

6/19/98 - 7/9/98 - MS - EW - NSL

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

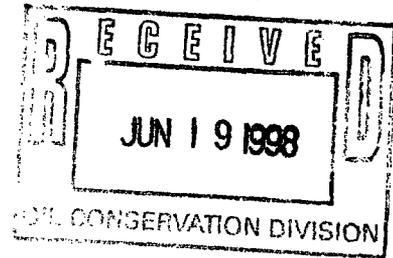
- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
[X] NSL [] NSP [] DD [] SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
[] DHC [] CTB [] PLC [] PC [] OLS [] OLM
[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
[] WFX [] PMX [] SWD [] IPI [] EOR [] PPR



[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or [] Does Not Apply

- [A] [] Working, Royalty or Overriding Royalty Interest Owners
[B] [] Offset Operators, Leaseholders or Surface Owner
[C] [] Application is One Which Requires Published Legal Notice
[D] [] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
[E] [] For all of the above, Proof of Notification or Publication is Attached, and/or,
[F] [] Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

A. Phil Ryan
Print or Type Name

A. Phil Ryan
Signature

Commission
Coordinator
Title

6/16/98
Date



Texaco Exploration
and Production Inc

500 North Loraine
Midland TX 79701

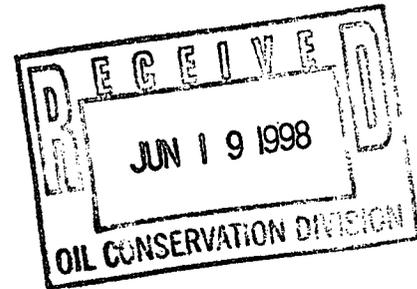
P O Box 3109
Midland TX 79702

June 16, 1998

GOV – STATE AND LOCAL GOVERNMENTS

Unorthodox Location

**Anderson Ranch Unit Well No. 201
Anderson Ranch Morrow LS Field
Lea County, New Mexico**



**State of New Mexico
Energy and Minerals Department
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505**

Attention: Mr. Michael E. Stogner

Gentlemen:

An Exception to Rule 104 F. (2) by administrative approval is requested for the captioned well. The well is located 1488' FNL & 1310' FWL, Unit Letter "E", of Section 14, T-16-S, R-32-E.

This well was drilled in this approved unorthodox location due to geological conditions. The location was centered on the structural closure at the Devonian horizon in the NW/4 of Section 14. The location will minimize the risk of drilling the potentially nonproductive flank of the structure. Production from wells in nearby Anderson Ranch Unit demonstrated the need to encounter the Devonian structurally high to improve reservoir conditions.

The well tested wet in the Devonian horizon. In the Morrow horizon, the well tested 3 million per day; therefore, Texaco will complete in the Morrow. Offset Operators List and Map are attached. Also, waivers from Grand Banks Energy Company, Brian H. Scarborough, Nearburg Producing Company and Yates Petroleum Corporation et al, are attached. Enclosed, please find Form C-101 and C-102's for this well.

Sincerely,


A. Phil Ryan

Commission Coordinator

Attachments

CC: OCD, Hobbs, NM

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88211-0719

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

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

Form C-101

Revised February 10, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 6 Copies

Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address TEXACO EXPLORATION & PRODUCTION INC. P.O. Box 3109, Midland Texas 79702		² OGRID Number 022351
		³ API Number 30-025-34272
⁴ Property Code 22322	⁵ Property Name ANDERSON RANCH UNIT	⁶ Well No. 201

⁷ Surface Location

Ul or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
E	14	16-S	32-E		1488	North	1310	West	Lea

⁸ Proposed 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	County

⁹ Proposed Pool 1 Anderson Ranch Morrow LS	¹⁰ Proposed Pool 2
--	-------------------------------

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Rotary or C.T. ROTARY	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4296'
¹⁶ Multiple No	¹⁷ Proposed Depth 13,750'	¹⁸ Formation Morrow LS	¹⁹ Contractor Nabors	²⁰ Spud Date 2/5/98

²¹ Proposed Casing and Cement Program

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
14 3/4	11 3/4	42#	550'	500 Sacks	Surface
11	8 5/8	32#	4500'	2000 Sacks	Surface
7 7/8	5 1/2	17#	13,750'	2600 Sacks	Surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

CEMENTING PROGRAM:
 SURFACE CASING: 350 SACKS CLASS C w/2% GEL, 2% CC (13.5 PPG, 1.74 CF/S, 9.1 GW/S). F/B 150 SACKS CLASS C w/2% CC (14.8 PPG, 1.34 CF/S, 6.3 GW/S). CIRCULATE CEMENT TO SURFACE.
 INTERMEDIATE CASING: 1600 SACKS 35/65 POZ CLASS H w/6% GEL, 5% SALT, 1/4# FC (12.4 PPG, 2.14 CF/S, 11.9 GW/S). F/B 400 SACKS 50/50 POZ CLASS H w/2% GEL, 5% SALT, 1/4# FC (14.2 PPG, 1.35 CF/S, 6.3 GW/S). CIRCULATE CEMENT TO SURFACE.
 PRODUCTION CASING: 1100 SACKS 50/50 POZ CLASS H w/2% GEL, 5% SALT, 1/4# FC (14.2 PPG, 1.35 CF/S, 6.3 GW/S). F/B 1500 SACKS 50/50 POZ CLASS H w/2% GEL, 5% SALT, 1/4# FC (14.2 PPG, 1.35 CF/S, 6.3 GW/S). TOP OF CEMENT AT 3000'.

²³ I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature *A. Phil Ryan*
 Printed Name *A. Phil Ryan*
 Title *Commission Coordinator*
 Date 6/16/98 Telephone 688-4606

OIL CONSERVATION DIVISION

Approved By:
 Title:
 Approval Date: Expiration Date:
 Conditions of Approval:
 Attached

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

Submit to Appropriate District Office

State Lease-4 copies
Fee Lease-3 copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

