

Submit to Appropriate District Office
 State Lease - 6 copies
 Fed. Lease - 5 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-101
 Revised 1-1-89

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

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

API NO. (assigned by OCD on New Wells)
 30-025-30754

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 857948

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:
 DRILL RE-ENTER DEEPEN PLUG BACK

b. Type of Well:
 OIL WELL GAS WELL OTHER

SINGLE ZONE MULTIPLE ZONE

2. Name of Operator
 TEXACO PRODUCING INC.

3. Address of Operator
 P.O. BOX 3109 MIDLAND, TEXAS 79702

7. Lease Name or Unit Agreement Name
 VACUUM GRAYBURG SAN ANDRES UNIT

8. Well No.
 138

9. Pool name or Wildcat
 VACUUM GRAYBURG SAN ANDRES

4. Well Location
 Unit Letter F : 1980 Feet From The NORTH Line and 2583 Feet From The WEST Line

Section 2 Township 18-S Range 34E NMPM LEA County

10. Proposed Depth
 5000'

11. Formation
 GRAYBURG-SAN ANDRES

12. Rotary or C.T.
 R

13. Elevations (Show whether DF, RT, GR, etc.)
 GR-4015'

14. Kind & Status Plug. Bond
 BLANKET

15. Drilling Contractor
 BASIN

16. Approx. Date Work will start
 12-26-89

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2"	13 3/8"	48 #	40'	READY-MIX	SURFACE
12 1/4"	9 5/8"	32.3 #	1550'	800 SX	SURFACE
8 3/4"	7"	26 #	5000'	800 SX	SURFACE

CEMENTING PROGRAM

CONDUCTOR CASING - Ready Mix
 SURFACE CASING - 800 SACKS CLASS "H" WITH 2% CaCl₂ (15.6 ppg, 1.19 cu Ft/sx 5.2 GAL WTR/sx)
 PRODUCTION CASING - 550 SACKS 35/65 POZ CLASS "H" WITH 6% GEL, 5% SALT, 1/4 # FLOCELE (12.8 ppg, 1.87 cu Ft/sx, 9.9 GAL WTR/sx) FOLLOWED BY 250 SACKS CLASS "H" (15.6 ppg, 1.18 cu Ft/sx, 5.2 GAL WTR/sx).

NO OTHER OPERATOR IN THIS 1/4 1/4 SECTION.
 UNORTHODOX LOCATION - 20 ACRE SPACING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE C. Wade Howard TITLE ENGINEERING ASSISTANT DATE 12-11-89
 TYPE OR PRINT NAME C. WADE HOWARD TELEPHONE NO. 688-4606

(This space for State Use)

ORIGINAL SIGNED BY JERRY SEXTON
 DISTRICT I SUPERVISOR

APPROVED BY _____ TITLE _____ DATE JAN 03 1990

CONDITIONS OF APPROVAL, IF ANY:

7147-2744

Spill Expires 6 Months from Approval Date Unless Drilling Underway.

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 Fee Lease - 3 copies

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 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

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 Santa Fe, New Mexico 87504-2088

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

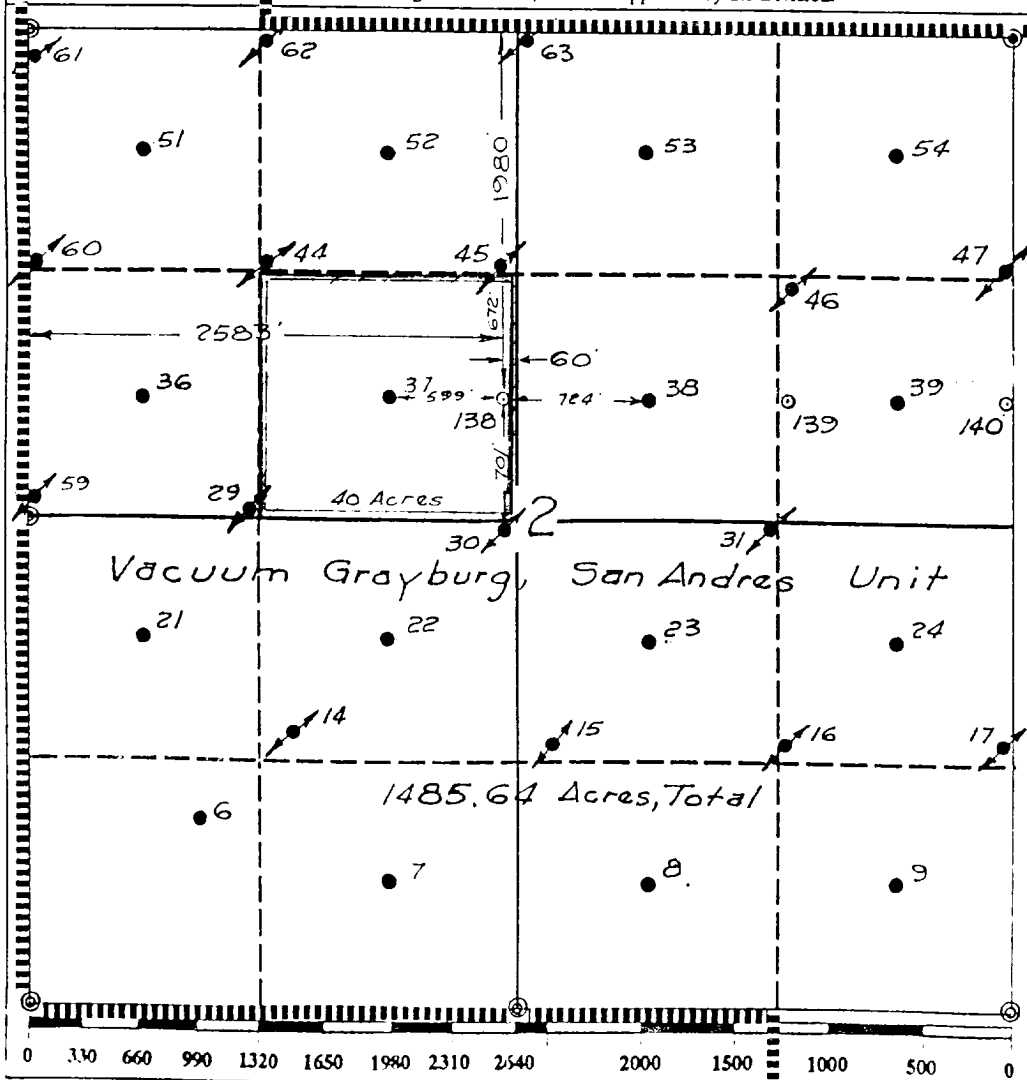
DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator TEXACO PRODUCING INC.			Lease Vacumm Grayburg, San Andres Unit		Well No. 138
Unit Letter F	Section 2	Township 18 South	Range 34 East	County Lea	
Actual Footage Location of Well: 1980 feet from the North line and 2583 feet from the West line					
Ground level Elev. 4015	Producing Formation San Andres		Pool Vacuum Grayburg - San Andres		Dedicated Acreage: 40 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
 - If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
 - If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communization, unitization, force-pooling, etc.?
 - Yes No If answer is "yes" type of consolidation Unitization
- If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
- No allowable will be assigned to the well until all interests have been consolidated (by communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



