

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
N.M. Oil Cons. V-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
OMB NO. 1004-0136
Expires: November 30, 2000

C/SF

APPLICATION FOR PERMIT TO DRILL OR REENTER

Case Serial No.
914469 LC 061581

| | | | |
|---|--|--|--|
| 1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 6. If Indian, Allottee or Tribe Name | |
| 1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone | | 7. Unit or CA Agreement Name and No. 29090 | |
| 2. Name of Operator Texaco Exploration & Production 22351 | | 8. Lease Name and Well No. ROSS DRAW '24' FEDERA #1 | |
| 3a. Address 500 N. Loraine Midland, Texas 79702 | | 9. API Well No. 30-015-32110 | |
| 4. Location of Well (Report location clearly and in accordance with any Federal requirements) At surface UNIT K, 1600' FSL & 1960' FWL At proposed prod. zone SAME | | 10. Field and Pool, or Exploratory ROSS DRAW; WOLF CAMP GAS | |
| 14. Distance in miles and direction from nearest town or post office* 32 MILES SE OF CARLSBAD, NM | | 11. Sec., T., R., M., or Blk. and Survey or Area SEC 24, T-26-S, R-29-E | |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 1600' | | 12. County or Parish EDDY | |
| 16. No. of Acres in lease 320 | | 13. State NM | |
| 17. Spacing Unit dedicated to this well 320 | | | |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1ST WELL | | 20. BLM/BIA Bond No. on file CO-0058 | |
| 19. Proposed Depth 12400' | | | |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 2952' | | 22. Approximate date work will start* 11/1/01 | |
| | | 23. Estimated duration | |

24. Attachments

Carlsbad Controlled Water Basin

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

| | | |
|--------------------------------------|--------------------------------------|------------------|
| 25. Signature <i>A. Phil Ryan</i> | Name (Printed/Typed) A. PHIL RYAN | Date 10/16/01 |
| Title COMMISSION COORDINATOR | | |

| | | |
|---|---|---------------------|
| Approved by (Signature) <i>/s/ Joe G. Lara</i> | Name (Printed/Typed) /s/ JOE G. LARA | Date NOV 19 2001 |
| Title <i>Joe G. Lara</i> FIELD MANAGER | Office CARLSBAD FIELD OFFICE | |

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.
Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

*(Instructions on Reverse)

DECLARED WATER BASIN
CEMENT BEHIND THE 1334
CASING MUST BE **CIRCULATED**

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED**

RECEIVED

OCT 17 '01

BLM
ROSWELL, NM

2001 OCT 17 PM 12

2001 OCT 17 PM 12

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

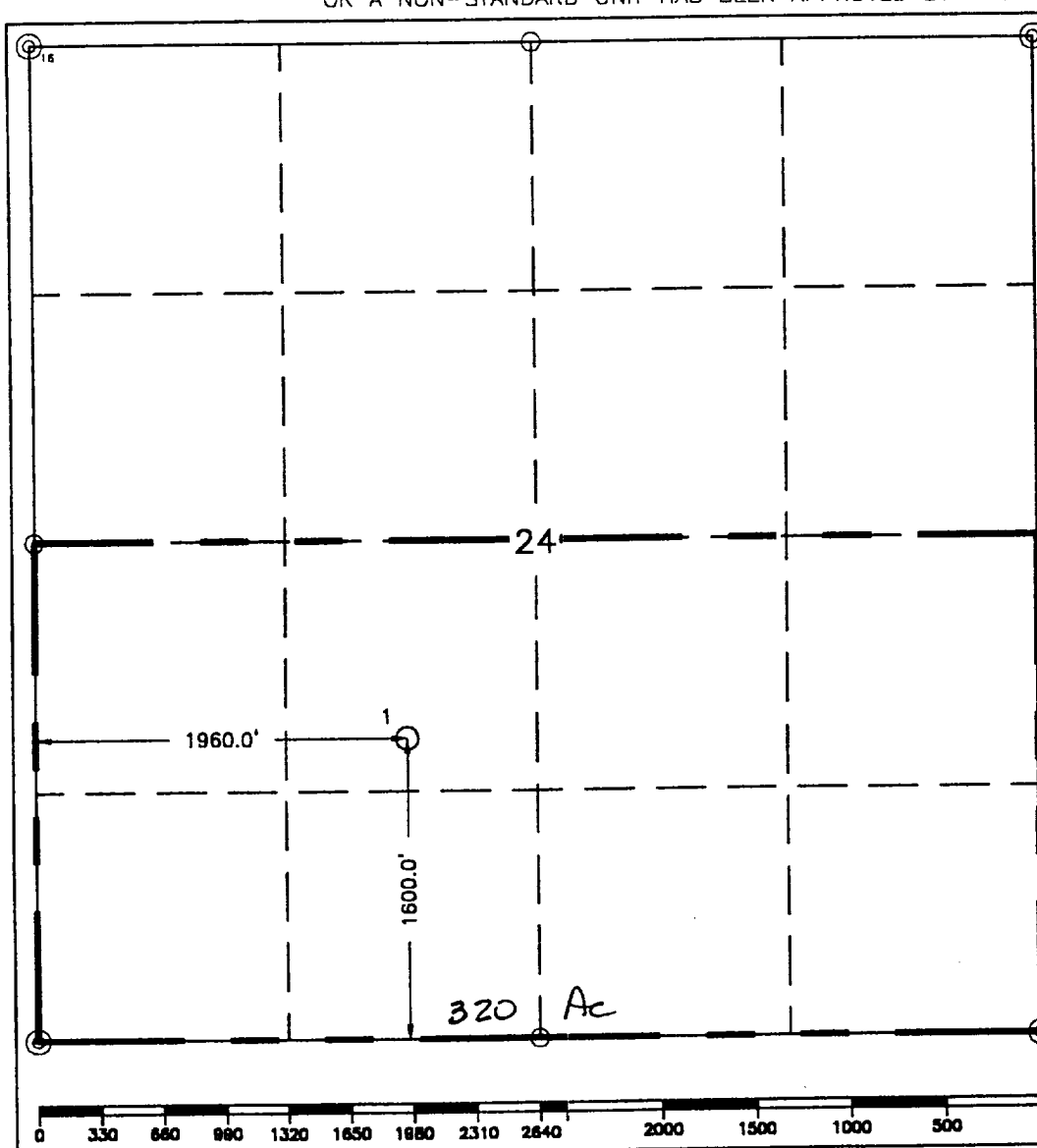
Fee Lease-3 copies

☐ 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 Ross Draw "24" Federal | | | | | | 6 Well Number 1 | |
| 7 OGRID No. 22351 | | 8 Operator Name TEXACO EXPLORATION & PRODUCTION, INC. | | | | | | 9 Elevation 2952' | |
| 10 Surface Location | | | | | | | | | |
| UL or lot no. K | Section 24 | Township 26-S | Range 29-E | Lot Idn | Feet from the 1600' | North/South line South | Feet from the 1960' | East/West line West | 7 County 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 320 | | 13 Joint or Infill | | 14 Consolidation Code | | 15 Order No. | | | |

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



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 18, 2001

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 13, 2000

Signature & Seal of
Professional Surveyor

John S. Piper

Certificate No.

