Form 3160-3
(December 1990)

SUBMIT IN TRIPLICATE

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0136
Expires: December 31, 1991

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. Type of Work: DRILL ☒ DEEPEN ☐	5. Lease Designation and Serial No.: NM-31649
1b. Type of Well: OIL WELL ☒ GAS WELL ☐ OTHER	6. If Indian, Alottee or Tribe Name:
SINGLE ZONE ☒ MULTIPLE ZONE ☐	7. If Unit or CA, Agreement Designation:
2. Name of Operator: TEXACO EXPLORATION & PRODUCTION INC. 22351	8. Well Name and Number: YATES ~~FEDERAL~~ 8 Federal #2 (26996)
3. Address and Telephone No.: P.O. Box 3109, Midland Texas 79702 688-4606	9. API Well No.: 30-015-31499
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At Surface: Unit Letter K : 1347 Feet From The SOUTH Line and 1963 Feet From The WEST Line. At proposed prod. zone: SAME	10. Field and Pool, Explortory Area: ROSS DRAW, WOLFCAMP
	11. SEC., T., R., M., or BLK. and Survey or Area: Sec. 8, Township 26S, Range 30E
14. Distance In Miles and Direction from Nearest Town or Post Office*: 31 MILES SE OF CARLSBAD, NM	12. County or Parish: EDDY; 13. State: NM
15. Distance From Proposed* Location to Nearest Property or Lease Line, Ft. (also to nearest drlg. unit line, if any): 1346.8'	16. No. of Acres in Lease: 320; 17. No. of Acres Assigned To This Well: 320
18. Distance From Proposed Location* to Nearest Well, Drilling, Completed or Applied For, On This Lease, Ft.: 2456.3'	19. Proposed Depth: 12300'; 20. Rotary or Cable Tools: ROTARY
21. Elevations (Show whether DF,RT, GR, etc.): GR-3067'	22. Approx. Date Work Will Start*: 10/15/00

23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 3/4"	H40, 11 3/4"	42#	1000'	680 SACKS-CIRCULATE
11"	J55, 8 5/8"	32#	3600'	1050 SACKS-CIRCULATE
7 7/8"	P110, 5 1/2"	17#	11500'	1990 SACLS-CIRCULATE
4 3/4"	P110, 2 7/8"	6.5 #	12,300'	190 SACKS-CIRCULATE

CEMENTING PROGRAM:
SURFACE CASING: 440 SACKS CLASS C w/4% GEL, 2% CaCl2 (13.5 PPG, 1.74 CF/S, 9.11 GW/S). F/B 240 SACKS CLASS C w/2% CaCl2 (14.8 PPG, 1..34 CF/S, 6.30 GW/S).
INTERMEDIATE CASING 1st STAGE: 790 SACKS 35/65 POZ CLASS H w/6% GEL, 5% SALT, 1/4# FC (12.8 PPG, 1.94 CF/S, 10.46 GW/S). F/B 260 SACKS CLASS H (15.6 PPG, 1.18 CF/S, 5.20 GW/S).
INTERMEDIATE CASING 2nd STAGE: 1030 SACKS 50/50 POZ CLASS H w/2% GEL, 5% SALT, 1/4# FC (14.2 PPG, 1.35 CF/S, 6.30 GW/S). F/B 150 SACKS CLASS H (15.6 PPG, 1.18 CF/S, 5.20 GW/S). DV TOOL @ 7000'—650 SACKS CLASS H w/3% GEL, 5% SALT, 1/4# FC (11.5 PPG, 2.98 CF/S, 10.46 GW/S). F/B 160 SACKS 50/50 POZ CLASS H w/2% GEL, 5% SALT, 1/4# FC (14.2 PPG, 1.35 CF/S, 6.30 GW/S).
PRODUCTION CASING: 190 SACKS GAS BLOCK (16.4 PPG, 1.09 CF/S, 5.31 GW/S).

In Above Space Describe Proposed Program: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured true verticle depths. Give blowout preventer program, if any.

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

SIGNATURE A. Phil Ryan TITLE Commission Coordinator DATE 10/10/00

TYPE OR PRINT NAME A. Phil Ryan

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

APPROVED BY /S/LARRY D. BRAY TITLE Assistant Field Manager, Lands And Minerals DATE _____

CONDITIONS OF APPROVAL, IF ANY: APPROVED FOR 1 YEAR

Title 18 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.

DeSoto/Nichols 10-94 ver 2.0

DISTRICT I
P. O. Box 1980, Hobbs, NM 88240

DISTRICT II
P. O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994

Instructions on back

Submit to Appropriate District Office

State Lease-4 copies
Fee Lease-3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
		Ross Draw, Wolfcamp

[4] Property Code	[5] Property Name	[6] Well Number
	Yates Federal "8"	2

[7] OGRID No.	[8] Operator Name	[9] Elevation
22351	TEXACO EXPLORATION & PRODUCTION, INC.	3067'

[10] Surface Location

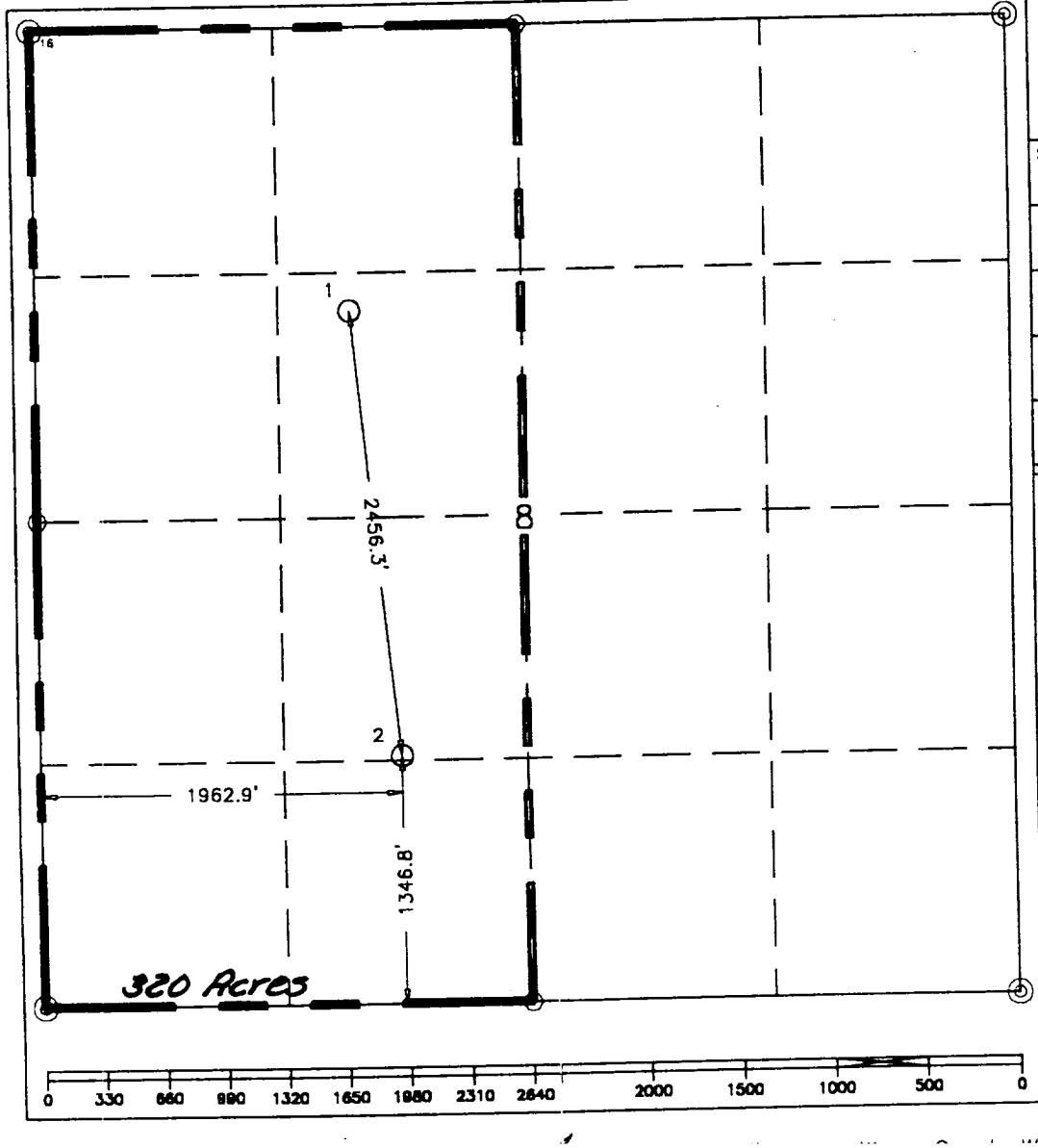
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	[7] County
K	8	26-S	30-E		1346.8'	South	1962.9'	West	Eddy

[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	[7] County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
320			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION.



[17] OPERATOR CERTIFICATION

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

Signature: A. Phil Ryan

Printed Name: A. Phil Ryan

Position: Commissioner Coordinator

Company: Texaco Expl. & Prod. Inc.

Date: September 11, 2000

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: September 7, 2000

Signature & Seal of Professional Surveyor: John S. Piper

Certificate No. 7254 John S. Piper

Sheet

▲ = Plugged & Abandon Well

DRILLING PROGRAM

YATES FEDERAL '8' WELL No. 2

SURFACE DESCRIPTION:

See Item 11 (other information) in the attached Surface Use and Operations Plan.

FORMATION TOPS: Estimated KB Elevation: 3963'

Formation	Depth	Lithology	Fluid Content
Top of Salt	1740'	Salt	----
Base of Salt	3500'	Salt	----
Castille	----	Anhydrite	----
Delaware (Bell Cyn)	3540'	Sand	Oil
Manazaita Mkr	----	Lime	----
Brushy Canyon	----	Sand	----
Lower Brushy Canyon	----	Sand	----
Bone Spring	7300'	Lime	Oil
Wolfcamp	10050'	Lime	----
Wolfcamp A	11700'	Lime	Oil
Wolfcamp B	11900'	Lime	Oil
Wolfcamp C	12100'	Lime	Oil
Total Depth:	12300'		

The base of the salt section is the top of the Delaware at 3540'. No abnormal pressures or temperatures are anticipated to be encountered in this well. The Bottom Hole pressure at T.D. is estimated to be 7.9 PPG EMW (5135 PSI).