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

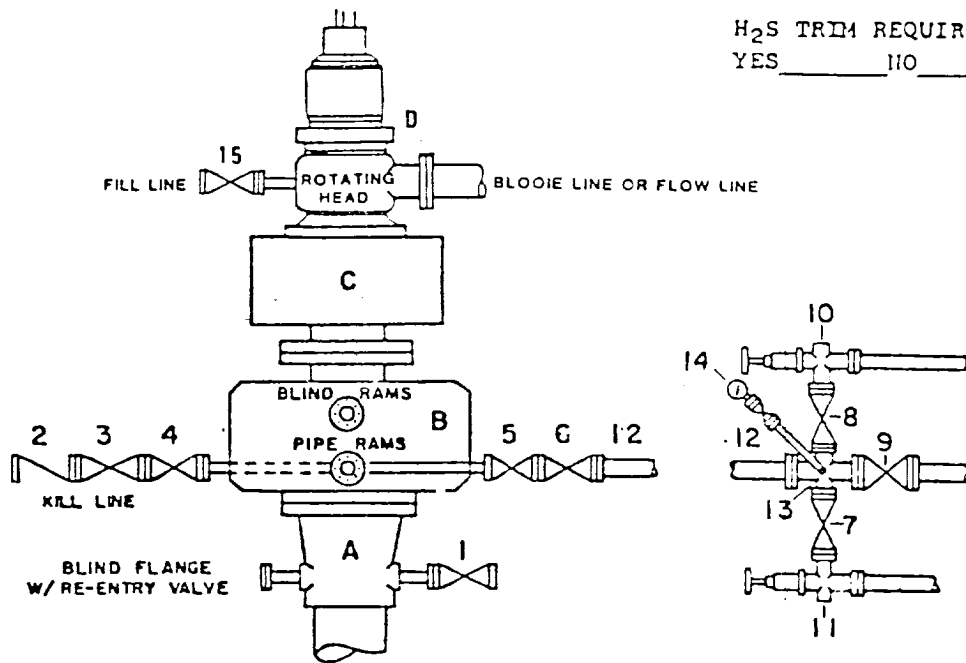
Signature: *Royce D. Mariott*
 Printed Name: Royce D. Mariott
 Position: Division Surveyor
 Company: Texaco Producing Inc.
 Date: December 7, 1989

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: December 6, 1989
 Signature & Seal of Professional Surveyor: *John S. Piper*
 Certificate No. 7254
 John S. Piper
 December 7, 1989

DRILLING CONTROL CONDITION III-B 3000 PSI WP

H₂S TRIM REQUIRED
YES _____ NO _____



DRILLING CONTROL

MATERIAL LIST - CONDITION III - B

- | | |
|----------------|---|
| A | Texaco Wellhead |
| B | 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 preventers may be utilized with 3000# W.P. drilling spool with 2" minimum flanged outlet for kill line and 3" minimum flanged outlet for choke line. The drilling spool is to be installed below the single ram type preventers). |
| C | 3000# W.P. Annular Preventer with 1" steel, 3000# W.P. control lines. |
| 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 E