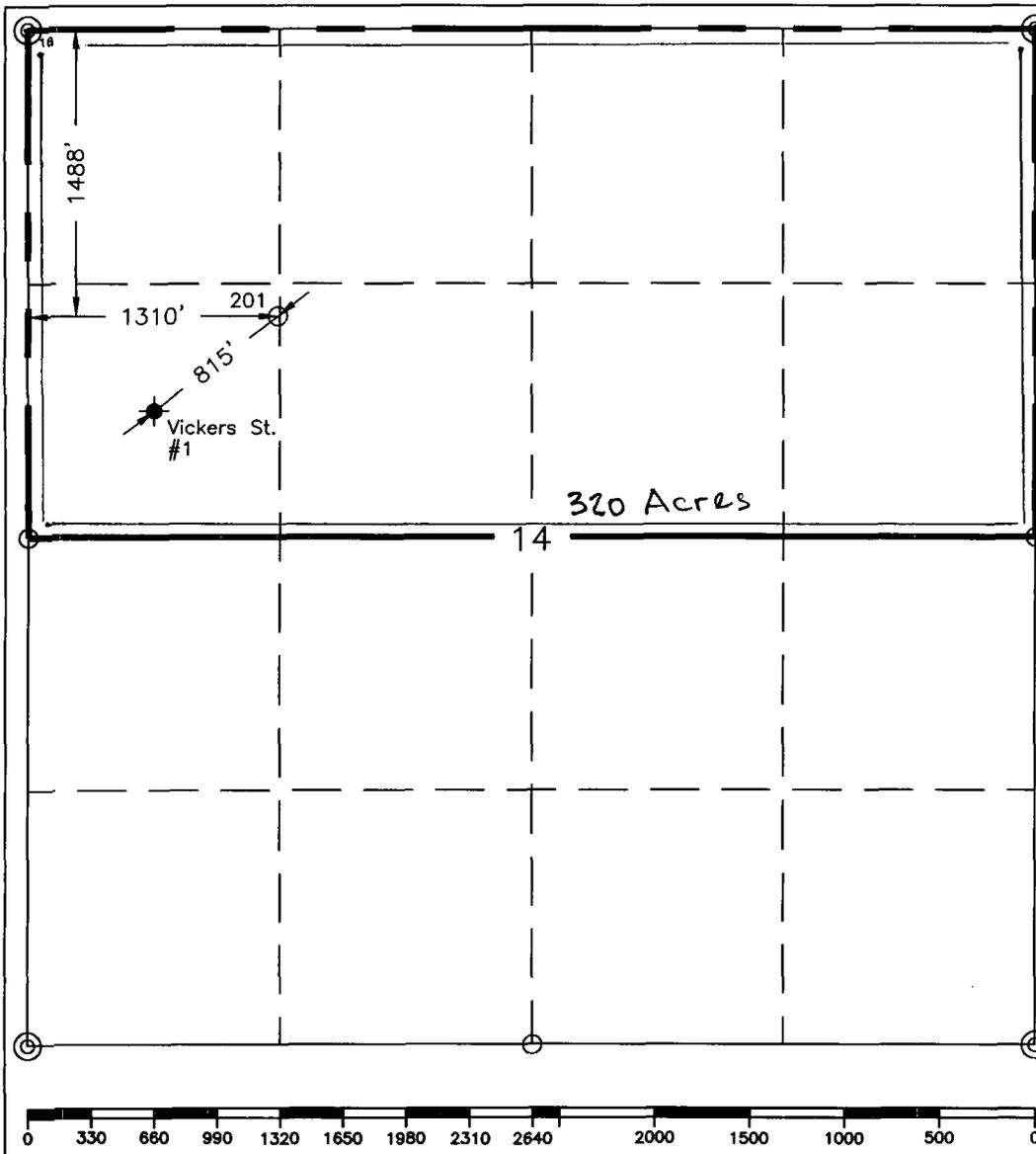
¹ API Number		² Pool Code		³ Pool Name Anderson Ranch Morrow LS	
⁴ Property Code		⁵ Property Name Anderson Ranch Unit			⁶ Well Number 201
⁷ OGRID No. 22351		⁸ Operator Name TEXACO EXPLORATION & PRODUCTION, INC.			⁹ Elevation 4296'

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
E	14	16-S	32-E		1488'	North	1310'	West	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 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.



¹⁰ OPERATOR CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature	<i>Phil Ryan</i>
Printed Name	Phil Ryan
Position	Commission Coordinator
Company	Texaco Expl. & Prod. Inc.
Date	January 13, 1998
¹⁶ 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	January 9, 1998
Signature & Seal of Professional Surveyor	<i>John S. Piper</i>
Certificate No.	7254 John S. Piper
Sheet	

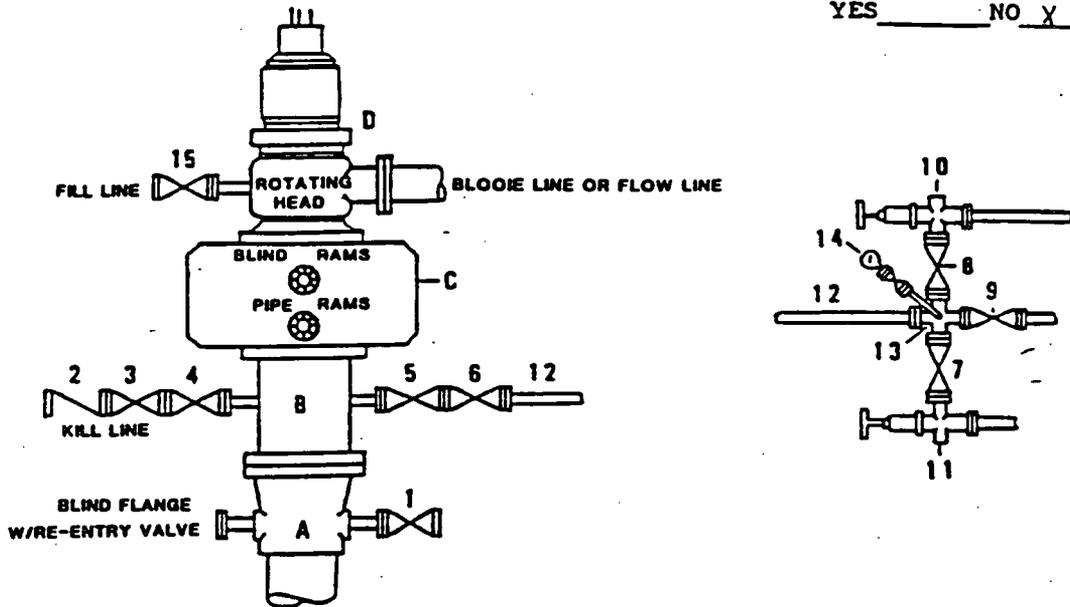
○ = Staked Location ● = Producing Well ● = Injection Well ∇ = Water Supply Well ⊕ = Plugged & Abandon Well
 ⊙ = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C. ○ = Found 1/4 Section Corner, 1" Iron Pipe & GLO B.C.

ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates	
Northing 700685.09 (1927=700619.99)	Easting 722955.20 (1927=681777.30)
Latitude 32°55'29.263"	Longitude 103°44'29.161"
Zone North American Datum	Combined Grid Factor
East 1983	0.9997417
Drawing File	Coordinate File
And201_B	Anderson.cr5
Field Book	
Lea Co. FB. 17, Pg. 38	

**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 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.

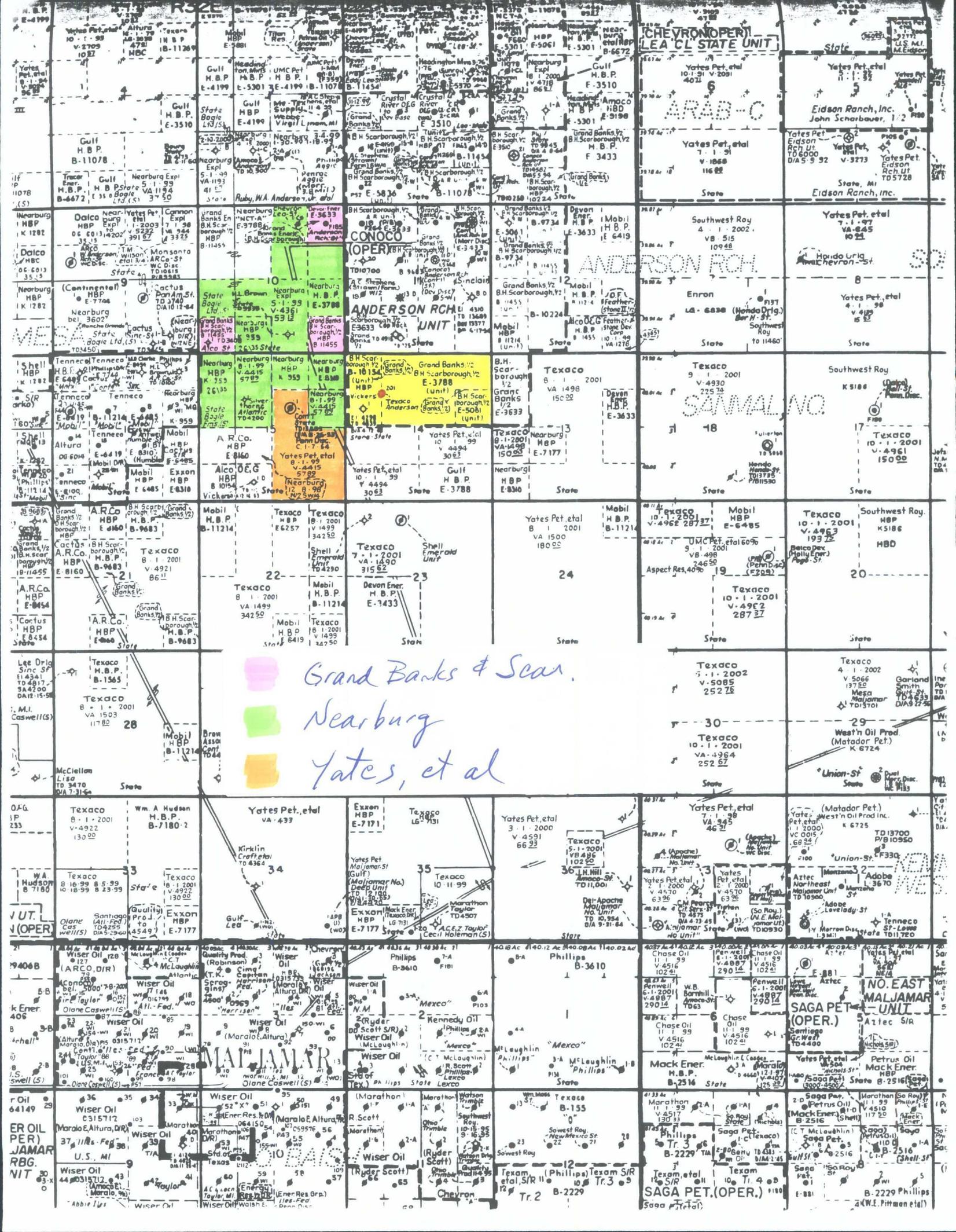


TEXACO, INC.
MIDLAND DIVISION
MIDLAND, TEXAS



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

EXHIBIT C



Grand Banks & Seas.
 Nearburg
 Yates, et al

CHEVRON/OPERA
 LEA CL STATE UNIT

ARABCO

CONOCO
 OPERA

ANDERSON RCH
 UNIT

ANDERSON RCH

SANTAMALINO

Yates Pet. et al
 VA-433

Yates Pet. et al
 VA-945

MALJAMAR

SAGA PET. UNIT
 (OPERA)

SAGA PET. (OPERA)

**Offset Operators List
Anderson Ranch Unit #201
1488' FNL & 1310' FWL, Section 14, T-16-S, R-32-E, Unit #E
Anderson Ranch Morrow LS
Lea County, New Mexico
June 16, 1998**

**Grand Banks Energy Company
Brian H. Scarborough
10 Desta Drive, Ste. 300-E
Midland, Texas 79705**

**Nearburg Producing Company
Attn: Mr. Mike Gray
3300 North 'A', Bldg. 2, Ste. 120
Midland, Texas 79705**

**Yates Petroleum Corporation
Yates Drilling Company
Myco Industries, Inc.
Abo Petroleum Corporation
Attn: Mr. Rob Bullock
105 S Fourth St.
Artesia, New Mexico 88210**



June 16, 1998

10 DESTA DRIVE
SUITE 300 EAST
MIDLAND, TX 79705
OFF (915) 682-1044
FAX (915) 682-3821

JOHN E. KIMBERLY

Texaco Exploration and Production, Inc.
Attn: Mr. Ronald W. Lanning
Post Office Box 3109
Midland, Texas 79702-3109

Re: Waiver of Unorthodox Location
Morrow Formation
N/2 Section 14; 16-S, 32-E; NMPM;
Lea County, New Mexico

Dear Ron:

Pursuant to our telephone conversation of this date, Grand Banks Energy Company and Brian H. Scarborough hereby waive any objection to an Unorthodox Location on the Texaco - Anderson Ranch #201 Well at the following location:

1488' from the North Line and 1310' from the West Line, in Section 14, Township 16 South,
Range 32 East, NMPM; Lea County, New Mexico

Once again, we appreciate your work on this matter, and should you need any future assistance, please so advise.

Very truly yours,

A handwritten signature in cursive script that reads "John E. Kimberly".

John E. Kimberly
Grand Banks Energy Company

A handwritten signature in cursive script that reads "Brian H. Scarborough".

Brian H. Scarborough

Nearburg Exploration Company, L.L.C.

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
915/686-8235
Fax 915/686-7806

June 15, 1998

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

ATTN: Mr. Ronald W. Lanning

RE: Anderson Ranch Unit #201
1,488' FNL, 1,310' FWL Section 14
T-16-S, R-32-E
Lea County, New Mexico

Gentlemen:

Pursuant to our telephone conversation of this date, please be advised that Nearburg Exploration Company, L.L.C. hereby waives any objection to the captioned location.

If we can be of further assistance, please advise the undersigned.

