

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HC 8000, NEW MEXICO, 01000

FORM APPROVED

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

SUBMIT IN TRIPLICATE

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. Type of Work **DRILL** **DEEPEN**
 1b. Type of Well **SINGLE ZONE**
 OIL WELL GAS WELL OTHER
MULTIPLE ZONE

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

3. Address and Telephone No. **P.O. Box 3109, Midland Texas 79702 688-4606**

4. Location of Well (Report location clearly and in accordance with any State requirements.)
 At Surface
 Unit Letter **O** : **660** Feet From The **SOUTH** Line and **1980** Feet From The **EAST** Line
 At proposed prod. zone
SAME

14. Distance in Miles and Direction from Nearest Town or Post Office*
23 MILES EAST OF LOVING, NM

15. Distance From Proposed* Location to Nearest Property or Lease Line, Ft. (also to nearest drlg. unit line, if any) **660'**
 16. No. of Acres in Lease **1994.13**

18. Distance From Proposed Location* to Nearest Well, Drilling, Completed or Applied For, On This Lease, Ft. **1320'**
 19. Proposed Depth **9200'**

21. Elevations (Show whether DF, RT, GR, etc.) **GR-3589'** **Central Controlled Water Basin**

5. Lease Designation and Serial No.
NM-18848

6. If Indian, Alottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and Number
SDE '31' FEDERAL
15

9. API Well No.
30-025-32917

10. Field and Pool, Exploratory Area
TRISTE DRAW WEST & SAND DUNES SOUTH BONE

11. SEC., T., R., M., or BLK. and Survey or Area
Sec. 31, Township 23-S, Range 32-E

12. County or Parish **LEA** 13. State **NM**

17. No. of Acres Assigned To This Well
40

20. Rotary or Cable Tools
ROTARY

22. Approx. Date Work Will Start*
3/27/95

23. PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|-----------------------|-----------------|---------------|------------------------|
| 11 | WC50, 8 5/8 | 24# | 950' | 325 SACKS - CIRCULATE |
| 7 7/8 | J55/L80, 5 1/2 | 17# | 9200' | 1600 SACKS - CIRCULATE |

CEMENTING PROGRAM:

SURFACE CASING - 175 SACKS CLASS C W/ 4% GEL, 2% CACL2 (13.5 PPG, 1.74 CF/S, 9.11 GW/S). F/B 150 SACKS CLASS C W/ 2% CACL2 (14.8 PPG, 1.34 CF/S, 6.3 GW/S).

PRODUCTION CASING - 1ST STAGE - 750 SACKS 50/50 POZ CLASS H W/ 2% GEL, 5% SALT, 1/4# FLOCELE (14.2 PPG, 1.35 CF/S, 6.3 GW/S). DV TOOL @ 5300'. 2ND STAGE - 750 SACKS 35/65 POZ CLASS H W/ 6% GEL, 5% SALT, 1/4# FLOCELE (12.8 PPG, 1.94 CF/S, 10.4 GW/S). F/B 100 SACKS CLASS H (15.6 PPG, 1.18 CF/S, 5.2 GW/S).

THERE ARE NO OTHER OPERATORS IN THIS QUARTER QUARTER SECTION.

ESTIMATED DRILLING DAYS TO T.D.: 20 DAYS.

OPER. OGRID NO. 22351
 PROPERTY NO. 15704
 POOL CODE 53805
 EFF. DATE 4/10/95
 API NO. 30-025-32917

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 C. Wade Howard TITLE Eng. Assistant DATE 2/23/95
 TYPE OR PRINT NAME C. Wade Howard

(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 _____ TITLE Acting DATE _____
 CONDITIONS OF APPROVAL, IF ANY:

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.