7254 John S. Piper

Sheet

DRILLING PROGRAM

ROSS DRAW '24' FEDERAL WELL No. 1

SURFACE DESCRIPTION:

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

FORMATION TOPS: Estimated KB Elevation: 3963'

| <u>Formation</u> | <u>Depth</u> | <u>Lithology</u> | <u>Fluid Content</u> |
|---------------------|--------------|------------------|----------------------|
| Top of Salt | 1400' | Salt | ---- |
| Base of Salt | 3150' | Salt | ---- |
| Castille | ---- | Anhydrite | ---- |
| Delaware (Bell Cyn) | 3170' | Sand | Oil |
| Manazaita Mkr | ---- | Lime | ---- |
| Brushy Canyon | ---- | Sand | ---- |
| Lower Brushy Canyon | ---- | Sand | ---- |
| Bone Spring | 6970' | Lime | Oil |
| Wolfcamp | 9750' | Lime | ---- |
| Wolfcamp A | 11500' | Lime | Oil |
| Wolfcamp B | 11700' | Lime | Oil |
| Wolfcamp C | 11900' | Lime | Oil |
| Total Depth: | 12400' | | |

The base of the salt section is the top of the Delaware at 3170'. 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 900' to 12,400' (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:

All casing will be new.

Casing Program:

Surface Casing - 17 1/2" hole, 13 3/8", 48#, H-40, STC, set @ 900'.

Intermediate Casing 1: 12 1/4" hole, 9 5/8", 36#, J-55, STC, set @ 3200'.

Intermediate Casing 2: 8 1/2" hole, 7, 29#, P-110, BTC, set @ 11100'.

Production Casing: 6" hole, 5", 18#, C-95, set @ 12400'.

Cementing Program:

Surface Casing: 600 Class C w/2% Gel, 2% CaCl₂ (13.5 PPG, 1.74 CF/S, 9.11 GW/S). F/B 390 sacks Class C w/2% Gel (14.8 PPG, 1.34 CF/S, 6.31 GW/S).

Intermediate Casing 1: 870 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 270 sacks Class H (15.6 PPG, 1.18 CF/S, 5.20 GW/S).

Intermediate Casing 2: 680 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 110 sacks Class H (15.6 PPG, 1.18 CF/S, 5.20 GW/S). F/B 690 Class H w/3% Gel, 5% Salt, 1/4# FC (11.5 PPG, 2.98 CF/S, 10.46 GW/S). F/B 120 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: 210 sacks Gas Block (16.4 PPG, 1.09 CF/S, 5.31 GW/S).

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 @ 7000' with ECP below (100% Excess).

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

MUD PROGRAM:

| <u>Depth</u> | <u>Type</u> | <u>Weight</u> | <u>Viscosity</u> |
|---------------|------------------------|---------------|------------------|
| 0'-900' | Fresh Water | 8.4 | 30 |
| 900'-3200' | Brine | 10.0 | 29 |
| 3200'-11100' | Fresh Water | 8.4 | 29-40 |
| 11100'-12400' | Weighted Brine/Polymer | 10-14.2 | 40 |

LOGGING, TESTING:

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

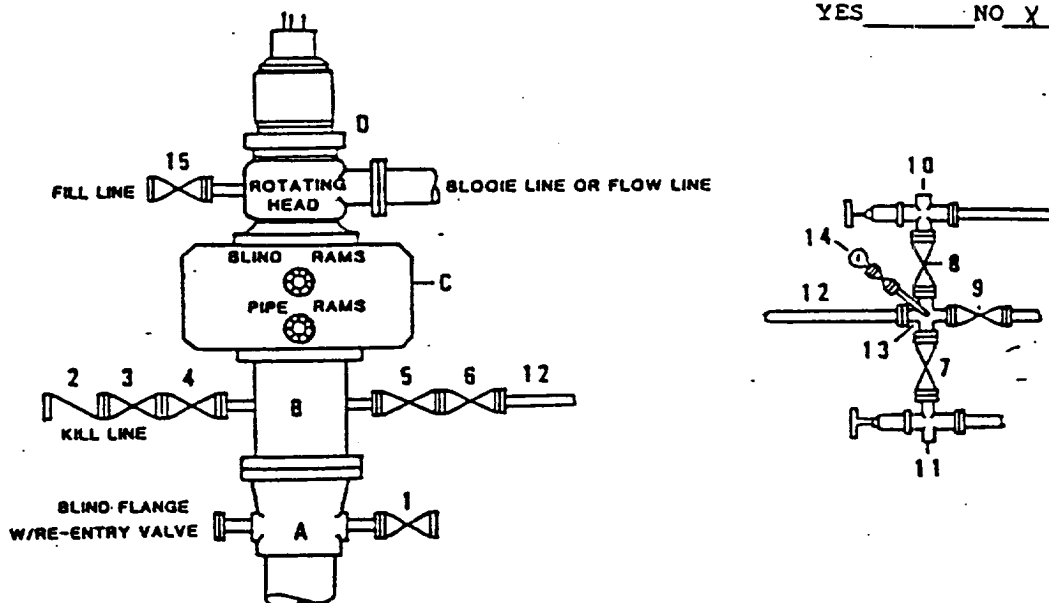
A two-man Mud Logging Unit will be used from 3200' to 12400'.

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**

H₂S 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 Choke 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.



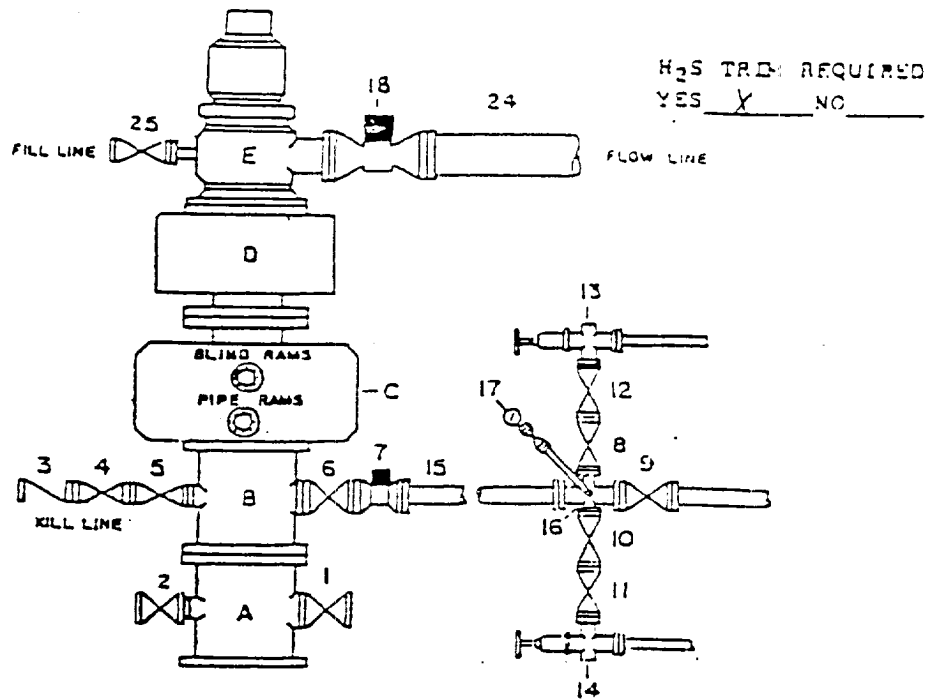
TEXACO, INC.
MIDLAND DIVISION
MIDLAND, TEXAS



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

EXHIBIT C

DRILLING CONTROL
CONDITION IV-8-5000 PSI WP



DRILLING CONTROL
MATERIAL LIST - CONDITION IV - 8

- A Texaco Wellhead
- B 5000# W.P. drilling spool with a minimum 1" flanged outlet for kill line and 1" 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, 5000# W.P. control lines.
- E Rotating Head with fill up outlet and extended Biddle line.
- 1,2,4,5, 8,10,11, 12 1" minimum 5000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
- 1 1" minimum 5000# W.P. back pressure valve.
- 6,9 1" minimum 5000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
- 7 1" minimum 5000# W.P. flanged hydraulic valve
- 15 1" minimum Schedule 160, Grade 8, 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 4" minimum 1000# hydraulic flanged valve.
- 24 8" minimum steel flow line.
- 25 1" minimum 1000# W.P. flanged or threaded full opening steel gate valve, or Halliburton Lo Torc Plug valve.