Install H2S equipment from 1000' to 12,300'(TD). H2S RADIUS OF EXPOSURE: 100ppm = 199', 500ppm = 91', based on 4300 ppm H2S and 692 MCF (see attached H2S Drilling Operations Plan. H2S equipment to be operational prior to drilling out Surface Casing Shoe.)

Duration of Operation: 46 Days to Drill & 8 Days to Complete

PRESSURE CONTROL EQUIPMENT:

A 3000 psi (or 5000 psi at drilling contractor's option) Dual Ram BOP with rotating head (See Exhibit C) will be installed after surface casing is set. A 5000 psi or 10,000 psi Dual Ram BOP with a rotating head and annular preventer will be used. (See Exhibit F-1 and G-1). It will be installed after intermediate casing is set at 3600'. BOP will be tested each time it is installed on a casing string and at least every 29 days, and operated at least once each 24 hour period during drilling.

A PVT system will not be installed. We will be drilling thru the reserve pit and will circulate the steel pits one hour each tour to check for gains and losses and will be noted on the driller's log, which is Texaco's policy.

We do not plan to run an automatic remote-controlled choke. We will have installed and tested two manual, H2S trimmed, chokes.

CASING AND CEMENT PROGRAM:

The cementing program is detailed on Form 3160-3. All casing will be new.

Casing Program:

Surface Casing - 14 ¾" hole, 11 ¾", 42#, H-40, STC, set @ 1000'.

Intermediate Casing 1: 11" hole, [redacted] 8 5/8", 32#, J-55, STC, set @ 3600'.

Intermediate Casing 2: 7 7/8" hole, [redacted] 5 ½", 17#, P-110, BTC, set @ 11500'.

Production Casing: 4 3/4" hole, [redacted] 2 7/8", 6.5#, P-110, Hydril 533, set @ 12300'.

Centralizer Program:

Surface Casing - Centralize the bottom 3 joints and every 4th to surface. Run float shoe only.

Intermediate Casing 1 - Centralize the bottom 3 joints. Run float shoe and insert float 1 joint up.

Intermediate Casing 2 - Centralize bottom 3 joints. Float shoe and collar 2 joints up. DV Tool @ 7900' with ECP below(100% Excess).

Production Casing - Centralize above and below the DV Tool and place 2 baskets below DV Tool.

MUD PROGRAM:

Depth	Type	Weight	Viscosity
0'-1000'	Fresh Water	8.4	30
1000'-3600'	Brine	10.0	29
3600'-11500'	Fresh Water	8.4	29-40
11500'-12300'	Weighted Brine/Polymer	12-14.2	40

LOGGING, TESTING:

GR-CAL-CNL-LDT, GR-CAL-DLL-MSFL, GR-CAL-BHC surveys will be run.

A two-man Mud Logging Unit will be used from 3600' to 12300'.

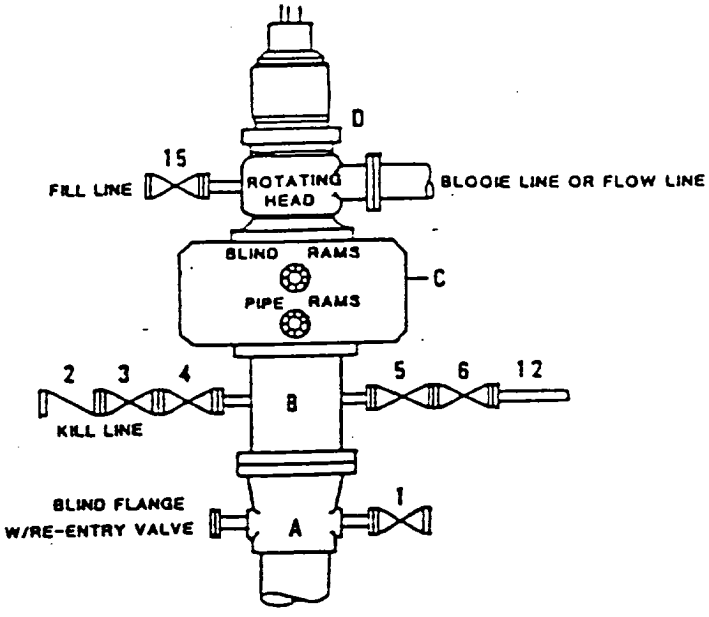
A drill stem test may be conducted in the Wolfcamp, if needed.

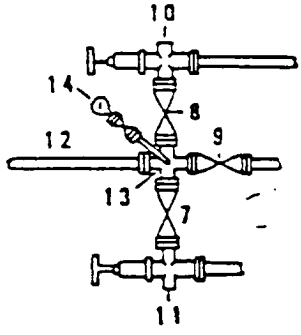
Sidewall cores (25) are planned for the Wolfcamp.

DRILLING CONTROL
CONDITION II-B 3000 WP

FOR AIR DRILLING OR
WHERE NITROGEN OR AIR BLOWS ARE EXPECTED

H_2S TRIM REQUIRED
YES _____ NO X





DRILLING CONTROL

MATERIAL LIST - CONDITION II - B

A	Texaco Wellhead
B	3000# W.P. drilling spool with a 2" minimum flanged outlet for kill line and 3" minimum flanged outlet for choke line.
C	3000# W.P. Dual ram type preventer, hydraulic operated with 1" steel, 3000# W.P. control lines (where sub-structure height is adequate, 2 - 3000# W.P. single ram type preventers may be utilized).
D	Rotating Head with fill up outlet and extended Blooie Line.
1,3,4, 7,8,	2" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
2	2" minimum 3000# W.P. back pressure valve.
5,6,9	3" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
12	3" minimum schedule 80, Grade "B", seamless line pipe.
13	2" minimum x 3" minimum 3000# W.P. flanged cross.
10,11	2" minimum 3000# W.P. adjustable choke bodies.
14	Cameron Mud Gauge or equivalent (location optional in choke line).
15	2" minimum 3000# W.P. flanged or threaded full opening steel gate valve, or Halliburton Lo Torc Plug valve.

TEXACO, INC.
MIDLAND DIVISION
MIDLAND, TEXAS

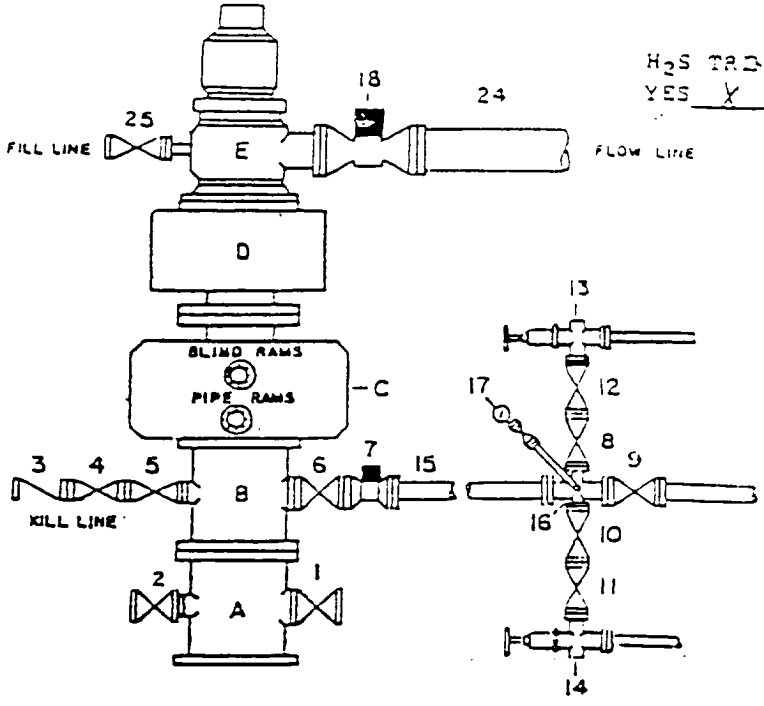
SCALE	DATE	EST NO	ORD NO
DRAWN BY			
CHECKED BY			
APPROVED BY			

EXHIBIT C

DRILLING CONTROL

CONDITION IV-B-5000 PSI WP

H_2S TRIM REQUIRED
YES X NO



DRILLING CONTROL

MATERIAL LIST - CONDITION IV - B

A	Texaco Wellhead
B	5000# W.P. drilling spool with a minimum 2" flanged outlet for kill line and 3" minimum flanged outlet for choke line.
C	5000# W.P. Dual ram type preventer, hydraulic operated with 1" steel, 5000# W.P. control lines.
D	5000# W.P. Annular preventer, hydraulic operated with 1" steel, 3000# W.P. control lines.
E	Rotating Head with fill up outlet and extended Blooie line.
1,2,4,5, 8,10,11. 12	2" minimum 5000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
3	2" minimum 5000# W.P. back pressure valve.
6,9	3" minimum 5000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
7	3" minimum 5000# W.P. flanged hydraulic valve
15	3" minimum Schedule 160, Grade B, seamless line pipe
16	2" minimum x 3" 5000# W.P. flanged cross
13,14	2" minimum 5000# W.P. adjustable chokes with carbide trim.
17	Cameron Mud Gauge or equivalent (location in choke line optional).
18	6" minimum 1000# hydraulic flanged valve.
24	3" minimum steel flow line.
25	2" minimum 3000# W.P. flanged or threaded fill opening steel gate valve, or Halliburton Lo Torc Plug valve.

