

TEXLAND PETROLEUM, L.P.

EXPLORATION AND PRODUCTION

777 MAIN STREET, SUITE 3200
FORT WORTH, TEXAS 76102

RECEIVED
2008 OCT 15 PM 3 35

(817) 336-2751

October 10, 2008

Oil Conservation Division
Attn: Will Jones
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: **W.D. Grimes (NCT-A) 025697**
Sec. 32, T18S, R38E
W.D. Grimes (NCT-B) 025697
Sec. 33, T18S, R38E
Lea County, New Mexico

Dear Will,

Please find enclosed one set of originals of Form C-103 plus attachments, per our phone conversation, for administrative approval to surface commingle the above captioned Lease.

If you have any questions or need further information, please do not hesitate to give me a call.

Sincerely,

Vickie Smith

Vickie Smith
Regulatory Analyst

Submit 3 Copies to Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 June 19, 2008

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. SEE ATTACHMENT
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name W.D. Grimes NCT A & B
8. Well Number SEE ATTACHMENT
9. OGRID Number 113315
10. Pool name or Wildcat Hobbs; Blinebry, Drinkard & Tubb
11. Elevation (Show whether DR, 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 A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
Texland Petroleum-Hobbs, LLC

3. Address of Operator
777 Main Street, Suite 3200, Fort Worth, Texas 76102

4. Well Location
 Unit Letter _____ : _____ feet from the _____ line and _____ feet from the _____ line
 Section 32 & 33 Township 18S Range 38E NMPM Lea County

12. 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 OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: Surface Commingle <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Texland Petroleum-Hobbs as operator respectfully requests administrative approval to surface commingle and measurement of production. It is requested that surface commingling of the Hobbs Blinebry, Hobbs Drinkard and Hobbs Tubb pools be approved for the following lease: W.G. Grimes NCT A & B a fee lease in Sec. 32 & 33, T18S, R38E.

The tank battery is located in the SW/4 NW/4, Sec. 32, T18S, R38E. Proper allocation for production will be measured using periodic well tests. Interests in all pools on this lease are common. Please see attached Affidavit.

Attached are the well numbers, API numbers and formations each well is/or has been producing from and status of each well. Included are the existing DHC Order numbers.

Spud Date: Rig Release Date:

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

SIGNATURE Vickie Smith TITLE Regulatory Analyst DATE 10/10/08

Type or print name Vickie Smith E-mail address: vsmith@texpetro.com PHONE: 817-336-2751

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any): _____

Attachment to C-103

A. Grimes, W.D. (NCT-A) Sec. 32, T18S, R38E
Property Code 025697

1. Well #17, API #30-025-22792, Unit C
Hobbs; Up Blinebry, producing
2. Well #18, API #30-025-22915, Unit F
Hobbs; Up Blinebry, TA'd 10/31/06
3. Well #26, API #30-025-35866, Unit D
Hobbs; Up Blinebry, TA'd 9/26/06
4. Well #27, API #30-025-36775, Unit F
Hobbs; Up Blinebry, TA'd 2/2/07

B. Grimes, W.D. (NCT-B) Sec. 33, T18S, R38E
Property Code 025698

1. Well #7, API #30-025-23438, Unit B
Hobbs; Blinebry, producing
Hobbs; Drinkard, plugged off; DHC-636
2. Well #8, API #30-025-24928, Unit H
Hobbs; Drinkard, producing
Hobbs; Blinebry, plugged off, MC-2291
3. Well #9, API #30-025-28299, Unit A
Hobbs; Tubb, producing —
Hobbs; Blinebry, plugged off
Hobbs; Drinkard, plugged off, requesting DHC for future recompletion with Tubb

Active

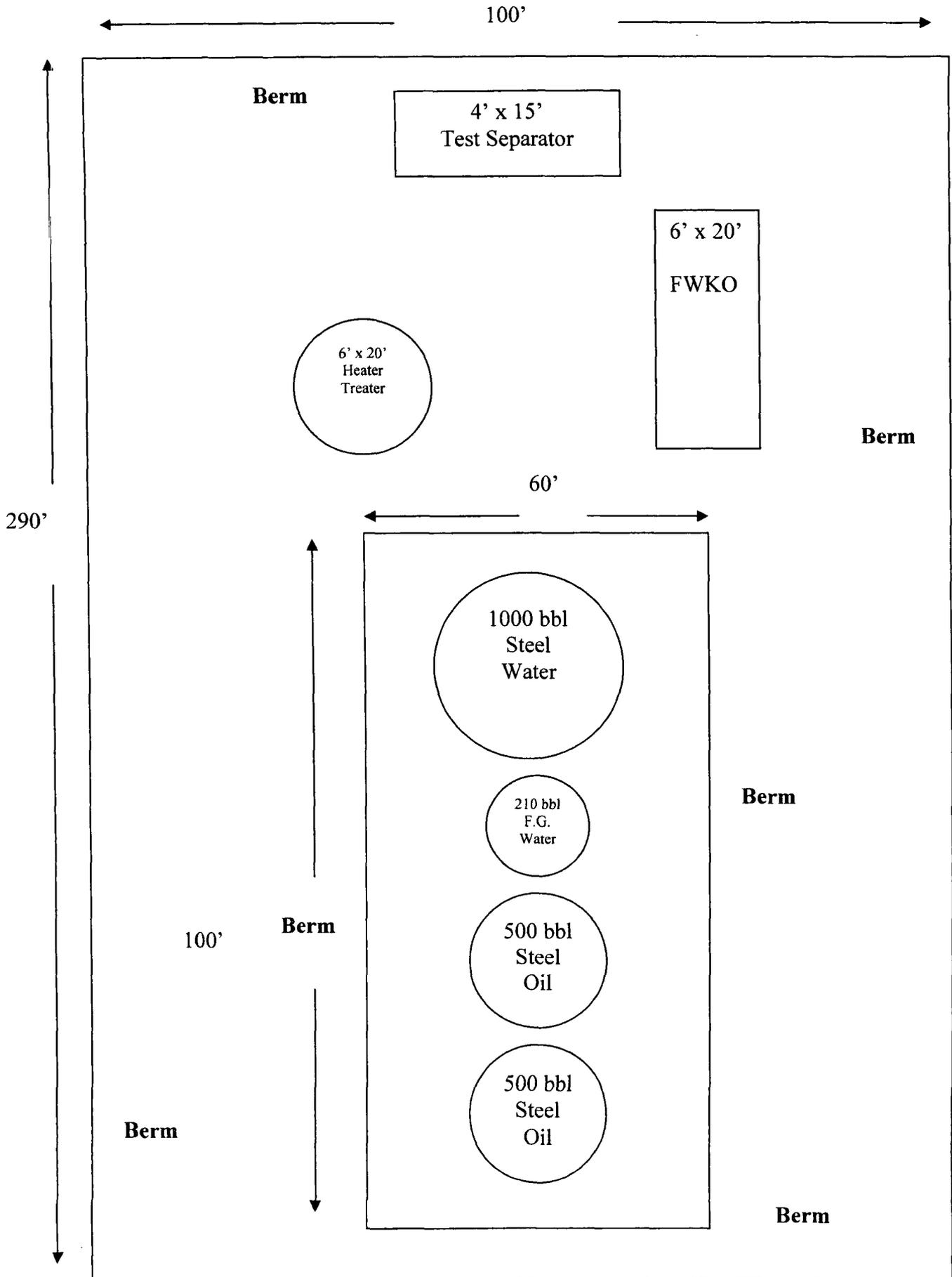
Hobbs

Tubb

↑
↑
2.

Grimes Battery - Exhibit E (1)

↑ N



TEXLAND PETROLEUM, L.P.

EXPLORATION AND PRODUCTION

777 MAIN STREET, SUITE 3200

FORT WORTH, TEXAS 76102

(817) 336-2751

October 9, 2008

Mr. Richard Ezeanyim
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Common Ownership
Grimes 'A' Lease - Prop Code 025697
Grimes 'B' Lease - Prop Code 025698
Lea County, New Mexico

Gentlemen:

In connection with Texland Petroleum-Hobbs' (Texland) request for OCD approval to commingle production from the Blinebry, Tubb and Drinkard Formations under the Grimes 'A' and Grimes 'B' leases operated by Texland, I would like to confirm the following information for your files:

1. Texland maintains division orders and disburses revenues on both leases.
2. Texland's ownership files show that the royalty, overriding royalty, and working interests in the Grimes 'A' lease are identical to those in the Grimes 'B' lease.

I trust the above information answers your inquiry. If not, please let me know.

Yours truly,



W. Frank Pendleton
Manager, Land and Legal

WFP/mn

9/18/08 DATE IN	SUSPENSE	W Jones ENGINEER	9/18/08 COMPLETION	PC TYPE	PKVRO826235068 APP NO
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Texland
PC-1202

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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]

06 RID
113215

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

- [A] Location - Spacing Unit Simultaneous Dedication
 NSL NSP 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

- [D] Other: Specify _____

1201
1187
1154
80
22

SWD-1101

2008 SEP 18 AM 9 23
RECEIVED

[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] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

<u>Vickie Smith</u> Print or Type Name	<u>Vickie Smith</u> Signature	<u>Regulatory Specialist</u> Title	<u>9-17-08</u> Date
		<u>vsmith@tex.gov</u> e-mail Address	

Battery Location

RECEIVED

EXPLAND PETROLEUM, L.P.
EXPLORATION AND PRODUCTION
777 MAIN STREET, SUITE 3200
FORT WORTH, TEXAS 76102

2008 SEP 17 PM 12 44

(817) 336-2751

September 16, 2008

Oil Conservation Division
Attn: Will Jones
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: **W.D. Grimes (NCT-A) 025697**
W.D. Grimes (NCT-B) 025698
Sec. 33, T18S, R38E
Lea County, New Mexico

Dear Will,

Please find enclosed one original and two copies each of Form C-107A and C-107B and required attachments, per our phone conversation. Form C-107B is being requested for all three formations due to a misinterpretation of the rules of Down Hole commingling and surface commingling. Form C-107A is being requested for future work to reopen the lower zone.

If you have any questions or need further information, please do not hesitate to give me a call.

Sincerely,



Vickie Smith
Regulatory Analyst

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Texland Petroleum-Hobbs, LLC
OPERATOR ADDRESS: 777 Main Street, Suite 3200, Fort Worth, Texas 76102
APPLICATION TYPE:

Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: Fees State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
 Yes No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
Hobbs, Blinebry 31680	34.0; 1.228	Equal		
Hobbs, Tubb 60240	34.0; 1.228	Equal		
Hobbs, Drinkard <u>31730</u>	34.0; 1.228	Equal		

- (2) Are any wells producing at top allowables? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.
(4) Measurement type: Metering Other (Specify) **WELL TESTING WILL BE DONE**
(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

- (1) Pool Name and Code.
(2) Is all production from same source of supply? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
(4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

- (1) Is all production from same source of supply? Yes No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: Vickie Smith TITLE: Regulatory Analyst DATE: 9/16/08

TYPE OR PRINT NAME Vickie Smith TELEPHONE NO.: 817-336-2751

E-MAIL ADDRESS: vsmith@texpetro.com

Grimes Battery - Exhibit E (i)