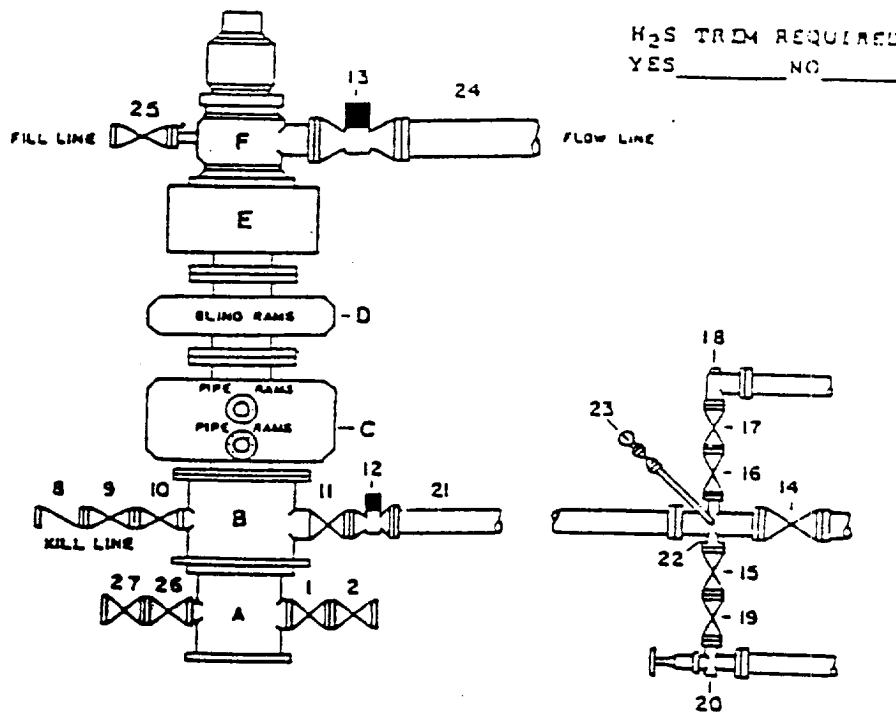
TEXACO, INC.
HARDING SERVICE
MILWAUKEE, WIS.



| | | | |
|-------------|------|----------|----------|
| SCALE | DATE | EST. NO. | ORD. NO. |
| 34444 87 | | | |
| CHECKED 87 | | | |
| APPROVED 87 | | | |

EXHIBIT F-1

DRILLING CONTROL **CONDITION X-B - 10,000 PSI WP**



DRILLING CONTROL

MATERIAL LIST - CONDITION X-B

- A Texaco Wellhead
- 8 10,000# W.P. Drilling Spool with a minimum 1" 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, 10000# W.P. control line
- D 10,000# W.P. Single Ram Type preventer, hydraulic operated with 1" steel, 10000# W.P. control lines
- E 10,000# W.P. Annular preventer, hydraulic operated with 1" steel, 10000# W.P. control lines
- F When Required - Rotating Head with fill up outlet and extended choke line
- 1,2,9,10, 1" minimum 10,000# W.P. flanged full opening steel gate valve, or Halliburton La Ford Plug valve
- 13,14,17, 19,20,27
- 8 1" 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 1" minimum X 4" minimum 10,000# W.P. flanged cross
- 18 1" minimum 10,000# W.P. automatic choke
- 20 1" 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 1" minimum 10000# W.P. flanged or threaded full opening steel gate valve or Halliburton La Ford plug valve



TEXACO, INC.
MIDLAND DIVISION
MIDLAND, TEXAS



| | | | |
|--------------|------|--------|--------|
| SCALE: | GATE | EST NO | GRG NO |
| DRAWN BY: | | | |
| CHECKED BY: | | | |
| APPROVED BY: | | | |

EXHIBIT G-1

OPERATOR - LANDOWNER AGREEMENT

COMPANY: TEXACO EXPLORATION AND PRODUCTION INC.

PROPOSED WELL: ROSS DRAW '24' FEDERAL NO. 1
FEDERAL LEASE NO. NM-914469

This is to advise that Texaco Exploration and Production Inc. has an agreement with:

Byron Paschal, P. O. Box 992, Pecos, TX 79772 (915) 445-2988

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.

10/16/01

Date



A. Phil Ryan
Commission Coordinator
Midland, Texas

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

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

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:


Lease No.: *LC 661551*
~~NM-914469~~

Legal Description of Land: Unit K, 1600' FSL & 1960' FWL, Section 24, T-26-S, R-29-E.

Formations: Ross Draw, Wolfcamp

Bond Coverage: Nationwide

BLM Bond File No.: CO-0058

Authorized Signature: _____

Title: Commission Coordinator
Date: October 16, 2001

SURFACE USE AND OPERATIONS PLAN
FOR
TEXACO EXPLORATION AND PRODUCTION, INC.

ROSS DRAW "24" FEDERAL NO. 1

Located 1600' FSL & 1960' FWL Section 24,
Twp. 26 South, Range 29 East, N.M.P.M.,
Eddy County, New Mexico

LOCATED: 32 miles Southeast of Carlsbad, New Mexico

FEDERAL LEASE NUMBER: LC-061581

LEASE ISSUED: Lease is in a producing status.

ACRES IN LEASE: 320.0 Acres

RECORD LESSEE: Texaco Exploration and Production, Inc.

SURFACE OWNERSHIP: USA

GRAZING PERMITTEE: Bryon Paschal
P.O. Box 992
Pecos, TX 79772
(915)445-2988

POOL: Ross Draw, 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 Map

B. Lease and Facilities Map

C. Drilling Rig Layout Diagram

D. Well Location and Acreage Dedication Plat

1. ACCESS ROADS EXISTING

Exhibit "A" is an enlarged 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 at the intersection of an existing resource road and County Road 725, 7 miles Southeasterly of its intersection with State Highway No. 285, which is approximately 9 miles South of Malaga, New Mexico. From Point "A" go 0.25 miles Southeasterly and 0.25 miles Southwesterly along said existing resource road to Point "B" near the Southwest corner of the proposed well pad.

2. PLANNED RESOURCE ROAD

A. Length and Width: From Point "B" as shown on Exhibit "A" a new 14 foot wide Resource Road will be constructed approximately 40 feet Easterly (shown in Red on Exhibit "A") with access at the Southwest corner of the proposed well pad, as shown on Exhibits "A" and "B"

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 two percent will be encountered ascending to the proposed well pad.

D. Turnouts: Turnouts will not be 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 not be 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: 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 "A & 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 "B" 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 NW/4 of the NW/4 of Section 24 T-26-S, R-29-E, NMPM, Eddy County, New Mexico as shown on Exhibit "A" along the existing resource roads. (\$1.25 CY)

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 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 Southwest with an average slope of approximately two to three 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, ponds, or streams in the area. Red Bluff reservoir on the Pecos River is located approximately 3 miles to the South across the state line in Texas.