TEXACO INC

SCALE | DATE | EST NO | DWG NO

DRAWN BY

CHECKED BY

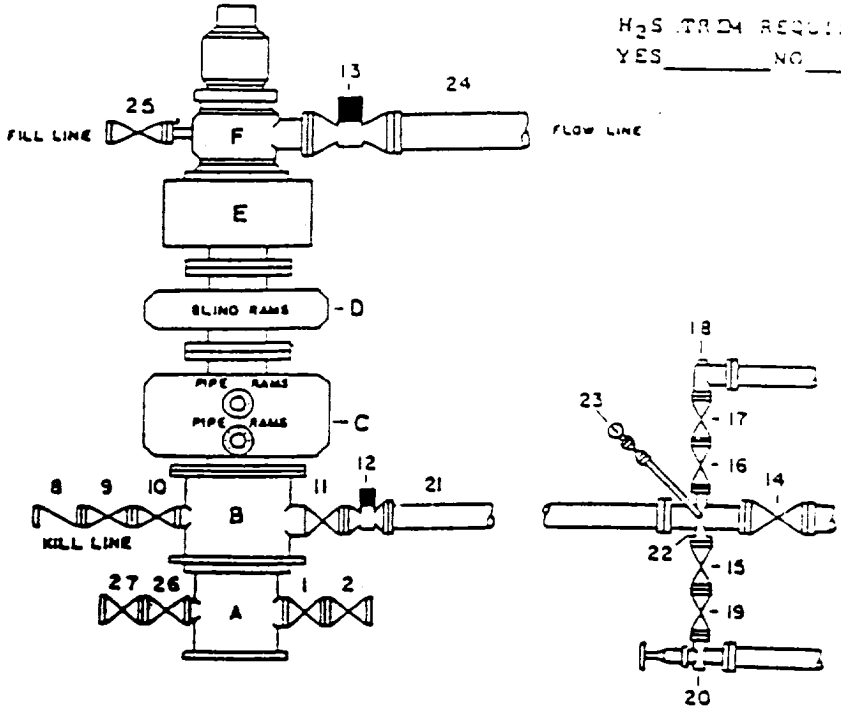
APPROVED BY

EXHIBIT F-1

DRILLING CONTROL

CONDITION V-B - 10,000 PSI WP

H_2S TRIM REQUIRED
YES_____NO_____



DRILLING CONTROL

MATERIAL LIST - CONDITION V-B

A	Texaco Wellhead
B	10,000# W.P. Drilling Spool with 4 minimum 2" flanged outlet for kill line and 4" minimum flanged outlet for choke line
C	10,000# W.P. Dual Variable Ram Type preventer, hydraulic operated with 1" steel, 5000# W.P. control line
D	10,000# W.P. Single Ram Type preventer, hydraulic operated with 1" steel, 5000# W.P. control lines
E	10,000# W.P. Annular preventer, hydraulic operated with 1" steel, 5000# W.P. control lines
F	When required - Rotating Head with fill up outlet and extended blooie line
1,2,9,10, 15,16,17, 19,26,27	2" minimum 10,000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve
8	2" minimum 10,000# W.P. back pressure valve
11,14	4" minimum 10,000# W.P. flanged full opening steel gate valve
12	4" minimum 10,000# W.P. flanged full opening hydraulic valve
13	When required - 10" minimum 10000# W.P. flanged full opening hydraulic valve
21	4" minimum 10,000# W.P. 4130 mechanical tubing with flanged ends, or equivalent
22	2" minimum X 4" minimum 10,000# W.P. flanged cross
18	2" minimum 10,000# W.P. automatic choke
20	2" minimum 10,000# W.P. adjustable choke equipped with carbide trim
23	Cameron Mud Gauge or equivalent (location in choke line optional)
24	When required - 10" steel flow line
25	2" minimum 10000# W.P. flanged or threaded full opening steel gate valve or Halliburton Lo Torc plug valve

TEXACO, INC
MIDLAND DIVISION
MIDLAND, TEXAS

SCALE	DATE	EST NO	DWG NO
DRAWN BY			
CHECKED BY			
APPROVED BY			

EXHIBIT G-1

OPERATOR - LANDOWNER AGREEMENT

COMPANY: TEXACO EXPLORATION AND PRODUCTION INC.

PROPOSED WELL: YATES FEDERAL '8' NO. 2
FEDERAL LEASE NO. NM-31649

This is to advise that Texaco Exploration and Production Inc. has an agreement with:
B & B Cattle Co., P. O. Box 370906, El Paso, TX 79978

the surface owner, concerning entry and surface restoration after completion of drilling operations at the above described well.

After abandonment of the well, all pits will be filled and leveled, all equipment and trash will be removed from well site. No other requirements were made concerning restoration of the well site.

10/10/2000
Date

A. Phil Ryan

A. Phil Ryan
Commission Coordinator
Midland, Texas

SURFACE USE AND OPERATIONS PLAN

FOR

TEXACO EXPLORATION AND PRODUCTION, INC.

YATES FEDERAL '8' NO. 2

Located 1346.8' FSL & 1962.9' FWL Section 8,
Twp. 26 South, Range 30 East, N.M.P.M.,
Eddy County, New Mexico

LOCATED: 31 miles Southeast of Carlsbad, New Mexico

FEDERAL LEASE NUMBER: NM-31649

LEASE ISSUED: 1/1/79

ACRES IN LEASE: 320 Acres

RECORD LESSEE: Yates Petroleum Co.

FARM OUT AGREEMENT: Texaco Exploration and Production, Inc.---dated 8/11/00

SURFACE OWNERSHIP: USA

GRAZING PERMITTEE : B&B Cattle Co.
P.O. Box 370906
El Paso, TX

POOL: Paduca South, Wolfcamp

POOL RULES: Field Rules are for no wells to be located closer than 660' to any quarter section lines and lease lines and 10' from quarter-quarter section lines.

EXHIBITS: A. Access Road

B. Lease and Facilities Map

C. Drilling Rig Layout Diagram

D. Well Location and Acreage Dedication Plat

1. ACCESS ROADS EXISTING

Exhibit "A" is a portion of a 7.5 minute U.S.G.S. topographic map showing the proposed well site and the existing roads in the area. Point "A" is the end of Eddy County Road 725A (Paintbrush

Road) and its intersection with El Paso Natural Gas Company's Right of Way Road, being 2 miles Northerly of Eddy County Road 725A intersection with Eddy County Road 725 (Whitethorn Road), which is 7 miles Easterly of U. S. Highway No. 285, which its intersection is approximately 12 miles South of Malaga, New Mexico along said Highway 285. From Point "A" go 3.30 miles Easterly along said El Paso Natural Gas Pipeline Road to Point "B" as shown on Exhibits "A" and "B". Then go Southerly along an existing resource road 0.45 miles to point "B", the beginning of the proposed resource road.

2. PLANNED RESOURCE ROAD

A. Length and Width: From Point "B" as shown on Exhibits "A" and "B" a new 14 foot wide Resource Road will be constructed 2013 feet Westerly and 2013 feet Southwesterly (shown in Red on Exhibit "A" and "B") with access at the Southeast corner of the proposed well pad, as shown on Exhibits "A", "B", and "C".

B. Surfacing Material: Caliche material will be used to surface the proposed road. It will be watered, compacted, and graded.

C. Maximum Grade: An approximate grade of approximately one to three percent will be encountered descending to the proposed well pad.

D. Turnouts: Turnouts will be constructed as required.

E. Drainage Design: The new road will be crowned at the center to direct drainage to ditches on both sides of the roadway with turnout ditches to be constructed as required.

F. Culverts: Culverts will be installed as required.

G. Cuts and Fills: A slight amount of leveling will be required to the road and proposed well pad.

H. Gates and Cattle Guards: Will not be required.

3. LOCATION OF EXISTING WELLS

A. Existing wells on the lease and in the immediate area are shown on Exhibit "B".

4. LOCATION OF EXISTING AND PROPOSED FACILITIES

A. The oil, gas, and/or water that this well produces will be stored in the tank battery to be constructed on the proposed well site as shown on Exhibits "A, B, and C".

B. No electric service is contemplated as this time.

5. LOCATION AND TYPE OF WATER SUPPLY

A. It is not contemplated that a water well would be drilled. Water necessary for drilling operations will be purchased and trucked to the well site or will be transported to the well site by a temporary pipeline laid on the ground along side existing and proposed roads.

6. SOURCE OF CONSTRUCTION MATERIALS

A. Caliche needed for the well pad and road will be taken from the proposed borrow pit located within the 400 x 400' archaeologically cleared tract at the proposed well site (See Exhibit "C" for location). If insufficient quality or quantity of caliche is not available, it will be transported to the proposed road and well site from the existing pit in the SW/4 of the SW/4 of Section 6, T-26-S, R-30-E, NMPM, Eddy County, New Mexico as shown on Exhibit "A" along the existing resource roads.

7. METHOD OF HANDLING WASTE DISPOSAL

A. Drill cuttings will be disposed of in the drilling pits.

B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.

C. Water produced during tests will be disposed of at commercial or company facilities.

D. Oil produced during tests will be stored in test tanks until sold.

E. Trash, waste paper, garbage and junk will be placed in a trash bin located on the drill site pad. It will be transported to an approved landfill for disposal within 30 days after completion of drilling and/or completion of operations. All waste material will be contained to prevent scattering by the wind.

8. ANCILLARY FACILITIES

A. None required.

9. WELL SITE LAYOUT

A. Exhibit "C" shows the relative location and dimensions of the well pad, mud pits, borrow pit, and the location of the major rig components.

B. Cut and Fill requirements will be minor, but clearing and leveling of the well site will be necessary.

10. PLANS FOR RECLAMATION OF THE SURFACE

A. After completion of drilling and/or completion of operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location will be cleaned of all trash and junk to leave the well site in an as aesthetically pleasing condition as possible.

B. Any unguarded pits containing fluids will be fenced until the pits are dry.

C. After abandonment, all equipment, trash and junk will be removed and the well site will be cleaned. Any special reclamation and/or special re-vegetation requirements of the Surface Management Agency will be complied with and will be accomplished as rapidly as possible.

11. OTHER INFORMATION

A. Topography: The land surface in the area of the well is relatively level. Regionally, the land slopes to the Southeast with an average slope of approximately two to five percent.

B. Soil: Top soil at the well site is a moderate sandy loam.

C. Flora and Fauna: The vegetation cover is moderate. It includes range grasses, weeds, and mesquite bushes. Wildlife in the area is that typical of a semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, hawks, dove, quail and other small birds.