↑ N

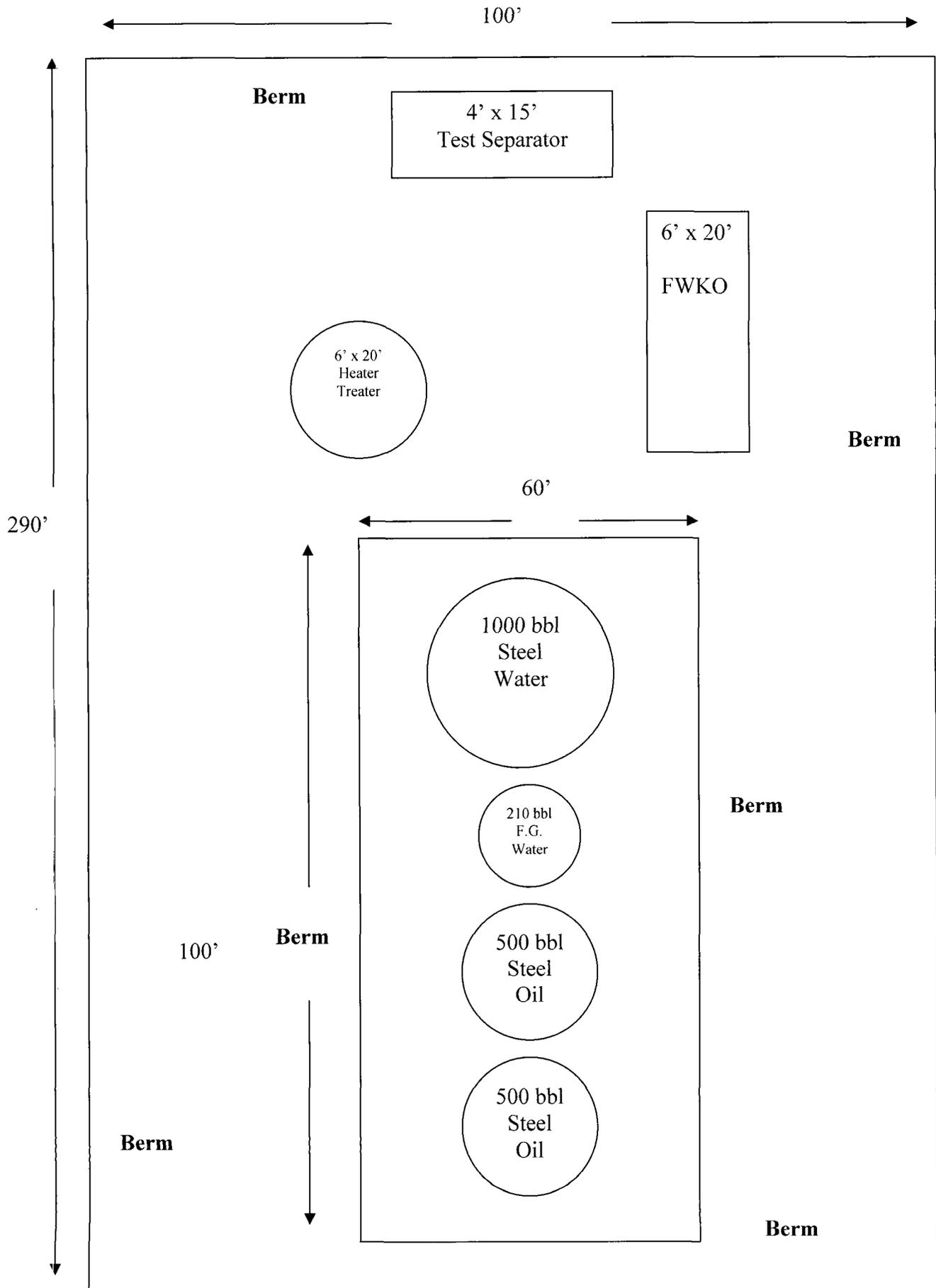


Exhibit E (2) a.

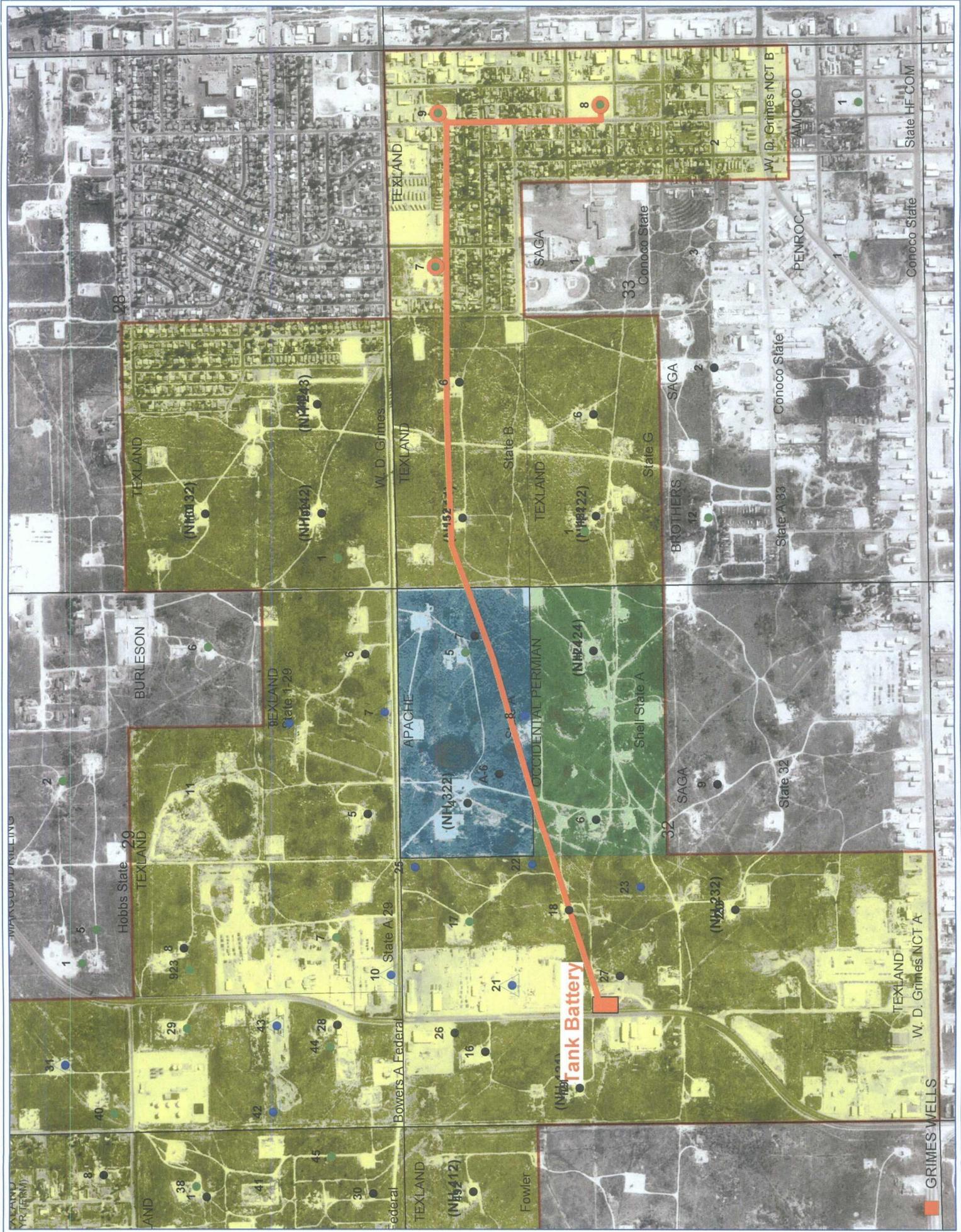
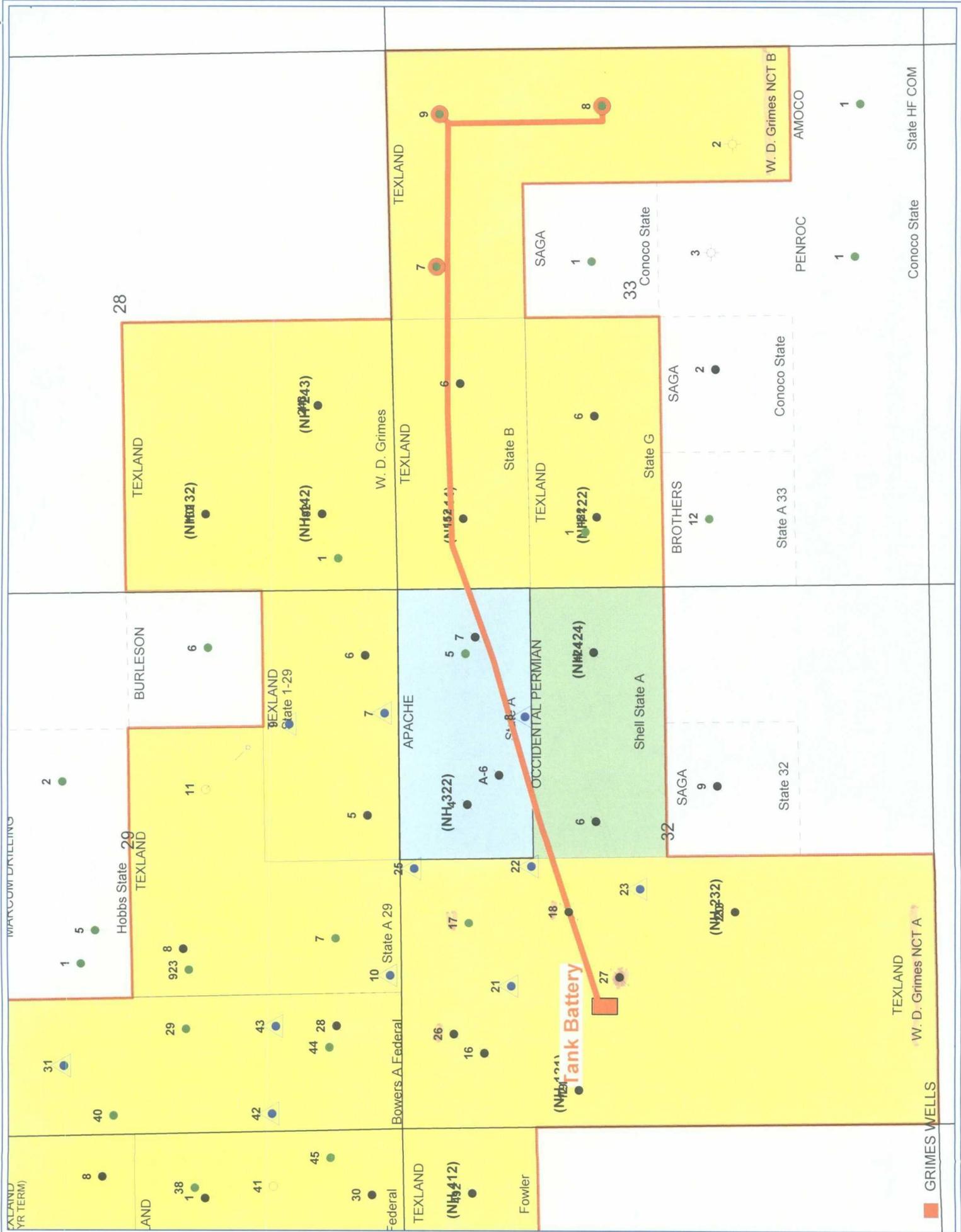


Exhibit E (a) b.