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

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

F. 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.

10/16/01
Date

A. Phil Ryan
A. Phil Ryan
Commission Coordinator
Midland, Texas

Enclosures
jsp

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

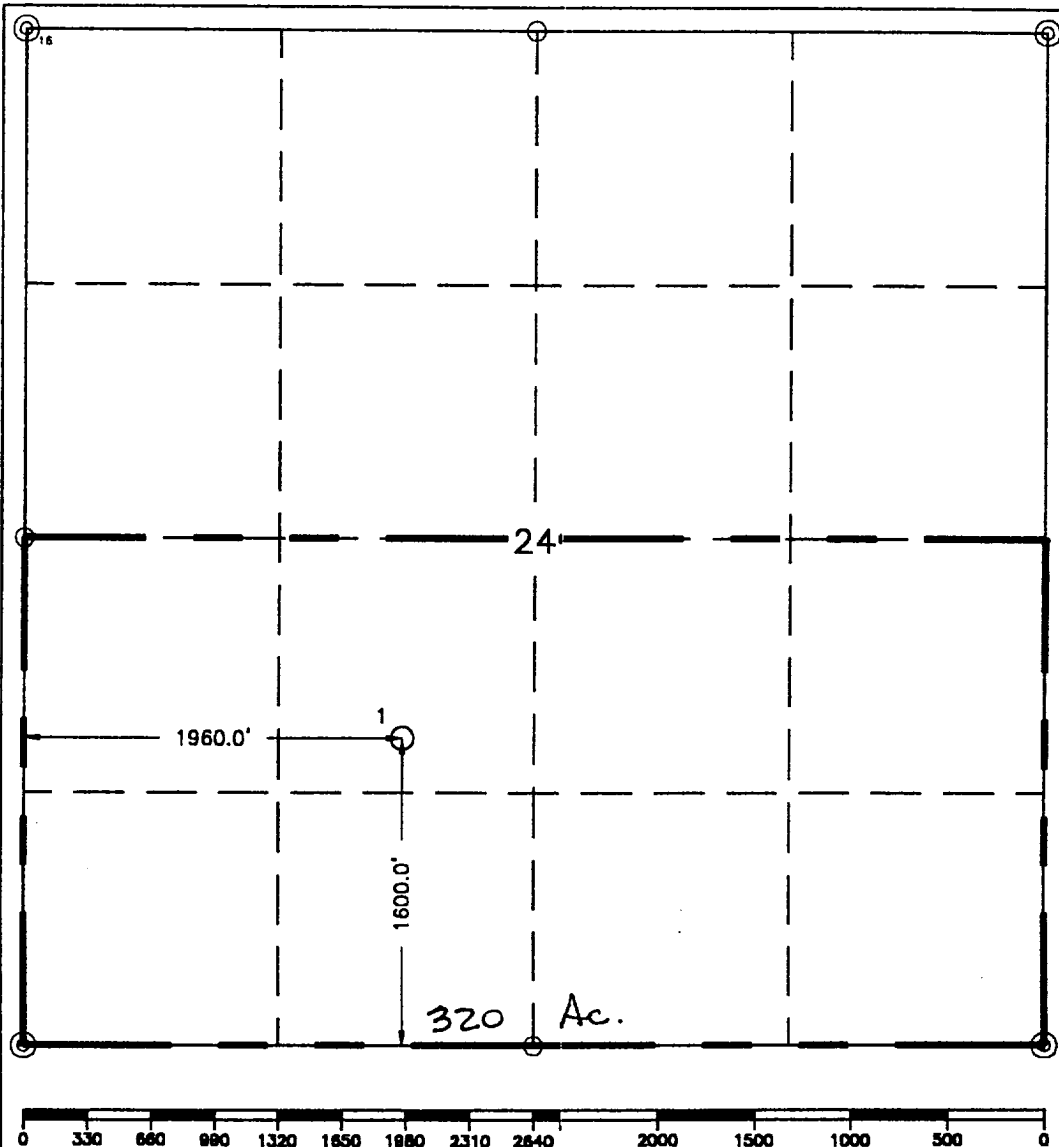
WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|---------------------------------|--|---|--|---|---------------------------------|
| ¹ API Number | | ² Pool Code | | ³ Pool Name Ross Draw, Wolfcamp | |
| ⁴ Property Code | | ⁵ Property Name Ross Draw "24" Federal | | | ⁶ Well Number 1 |
| ⁷ OGRID No. 22351 | | ⁸ Operator Name TEXACO EXPLORATION & PRODUCTION, INC. | | | ⁹ Elevation 2952' |

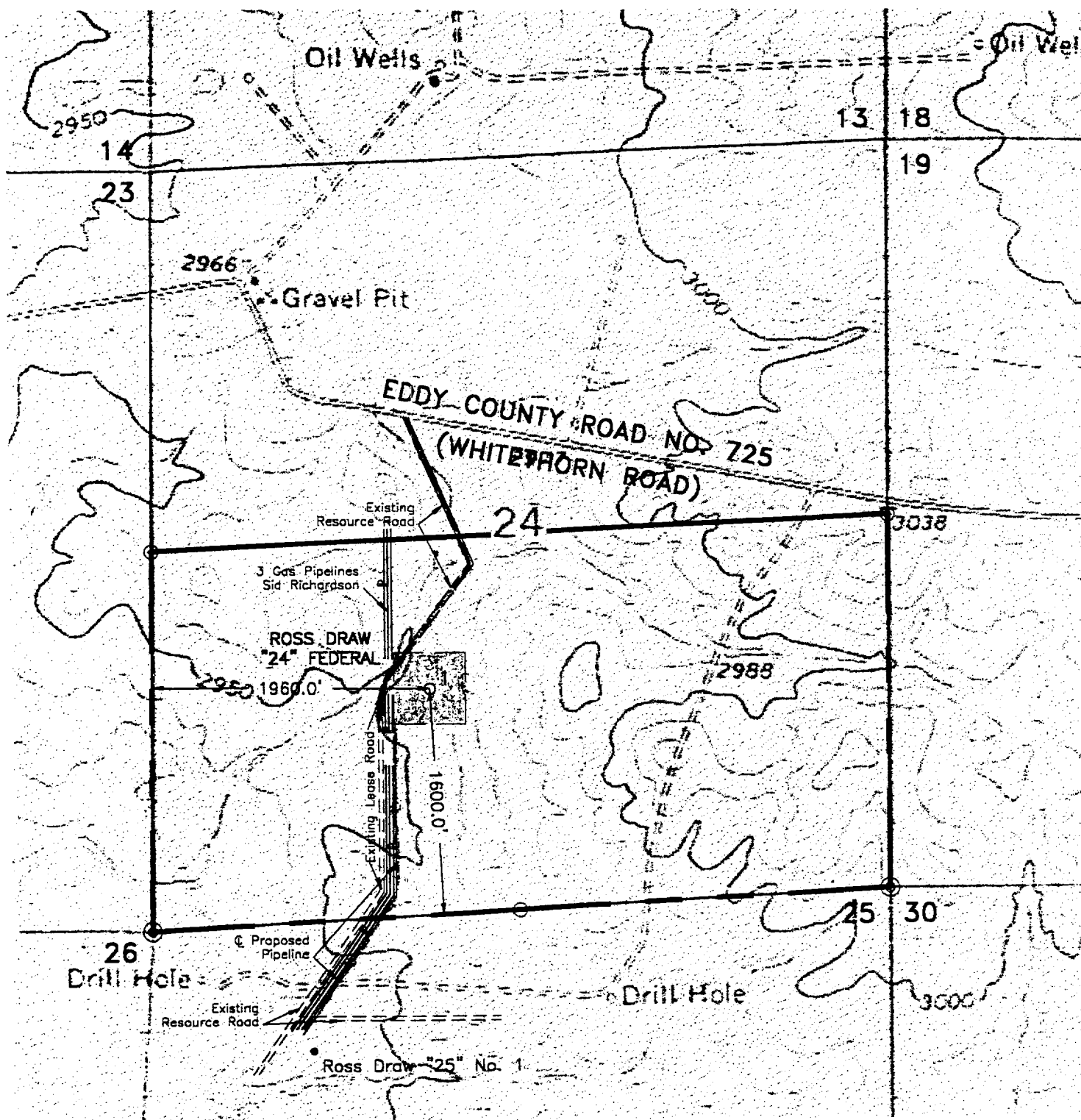
| ¹⁰ Surface Location | | | | | | | | | |
|--------------------------------|---------------|------------------|---------------|---------|------------------------|---------------------------|------------------------|------------------------|-----------------------------|
| UL or lot no. K | Section 24 | Township 26-S | Range 29-E | Lot Idn | Feet from the 1600' | North/South line South | Feet from the 1960' | East/West line West | ⁷ County 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 320 | | ¹³ Joint or Infill | | ¹⁴ Consolidation Code | | ¹⁵ Order No. | | | |