D. Ponds and Streams: There are no rivers, lakes, ponds, or streams in the area.

E. Residences and Other Structures: There is no occupied dwelling or other structures within ¾ mile of the well site.

F. Land Use: Grazing, oil and gas production, and wildlife habitat.

G. Archaeological, Historical, or other Cultural Sites: None were observed

H. Surface Ownership: USA

12. OPERATOR'S REPRESENTATIVE

A. Phil Ryan
Commission Coordinator
Texaco Exploration and Production, Inc.
P. O. Box 3109
Midland, Texas 79701
Office Phone: (915) 688-4606

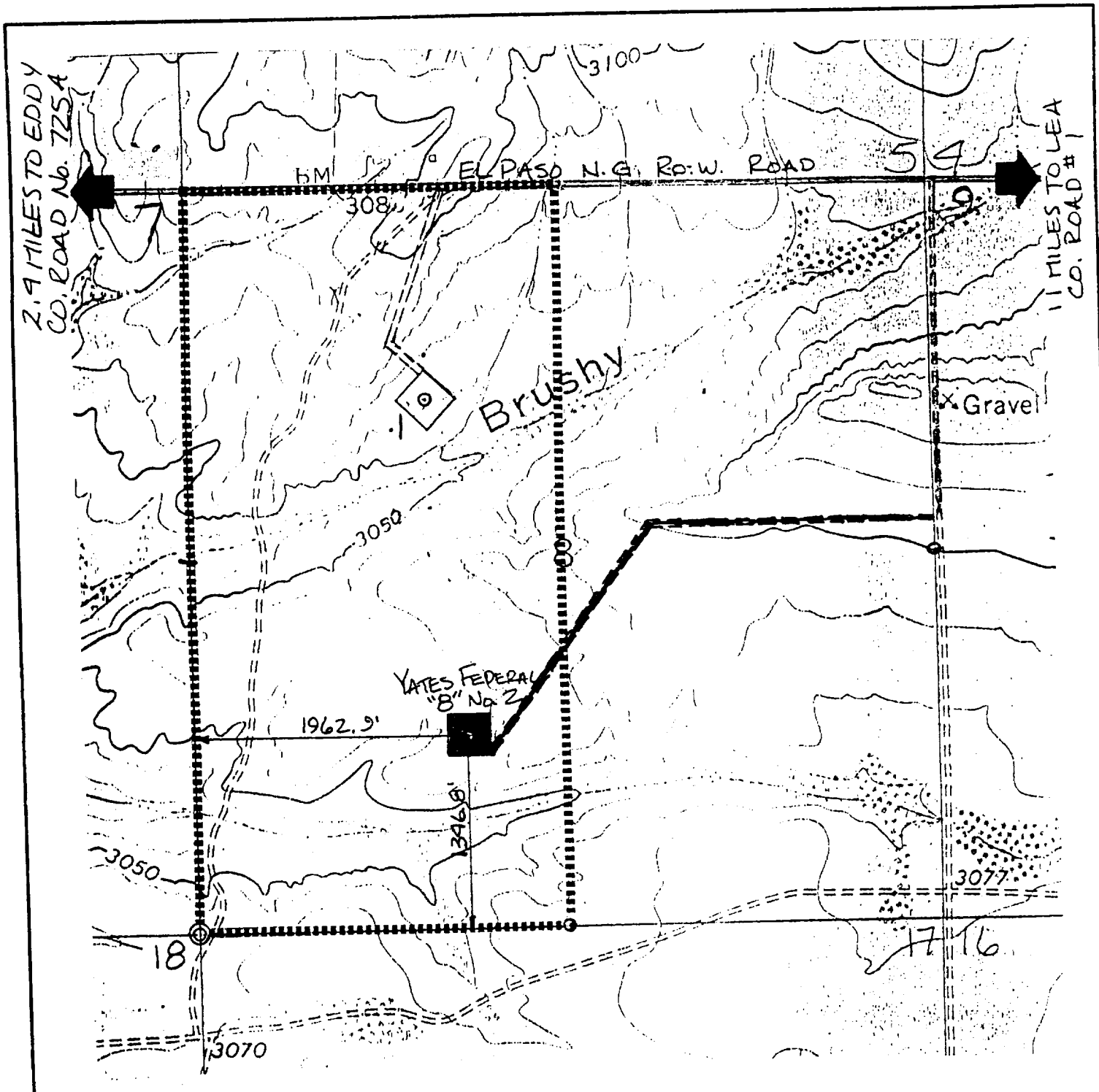
CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Texaco Exploration and Production, Inc. and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U. S. C. 1001 for the filing of a false statement.

10/10/00
Date

A. Phil Ryan
Commission Coordinator
Midland, Texas

Enclosures
jsp



LEGEND OF SYMBOLS

- Access Road (Yellow)
- Access Road on Lease (Purple)
- Resource Road on State Land (Blue)
- Resource Road on Private Land (Pink)
- Resource Road on Federal Land (Brown)
- Proposed Resource Road (Red)
- Proposed Electric Line (Orange)
- Proposed Production Flow Line (Green)
- Staked Well Location
- Producing Well Location
- Water Injection Well
- Found 1" Iron Pipe with Brass Cap
- Found 2" or 3" Iron Pipe with Brass Cap
- Unit or Lease Boundary

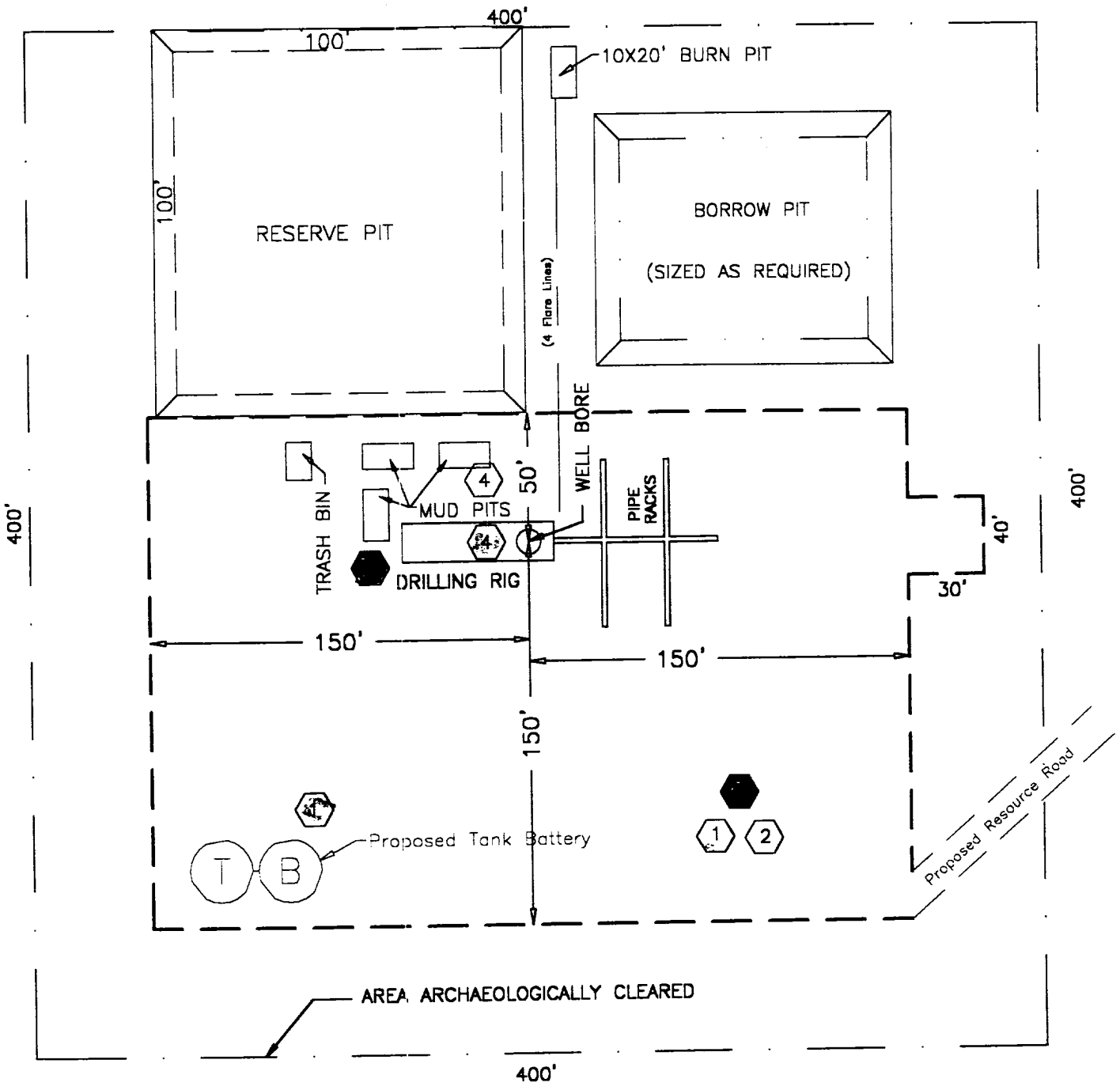
N

EXHIBIT "B"
ACCESS ROAD AND FACILITIES MAP

TEXACO EXPLORATION AND PRODUCTION INC.

YATES FEDERAL "8" NO. 2
Located 1346.8' FSL & 1962.9' FWL, Section 8,
T-26-S, R-30-E, NMPM, Eddy County, NM

Drawn by: Gene Rodriguez	Scale: 1" = 1000'
Date: September 11, 2000	A. PHIL RYAN
Checked by: J. S. Piper	Drawing File: Yates8_1.dwg



N

H_2S DRILLING OPERATION PLAN

1 Briefing Station

2 H_2S Safety Trailer

Windsocks

H_2S Detectors, Shale Shaker, Rotating Head, Rig Floor

Prevailing Wind from the South

EXHIBIT "C"
DRILLING RIG LAYOUT

TEXACO EXPLORATION AND PRODUCTION INC.