GRIMES WELLS

OGRIP
113315

(E) Additional Information

(3) Lease Names, Lease and Well Numbers & API Number

Fee

A. 025697 Grimes, W.D. (NCT-A)

- 1. Well #17 - 30-025-22792 Lea W/C Hobbs upper BLinebry
- 2. Well #18 - 30-025-22915 Lea Hobbs BLinebry 40 Acres
- 3. Well #26 - 30-025-35866 Lea Hobbs BLinebry
- 4. Well #27 - 30-025-36775 Lea Upper BLinebry

B. 025698 Grimes, W.D. (NCT-B)

- 1. Well #7 - 30-025-23438 Lea Hobbs Drinkend - 80 Acres BLinebry
- 2. Well #8 - 30-025-24928 Lea Hobbs Drinkend ^{4700'} BLinebry 40 Acres
- 3. Well #9 - 30-025-28299 Lea Hobbs upper BLinebry 31680 40 Acres
Lower BLinebry 31650

Texpetco.com

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave. Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Texland Petroleum-Hobbs, LLC
OPERATOR ADDRESS: 777 Main Street, Suite 3200, Fort Worth, Texas 76102
APPLICATION TYPE:
 Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)
LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
 Yes No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
Hobbs, Blinebry 31680	34.0; 1.228	Equal		
Hobbs, Tubb 60240	34.0; 1.228	Equal		
Hobbs, Drinkard 31730	34.0; 1.228	Equal		

(2) Are any wells producing at top allowables? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.
(4) Measurement type: Metering Other (Specify) **WELL TESTING WILL BE DONE**
(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

(1) Pool Name and Code.
(2) Is all production from same source of supply? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
(4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

(1) Is all production from same source of supply? Yes No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

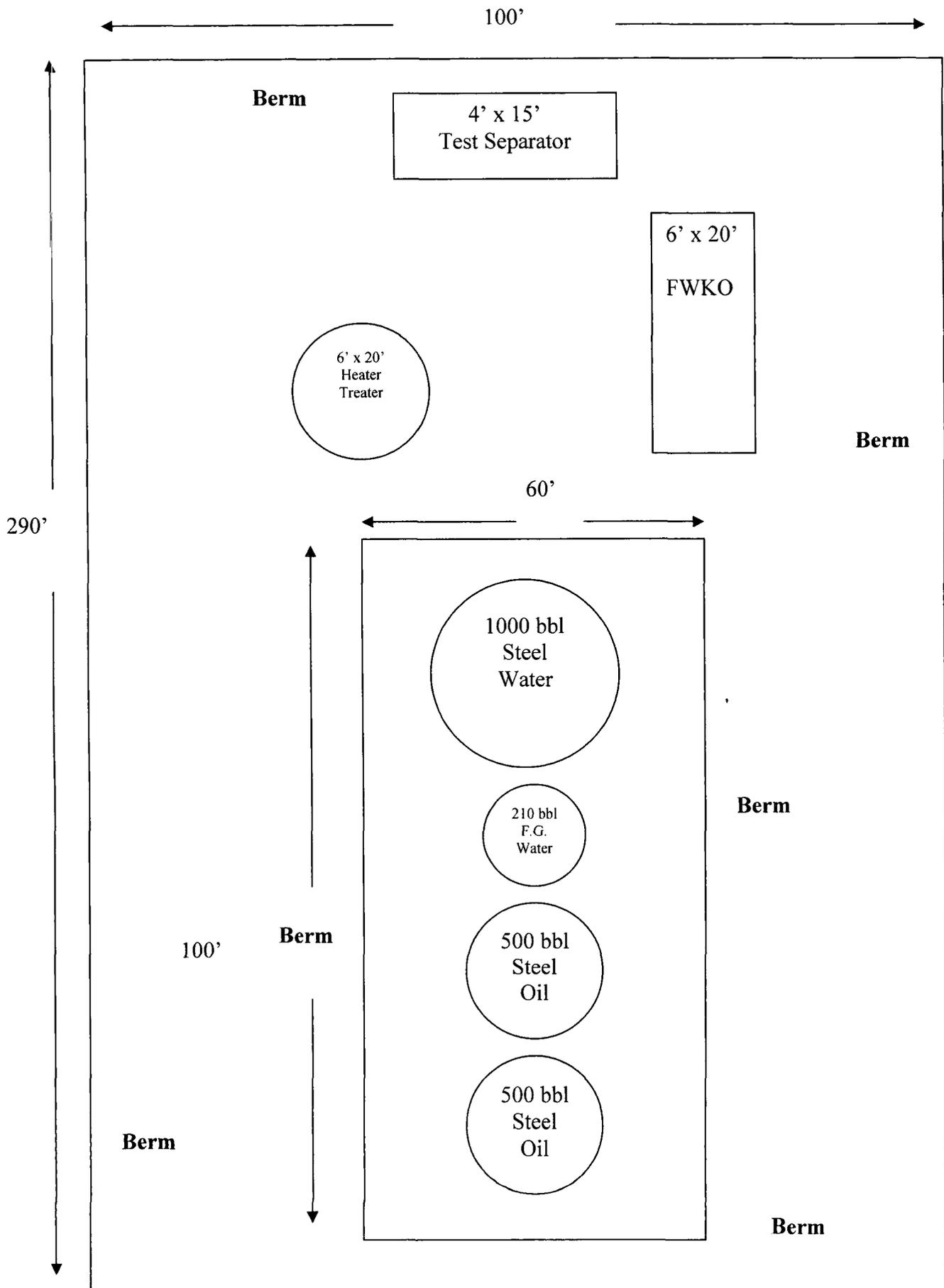
SIGNATURE: Vickie Smith TITLE: Regulatory Analyst DATE: 9/16/08

TYPE OR PRINT NAME Vickie Smith TELEPHONE NO.: 817-336-2751

E-MAIL ADDRESS: vsmith@texpetro.com

Grimes Battery - Exhibit E (1)

↑ N



(E) Additional Information

(3) Lease Names, Lease and Well Numbers & API Number

A. 025697 Grimes, W.D. (NCT-A)

1. Well #17 - 30-025-22792 -
2. Well #18 - 30-025-22915
3. Well #26 - 30-025-35866
4. Well #27 - 30-025-36775

completed
Active Hobbs Upper Blinbury

B. 025698 Grimes, W.D. (NCT-B)

1. Well #7 - 30-025-23438
2. Well #8 - 30-025-24928
3. Well #9 - 30-025-28299

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, Artesia, NM 88210
District III
1090 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised June 10, 2003

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

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APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

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OPERATOR ADDRESS: 777 Main Street, Suite 3200, Fort Worth, Texas 76102

APPLICATION TYPE:

Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. _____

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

Yes No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Hobbs, Blinebry 31680	34.0; 1.228	Equal			
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Hobbs, Drinkard <u>31730</u>	34.0; 1.228	Equal			

(2) Are any wells producing at top allowables? Yes No

(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.

(4) Measurement type: Metering Other (Specify) **WELL TESTING WILL BE DONE**

(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? Yes No

(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No

(4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

(1) Is all production from same source of supply? Yes No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

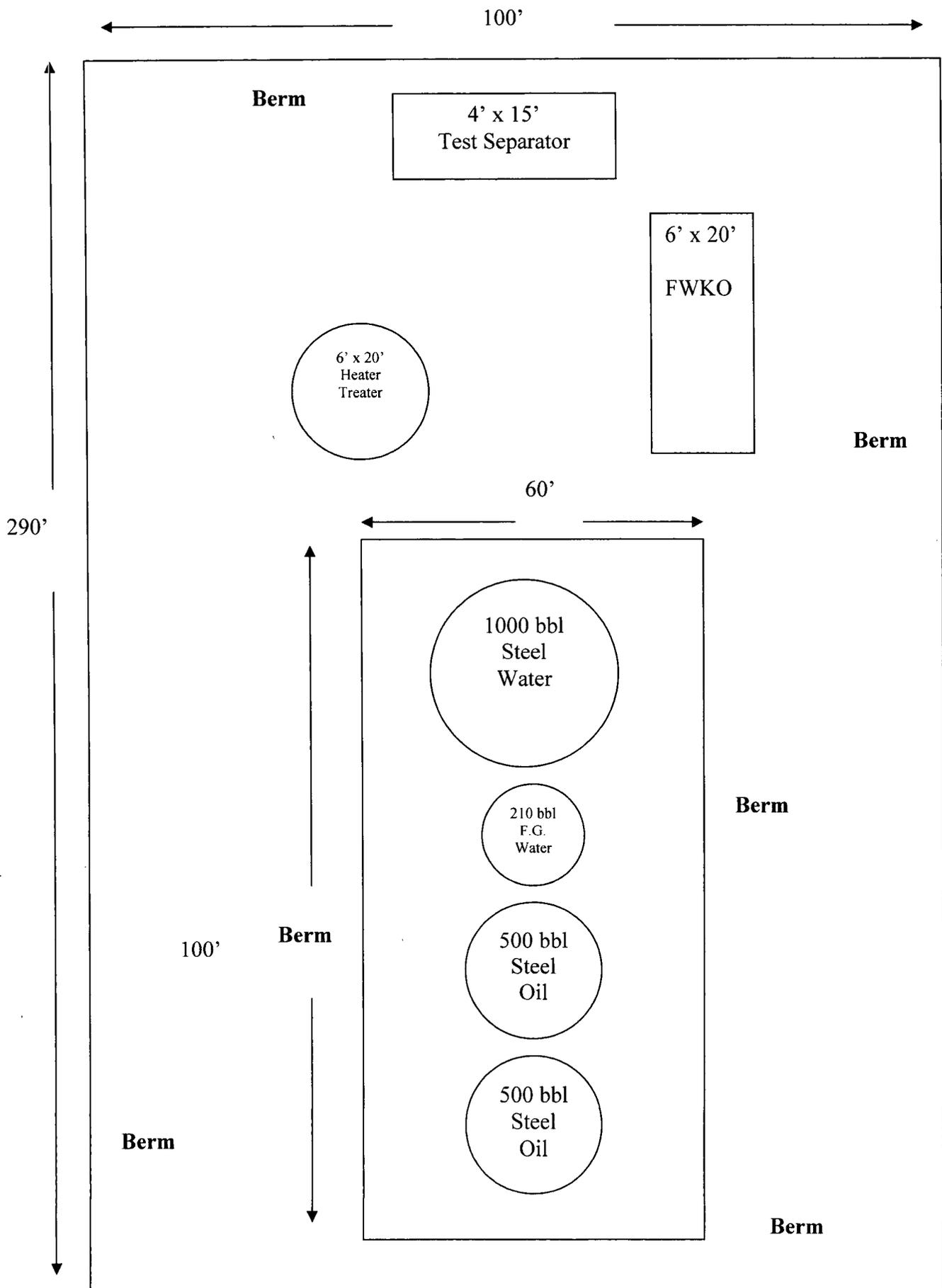
SIGNATURE: Vickie Smith TITLE: Regulatory Analyst DATE: 9/16/08

TYPE OR PRINT NAME Vickie Smith TELEPHONE NO.: 817-336-2751

E-MAIL ADDRESS: vsmith@texpetro.com

Grimes Battery - Exhibit E (i)

↑ N



(E) Additional Information

(3) Lease Names, Lease and Well Numbers & API Number

A. 025697 Grimes, W.D. (NCT-A)

1. Well #17 – 30-025-22792
2. Well #18 – 30-025-22915
3. Well #26 – 30-025-35866
4. Well #27 – 30-025-36775

B. 025698 Grimes, W.D. (NCT-B)

1. Well #7 – 30-025-23438
2. Well #8 – 30-025-24928
3. Well #9 – 30-025-28299

Ezeanyim, Richard, EMNRD

From: Vickie Smith [vsmith@texpetro.com]
Sent: Wednesday, October 08, 2008 12:16 PM
To: Ezeanyim, Richard, EMNRD
Subject: Surface commingling

Will Jones, told me to email you, that you were handling some of his work. I need for you to please call me regarding Form C-107B surface commingling for the Grimes A& B Lease, Sec. 33, T18S R38E. that I overnighted to Will several weeks ago. We have a unique situation going on regarding this request for surface commingling that would be easier to talk to you about rather than trying to use email. He will be copying some info for you that were attached to Form C-107A that I sent to him at the same time. I just need to know what other info you need to approve the commingling. He did ask for me to prepare the C-102's for each well involved in this lease, and will over night them to you, but I would like to talk to you first.

I would appreciate a quick response due to the nature of our request for the commingling. Thanking you in advance for your time.

Vickie Smith
Texland Petroleum-Hobbs, LP
Fort Worth, Texas
817-900-1233

This inbound email has been scanned by the MessageLabs Email Security System.