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

| | |
|---|---|
|  | ¹⁶ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. |
| | Signature <i>A. Phil Ryan</i> |
| | Printed Name A. Phil Ryan |
| | Position Commissioner Coordinator |
| | Company Texaco Expl. & Prod. Inc. |
| Date September 18, 2001 | |
| ¹⁷ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief. | |
| Date Surveyed September 13, 2000 | |
| Signature & Seal of Professional Surveyor <i>John S. Piper</i> | |
| Certificate No. 7254 John S. Piper | |
| Sheet | |

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



LEGEND OF SYMBOLS

- = Access Road (Yellow)
- = Resource 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)
- E- = Proposed Electric Line (Orange)
- = Proposed Production Flow Line (Green)
- o = Staked Well Location
- = Producing Well Location
- = Water Injection Well
- o = Found 1" Iron Pipe with Brass Cap
- o = Found 2" or 3" Iron Pipe with Brass Cap
- = Unit or Lease Boundary

EXHIBIT "A" ACCESS ROAD AND FACILITIES MAP

TEXACO EXPLORATION AND PRODUCTION INC.

ROSS DRAW "24" FEDERAL NO. 1
Located 1600' FSL & 1960' FWL, Section 24,
T-26-S, R-29-E, NMPM, Eddy County, NM

Drawn by: Gene M. Rodriguez

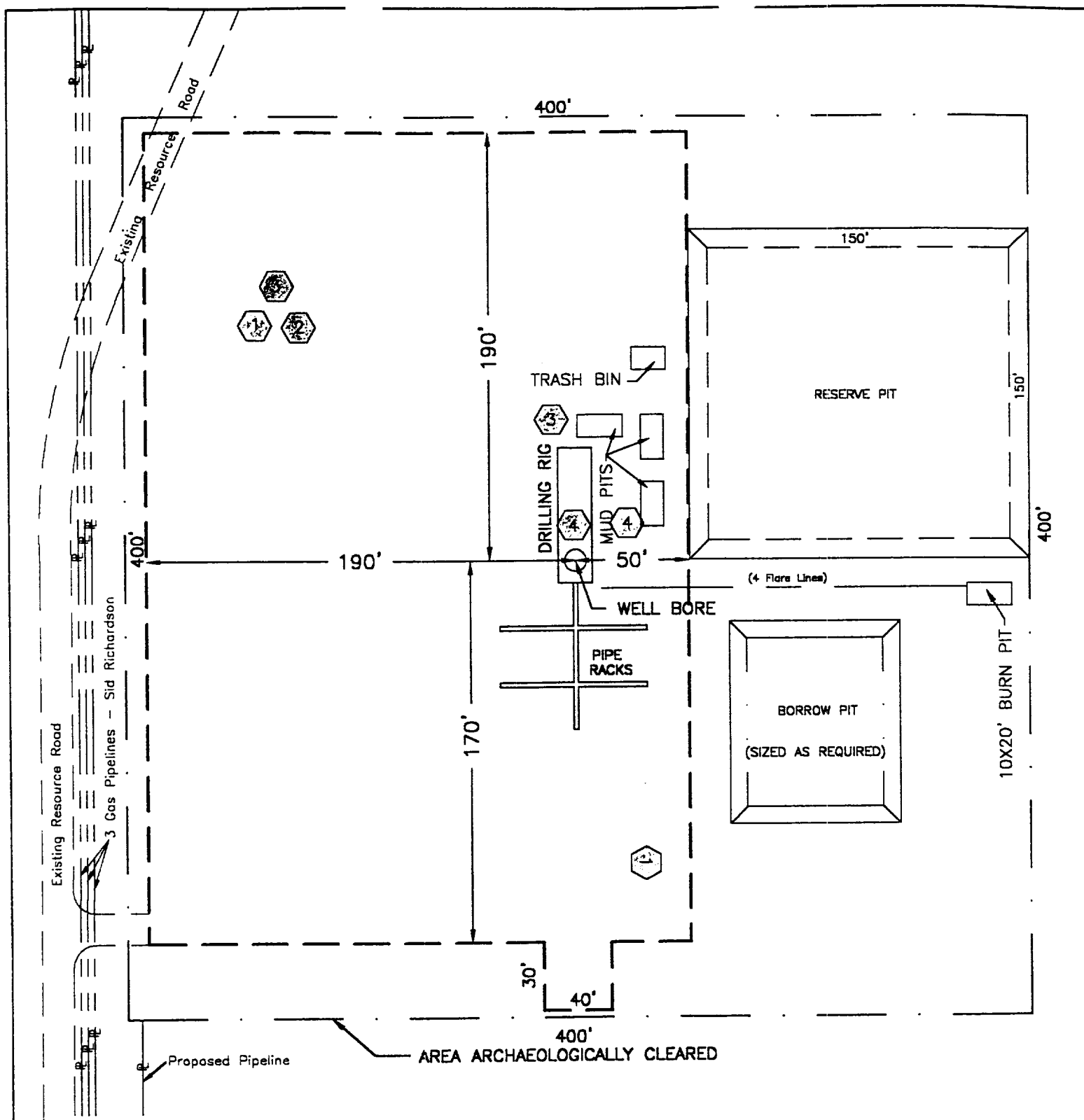
Scale: 1" = 1000'

Date: September 17, 2001

A. Phil Ryan

Checked by: J.S. Piper

Sheet 1 of 1



H₂S DRILLING OPERATION PLAN

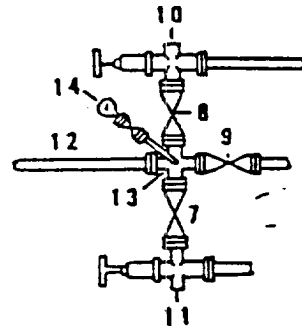
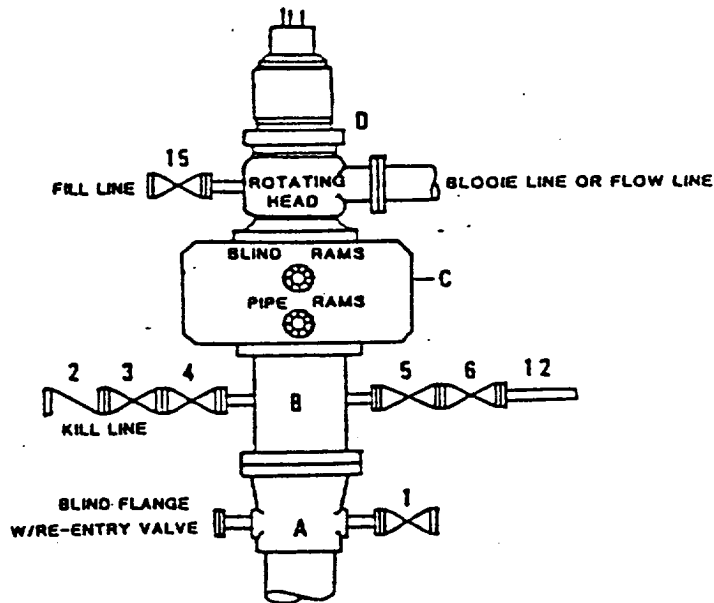
- Briefing Station
- H₂S Safety Trailer
- Windsocks
- H₂S Detectors, Shale Shaker, Rotating Head, Rig Floor