YATES FEDERAL "8" NO. 2
Located 1346.8' FSL & 1962.9' FWL, Section 8,
T-26-S, R-30-E, NMPM, Eddy County, NM

Drawn by: Gene M. Rodriguez	Scale: 1" = 60'
Date: September 11, 2000	A. Phil Ryan
Checked by: J. S. Piper	Drawing File: Yates8_1.dwg

DISTRICT I
P. O. Box 1980, Hobbs, NM 88240

DISTRICT II
P. O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994

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Submit to Appropriate District Office

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Fee Lease-3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
		Ross Draw, Wolfcamp

[4] Property Code	[5] Property Name	[6] Well Number
	Yates Federal "8"	2

[7] OGRID No.	[8] Operator Name	[9] Elevation
22351	TEXACO EXPLORATION & PRODUCTION, INC.	3067'

[10] Surface Location

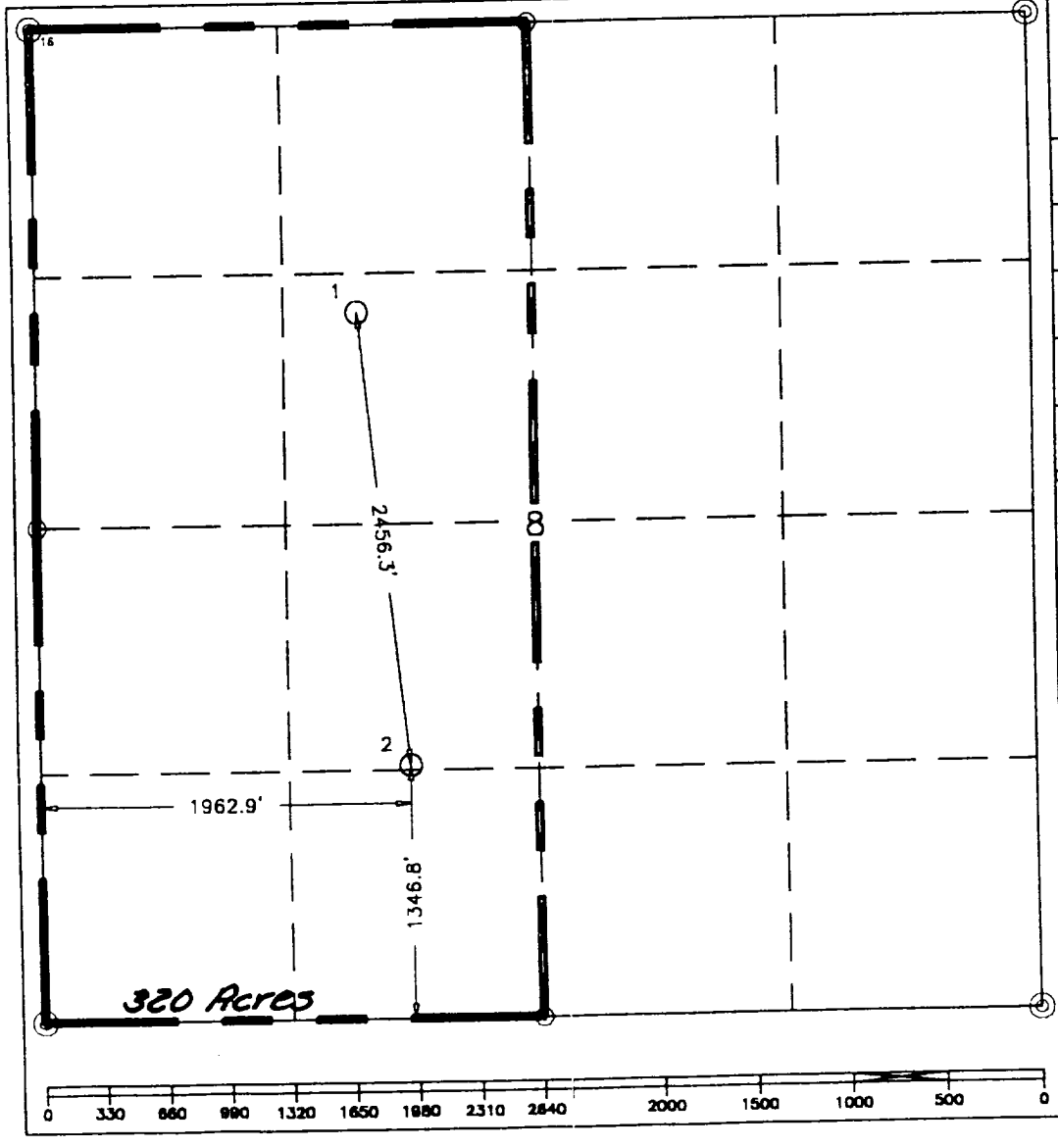
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	[7] County
K	8	26-S	30-E		1346.8'	South	1962.9'	West	Eddy

[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	[7] County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
320			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION.



[17] OPERATOR CERTIFICATION

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

Signature: A. Phil Ryan

Printed Name: A. Phil Ryan

Position: Commissioner Coordinator

Company: Texaco Expl. & Prod. Inc.

Date: September 11, 2000

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: September 7, 2000

Signature & Seal of Professional Surveyor: John S. Piper

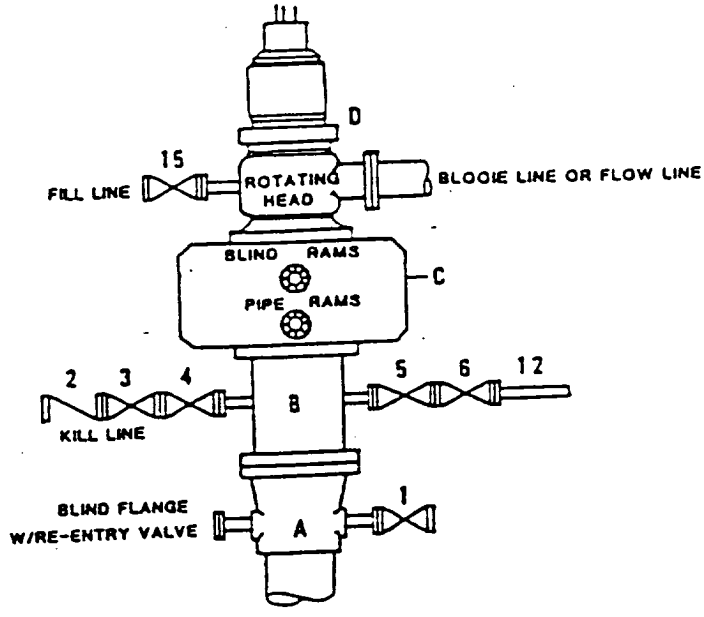
Certificate No.: 7254 John S. Piper

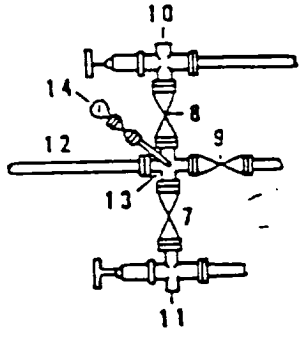
Sheet

DRILLING CONTROL
CONDITION II-B 3000 WP

FOR AIR DRILLING OR
WHERE NITROGEN OR AIR BLOWS ARE EXPECTED

H_2S TRIM REQUIRED
YES_____ NO X





DRILLING CONTROL

MATERIAL LIST - CONDITION II - B

A	Texaco Wellhead
B	3000# W.P. drilling spool with a 2" minimum flanged outlet for kill line and 3" minimum flanged outlet for choke line.
C	3000# W.P. Dual ram type preventer, hydraulic operated with 1" steel, 3000# W.P. control lines (where substructure height is adequate, 2 - 3000# W.P. single ram type preventers may be utilized).
D	Rotating Head with fill up outlet and extended Blooie Line.
1,3,4, 7,8,	2" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
2	2" minimum 3000# W.P. back pressure valve.
5,6,9	3" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
12	3" minimum schedule 80, Grade "B", seamless line pipe.
13	2" minimum x 3" minimum 3000# W.P. flanged cross.
10,11	2" minimum 3000# W.P. adjustable choke bodies.
14	Cameron Mud Gauge or equivalent (location optional in choke line).
15	2" minimum 3000# W.P. flanged or threaded full opening steel gate valve, or Halliburton Lo Torc Plug valve.

TEXACO, INC.
MIDLAND DIVISION
MIDLAND, TEXAS

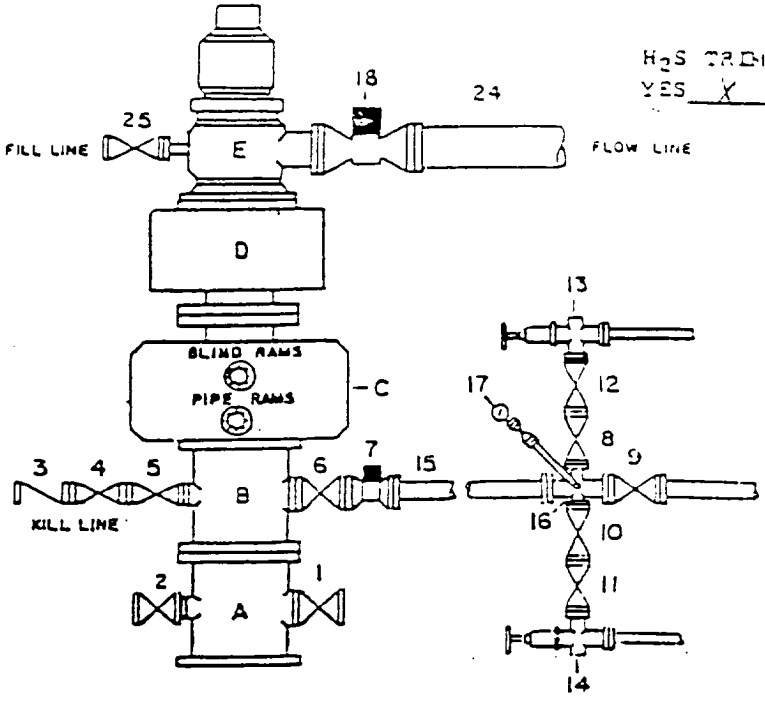
SCALE	DATE	EST NO	DRG NO
DRAWN BY			
CHECKED BY			
APPROVED BY			

EXHIBIT C

DRILLING CONTROL

CONDITION IV-B-5000 PSI WP

H_2S TRIM REQUIRED
YES X NO



DRILLING CONTROL

MATERIAL LIST - CONDITION IV - B

A	Texaco Wellhead
B	5000# W.P. drilling spool with 4 minimum 3" flanged outlet for kill line and 3" minimum flanged outlet for choke line.
C	5000# W.P. Dual ram type preventer, hydraulic operated with 1" steel, 5000# W.P. control lines.
D	5000# W.P. Annular preventer, hydraulic operated with 1" steel, 3000# W.P. control lines.
E	Rotating Head with fill up outlet and extended Blooie line.
1,2,4,5, 8,10,11, 12	2" minimum 5000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
3	2" minimum 5000# W.P. back pressure valve.
6,9	3" minimum 5000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
7	3" minimum 5000# W.P. flanged hydraulic valve
15	3" minimum Schedule 160, Grade B, seamless line pipe
16	2" minimum x 3" 5000# W.P. flanged cross
13,14	2" minimum 5000# W.P. adjustable chokes with carbide trim.
17	Cameron Mud Gauge or equivalent (location in choke line optional).
18	6" minimum 1000# hydraulic flanged valve.
24	8" minimum steel flow line.
25	3" minimum 1000# W.P. flanged or threaded full opening steel gate valve or Halliburton Lo Torc Plug valve.