DHC - 636

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-120
Effective 1-1-65

All distances must be from the outer boundaries of the Section

API# 30-025-28299

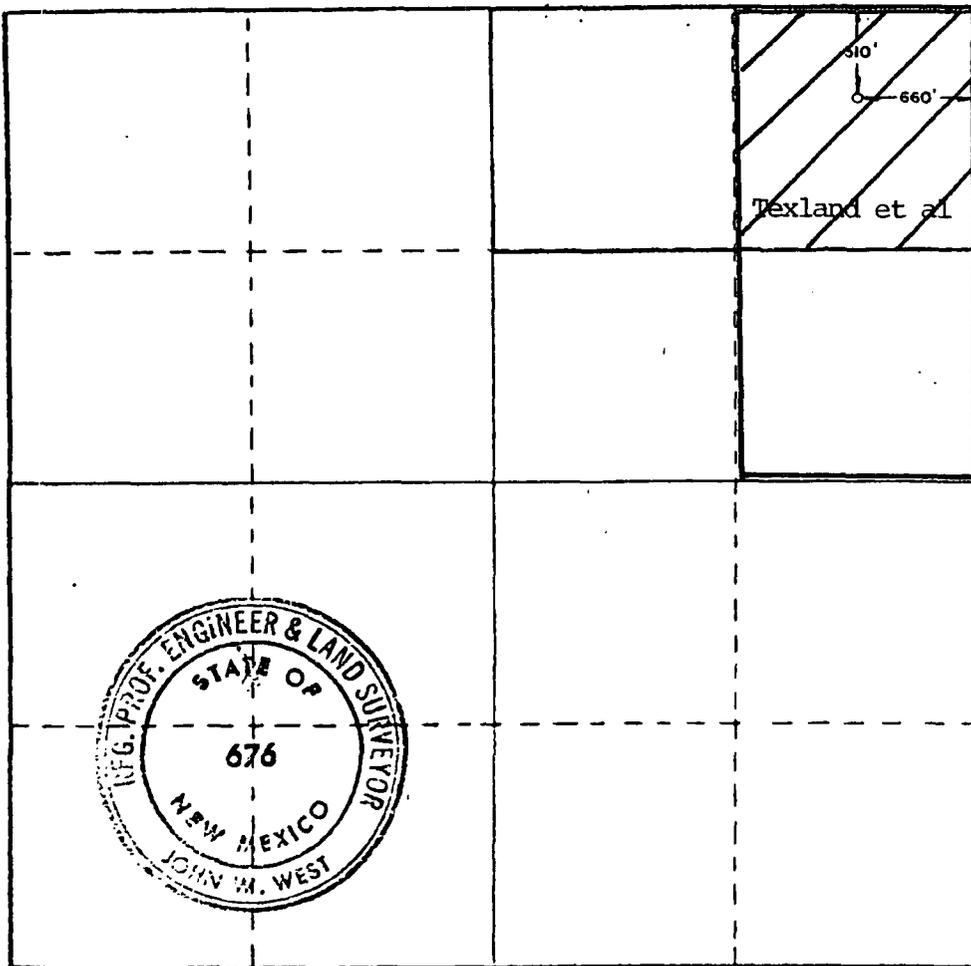
Operator Texland Petroleum-Hobbs, LLC		Lease W. D. GRIMES (NCT-6)			Well No. 9
Unit Letter A	Section 33	Township 18 SOUTH	Range 38 EAST	County LEA	
Actual Footage Location of Well: 510 feet from the NORTH line and 660 feet from the EAST line					
Ground Level Elev. 3637.6	Producing Formation Drinkard	Pool Hobbs Drinkard <31730>		Dedicated Acreage: 80 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

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 communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

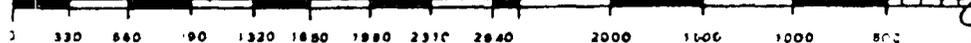
Vickie Smith

Name
Vickie Smith
Position
Regulatory Analyst
Company
Texland Petroleum-Hobbs, LLC
Date
8/1/08

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
JULY 25, 1983
Registered Professional Engineer and/or Land Surveyor

John W. West
Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3212



MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

API # 3002528299

All distances must be from the outer boundaries of the Section

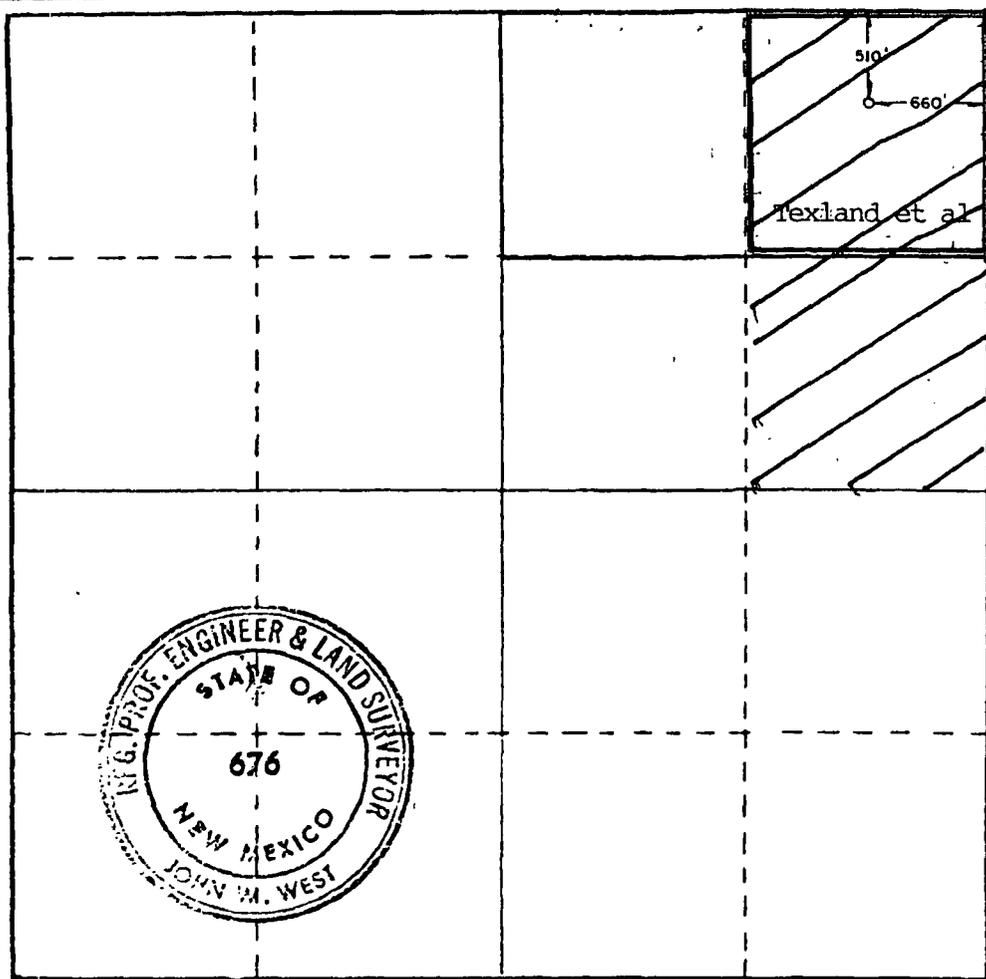
Operator Texland Petroleum-Hobbs, LLC		Lease W. D. GRIMES (NCT-8)		Well No. 9
Tract Letter A	Section 33	Township 18 SOUTH	Range 38 EAST	County LEA
Actual Footage Location of Well: 510 feet from the NORTH line and 660 feet from the EAST line				
Ground Level Elev. 3637.6	Producing Formation Tubb	Pool Hobbs, Tubb	60240	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 interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

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 communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Vickie Smith

Name _____

Vickie Smith

Position _____

Regulatory Analyst

Company _____

Texland Petroleum-Hobbs, LLC

Date _____

8/1/08

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 _____

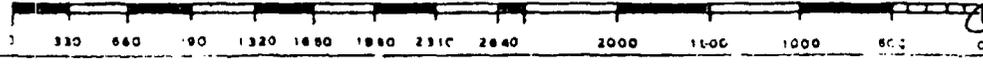
JULY 25, 1983

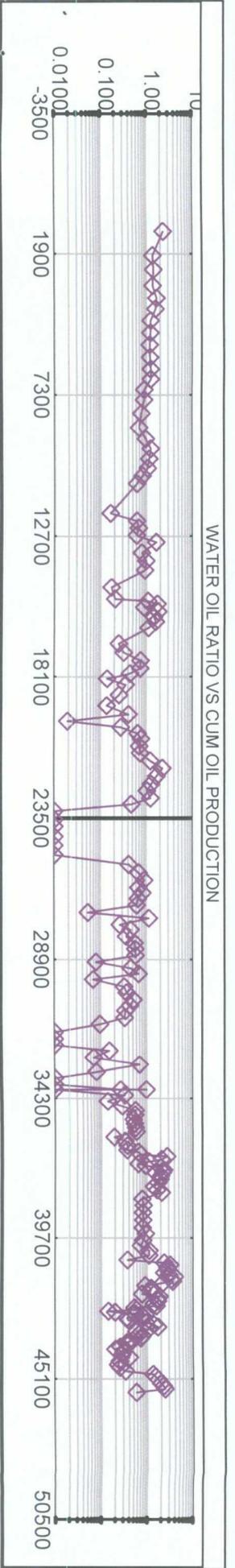
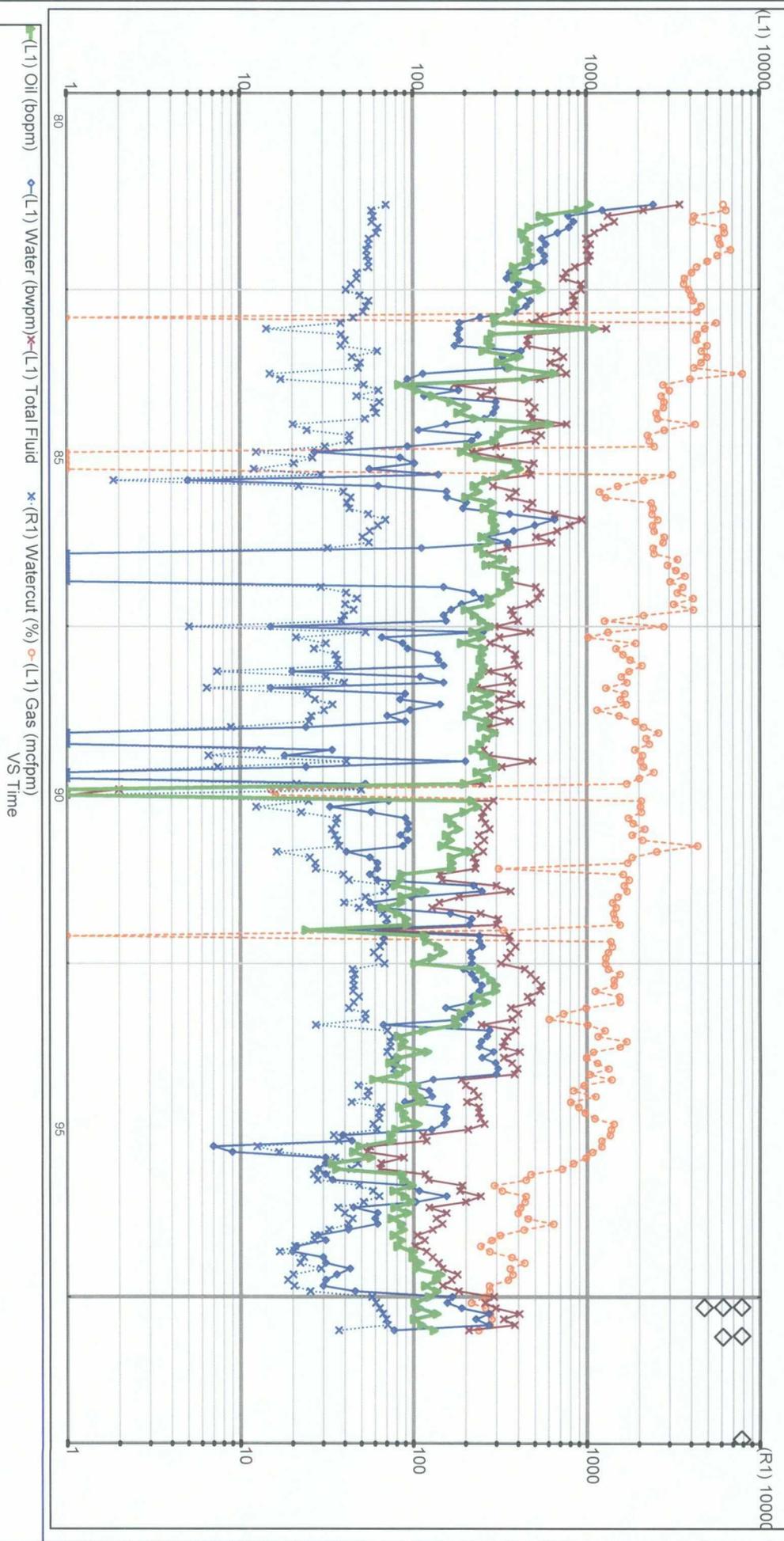
Registered Professional Engineer
in the State of New Mexico