Yours truly,



Duke Roush
Senior Landman

DR/dw



Texaco Exploration
and Production Inc

500 North Lorraine
Midland TX 79701

P O Box 3109
Midland TX 79702

VIA FACSIMILE

June 16, 1998

Yates Petroleum Corporation
Yates Drilling Company
MYCO Industries, Inc.
Abo Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Attention: Janet Richardson

NM912700 - Anderson Ranch Unit
Lea County, New Mexico
Well No. 201

Dear Janet:

The captioned well was drilled as a Devonian test at an approved unorthodox location of 1488' FNL, 1310' FWL of Section 14, T16S, R32E, Lea County, New Mexico. We were unsuccessful in the Devonian formation, however, we have completed the well in the Morrow formation. The spacing unit will be the N/2 of the section. This location is also unorthodox for a Morrow completion.

We respectfully request that you waive any objection to this unorthodox location by signing in the space provided below and return to me by facsimile at 915-688-4831.

Sincerely,

Ronald W. Lanning

Yates Petroleum Corporation, Yates Drilling Company, MYCO Industries, Inc. and Abo Petroleum Corporation waive any objection to the unorthodox location of Texaco Exploration and Production Inc.'s Anderson Ranch Unit Well No. 201.

By:

*Executed subject to Letter Agreement dated 6-16-98.

Title: ATTORNEY-IN-FACT

Date: 6-17-98

Post-It® Fax Note	7871	Date	6-17-98	# of pages	2
To	Ron Lanning	From	Jmct		
Co./Dept.		Co.			
Phone #		Phone #			
Fax #	915-688-4831	Fax #			



S. P. YATES
 CHAIRMAN OF THE BOARD
 JOHN A. YATES
 PRESIDENT
 PEYTON YATES
 EXECUTIVE VICE PRESIDENT
 RANDY G. PATTERSON
 SECRETARY
 DENNIS G. KINSEY
 TREASURER

1000 NORTH STREET
 ALBUQUERQUE, NEW MEXICO 88210
 TELEPHONE (505) 748-1471

June 16, 1998

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

Attention: Mr. Ronald W. Lanning

RE: NM 912700-Anderson Ranch Unit
 Lea County, New Mexico
 Well No. 201

Gentlemen:

Enclosed is an executed copy of a waiver for your unorthodox Morrow location in the N/2 of Section 14, Township 16 South, Range 32 East, Lea County, New Mexico. This waiver has been executed subject to our being furnished a copy of all logs from Well No. 201 and also subject to our ability to similarly locate unopposed wells in Section 15 and in the S/2 of Section 14 should we desire to do so.

If acceptable, please sign and return one copy of this letter to my attention at your earliest convenience.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Janet Richardson
 Landman

JR/cld
 Enclosure (s)

Agreed to and accepted this 18 day of JUNE, 1998.

By: Ronald W. Lanning
 Title: NHAT Landman



TEXACO

FAX TRANSMITTAL COVER SHEET

NOTE: DO NOT USE BLUE OR RED INK OR PENCIL ON THIS FORM. THEY WILL NOT REPRODUCE

DATE: 6/18/98 URGENT ROUTINE NO. OF PAGES Cover + 2

MESSAGE TO: Mr. Michael E. Stegner

TELEPHONE NO. 505-827-7131 FAX MACHINE NO. 505-827-1389

DEPT./DIV./SUBS. _____

LOCATION _____ ROOM NO. _____

MESSAGE FROM: Phil Ryan

TELEPHONE NO. 915-688-4606 FAX MACHINE NO. _____

DEPT./DIV./SUBS. _____

LOCATION _____ ROOM NO. _____

SENDING DEPT. APPROVAL _____ TIME TRANSMITTED _____

RETURN ORIGINAL VIA INTER-OFFICE MAIL

RETURN ORIGINAL CALL SENDER TO PICK UP

ADDITIONAL COMMENTS:

Attached, please find Yates Petroleum et al
executed waiver for Anderson Ranch #201.

Thanks,
Phil



Texaco Exploration and Production Inc

500 North Loraine Midland TX 79701

P O Box 3108 Midland TX 79702

VIA FACSIMILE

June 16, 1998

Yates Petroleum Corporation
Yates Drilling Company
MYCO Industries, Inc.
Abo Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Attention: Janet Richardson

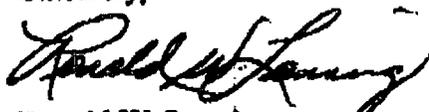
NM912700 - Anderson Ranch Unit
Lea County, New Mexico
Well No. 201

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We respectfully request that you waive any objection to this unorthodox location by signing in the space provided below and return to me by facsimile at 915-688-4831.

Sincerely,


Ronald W. Lanning

Yates Petroleum Corporation, Yates Drilling Company, MYCO Industries, Inc. and Abo Petroleum Corporation waive any objection to the unorthodox location of Texaco Exploration and Production Inc.'s Anderson Ranch Unit Well No. 201.

By: 

*Executed subject to Letter Agreement dated 6-16-98.

Title: ATTORNEY-IN-FACT

Date: 6-17-98

Post-It® Fax Note	7871	Date	6-17-98	Pages	2
To	Ron Lanning	From	Jmd		
Co./Dept.		Co.			
Phone #		Phone #			
Fax #	915-688-4831	Fax #			



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 CHAIRMAN OF THE BOARD
 JOHN A. YATES
 PRESIDENT
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 EXECUTIVE VICE PRESIDENT
 RANDY G. PATTERSON
 SECRETARY
 DENNIS G. KINSEY
 TREASURER

1000 NORTH STREET
 MIDLAND, TEXAS 79701
 MEXICO 88210
 TELEPHONE (505) 748-1471

June 16, 1998

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

Attention: Mr. Ronald W. Lanning

RE: NM 912700-Anderson Ranch Unit
 Lea County, New Mexico
 Well No. 201

Gentlemen:

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If acceptable, please sign and return one copy of this letter to my attention at your earliest convenience.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

Janet Richardson
 Landman

JR/cld
 Enclosure (s)

Agreed to and accepted this 18 day of JUNE, 1998.

By: Ronald W. Lanning

Title: NHAT Landman

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL API NO.	30-025-34272
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil / Gas Lease No.	
7. Lease Name or Unit Agreement Name	ANDERSON RANCH UNIT
8. Well No.	201
9. Pool Name or Wildcat	DEVONIAN/MORROW/WOLFCAM
10. Elevation (Show whether DF, RKB, RT,GR, etc.)	

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMI (FORM C-101) FOR SUCH PROPOSALS.