RECEIVED

APR 17 1966
RECORDS OFFICE

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

Form C-102
Revised February 10, 1994

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

Instructions on back

Submit to Appropriate District Office

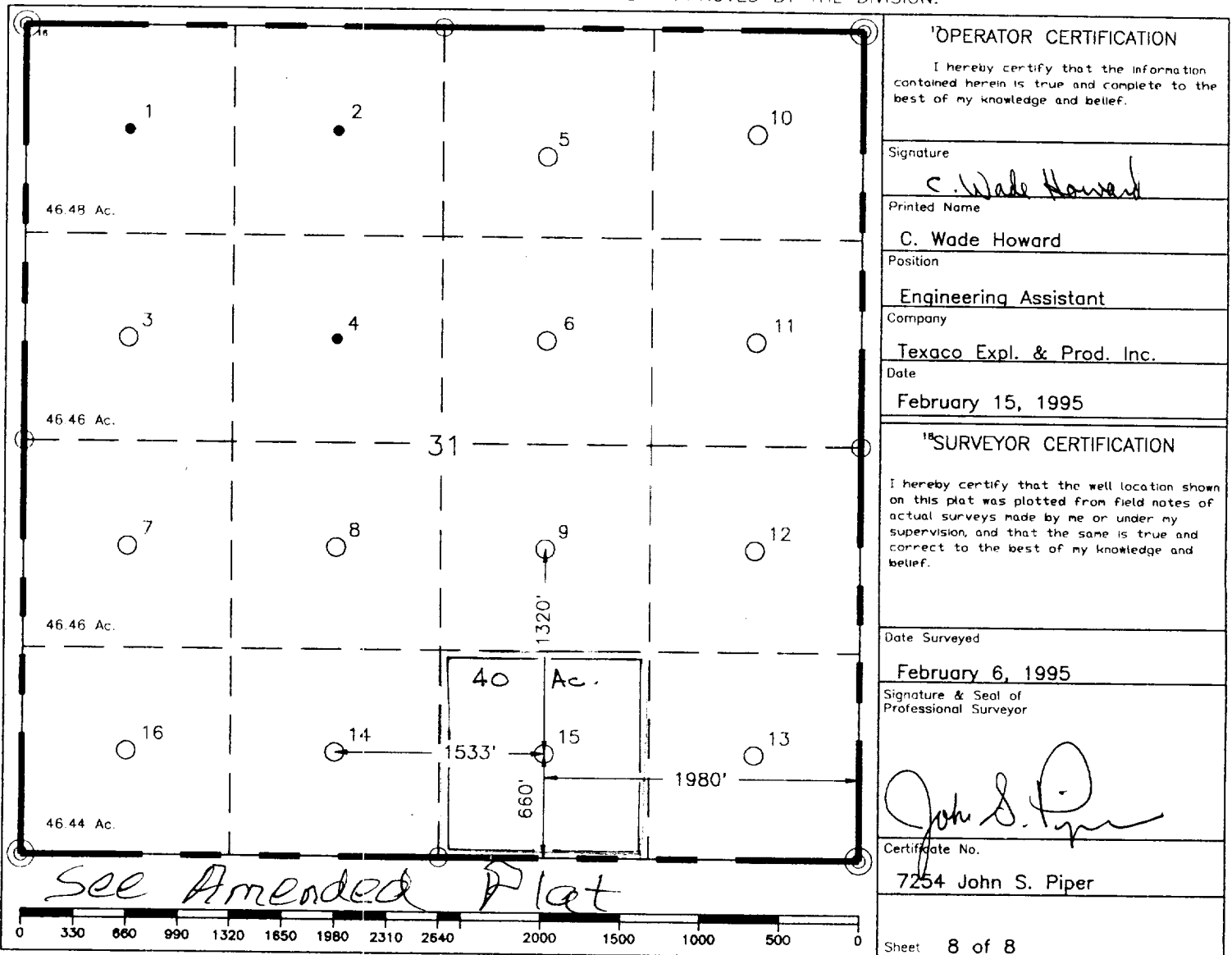
State Lease-4 copies
Fee Lease-3 copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