John W. West

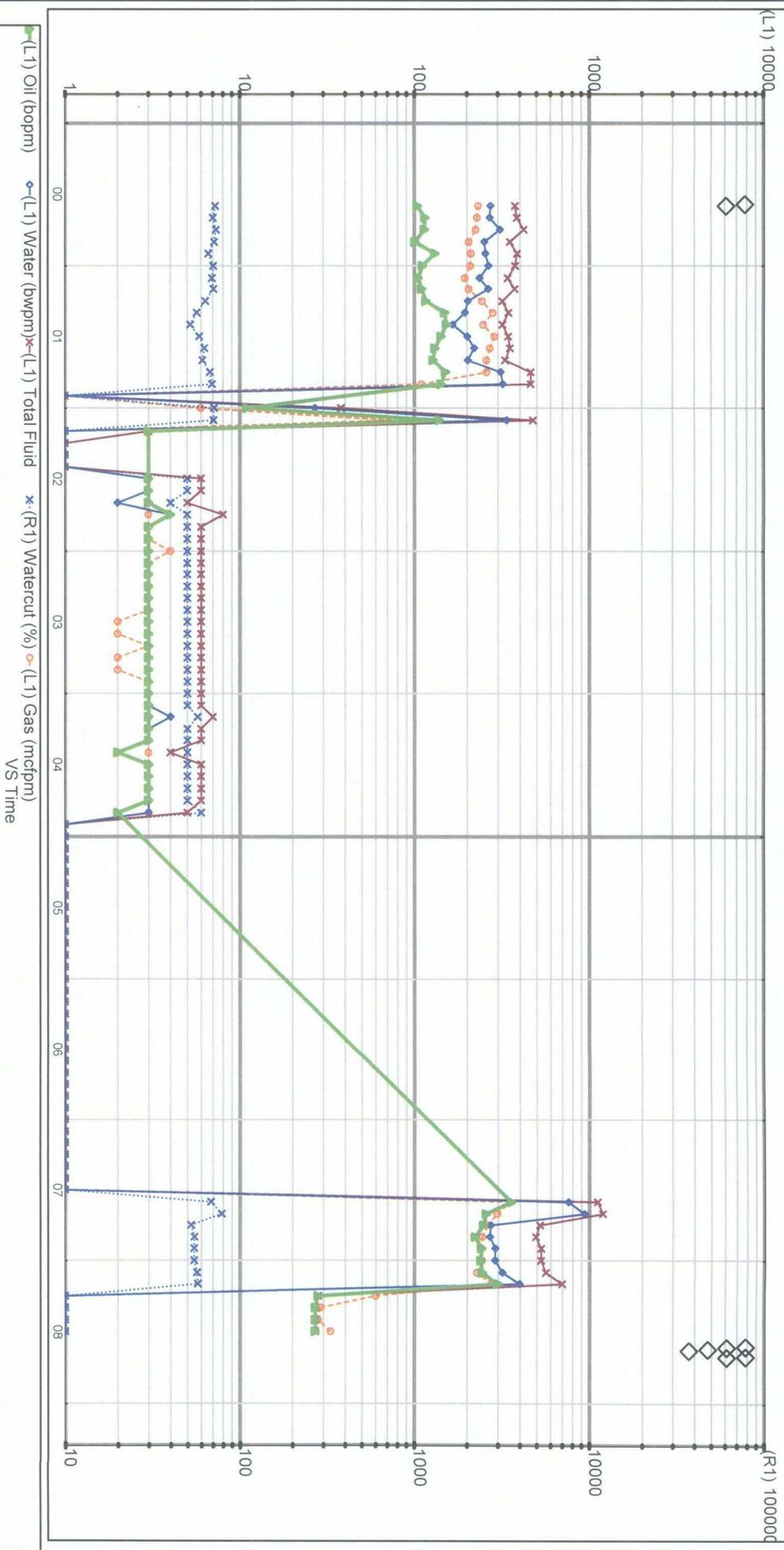
Certificate No. JOHN W. WEST. 676

RONALD J. EIDSON. 3213

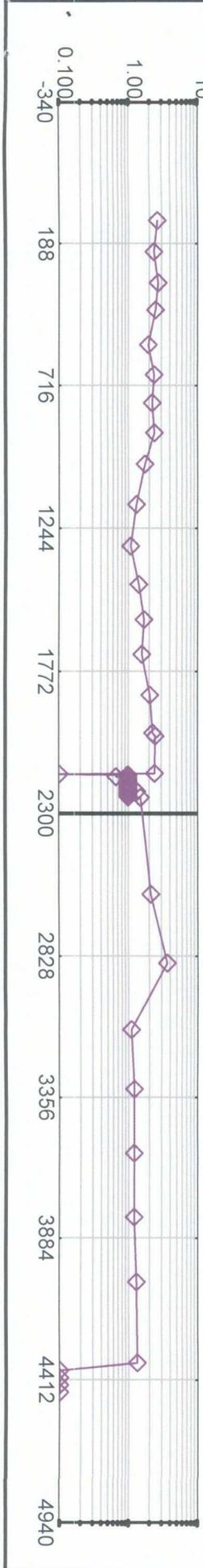




Name: GRIMES 9b



WATER OIL RATIO VS CUM OIL PRODUCTION



Name GRIMES, W. D. NCT -B- # 9t (TUBB)

esd 2550

company	date	oil	gas	wat	RT	AGO	ogt	sgw
GRIMES 9t	09/12/08	16.00	16.00	7.00	45.00			
GRIMES 9t	09/11/08	16.00	14.00	10.00	45.00			
GRIMES 9t	09/10/08	16.00	15.00	34.00	45.00			
GRIMES 9t	09/09/08	15.00	12.00	35.00	00.00			
GRIMES 9t	09/08/08	7.00	13.50	60.00	00.00			
GRIMES 9t	09/07/08	15.00	23.00	50.00	00.00			

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ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



March 3, 1987

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Administrative Order No. DHC-636

Chevron U.S.A. Inc.
P. O. Box 670
Hobbs, New Mexico 88240

Attention: R. C. Anderson

Re: W. D. Grimes (NCT-B) Well No. 7, Unit B,
Sec. 33, T-18-S, R-38-E, NMPM, Lea County
Hobbs Blinebry and Drinkard Pools

Gentlemen:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle the production from both pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the two zones is hereby placed in abeyance.

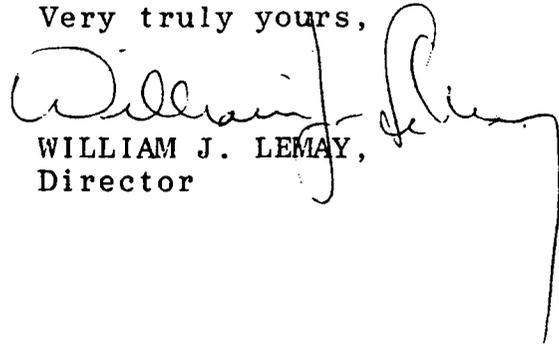
In accordance with the provisions of Rule 303.C.4., total ~~commingled oil production~~ from the subject well shall not exceed 50 barrels per day, and total water production from the ~~well shall not exceed 100 barrels per day.~~ The maximum amount ~~of gas which may be produced daily from the well shall be~~ determined by multiplying 2000 by the top unit allowable for the Hobbs Blinebry Pool.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Blinebry Pool: Oil 47%, Gas 11%
Drinkard Pool: Oil 53%, Gas 89%

Pursuant to Rule 303-C 5, the commingled authority granted by this order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Very truly yours,

A handwritten signature in cursive script, appearing to read "William J. Lemay". The signature is written in dark ink and is positioned above the typed name and title.

WILLIAM J. LEMAY,
Director

cc: Gas Co. of N.M.
OCD District Office - Hobbs

Release 3-2-87

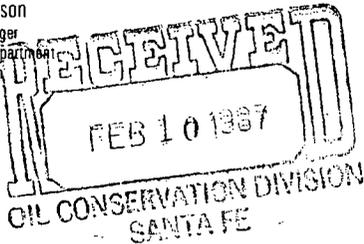
By DEC



Chevron U.S.A. Inc.
P.O. Box 670, Hobbs, NM 88240

January 7, 1987

R. C. Anderson
Division Manager
Production Department
Hobbs Division



APPLICATION TO DOWN HOLE COMMINGLE
W. D. GRIMES (NCT-B) WELL NO. 7
LOCATED IN UNIT B, SECTION 33
T-18-S, R-38-E,
LEA COUNTY, NEW MEXICO

W. J. Lemay
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Pursuant to the provision of Statewide Rule 303-C, Chevron respectfully requests administrative approval to commingle production within the subject wellbore from the Blinebry and Drinkard pools. The W. D. Grimes (NCT-B) Well No. 7 was drilled to the Drinkard in 1970. After testing in the Drinkard Formation the well was plugged back and tested in the Blinebry. The well has produced from the Blinebry Formation from 1970 to the present and is now a marginal producer. In the interest of conservation and prevention of waste, we propose to down hole commingle the Blinebry and Drinkard in this wellbore.

Enclosed is pertinent data supporting this application as outlined in Rule No. 303-C. If additional information is necessary, please contact William Pape at (505) 393-4121.

Yours very truly,

R. C. ANDERSON

WCP:bdw

Attachments

cc: OCD - Hobbs
Offset Operators
State Land Office

- 1) Operator: Chevron U. S. A. Inc., P. O. Box 670 Hobbs, New Mexico 88240
- 2) Lease, Well and Location: W. D. Grimes (NCT-B) Well No. 7, Unit B. 450 FNL, 2160 FEL, Section 33-T18S-R38E.
- 3) Producing Zones: Blinebry and Drinkard.
- 4) Decline Curve: The Drinkard is expected to decline at 12% per year after an IP of 7 BOPD with 80 MCFGPD. The Blinebry is expected to decline at 12% per year. Current production is 8 BOPD and 10 MCFGPD.
- 5) Bottom Hole Pressure: The Drinkard has a calculated BHP of 1581 psi at a depth of 6878'. The Blinebry has a calculated bottom hole pressure of 218 psi at a depth of 5918'.
- 6) Fluid Characteristics: The Blinebry and Drinkard are currently surface commingled at the battery under Commingling Order R-4079-C. To date there has been no evidence of fluid incompatibility.
- 7) Well History: The subject well was spudded 2-2-70 and drilled to a total depth of 7100'. 13 3/8" surface casing was set at 368' and cement circulated to surface. 9 5/8" intermediate casing was set at 3859' and cement circulated to surface. 7" casing was set at 7099' and cemented with 485 sacks of cement. Temperature survey indicated the top of cement to be at 3635'. The Drinkard Formation was perforated from 6748' to 7008' and acidized with 1300 gals 15% HCL and tested. 3-19-70 A CIBP was set at 6650' and capped with 1 1/2 sacks cement. Blinebry Formation was perforated from 5848' to 5988' and acidized with 3000 gals 15% NEA HCL. The Blinebry IP'd for 105 BO, 20 BW for a 24 hr. test.
2- 9-72 Acidize 5848' to 5988' with 7500 gals Halliburton mod 202 acid.
- 8) Value of Commingled Fluids: The Blinebry and Drinkard are being surface commingled at the battery under Commingling Order R-4079-C. Therefore, downhole commingling will not effect the price.
- 9) Current Production: The Blinebry tested 6 BOPD, 11 BOPD and 10 MCFGPD on December 2, 1986. The Drinkard tested in March 1970 for 7 BO, 35 BW with no measurement on gas.
- 10) Recommended Oil and Gas Allotments:

	Blinebry	Drinkard
Oil:	47%	53%
Gas:	11%	89%
- 11) Ownership and Royalty Interests: Ownership of the two pools to be commingled is common and correlative rights will not be violated.
- 12) Future Secondary Operations: Commingling will not jeopardize the efficiency of future secondary recovery operations in either zone.
- 13) Production Methods: The commingled production will be pumped and the

fluid level monitored to maintain a pumped off condition and eliminate the possibility of cross flow between reservoirs.