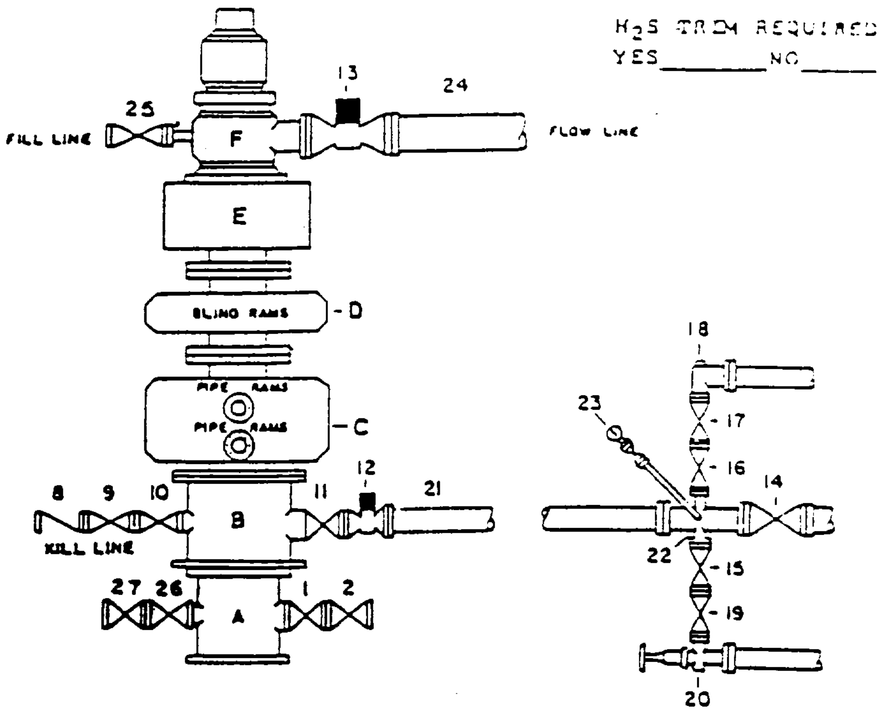
TEXACO, INC

SCALE	DATE
DRAWN BY	
CHECKED BY	
APPROVED BY	

EXHIBIT F-1

DRILLING CONTROL

CONDITION V-B - 10,000 PSI WP



DRILLING CONTROL

MATERIAL LIST - CONDITION V-B

A	Texaco Wellhead
B	10,000# W.P. Drilling Spool with a minimum 2" flanged outlet for kill line and 4" minimum flanged outlet for choke line
C	10,000# W.P. Dual Variable Ram Type preventer, hydraulic operated with 1" steel, 5000# W.P. control line
D	10,000# W.P. Single Ram Type preventer, hydraulic operated with 1" steel, 5000# W.P. control lines
E	10,000# W.P. Annular preventer, hydraulic operated with 1" steel, 5000# W.P. control lines
F	When required - Rotating Head with fill up outlet and extended Bloole line
1,2,9,10, 15,16,17, 19,26,27	2" minimum 10,000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve
8	2" minimum 10,000# W.P. back pressure valve
11,14	4" minimum 10,000# W.P. flanged full opening steel gate valve
12	4" minimum 10,000# W.P. flanged full opening hydraulic valve
13	When required - 10" minimum 1000# W.P. flanged full opening hydraulic valve
21	4" minimum 10,000# W.P. 4130 mechanical tubing with flanged ends, or equivalent
22	2" minimum X 4" minimum 10,000# W.P. flanged cross
18	2" minimum 10,000# W.P. automatic choke
20	2" minimum 10,000# W.P. adjustable choke equipped with carbide trim
23	Cameron Mud Gauge or equivalent (location in choke line optional)
24	When required - 10" steel flow line
25	2" minimum 1000# W.P. flanged or threaded full opening steel gate valve or Halliburton Lo Torc plug valve

TEXACO, INC
MIDLAND DIVISION
MIDLAND TEXAS

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

EXHIBIT G-1

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

YATES FEDERAL '8' WELL No. 2

RADIUS OF EXPOSURE

100 PPM: 199 feet

500 PPM: 91 feet Based on 4300 PPM H2S and 692 MCF.

TRAINING

Every person involved in the wellsite operation will be informed of the characteristics of hydrogen sulfide, its danger, safe procedures to be used when it is encountered, use of detection equipment, use of protective breathing equipment, and first aid procedures for regular rig personnel.

On site training will be provided by Texaco prior to reaching Order 6 compliance depth. The Texaco Drilling Supervisor is responsible for insuring all persons working on location have been provided training.

EXHIBIT A

Topographic map of location and surrounding area.

EXHIBIT B

The wellsite layout contains the following information:

1. Drill rig orientation
2. Prevailing wind direction
3. Location of all briefing areas
4. Location of access road
5. Location of flare line
6. Location of windsocks
7. Location of H2S Safety Trailer

EXHIBIT C

Well Control Equipment

PROTECTIVE EQUIPMENT

4 - 30 minute SCBA's: 2 located at each Briefing Station. An additional SCBA will be located at the Tool Pusher's trailer, if used.

5 - 5 minute escape packs will be located in the Dog House.

Means of communication while using protective equipment will be hand signals.

H2S SENSORS

H2S sensors will be located at (1) Shale Shaker (2) Rotating Head and (3) Rig Floor.

A light will be located on the rig floor. It will be set to go off at 10 PPM. It will be visible from anywhere on the location.

A siren will be located on the rig floor. It will be set to go off at 15 PPM.

Texaco Drilling Supervisor will maintain a portable H2S monitor.

MUD PROGRAM

A Fresh Water/ Brine system will be used. Ph will be maintained at 10 or higher if H2S is encountered. Sufficient quantities of H2S scavenger will be on location for use as required.

Drilling will be through an on site gas separator to separate gas from the drilling fluid with gas vented down a flare line equipped with an igniter.

METALLURGY

All wellheads, trees, BOP's, rotating heads, choke manifolds and piping will be constructed/trimmed with materials suitable for H2S service.

All casing and tubing will be no greater than 80000 psi yield strength and no greater than a Rockwell C-22 hardness.

OTHER REQUIREMENTS OF ORDER 6

The flare line (item 4 of exhibit I) will be equipped with a propane ignition.

The flare gun and flares will be located in the H2S Safety Trailer.

Communications for the location will be by Rig Telephone.

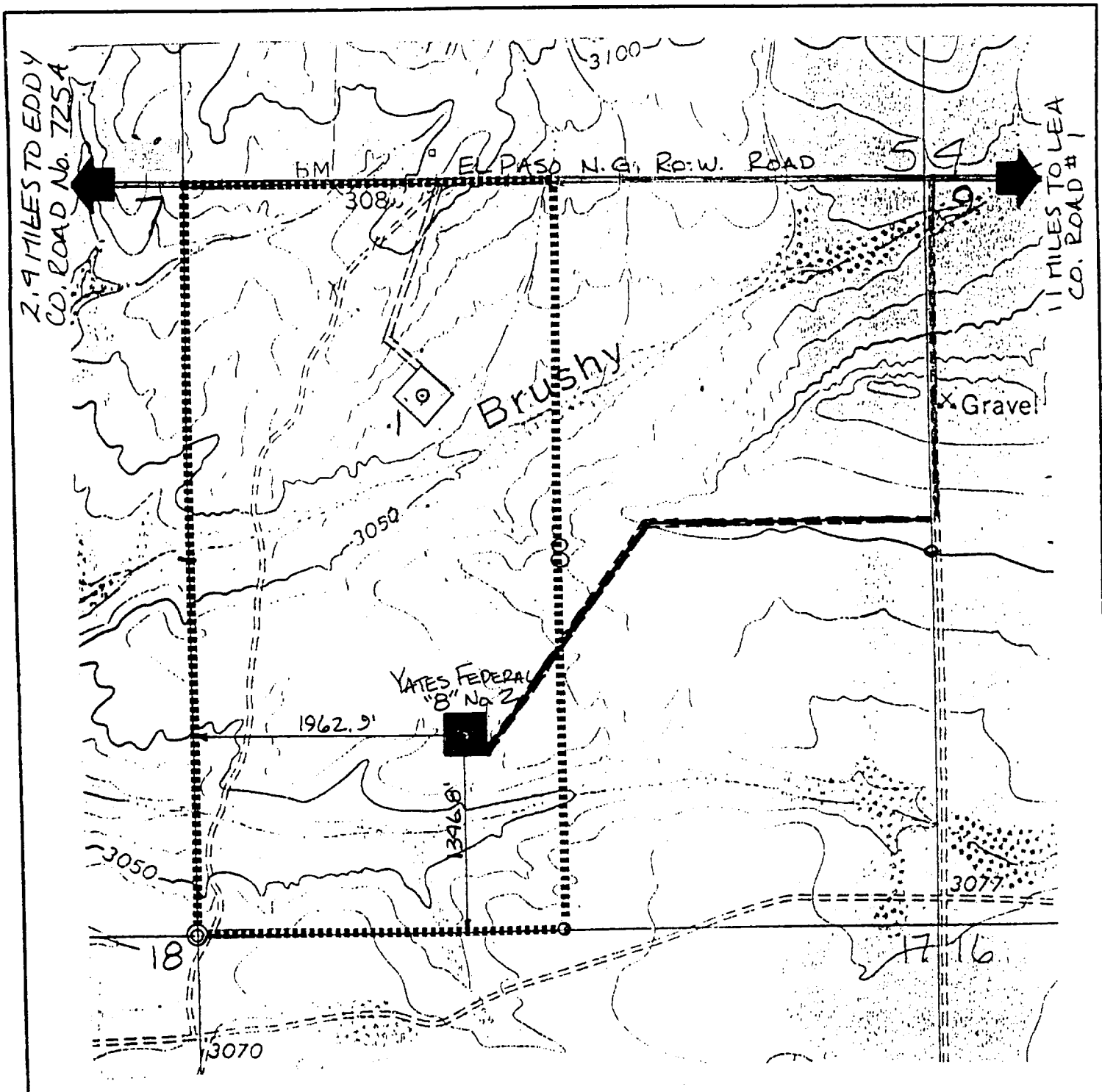
Wind direction indicators will be on the rig floor and at one briefing station with at least one visible from all points on the location.

Caution/danger signs and flags will be maintained at all entrances into the location.

An automatic remote-controlled choke will not be used. We will have installed and tested two manual, H2S trimmed, chokes.

WELL TESTING

DST's may be conducted in the Wolfcamp formation.