Prevailing Wind from the South

| EXHIBIT "B" | |
|---|-----------------------------|
| DRILLING RIG LAYOUT | |
| TEXACO EXPLORATION AND PRODUCTION INC. | |
| ROSS DRAW "24" FEDERAL NO. 1 Located 1600' FSL & 1960' FWL, Section 24, T-26-S, R-29-E, NMPM, Eddy County, NM | |
| Drawn by: Gens M. Rodriguez | Scale: 1" = 80' |
| Date: September 17, 2001 | A. Phil Ryan |
| Checked by: J. S. Piper | Drawing File: Ross24_1B.Dwg |

**DRILLING CONTROL
CONDITION II-B 3000 WP
FOR AIR DRILLING OR
WHERE NITROGEN OR AIR BLOWS ARE EXPECTED**

H₂S 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 | 1" minimum 3000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve. |
| 12 | 1" 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. |



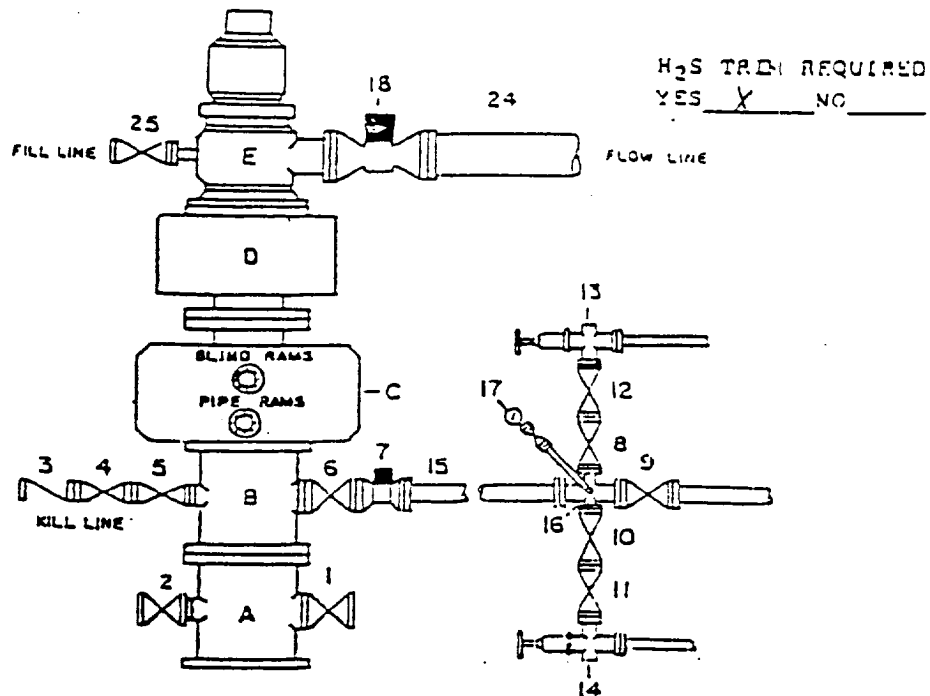
TEXACO, INC.
MIDLAND DIVISION
MIDLAND, TEXAS



| SCALE | DATE | EST. NO. | ORG. NO. |
|--------------|------|----------|----------|
| DRAWN BY: | | | |
| CHECKED BY: | | | |
| APPROVED BY: | | | |

EXHIBIT C

DRILLING CONTROL CONDITION IV-8-5000 PSI WP



DRILLING CONTROL MATERIAL LIST - CONDITION IV - 8

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



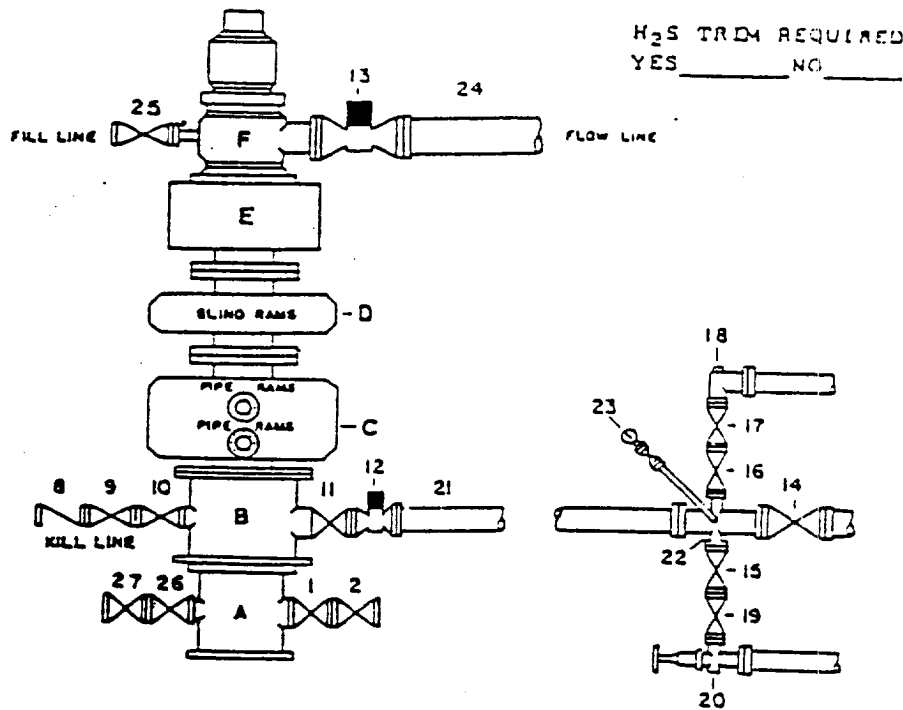
TEXACO, INC
MIDLAND DIVISION
MIDLAND, TEXAS



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|-------------|------|--------|--------|
| SCALE | DATE | EST NO | DRG NO |
| 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 Texas 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 choke line
- 1,2,9,10, 2" minimum 10,000 W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug 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

ROSS DRAW '24' FEDERAL WELL No. 1

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.

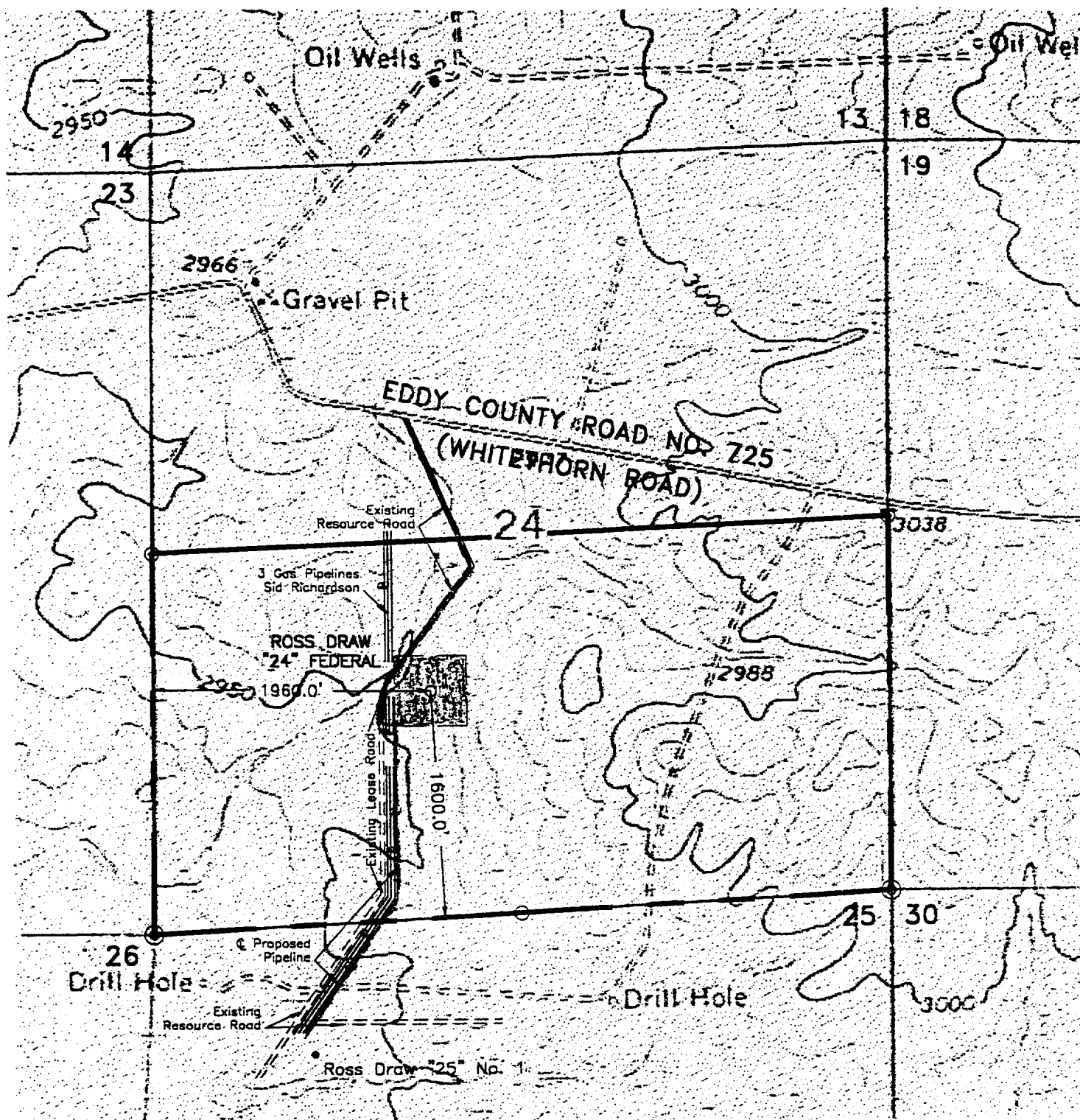
Wind direction indicators will be on the rig floor and at one briefing station with at least one visible from all points on the location.