- 14) Copies of this application have been furnished to all Offset Operators by certified mail.

OFFSET OPERATORS

SHELL
P. O. Box 2463
Houston, TX 77001

AMOCO
P. O. Box 68
Hobbs, NM 88240

PENROC OIL CORPORATION
P. O. Box 831
Midland, Texas 79702

CONOCO INC.
P. O. Box 460
Hobbs, NM 88240

Certified Mail - Return Receipt Requested.

W. D. Grimes (NCT-B) #7
Blinebry BHP Calculations

The well was closed-in and pressures and fluid level allowed to stabilize so that the following data could be obtained.

DATA

Casing pressure = 128 psi
Fluid level from surface = 5680'
Midpoint of Blinebry perforations = 5918'
Oil Gravity = 38° API

BHP = P(casing) + P(gas column) + P(fluid column)

P(casing) = 128 psi

P(gas column) = (.0006 psi/ft)(5680') = 3.4 psi

P(fluid column) = (.362 psi/ft)(5918-5680) = 86.2psi

BHP = 128 + 3.4 + 86.2 = 217.6psi

Static Bottom Hole Pressure at a depth of 5918' = 218 psi

W. D. GRIMES (NCT-B) #7
Drinkard BHP Calculations

Calculations based on tests conducted when the Drinkard Formation was originally perforated in March 1970.

DATA

Close-in tubing pressure = 150 psi
Fluid level from surface = 3818'
Water Gravity = 1.10
Midpoint to Drinkard perforations = 6878'

$$\text{BHP} = \text{CITP} + P(\text{gas column}) + P(\text{fluid column})$$

$$\text{CITP} = 150 \text{ psi}$$

$$P(\text{gas column}) = (.006 \text{ psi/ft})(3878') = 2.3 \text{ psi}$$

$$P(\text{fluid column}) = (1.10)(.433 \text{ psi/ft})(6878' - 3878') = 1428.9 \text{ psi}$$

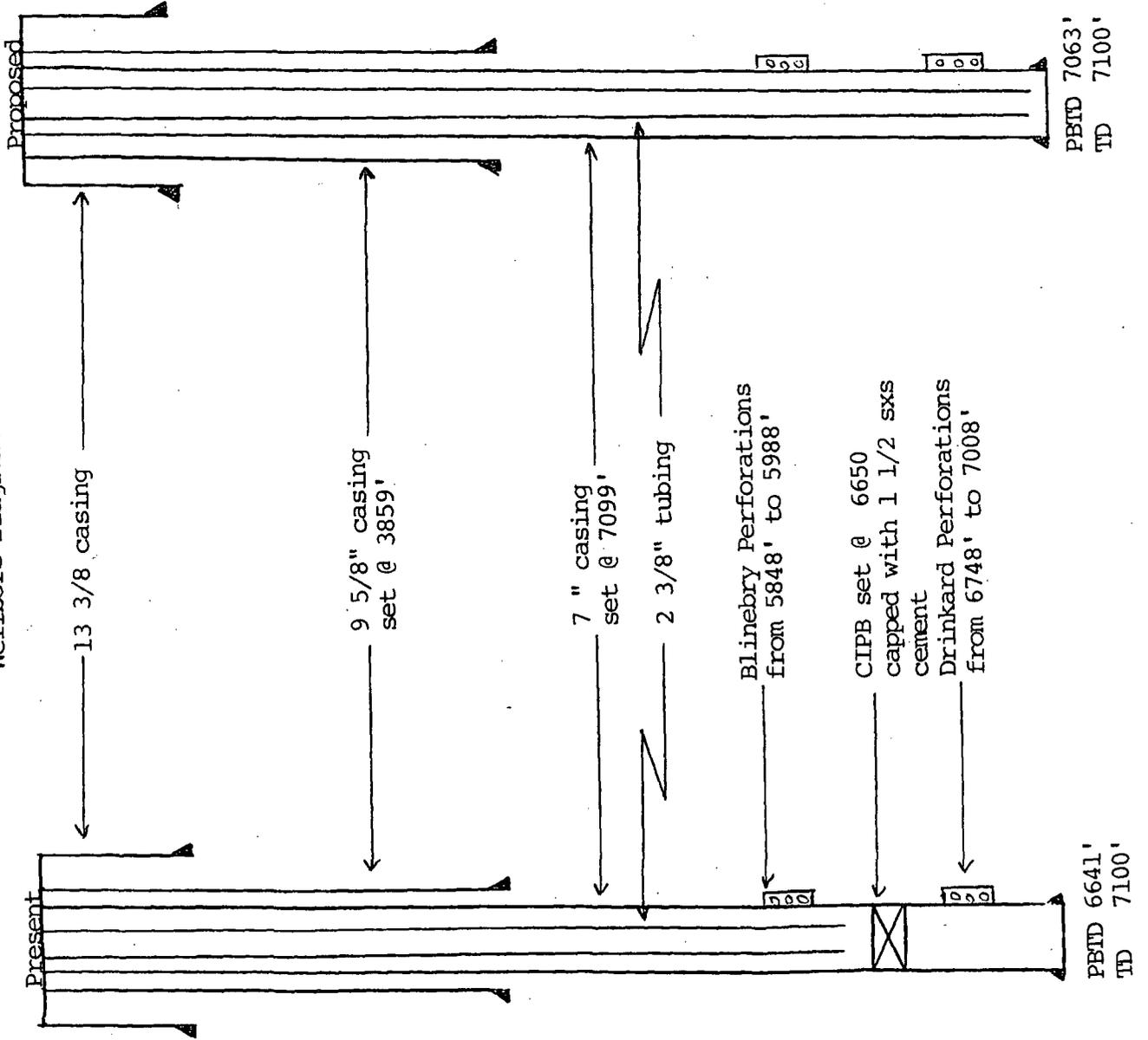
$$\text{BHP} = 150 + 2.3 + 1428.9 = 1581.2 \text{ psi}$$

Static Bottom Hole Pressure at a depth of 6878' = 1581 psi

CHEVRON U. S. A. INC.