| ¹ API Number 30-025-32917 | | ² Pool Code 53 805 | | ³ Pool Name TRISTE DRAW WEST SAND DUNES SOUTH BONE SPRINGS | | | | | |
|--|---------------|---|---------------|--|---------------------------------|---------------------------|-----------------------|------------------------|----------------------------|
| ⁴ Property Code 15704 | | ⁵ Property Name SDE "31" FEDERAL | | | ⁶ Well Number 15 | | | | |
| ⁷ GRID No. 22351 | | ⁸ Operator Name TEXACO EXPLORATION & PRODUCTION, INC. | | | ⁹ Elevation 3589' | | | | |
| ¹⁰ Surface Location | | | | | | | | | |
| UL or lot no. 0 | Section 31 | Township 23-S | Range 32-E | Lot Idn | Feet from the 660' | North/South line South | Feet from the 1980 | East/West line East | ⁷ County Lea |
| 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 40 | | 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.



¹⁶OPERATOR CERTIFICATION

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

Signature
C. Wade Howard

Printed Name
C. Wade Howard

Position
Engineering Assistant

Company
Texaco Expl. & Prod. Inc.

Date
February 15, 1995

¹⁷SURVEYOR 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
February 6, 1995

Signature & Seal of Professional Surveyor
John S. Piper

Certificate No.
7254 John S. Piper

Sheet 8 of 8

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

DRILLING PROGRAM

SDE `31' FEDERAL WELL NO. 15

SURFACE DESCRIPTION:

The land surface in this area is relatively level with moderate sand dunes. Regionally, the land slopes to the Southwest. Vegetation consists mainly of scrub oak, mesquite, and range grasses.

FORMATION TOPS: Estimated KB Elevation: 3599'

| <u>Formation</u> | <u>Depth</u> | <u>Lithology</u> | <u>Fluid Content</u> |
|--------------------------|--------------|------------------|----------------------|
| Rustler | 930' | Anhydrite, Salt | ---- |
| Salado | 1245' | Salt | ---- |
| Delaware Mtn Group | 4620' | Sandstone, Shale | Oil/Gas |
| Cherry Canyon | 5550' | Sandstone, Shale | Oil/Gas |
| Brushy Canyon- Pay | 7100' | Sandstone, Shale | Oil/Gas |
| Lower Brushy Canyon- Pay | 8150' | Sandstone, Shale | Oil/Gas |
| Bone Spring- Pay | 8570' | Limestone | Oil/Gas |

The base of the salt section is found around 4390'. No abnormal pressures, temperatures, or hazardous gases are anticipated to be encountered in this well. Texaco recently drilled wells in this area and no H₂S was encountered.

PRESSURE CONTROL EQUIPMENT:

A 3000 psi Dual Ram type preventer with rotating head will be used. (See Exhibit C). We do not plan to have an annular preventer. We will be able to achieve full closure of the well with the double ram preventer. It will be installed after surface casing is set. 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.

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APR 11 1961

OLD HUBBS
OFFICE

CASING AND CEMENT PROGRAM:

The casing and cementing programs are detailed on Form 3160-3. All casing will be new.

Centralizer Program:

Surface Casing - Centralize the bottom 3 joints and every 4th to surface.

Production Casing - Centralize bottom 500' every other cplg. and above and below the DV tool.

MUD PROGRAM:

| <u>Depth</u> | <u>Type</u> | <u>Weight</u> | <u>Viscosity</u> |
|--------------|-----------------|---------------|------------------|
| 0'-950' | Fresh Water | 8.4 | 28 |
| 950'-7000' | Brine Water | 10.0 | 29 |
| 7000'-9200' | Fresh Water Gel | 8.4-8.8 | 45 |

Bottom Hole Pressure at T.D. estimated to be 8.4 PPG EMW.

LOGGING, TESTING:

GR-CAL-DSN-SDL and GR-CAL-DISFL surveys will be run.