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)
- == = Resource 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)
- o = Staked Well Location
- o = Producing Well Location
- o = Water Injection Well
- o = Found 1" Iron Pipe with Brass Cap
- o = Found 2" or 3" Iron Pipe with Brass Cap
- = Unit or Lease Boundary

EXHIBIT "A" ACCESS ROAD AND FACILITIES MAP

TEXACO EXPLORATION AND PRODUCTION INC.

ROSS DRAW "24" FEDERAL NO. 1
Located 1600' FSL & 1960' FWL, Section 24,
T-26-S, R-29-E, NMPM, Eddy County, NM

Drawn by: Gene M. Rodriguez

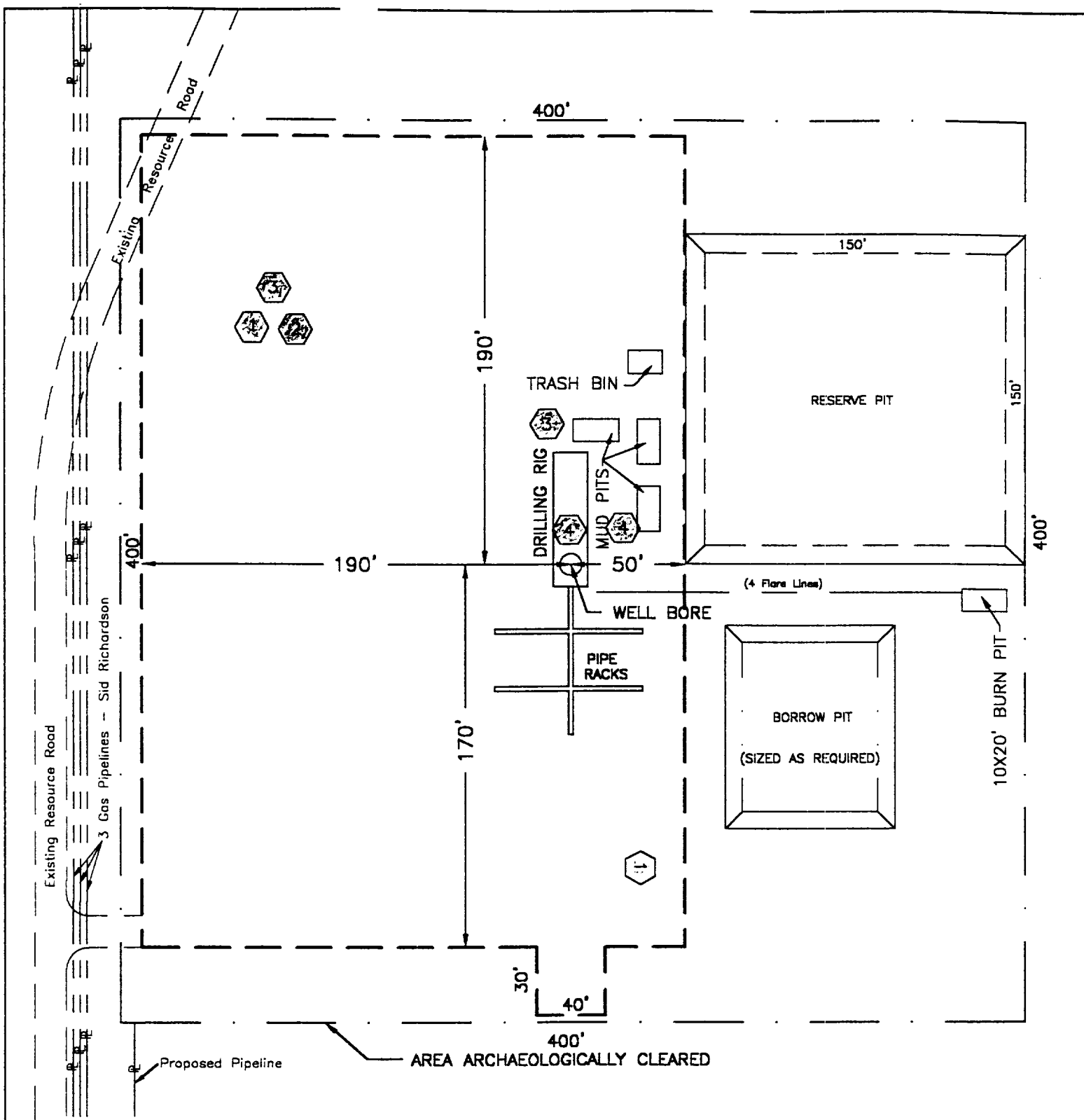
Scale: 1" = 1000'

Date: September 17, 2001

A. Phil Ryan

Checked by: J.S. Piper

Sheet 1 of 1



H₂S DRILLING OPERATION PLAN



Briefing Station



H₂S Safety Trailer



Windsocks



H₂S Detectors, Shale Shaker,
Rotating Head,
Rig Floor

Prevailing Wind from the South

EXHIBIT "B" DRILLING RIG LAYOUT

TEXACO EXPLORATION AND PRODUCTION INC.