LEGEND OF SYMBOLS

- Access Road (Yellow)
- Access Road on Lease (Purple)
- Resource Road on State Land (Blue)
- Resource Road on Private Land (Pink)
- Resource Road on Federal Land (Brown)
- Proposed Resource Road (Red)
- Proposed Electric Line (Orange)
- Proposed Production Flow Line (Green)
- Staked Well Location
- Producing Well Location
- Water Injection Well
- Found 1" Iron Pipe with Brass Cap
- Found 2" or 3" Iron Pipe with Brass Cap
- Unit or Lease Boundary

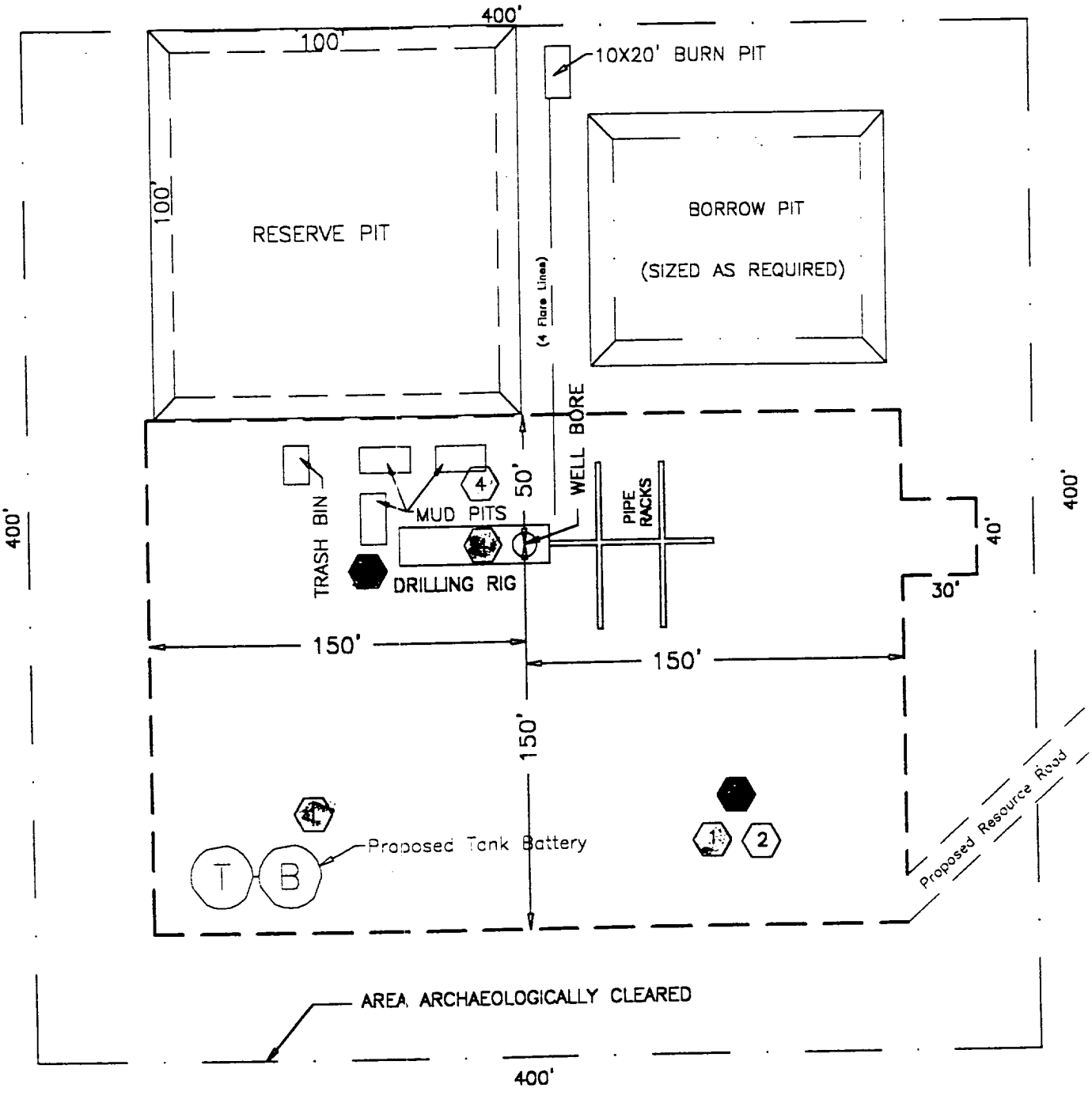
N

EXHIBIT "B"
ACCESS ROAD AND FACILITIES MAP

TEXACO EXPLORATION AND PRODUCTION INC.

YATES FEDERAL "8" NO. 2
Located 1346.8' FSL & 1962.9' FWL, Section 8,
T-26-S, R-30-E, NMPM, Eddy County, NM

Drawn by: Gene Rodriguez	Scale: 1" = 1000'
Date: September 11, 2000	A. PHIL RYAN
Checked by: J. S. Piper	Drawing File: Yates8_1.dwg



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H_2S DRILLING OPERATION PLAN

1. Briefing Station
2. H_2S Safety Trailer
3. Windsocks
4. H_2S Detectors, Shale Shaker, Rotating Head, Rig Floor

Prevailing Wind from the South

EXHIBIT "C"
DRILLING RIG LAYOUT

TEXACO EXPLORATION AND PRODUCTION INC.

YATES FEDERAL "8" NO. 2
Located 1346.8' FSL & 1962.9' FWL, Section 8, T-26-S, R-30-E, NMPM, Eddy County, NM

Drawn by: Gene M. Rodriguez	Scale: 1" = 60'
Date: September 11, 2000	A. Phil Rycn
Checked by: J. S. Piper	Drawing File: Yates8_1.dwg

DISTRICT I
P. O. Box 1980, Hobbs, NM 88240

DISTRICT II
P. O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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

State of New Mexico
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OIL CONSERVATION DIVISION
PO Box 2088
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Form C-102
Revised February 10, 1994

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Submit to Appropriate District Office

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Fee Lease-3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
		Ross Draw, Wolfcamp

[4] Property Code	[5] Property Name	[6] Well Number
	Yates Federal "8"	2

[7] OGRID No.	[8] Operator Name	[9] Elevation
22351	TEXACO EXPLORATION & PRODUCTION, INC.	3067'

[10] Surface Location

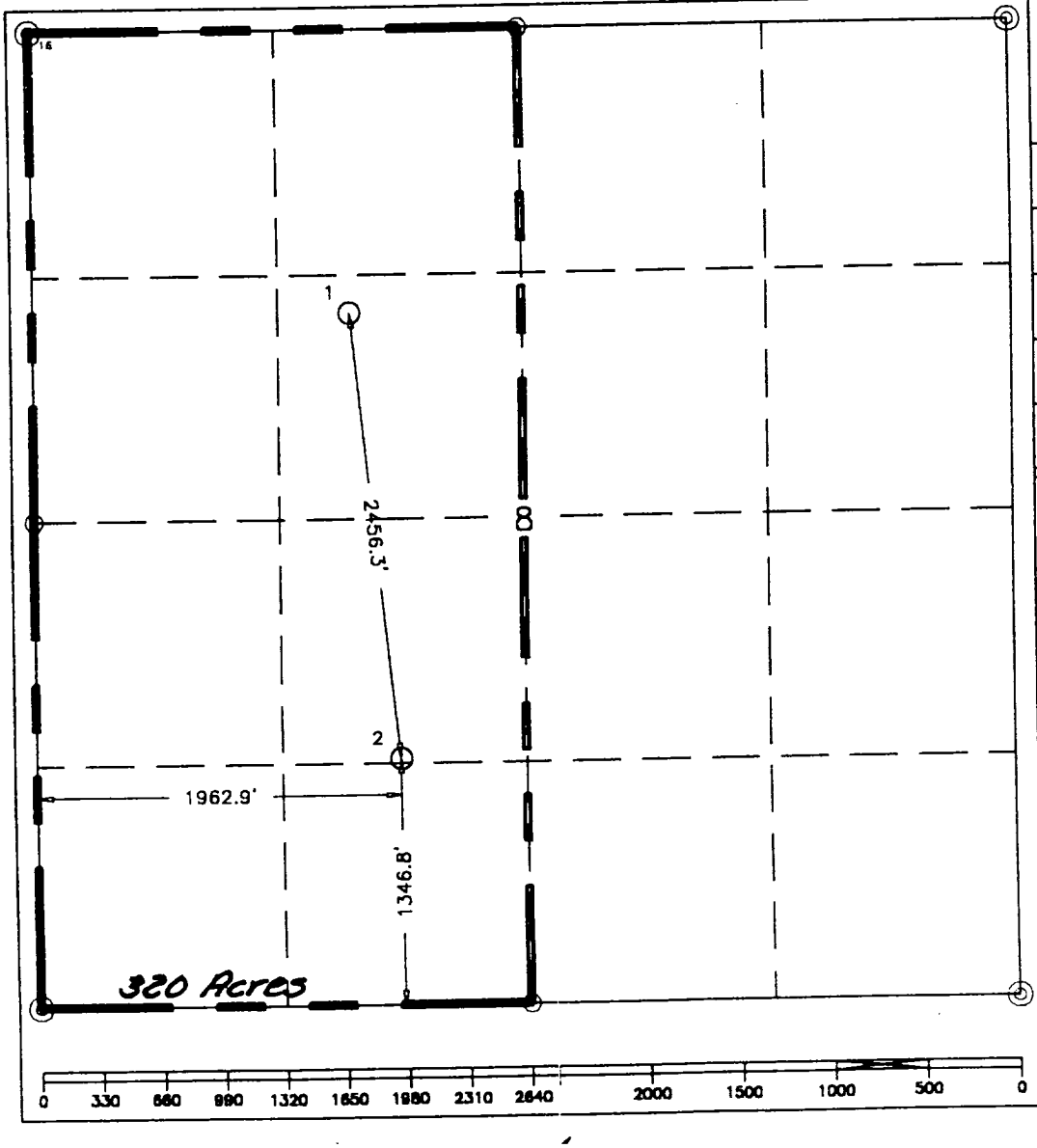
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	[7] County
K	8	26-S	30-E		1346.8'	South	1962.9'	West	Eddy

[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	[7] County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
320			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION.



[17] OPERATOR CERTIFICATION

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

Signature: A. Phil Ryan

Printed Name: A. Phil Ryan

Position: Commissioner Coordinator

Company: Texaco Expl. & Prod. Inc.