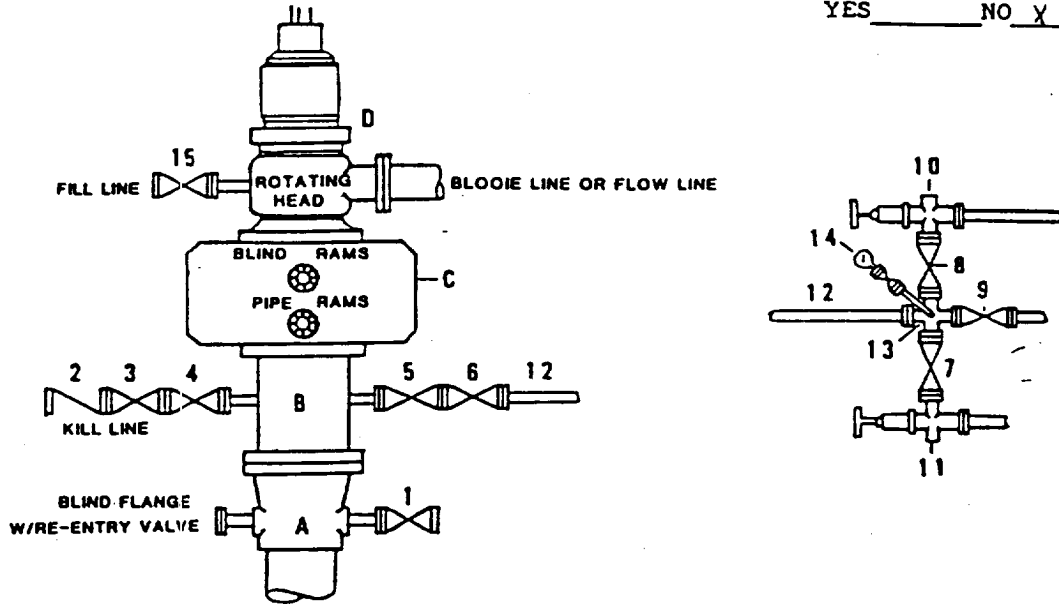
A two-man Mud Logging Unit will be used from 4400' to 9200'.

No drill stem tests will be conducted.

No cores will be taken.

**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

RECEIVED

APR 21 1964
OFFICE

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

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

DISTRICT III
1090 Rio Brazos Rd. Aztec, NM 87410

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

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Energy, Minerals and Natural Resources Department

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WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