ROSS DRAW "24" FEDERAL NO. 1
Located 1600' FSL & 1960' FWL, Section 24,
T-26-S, R-29-E, NMPM, Eddy County, NM

Drawn by: Gene M. Rodríguez

Scale: 1" = 60'

Date: September 17, 2001

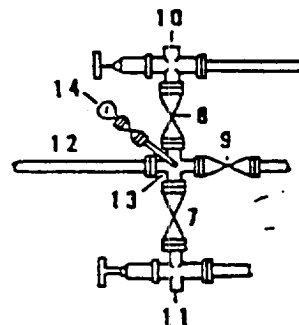
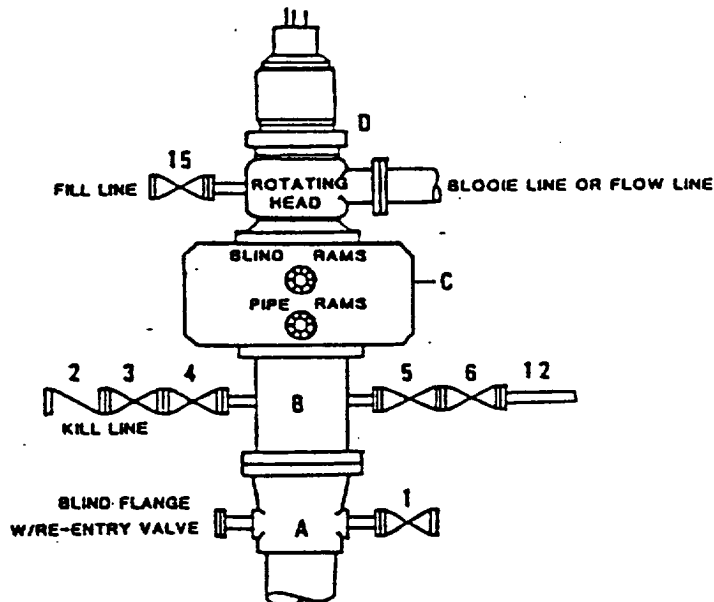
A. Phil Ryan

Checked by: J. S. Piper

Drawing File: Ross24_1B.Dwg

**DRILLING CONTROL
CONDITION II-B 3000 WP
FOR AIR DRILLING OR
WHERE NITROGEN OR AIR BLOWS ARE EXPECTED**

H₂S TRIM REQUIRED
YES _____ NO Y



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 Blooe 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.



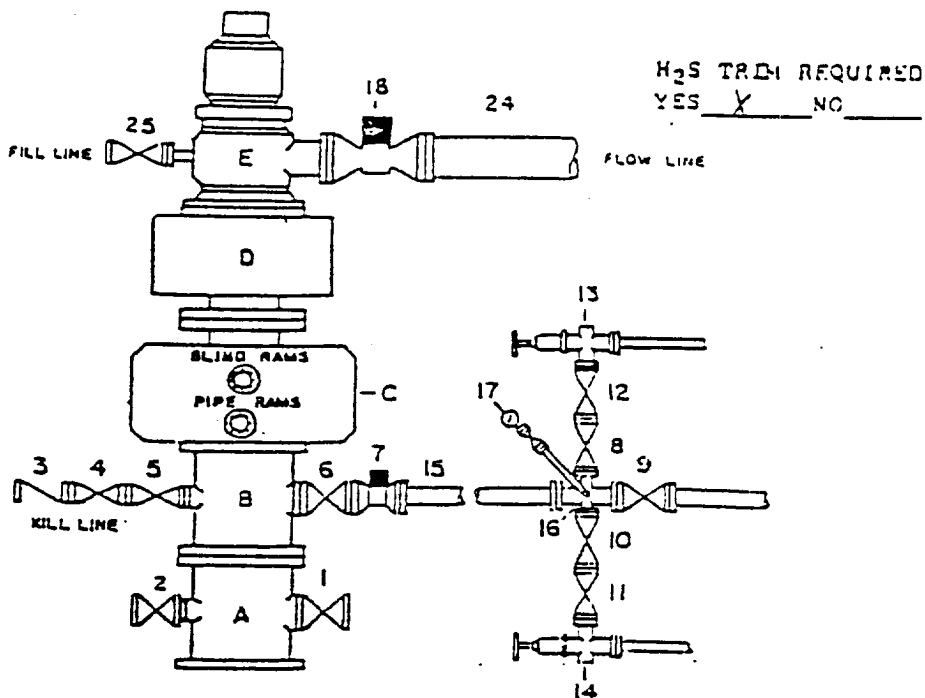
TEXACO, INC.
MIDLAND DIVISION
MIDLAND, TEXAS



| SCALE | DATE | EST. NO. | ORG. NO. |
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| DRAWN BY | | | |
| CHECKED BY | | | |
| APPROVED BY | | | |

EXHIBIT C

DRILLING CONTROL CONDITION IV-B-5000 PSI WP



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 1" 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, 5000# W.P. control lines.
- E Rotating Head with fill up outlet and extended bleed 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 1" minimum 5000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
- 7 1" minimum 5000# W.P. flanged hydraulic valve
- 15 1" minimum Schedule 160, Grade 8, seamless line pipe
- 16 2" minimum x 1" 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 5000# W.P. flanged or threaded full opening steel gate valve, or Halliburton Lo Torc Plug valve.



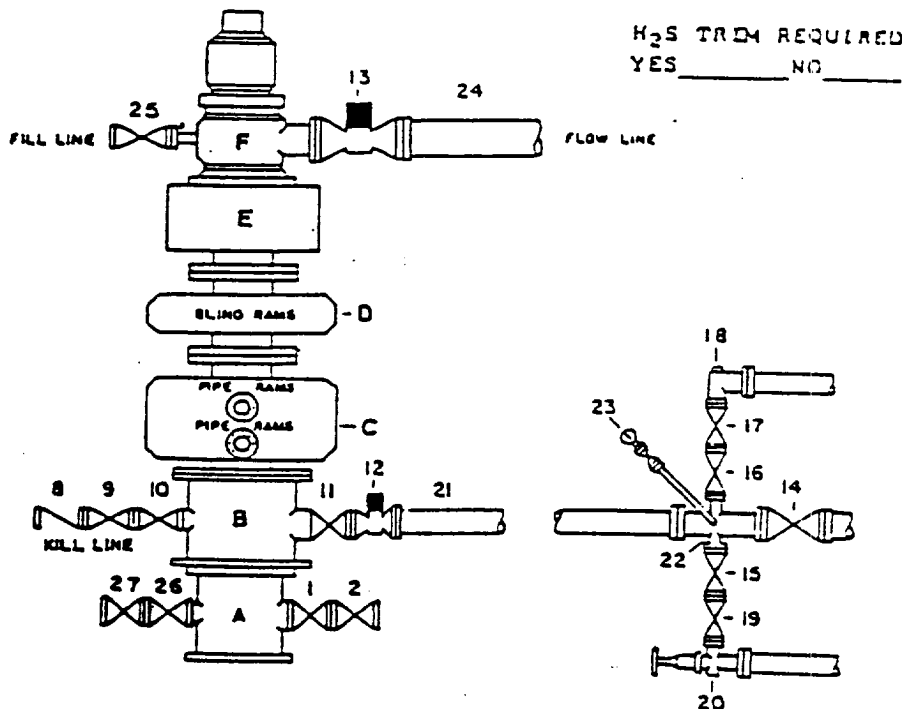
TEXACO, INC.
Drilling Services
Wellhead Division



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| SCALE | DATE | EST. NO. | DRU. NO. |
| DRAWN BY | | | |
| CHECKED BY | | | |
| APPROVED BY | | | |

EXHIBIT F-1

DRILLING CONTROL **CONDITION V-B - 10,000 PSI WP**



H₂S TRIM REQUIRED
 YES _____ NO _____

DRILLING CONTROL

MATERIAL LIST - CONDITION V-B

- A Texaco Wellhead
- 8 10,000 W.P. Drilling Spool with a minimum 2" flanged outlet for kill line and 4" minimum flanged outlet for chase line
- C 10,000 W.P. Dual Variable Ram Type preventer, hydraulic operated with 1" steel, 3000 W.P. control line
- D 10,000 W.P. Single Ram Type preventer, hydraulic operated with 1" steel, 3000 W.P. control lines
- E 10,000 W.P. Annular preventer, hydraulic operated with 1" steel, 3000 W.P. control lines
- F When Required - Rotating Head with fill up outlet and extended blind line
- 1,2,9,10, 13,16,17, 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
- 16 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 chase 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 | ORD NO |
| DRAWN BY: | | | |
| CHECKED BY: | | | |
| APPROVED BY: | | | |

EXHIBIT G-1