Date: September 11, 2000

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: September 7, 2000

Signature & Seal of Professional Surveyor

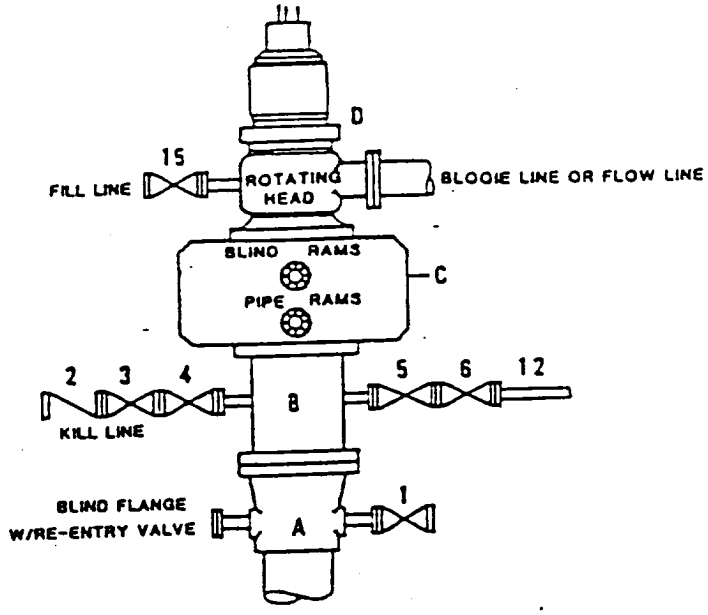
Certificate No. 7254 John S. Piper

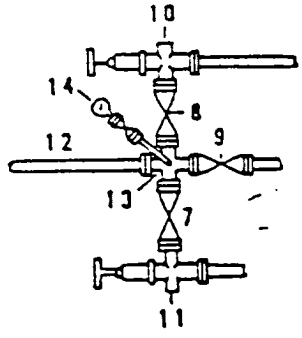
Sheet

DRILLING CONTROL
CONDITION II-B 3000 WP

FOR AIR DRILLING OR
WHERE NITROGEN OR AIR BLOWS ARE EXPECTED

H_2S TRIM REQUIRED
YES_____ NO X





DRILLING CONTROL

MATERIAL LIST - CONDITION II - B

A	Texaco Wellhead
B	3000# W.P. drilling spool with a 2" minimum flanged outlet for kill line and 3" minimum flanged outlet for choke line.
C	3000# W.P. Dual ram type preventer, hydraulic operated with 1" steel, 3000# W.P. control lines (where substructure height is adequate, 2 - 3000# W.P. single ram type preventers may be utilized).
D	Rotating Head with fill up outlet and extended Blooie Line.
1,3,4, 7,8,	2" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
2	2" minimum 3000# W.P. back pressure valve.
5,6,9	3" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
12	3" minimum schedule 80, Grade "B", seamless line pipe.
13	2" minimum x 3" minimum 3000# W.P. flanged cross.
10,11	2" minimum 3000# W.P. adjustable choke bodies.
14	Cameron Mud Gauge or equivalent (location optional in choke line).
15	2" minimum 3000# W.P. flanged or threaded full opening steel gate valve, or Halliburton Lo Torc Plug valve.

TEXACO, INC.
MIDLAND DIVISION
MIDLAND, TEXAS

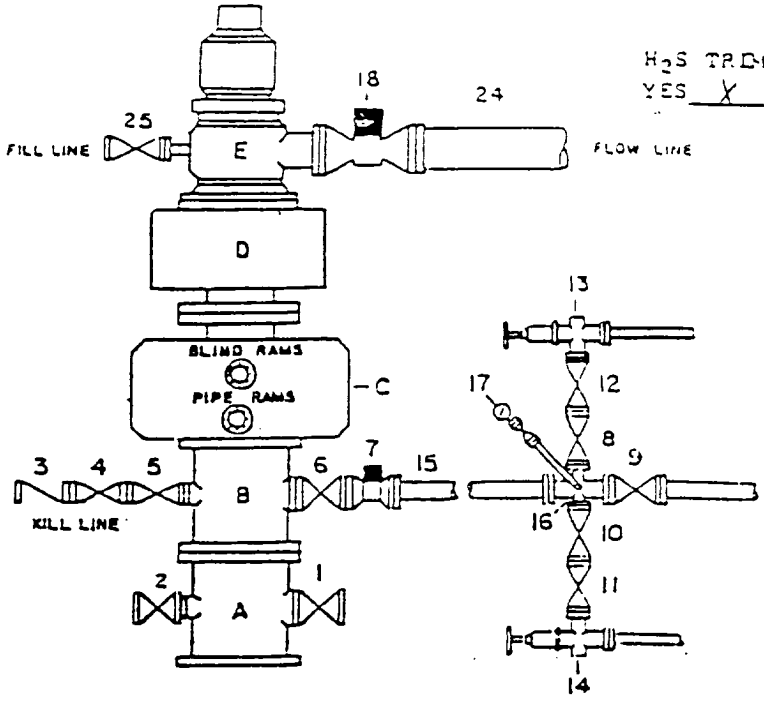
SCALE	DATE	EST NO	DRG NO
DRAWN BY			
CHECKED BY			
APPROVED BY			

EXHIBIT C

DRILLING CONTROL

CONDITION IV-B-5000 PSI WP

H_2S TRIM REQUIRED
YES X NO



DRILLING CONTROL

MATERIAL LIST - CONDITION IV - B

A	Texaco Wellhead
B	5000# W.P. drilling spool with a minimum 2" flanged outlet for kill line and 3" minimum flanged outlet for choke line.
C	5000# W.P. Dual ram type preventer, hydraulic operated with 1" steel, 5000# W.P. control lines.
D	5000# W.P. Annular preventer, hydraulic operated with 1" steel, 3000# W.P. control lines.
E	Rotating Head with fill up outlet and extended Blooie line.
1,2,4,5, 8,10,11. 12	2" minimum 5000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
3	2" minimum 5000# W.P. back pressure valve.
6,9	3" minimum 5000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
7	3" minimum 5000# W.P. flanged hydraulic valve
15	3" minimum Schedule 160, Grade B, seamless line pipe
16	2" minimum x 3" 5000# W.P. flanged cross
13,14	2" minimum 5000# W.P. adjustable chokes with carbide trim.
17	Cameron Mud Gauge or equivalent (location in choke line optional).
18	6" minimum 1000# hydraulic flanged valve.
24	8" minimum steel flow line.
25	2" minimum 3000# W.P. flanged or threaded full opening steel gate valve, or Halliburton Lo Torc Plug valve.

TEXACO, INC

SCALE | DATE | REV NO | DRG NO

DRAWN BY

CHECKED BY

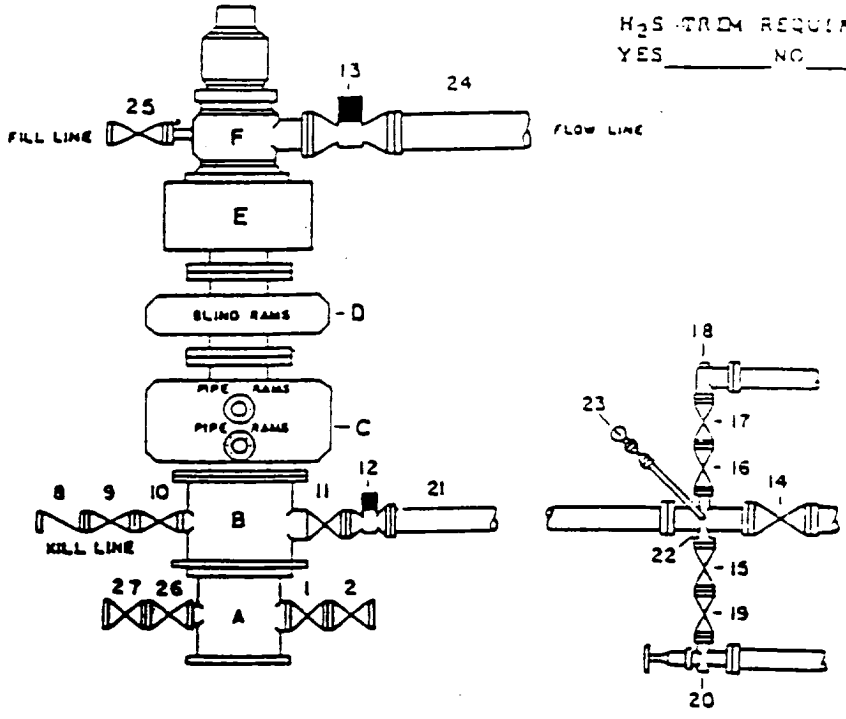
APPROVED BY

EXHIBIT F-1

DRILLING CONTROL

CONDITION V-B - 10,000 PSI WP

H_2S TRIM REQUIRED
YES_____ NO_____



DRILLING CONTROL

MATERIAL LIST - CONDITION V-B

A	Texaco Wellhead
B	10,000# W.P. Drilling Spool with a minimum 2" flanged outlet for kill line and 4" minimum flanged outlet for choke line
C	10,000# W.P. Dual Variable Ram Type preventer, hydraulic operated with 1" steel, 5000# W.P. control line
D	10,000# W.P. Single Ram Type preventer, hydraulic operated with 1" steel, 5000# W.P. control lines
E	10,000# W.P. Annular preventer, hydraulic operated with 1" steel, 5000# W.P. control lines
F	When required - Rotating Head with fill up outlet and extended Bloole line
1,2,9,10, 15,16,17, 19,26,27	2" minimum 10,000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve
8	2" minimum 10,000# W.P. back pressure valve
11,14	4" minimum 10,000# W.P. flanged full opening steel gate valve
12	4" minimum 10,000# W.P. flanged full opening hydraulic valve
13	When required - 10" minimum 10000# W.P. flanged full opening hydraulic valve
21	4" minimum 10,000# W.P. 4130 mechanical tubing with flanged ends, or equivalent
22	2" minimum X 4" minimum 10,000# W.P. flanged cross
18	2" minimum 10,000# W.P. automatic choke
20	2" minimum 10,000# W.P. adjustable choke equipped with carbide trim
23	Cameron Mud Gauge or equivalent (location in choke line optional)
24	When required - 10" steel flow line
25	3" minimum 10000# W.P. flanged or threaded full opening steel gate valve or Halliburton Lo Torc plug valve

TEXACO, INC
MIDLAND DIVISION
MIDLAND, TEXAS

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

EXHIBIT G-1