1. Type of Well: OIL WELL GAS WELL OTHER

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

3. Address of Operator: P.O. Box 2100, Denver Colorado 80201

4. Well Location
Unit Letter E : 1488 Feet From The NORTH Line and 1310 Feet From The WEST Line
Section 14 Township 16-S Range 32-E NMPM LEA COUNTY

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPERATION <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: SET CIBP ABOVE DEV & TEST CHESTER/MORROW <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Verbal approval was given by Mr. Gary Wink to proceed with the following:

- Set CIBP @ 13,275'
- Dump bail 35' cmt on top of CIBP
- Pressure test to 2500 psi
- Perforate and test the chester interval 12,592'-12,739'
- Perforate and test the morrow interval 12,213'-12,231'

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

SIGNATURE C.P. Basham TITLE Eng. Assistant. DATE 5/20/98

TYPE OR PRINT NAME Sheilla D. Reed-High Telephone No. (303)793-4851

(This space for State Use)

APPROVED Chris Williams DISTRICT 1 SUPERVISOR DATE JUN 01 1998

CONDITIONS OF APPROVAL, IF ANY: _____ TITLE _____

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Box Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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

WELL API NO. 30-025-34272
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil / Gas Lease No.
7. Lease Name or Unit Agreement Name ANDERSON RANCH UNIT
8. Well No. 201
9. Pool Name or Wildcat DEVONIAN/MORROW/WOLFCAM

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT (FORM C-101) FOR SUCH PROPOSALS.
1. Type of Well: OIL WELL [X] GAS WELL [] OTHER []
2. Name of Operator TEXACO EXPLORATION & PRODUCTION INC.
3. Address of Operator P.O. Box 2100, Denver Colorado 80201
4. Well Location
Unit Letter E : 1488 Feet From The NORTH Line and 1310 Feet From The WEST Line
Section 14 Township 16-S Range 32-E NMPM LEA COUNTY
10. Elevation (Show whether DF, RKB, RT,GR, etc.)

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data
NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [] PLUG AND ABANDON []
TEMPORARILY ABANDON [] CHANGE PLANS []
PULL OR ALTER CASING []
OTHER: []
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPERATION [] PLUG AND ABANDONMENT []
CASING TEST AND CEMENT JOB []
OTHER: PRODUCTION CSG [X]

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.
1. DRILLED 7 7/8 INCH HOLE TO 13470'. 04-16-98.
2. RAN 308 JOINTS OF 5 1/2, 17# L-80 AND 123 JTS. OF 15.5# WC-50, LTC CASING SET @ 13363'.
3. DOWELL CEMENTED 1ST STAGE WITH 1262 SACKS 50/50 POZ CLASS H W/2% GEL, 5% SALT, 1/4# FLOCELE, (14.2 PPG, 1.35 CF/S) OPENED HYD. DV TOOL @ 4:27 pm mst @ 400#. 2ND STAGE: DOWELL CEMENTED W/1394 SACKS 50/50 POZ CLASS H W/2% GEL, 5% SALT, 1/4# FLOCELE, (14.2 PPG, 1.34 CF/S). F/B 100 SACKS CLASS H NEAT (15.6 PPG, 1.18 CF/S). CLOSED DV TOOL PORTS @ 12 MIDNIGHT MST 04-19-98. THE TOOL HELD.
4. ND. RELEASE RIG @ 7:00 PM 04-19-98.
5. PREP TO COMPLETE.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNATURE C.P. Basham / SED TITLE Eng. Assistant. DATE 4/23/98
TYPE OR PRINT NAME Sheilla D. Reed-High Telephone No. (303)793-4851

(This space for State Use)
APPROVED Chris Williams DISTRICT 1 SUPERVISOR APR 30 1998
CONDITIONS OF APPROVAL, IF ANY: TITLE DATE

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL API NO.	30-025-34272
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil / Gas Lease No.	
7. Lease Name or Unit Agreement Name	ANDERSON RANCH UNIT
8. Well No.	201
9. Pool Name or Wildcat	DEVONIAN/MORROW/WOLFCAM
10. Elevation (Show whether DF, RKB, RT,GR, etc.)	

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMI (FORM C-101) FOR SUCH PROPOSALS.

1. Type of Well: OIL WELL GAS WELL OTHER

2. Name of Operator TEXACO EXPLORATION & PRODUCTION INC.

3. Address of Operator P.O. Box 2100, Denver Colorado 80201

4. Well Location Unit Letter E : 1488 Feet From The NORTH Line and 1310 Feet From The WEST Line Section 14 Township 16-S Range 32-E NMPM LEA COUNTY

10. Elevation (Show whether DF, RKB, RT,GR, etc.)

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPERATION <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	INTERMEDIATE CASING <input checked="" type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

- DRILLED 11 INCH HOLE TO 4490'. 03-05-98.
- RAN 103 JOINTS OF 8 5/8 INCH , 32# HCK-55, LTC CASING SET @ 4490'.
- DOWELL CEMENTED W/ 1608 SACKS 35/65 POZ CLASS H W/ 6% GEL, 5% SALT, 1/4# FLOCELE (12.4 PPG, 2.14 CF/S). F/B 402 SACKS CLASS 50/50 POZ CLASS H W/ 2% GEL, 5% SALT, (14.2 PPG, 1.35 CF/S). PLUG DOWN @ 4:30 PM 04-05-98. CIRCULATED 52 SACKS.
- NU BOP AND TESTED TO 1000#. TESTED CASING TO 1000# FOR 30 MINUTES FROM 5:15 PM TO 5:45 PM 03-07-98.
- WOC TIME 48 HOURS AND 45 MINUTES FROM 4:30 PM 04-05-98 TO 5:15 PM 03-07-98.
- DRILLING 7-7/8 INCH HOLE.

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

SIGNATURE C.P. Sasham TITLE Eng. Assistant. DATE 3/12/98

TYPE OR PRINT NAME Sheilla D. Reed-High Telephone No. (303)793-4851

(This space for State Use)

APPROVED Gary W. Wink GARY W. WINK FIELD REPRESENTATIVE II APR 21 1998

CONDITIONS OF APPROVAL, IF ANY: _____ DATE _____

Submit 3 copies
to Appropriate
District Office

OIL CONSERVATION DIVISION

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL API NO.	30-025-34272
5. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil / Gas Lease No.	

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMI (FORM C-101) FOR SUCH PROPOSALS.

1. Type of Well:	OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	7. Lease Name or Unit Agreement Name	ANDERSON RANCH UNIT
2. Name of Operator	TEXACO EXPLORATION & PRODUCTION INC.	8. Well No.	201
3. Address of Operator	P.O. Box 2100, Denver Colorado 80201	9. Pool Name or Wildcat	DEVONIAN/MORROW/WOLFCAM
4. Well Location	Unit Letter <u>E</u> : <u>1488</u> Feet From The <u>NORTH</u> Line and <u>1310</u> Feet From The <u>WEST</u> Line Section <u>14</u> Township <u>16-S</u> Range <u>32-E</u> NMPM <u>LEA</u> COUNTY		
10. Elevation (Show whether DF, RKB, RT,GR, etc.)			

