, with the effective date of any revision to be the first of the month in which is obtained the knowledge or information on which such revision is predicated, provided, however, a more appropriate effective date may be justified by the Unit Operator and approved by the Supervisor and Commissioner.

Texaco Inc., as Unit Operator for the Cotton Draw Unit Agreement, approved by the Acting Director, United States Geological Survey, effective July 28, 1958, pursuant to the provisions of Section 11 thereof, respectfully submits for the approval of the Regional Oil and Gas Supervisor, United States Geological Survey and the Commissioner of Public Lands, State of New Mexico, the following described lands to constitute the Second Revision "Contraction" of the First Enlarged Morrow Participating Area, to wit:

Township 24 South, Range 31 East, N. M. P. M.

Section 25: S $\frac{1}{2}$

Section 26: S $\frac{1}{2}$

Section 34: NE $\frac{1}{4}$ and the N $\frac{1}{2}$ SE $\frac{1}{4}$ and Lots 3 and 4

Section 35: Lots 1, 2, 3 and 4 and
N $\frac{1}{2}$ S $\frac{1}{2}$ and N $\frac{1}{2}$

Section 36: Lots 1, 2, 3 and 4 and
N $\frac{1}{2}$ S $\frac{1}{2}$ and N $\frac{1}{2}$

Township 25 South, Range 31 East, N. M. P. M.

Section 1: Lots 1, 2, 3 and 4 and
S $\frac{1}{2}$ N $\frac{1}{2}$ and S $\frac{1}{2}$

Section 2: Lots 1, 2, 3 and 4 and
S $\frac{1}{2}$ N $\frac{1}{2}$ and S $\frac{1}{2}$

Section 3: Lots 1 and 2 and
S $\frac{1}{2}$ NE $\frac{1}{4}$ and SE $\frac{1}{4}$

Section 11: N $\frac{1}{2}$

Section 12: N $\frac{1}{2}$ NW $\frac{1}{4}$

containing 4226.74 acres, more or less.

In support of this application, the following items are attached hereto and made a part hereof:

- (1) An ownership map, marked Exhibit "A", showing boundaries of the unit area and the Second Revision "Contraction" of the First Enlarged Morrow Participating Area, indicated thereon.
- (2) A schedule, marked Exhibit "B", showing the lands entitled to participation in the unitized substances produced from the Second Revision "Contraction" of the First Enlarged Morrow Participating Area, indicated thereon.

Applicant is submitting separately in quintuple to the Supervisor and in quadruple to the Commissioner, a geological report with an accompanying Northwest-Southeast Cross Section, Paduca Morrow Field Area and an engineering report with an accompanying Plot of Producing Rate versus Cumulative Production, supporting and justifying the Revision "Contraction" of the participating area.

This proposed Second Revision "Contraction" of the participating area is predicated upon the knowledge and information obtained following the October, 1970 production. The effective date of this Revision shall be November 1, 1970, pursuant to Section 11 of the Unit Agreement.

This application has been approved by Texaco Inc., as Operator of the Cotton Draw Unit, and consequently, applicant respectfully requests that the Supervisor and the Commissioner approve the hereinabove selection of lands to

Regional Oil and Gas Supervisor
Comm. of Public Lands

-3-

constitute the Second Revision "Contraction" to the First Enlarged Morrow Participating Area, to be effective November 1, 1970.

Dated this 13th day of August, 1971.

TEXACO INC.

Original Signed by

By J. H. McElroy
Attorney-in-Fact

APPROVED: _____

Regional Oil and Gas Supervisor,
United States Geological Survey

APPROVED: _____

Commissioner of Public Lands, State
of New Mexico

cc: New Mexico Oil Conservation Commission, Santa Fe, New Mexico