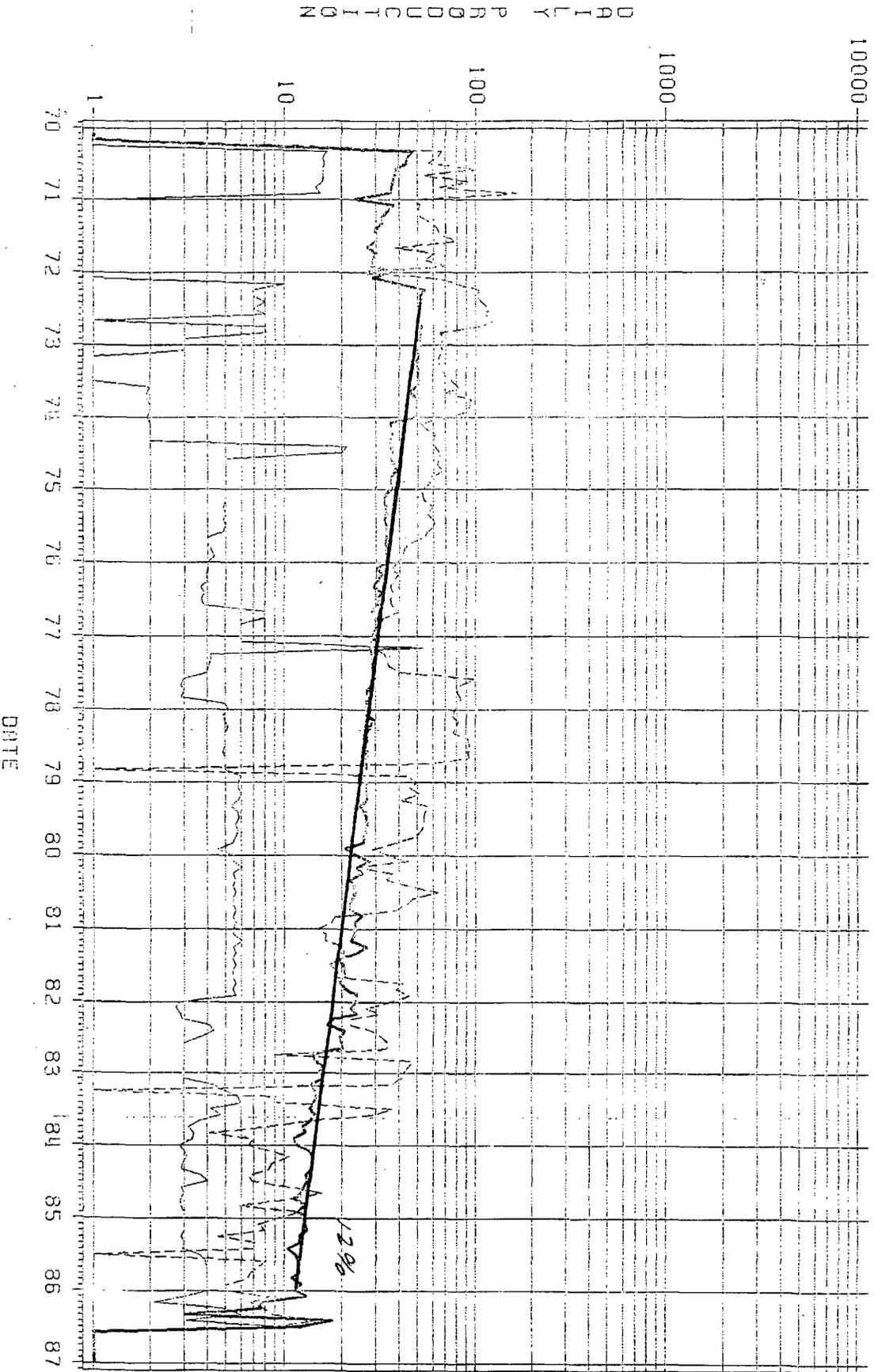
W. D. GRIMES (NCT-B) WELL NO. 17

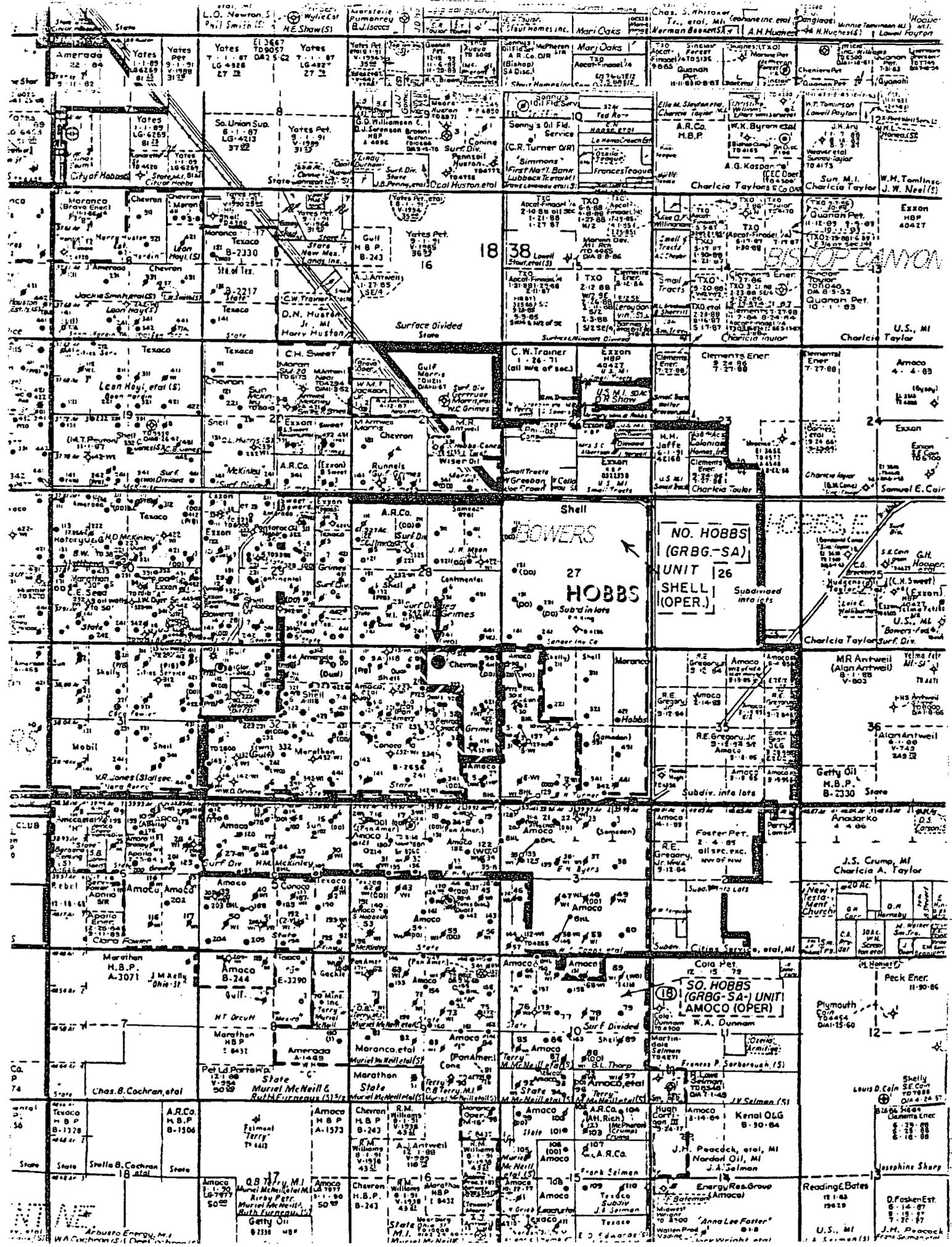
Wellbore Diagrams



PRODUCTION DATA PLOT

WELLNO=007 WELLNR=M D GRINES NCT B PETROLEUM INFORMATION OPERNR=CHEVRON U.S.R. INC. FLDRSNR=HOBBS BLINERY





Surface Divided Stone

NO. HOBBS
(GRBG-SA)
UNIT 26
SHELL (OPER.)

HOBBS
Sub'd in lots

SO. HOBBS
(GRBG-SA) UNIT
AMOCO (OPER)

Arbusto Energy, M.I.
WA Cochran (S) et al

U.S. M.I.
J.M. Peacock et al

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
 Supersedes C-128
 Effective 1-1-65

All distances must be from the outer boundaries of the Section.

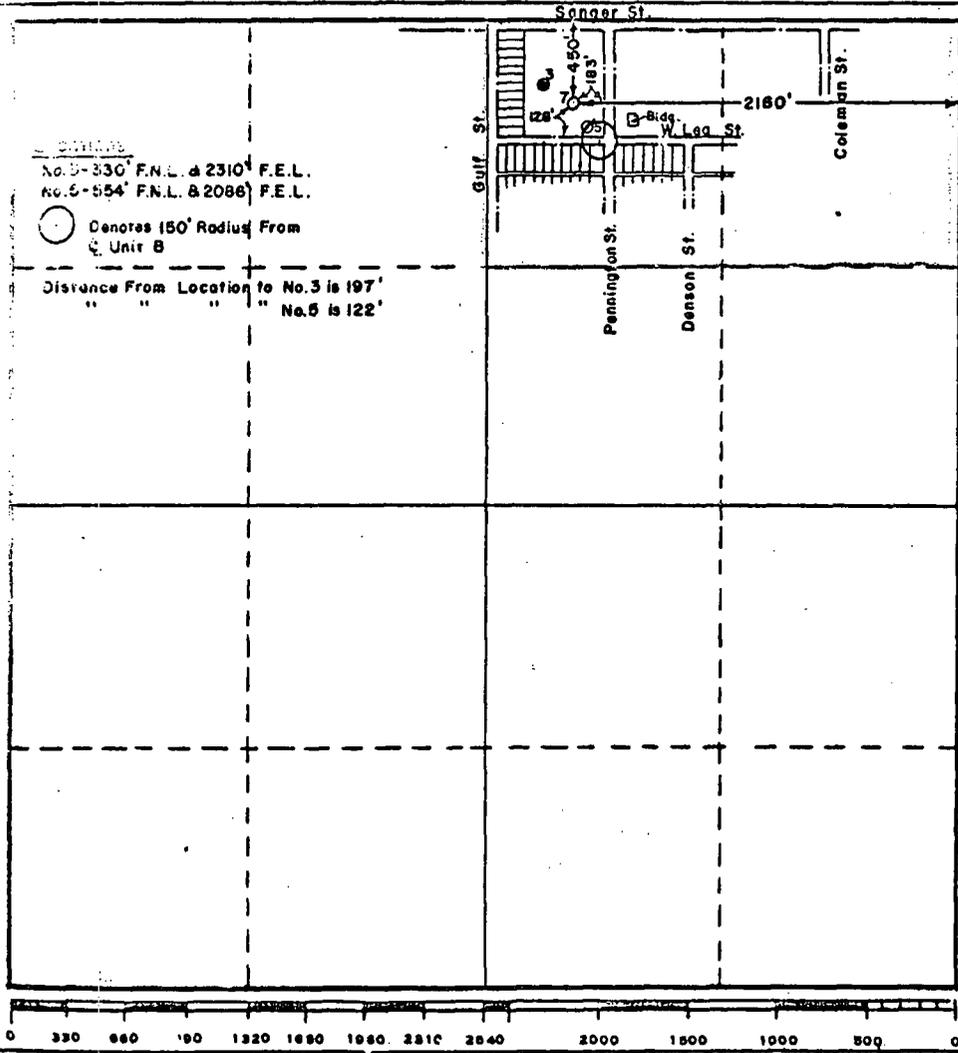
Operator GULF OIL CORPORATION			Lease W.D. GRIMES NCT-B		Well No. 7
Unit Letter B	Section 33	Township 18 SOUTH	Range 38 EAST	County LEA	
Actual Footage Location of Well: 450 feet from the NORTH line and 2160 feet from the EAST line					
Ground Level Elev. 3645'	Producing Formation Drinker		Pool Under Hobbs Drinker		Dedicated Acreage: 80 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

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 communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Name	ORIGINAL SIGNED BY C. D. BORLAND
Position	Area Production Manager
Company	Gulf Oil Corporation
Date	January 28, 1970
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 26, 1970
Registered Professional Engineer and/or Land Surveyor <i>John W West</i>	
Certificate No.	676

* NSL has been applied for.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION
 HOBBS DISTRICT OFFICE

RECEIVED
 FEB 16 1987
 OIL CONSERVATION DIVISION
 HOBBS DISTRICT OFFICE

February 13, 1987

TONY ANAYA
 GOVERNOR

POST OFFICE BOX 1980
 HOBBS, NEW MEXICO 88240
 (505) 393-6161

OIL CONSERVATION DIVISION
 P. O. BOX 2088
 SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC _____
 DHC XX _____
 NSL _____
 NSP _____
 SWD _____
 WFX _____
 PMX _____

Gentlemen:

I have examined the application for the:

Chevron USA Inc.	W. D. Grimes #7-B	33-19-38	
Operator	Lease & Well No.	Unit	S-T-R

and my recommendations are as follows:

 OK -- JS

Yours very truly,

Jerry Sexton
 Jerry Sexton
 Supervisor, District 1

/mc

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-4-65

All distances must be from the outer boundaries of the section.

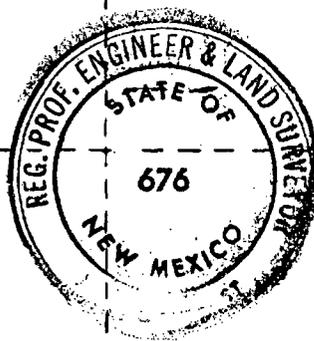
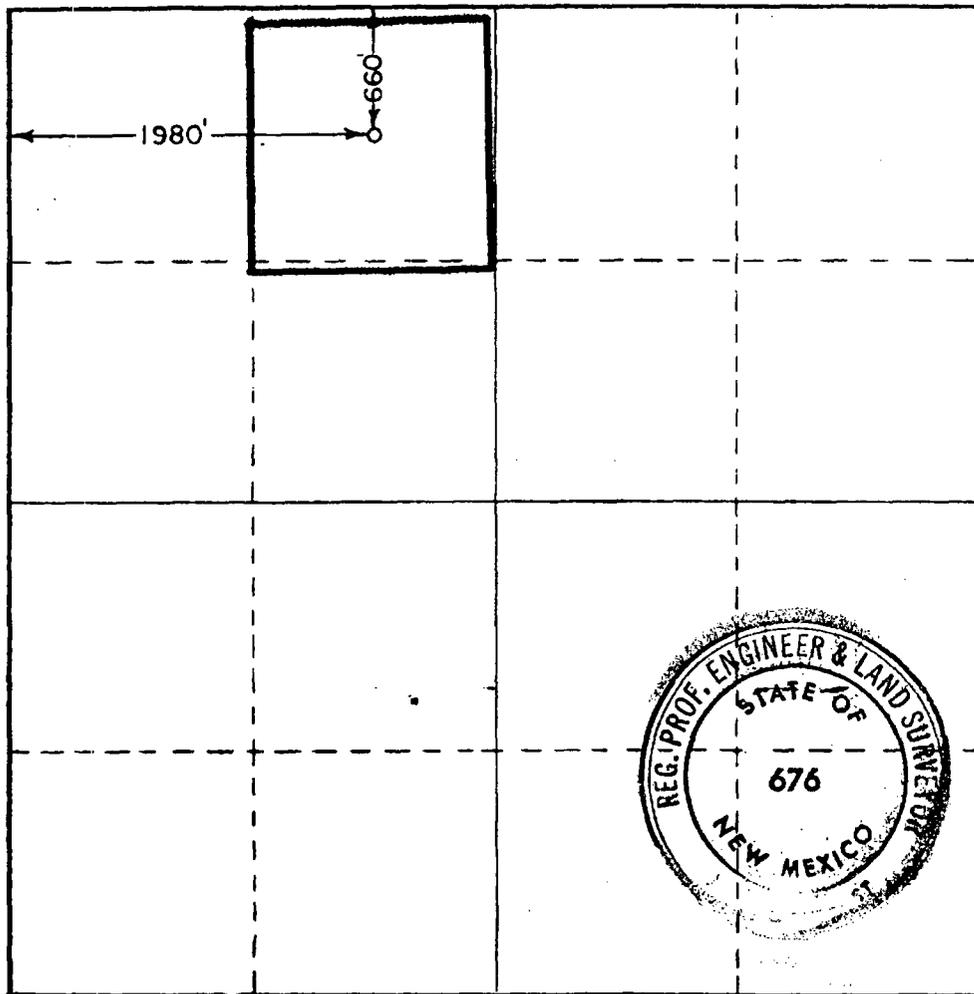
Operator GULF OIL CORP.			Lease W.D. GRIMES UNIT-A		Well No. 17
Unit Letter C	Section 32	Township 18 SOUTH	Range 38 EAST	County LEA	
Actual Footage Location of Well: 660 feet from the NORTH line and 1980 feet from the WEST line					
Ground Level Elev.	Producing Formation Minary	Pool Indesignated	Dedicated 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 interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