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPERATION <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <input checked="" type="checkbox"/>	SPUD, SURFACE CASING

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.
- NABORS RIG #722 SPUD 14.75 INCH HOLE @ 12:30 PM 02-22-98. DRILLED TO 539'.
 - RAN 12 JOINTS OF 11.75 INCH, 42#, WC-40, STC CASING SET @ 539'.
 - DOWELL CEMENTED WITH 300 SACKS CLASS C W/ 2% GEL, 2% CACL2 (13.5 PPG, 1.74 CF/S). F/B 150 SACKS CLASS C W/ 2% CACL2 (14.8 PPG, 1.34 CF/S). PLUG DOWN @ 6:45 AM 02-22-98. CIRCULATED 115 SACKS.
 - NU BOP & TESTED TO 500#. TESTED CASING TO 1000# FOR 30 MINUTES FROM 6:00 AM TO 6:30 AM 02-23-98.
 - WOC TIME 23 HOURS AND 45 MINUTES FROM 6:45 AM 02-22-98 TO 6:30 AM 02-23-98.

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

SIGNATURE C.P. Basham/SR TITLE Eng. Assistant. DATE 2/26/98

TYPE OR PRINT NAME Sheilla D. Reed-High Telephone No. (303)793-4851

(This space for State Use)

APPROVED GARY W. WINK TITLE FIELD REPRESENTATIVE II DATE APR 21 1998

CONDITIONS OF APPROVAL, IF ANY: _____

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
P.O. Box Drawer DD, Artesia, NM 88211-0719
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
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-101
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address TEXACO EXPLORATION & PRODUCTION INC. P.O. Box 3109, Midland Texas 79702		² OGRID Number 022351
		³ API Number 30-025-34277
⁴ Property Code 22322	⁵ Property Name ANDERSON RANCH UNIT	⁶ Well No. 201

⁷ Surface Location

UI or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
E	14	16-S	32-E		1488	North	1310	West	Lea

⁸ Proposed Bottom Hole Location If Different From Surface

UI or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County
⁹ Proposed Pool 1 Anderson Ranch Devonian/Wolfcamp LS					¹⁰ Proposed Pool 2 Anderson Ranch Morrow LS				

¹¹ Work Type Code N	¹² WellType Code G	¹³ Rotary or C.T. ROTARY	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4296'
¹⁶ Multiple No	¹⁷ Proposed Depth 13,750'	¹⁸ Formation Dev./Morrow/Wolfcamp	¹⁹ Contractor Nabors	²⁰ Spud Date 2/5/98

²¹ Proposed Casing and Cement Program

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
14 3/4	11 3/4	42#	550'	500 Sacks	Surface
11	8 5/8	32#	4500'	2000 Sacks	Surface
7 7/8	5 1/2	17#	13,750'	2600 Sacks	Surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

CEMENTING PROGRAM:

SURFACE CASING: 350 SACKS CLASS C w/2% GEL, 2% CC (13.5 PPG, 1.74 CF/S, 9.1 GW/S). F/B 150 SACKS CLASS C w/2% CC (14.8 PPG, 1.34 CF/S, 6.3 GW/S). CIRCULATE CEMENT TO SURFACE.
INTERMEDIATE CASING: 1600 SACKS 35/65 POZ CLASS H w/6% GEL, 5% SALT, 1/4# FC (12.4 PPG, 2.14 CF/S, 11.9 GW/S). F/B 400 SACKS 50/50 POZ CLASS H w/2% GEL, 5% SALT, 1/4# FC (14.2 PPG, 1.35 CF/S, 6.3 GW/S). CIRCULATE CEMENT TO SURFACE.
PRODUCTION CASING: 1100 SACKS 50/50 POZ CLASS H w/2% GEL, 5% SALT, 1/4# FC (14.2 PPG, 1.35 CF/S, 6.3 GW/S). F/B 1500 SACKS 50/50 POZ CLASS H w/2% GEL, 5% SALT, 1/4# FC (14.2 PPG, 1.35 CF/S, 6.3 GW/S). TOP OF CEMENT AT 3000'.

THERE ARE NO OTHER OPERATORS IN THIS QUARTER QUARTER SECTION.

Permit Expires 1 Year From Approval Date Unless Drilling Underway

²³ I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature *A. Phil Ryan*
Printed Name **A. Phil Ryan**
Title **Commission Coordinator**
Date 1/19/98 Telephone 688-4606

OIL CONSERVATION DIVISION

Approved By: *Chris Williams*
Title: DISTRICT 1 SUPERVISOR
Approval Date: **FEB 05 1998** Expiration Date:
Conditions of Approval:
Attached

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

Instructions on back

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

Submit to Appropriate District Office

State Lease-4 copies
Fee Lease-3 copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