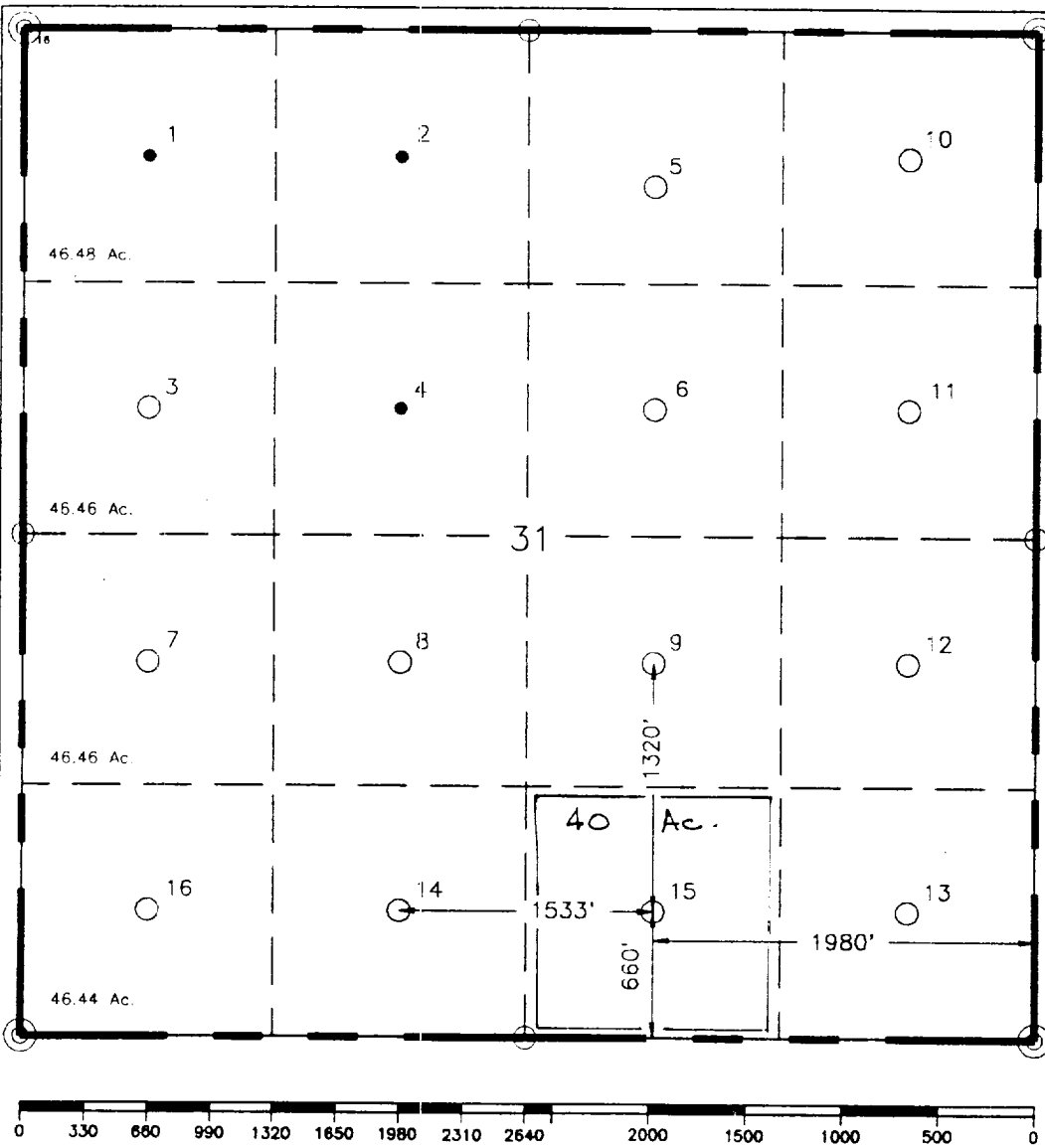
| | | | | | |
|-------------------------------------|--|---|--|--|---------------------------------|
| ¹ API Number | | ² Pool Code | | ³ Pool Name | |
| | | | | Delaware TRISTE DRAW, WEST; SAND DUNES SOUTH BONE SPRINGS | |
| ⁴ Property Code 15704 | | ⁵ Property Name SDE "31" FEDERAL | | | ⁶ Well Number 15 |
| ⁷ GRID No. 22351 | | ⁸ Operator Name TEXACO EXPLORATION & PRODUCTION, INC. | | | ⁹ Elevation 3589' |

| ¹⁰ Surface Location | | | | | | | | | |
|--------------------------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| 0 | 31 | 23-S | 32--E | | 660' | South | 1980 | East | Lea |

| ¹¹ Bottom Hole Location If Different From Surface | | | | | | | | | |
|--|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
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| | | | | | | | | | |

| | | | |
|-------------------------------------|-------------------------------|----------------------------------|-------------------------|
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|-------------------------------------|-------------------------------|----------------------------------|-------------------------|

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| | |
|---|---------------------------|
| 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>C. Wade Howard</i> |
| Printed Name | C. Wade Howard |
| Position | Engineering Assistant |
| Company | Texaco Expl. & Prod. Inc. |
| Date | February 15, 1995 |
| 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 | February 6, 1995 |
| Signature & Seal of Professional Surveyor | <i>John S. Piper</i> |
| Certificate No. | 7254 John S. Piper |
| Sheet 8 of 8 | |

○ = Staked Location ● = Producing Well ● = Injection Well ○ = Water Supply Well ▲ = Blinded or Abandoned Well

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DEPARTMENT
OF JUSTICE
COMMUNICATIONS
OFFICE