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 communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name **ORIGINAL SIGNED BY
G. D. BORLAND**
Position **Area Protection Manager**
Company **Gulf Oil Corporation**
Date **October 7, 1968**

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 **OCTOBER 2, 1968**
Registered Professional Engineer and/or Land Surveyor

John W. West
Certificate No. **676**



Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-025-22915
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" 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 A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (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 W.D. Grimes (NCT-A)
2. Name of Operator Texland Petroleum-Hobbs, LLC	8. Well Number #18	9. OGRID Number 113315
3. Address of Operator 777 Main Street, Suite 3200, Fort Worth, Texas 76102	10. Pool name or Wildcat Hobbs, Upper Blinebry	
4. Well Location Unit Letter <u>F</u> : <u>1650</u> feet from the <u>North</u> line and <u>2080</u> feet from the <u>West</u> line Section <u>32</u> Township <u>18S</u> Range <u>38E</u> NMPM <u>Lea</u> County		
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3637		
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>		
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____		
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		

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

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: Request TA Status <input checked="" type="checkbox"/>	
--	--	--	--

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

6/26/06 Set CIBP @ 5728' w/2 sks cmt on top of plug
 10/3/06 Pressure test csg to 500# for 30 min, Held ok
 (Pressure Chart attached)

Texland Petroleum-Hobbs, LLC request TA status on the above referenced well until further evaluation of the well can be determined.

This Approval of Temporary Abandonment Expires 10/3/11



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

SIGNATURE Vickie Smith TITLE Production Analyst DATE 10/24/06

Type or print name Vickie Smith E-mail address: vsmith@texpetro.com Telephone No. 817-336-2751

For State Use Only

APPROVED BY: Larry W. Wink TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER DATE OCT 31 2006

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 87240
 District II
 811 South First, Artesia, NM 87210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised March 25, 1999

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

WELL API NO. 30-025-35866

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.

7. Lease Name or Unti Agreement Name
 W.D. Grimes (NCT-A)

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

1. Type of Well:
 Oil Well Gas Well Other

2. Name of Operator
 Texland Petroleum - Hobbs, L.L.C

8. Well No. 26

3. Address of Operator
 777 Main Street, Ste. 3200 Fort Worth Tx 76102

9. Pool name or Wildcat
 Hobbs: Upper Blinebry

4. Well Location
 Unit Letter D : 518 feet from the North line and 910 feet from the West line
 Section 32 Township 18S Range 38E NMPM County Lea

10. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3638

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

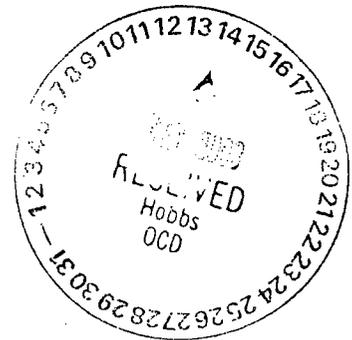
NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK PLUG AND ABANDON
 TEMPORARILY ABANDON CHANGE PLANS
 PULL OR ALTER CASING MULTIPLE COMPLETION
 OTHER:

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT
 CASING TEST AND CEMENT JOBS
 OTHER: Workover

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting and proposed work). SEE RULE 1103. For Multiple Completions: Attach diagram of proposed completion or recompletion.
 SEE ATTCHED EXPLANATION.



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

SIGNATURE Ann Burdette Wiley TITLE Regulatory Analyst DATE 05/08/2003

Type or print name Ann Burdette Wiley Telephone No. (817)336-2751
 (This space for State use)

APPROVED BY Harry W. Winkler O.C.F./E.D. REPRESENTATIVE II/STAFF MANAGER DATE MAY 15 2003
 Conditions of approval, if any

WF

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-36775	Pool Code 31680	Pool Name Hobbs Upper Blinbery
Property Code 25697	Property Name WD GRIMES NCT-A	Well Number 27
OGRID No. 113315	Operator Name TEXLAND PETROLEUM INC.	Elevation 3633'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	32	18 S	38 E		2176	NORTH	1444	WEST	LEA

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

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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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

LAT - N32°42'18.0"
LONG - W103°10'26.5"
(NAD 27)

OPERATOR CERTIFICATION

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

Mark A. Jacoby
Signature

Mark A. Jacoby
Printed Name

Area Mgr. of Drly. + Prod.
Title

7-27-04
Date

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 belief.

JUNE 25, 2004
Date Surveyed

W. D. Jones
Signature of Surveyor

W. D. Jones
Professional Surveyor

NEW MEXICO
1977

W.D. No. 4404

Certified No. Gary L. Jones 7977

PROFESSIONAL LAND SURVEYORS

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator Chevron U.S.A. Inc.		Lease W. D. Grimes (NCT-B)		Well No. 7
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Unit Letter B	Section 33	Township 18S	Range 38E	County Lea
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Actual Footage Location of Well:
450 feet from the North line and 2160 feet from the East line

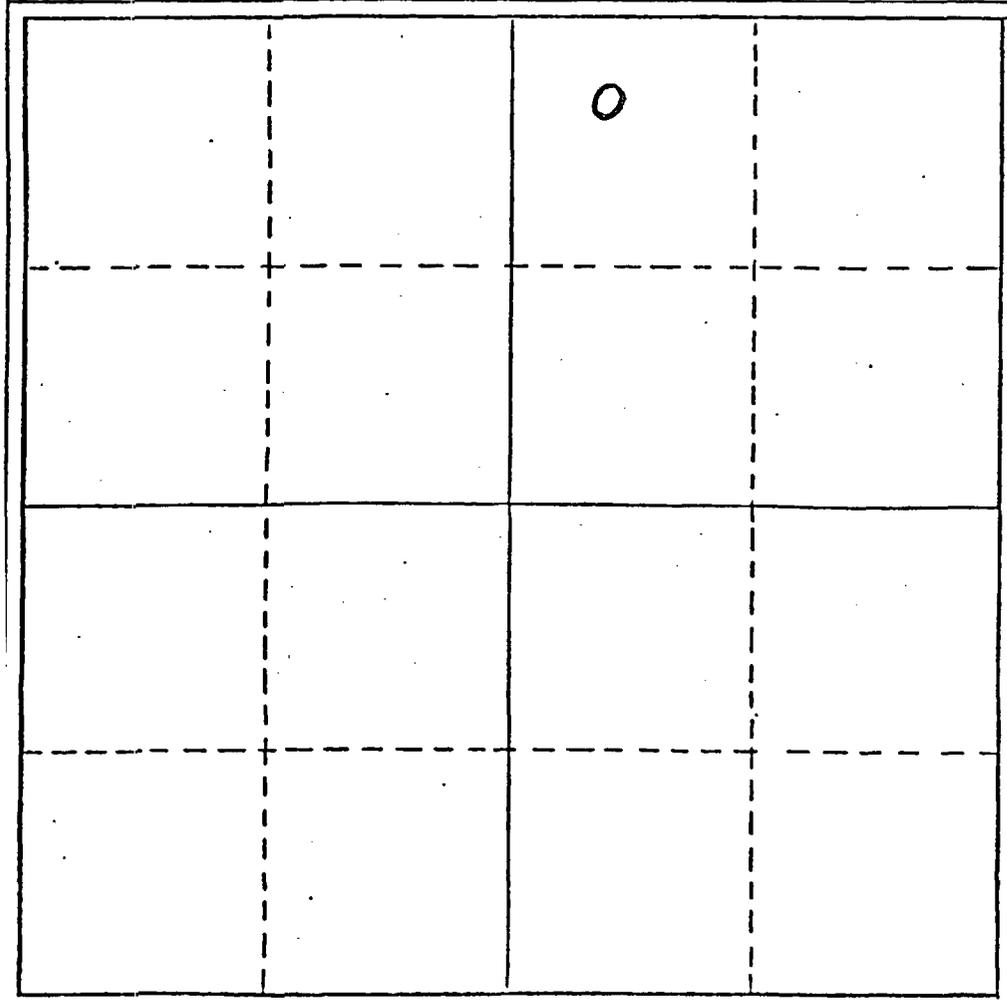
Ground Level Elev. 3645'	Producing Formation Drinkard	Pool Hobbs Drinkard	Dedicated Acreage: 80 Acres
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1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

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 communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

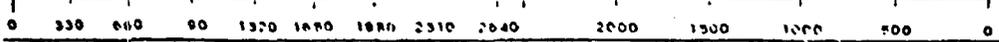
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

M. E. Akins

Name M. E. Akins
Position Staff Drilling Engineer
Company Chevron U.S.A. Inc.
Date 10-23-87

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
Registered Professional Engineer and/or Land Surveyor
Certificate No.



District I
 PO Box 19811, Hobbs, NM 88241-1980
 District II
 PO Drawer 100, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-104
 Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office
 5 Copies

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

1 Operator name and Address Texland Petroleum-Hobbs, L.L.C. 500 Throckmorton, Suite 3100 Fort Worth, TX 76102-3818		2 OGRID Number 113315
4 API Number 30-025-24928		3 Reason for Filing Code CH EFFECTIVE 12/1/99
5 Pool Name HOBBS-DRINKARD		6 Pool Code 31730
7 Property Code 2630 25698	8 Property Name W. D. GRIMES (NCT-B)	9 Well Number 8

II. Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
H	33	18S	38E		2115	NORTH	600	EAST	LEA

11 Bottom Hole Location

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

12 Lse Code P	13 Producing Method Code P	14 Gas Connection Date 11/13/92	15 C-129 Permit Number	16 C-129 Effective Date	17 C-129 Expiration Date
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III. Oil and Gas Transporters

18 Transporter OGRID	19 Transporter Name and Address	20 POD	21 O/G	22 POD ULSTR Location and Description
172219	EQUILON ENTERPRISES LLC P. O. BOX 430 BELAIRE, TX 77402-0430	0709010	O	F-32-18S-38E
024650	DYNEGY MIDSTREAM SERVICES, LP 1000 LOUISIANA, SUITE 5800 HOUSTON, TX 77002-5050	0709030	G	F-32-18S-38E

IV. Produced Water

23 POD 0709050	24 POD ULSTR Location and Description
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V. Well Completion Data

25 Spud Date	26 Ready Date	27 TD	28 PBTB	29 Perforations	30 DHC, DC, MC
31 Hole Size		32 Casing & Tubing Size		33 Depth Set	
34 Sacks Cement					

VI. Well Test Data

35 Date New Oil	36 Gas Delivery Date	37 Test Date	38 Test Length	39 Tbg. Pressure	40 Csg. Pressure
41 Choke Size	42 Oil	43 Water	44 Gas	45 AOF	46 Test Method

47 I hereby certify that the rules 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: <i>James H. Wilkes</i> Printed name: JAMES H. WILKES, Sr. Textland Petroleum, Inc. Title: MANAGER Date: 12/20/99 Phone: (817) 336-2751	OIL CONSERVATION DIVISION ORIGINAL SIGNED BY OFFICIAL DISTRICT I SUPERVISOR
	Approved by:
	Title:
	Approval Date: APR 21 2000

48 If this is a change of operator fill in the OGRID number and name of the previous operator			
4323		CHEVRON U.S.A., INC.	
Previous Operator Signature <i>R. J. Kols</i>	Printed Name R. J. KOLS	Title Sr. Production Operator	Date 12-12-99