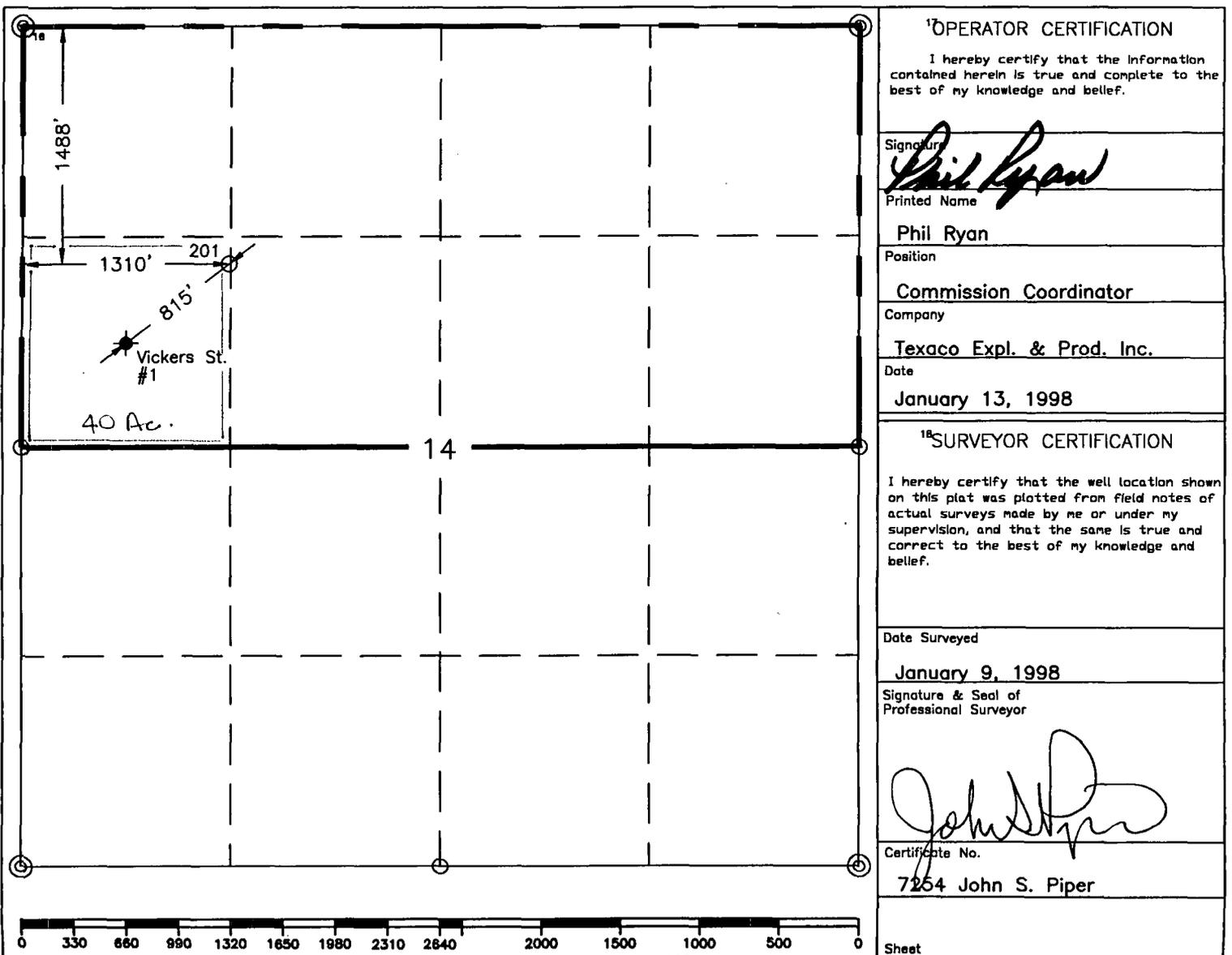
¹ API Number 30-025-34222		² Pool Code		³ Pool Name 1520 Anderson Ranch Devonian; Anderson Ranch Wolfcamp LS	
⁴ Property Code 22322		⁵ Property Name Anderson Ranch Unit			⁶ Well Number 201
⁷ OGRID No. 22351		⁸ Operator Name TEXACO EXPLORATION & PRODUCTION, INC.			⁹ Elevation 4296'

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
E	14	16-S	32-E		1488'	North	1310'	West	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. NSL-3938
-------------------------------------	-------------------------------	----------------------------------	-------------------------------------

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.



○ = Staked Location ● = Producing Well * = Injection Well ∇ = Water Supply Well ◆ = Plugged & Abandon Well
⊙ = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C. ○ = Found 1/4 Section Corner, 1" Iron Pipe & GLO B.C.

ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates			
Northing	700685.09 (1927=700619.99)	Easting	722955.20 (1927=681777.30)
Latitude	32°55'29.263"	Longitude	103°44'29.161"
Zone	North American Datum	Combined Grid Factor	Coordinate File
East	1983	0.9997417	Anderson.cr5
Drawing File	Ander201	Field Book	
		Lea Co. FB. 17, Pg. 38	

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		
				Anderson Ranch Morrow LS		
⁴ Property Code		⁵ Property Name			⁶ Well Number	
		Anderson Ranch Unit			201	
⁷ OGRID No.		⁸ Operator Name			⁹ Elevation	
22351		TEXACO EXPLORATION & PRODUCTION, INC.			4296'	

¹⁰ Surface Location

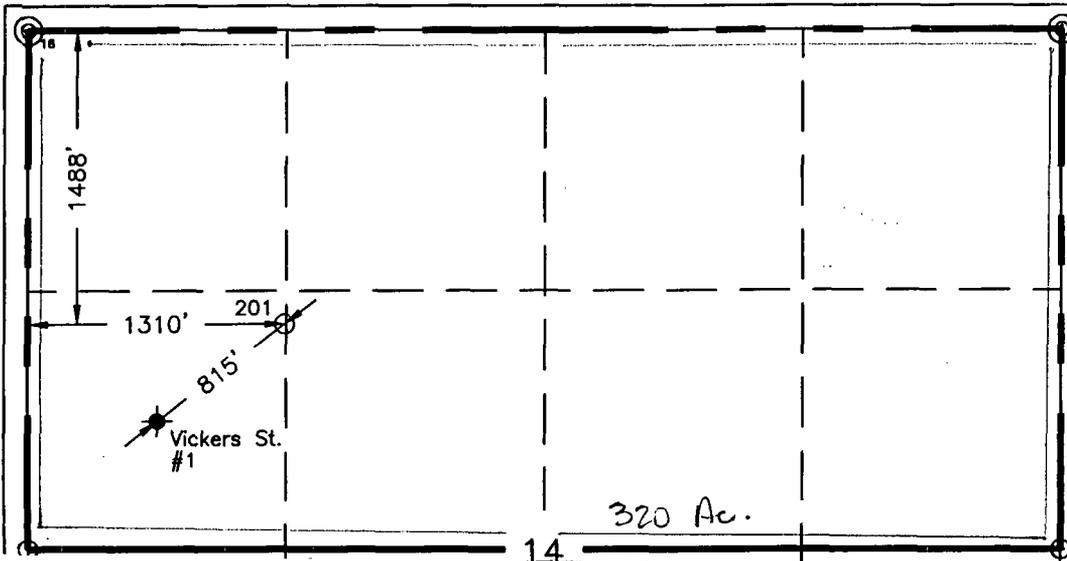
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	⁷ County
E	14	16-S	32-E		1488'	North	1310'	West	Lea

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	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.



¹⁶ OPERATOR CERTIFICATION

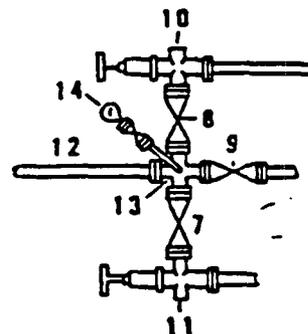
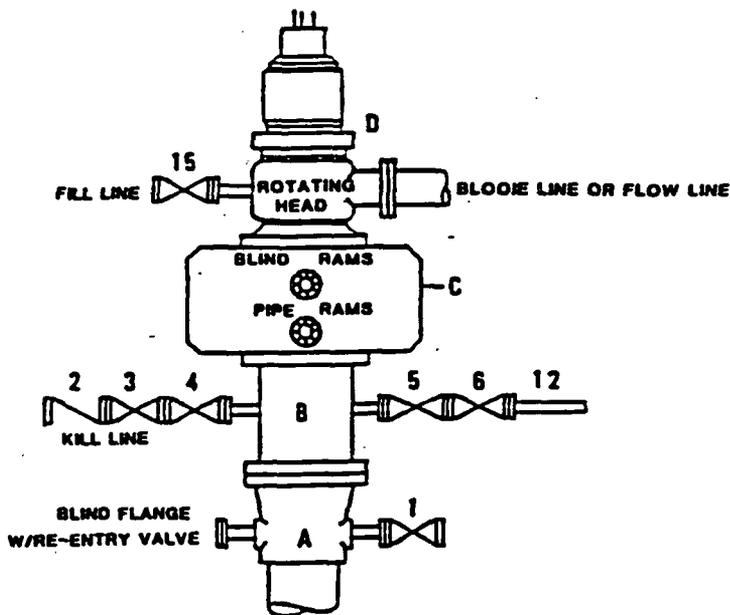
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature	<i>Phil Ryan</i>
Printed Name	Phil Ryan
Position	Commission Coordinator
Company	Texaco Expl. & Prod. Inc.
Date	January 13, 1998

¹⁸ SURVEYOR CERTIFICATION

**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 Bleed 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

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
 NSL NSP DD SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

A. Phil Ryan
 Print or Type Name

A. Phil Ryan
 Signature

Commission
 Title Coordinator

1/19/98
 Date



Texaco Exploration
and Production Inc

500 North Loraine
Midland TX 79701

P O Box 3109
Midland TX 79702

January 19, 1998

GOV – STATE AND LOCAL GOVERNMENTS

Unorthodox Location

Anderson Ranch Unit Well No. 201

Anderson Ranch Devonian, Anderson Ranch Wolfcamp LS,

Anderson Ranch Morrow LS Fields

Lea County, New Mexico

State of New Mexico

Energy and Minerals Department

Oil Conservation Division

2040 South Pacheco

Santa Fe, New Mexico 87505

Attention: Mr. Michael E. Stogner

Gentlemen:

An Exception to Rule 104 F. (2) by administrative approval is requested for the captioned well. The well is located 1488' FNL & 1310' FWL, Unit Letter "E", of Section 14, T-16-S, R-32-E.

This well must be drilled in this location due to geological conditions. The proposed location is centered on the structural closure at the Devonian horizon in the NW/4 of Section 14. The proposed location will minimize the risk of drilling the potentially nonproductive flank of the structure. Production from wells in nearby Anderson Ranch Unit demonstrates the need to encounter the Devonian structurally high to improve reservoir conditions.

There are no ' affected offset operators ' to this location. Enclosed, please find Form C-101 and C-102's for this well.

Sincerely,

A. Phil Ryan

Commission Coordinator

Attachments

CC: OCD, Hobbs, NM

COUNTY *Lea*

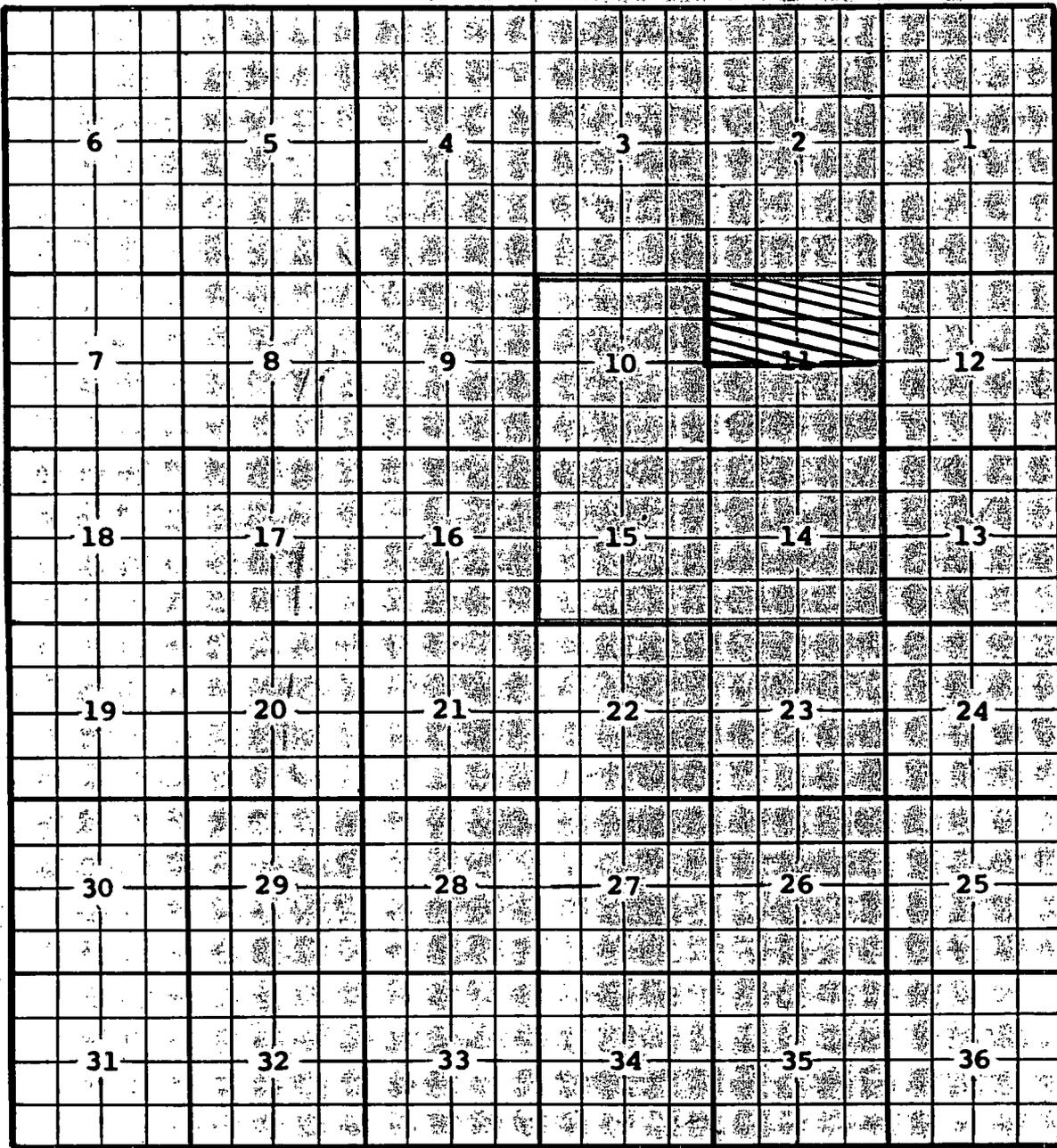
POOL *Anderson Ranch - Pennsylvania*

ADA-002-150

TOWNSHIP *16 South*

RANGE *32 East*

NMPM



Description: All Secs. 10, 11, 14, & 15 (R-419)

Deletion: $\frac{1}{2}$ Sec. 11 (R-3853, 11-1-69)