

~~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									
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 Morrow LS					¹⁰ Proposed Pool 2				

¹¹ Work Type Code N P	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 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

ORIGINAL SIGNED BY
Approved By: GARY WINK
FIELD REP. II

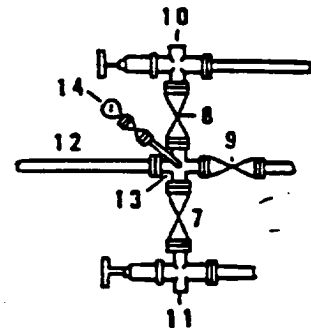
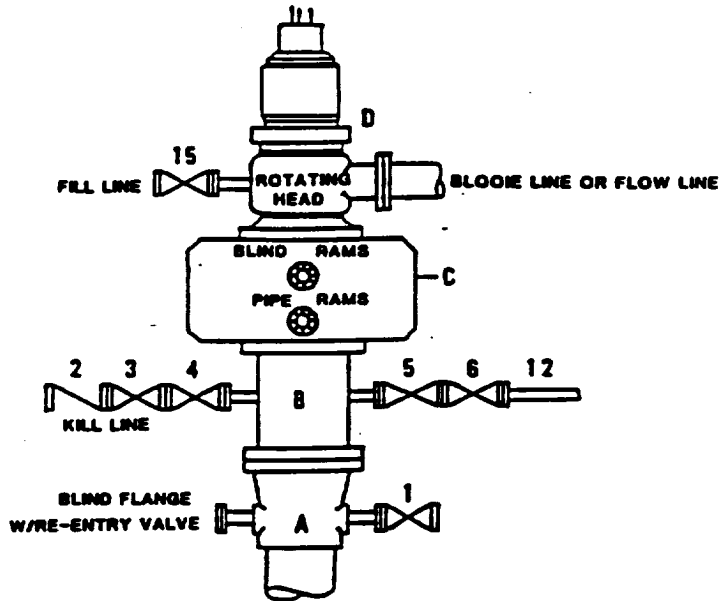
Title:

Approval Date: SEP 17 1998 Expiration Date:

Conditions of Approval:
Attached ☐

**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 Bloode 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

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

6/16/98
 Date



Texaco Exploration
and Production Inc

500 North Loraine
Midland TX 79701

P.O. Box 3102
Midland TX 79701

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.

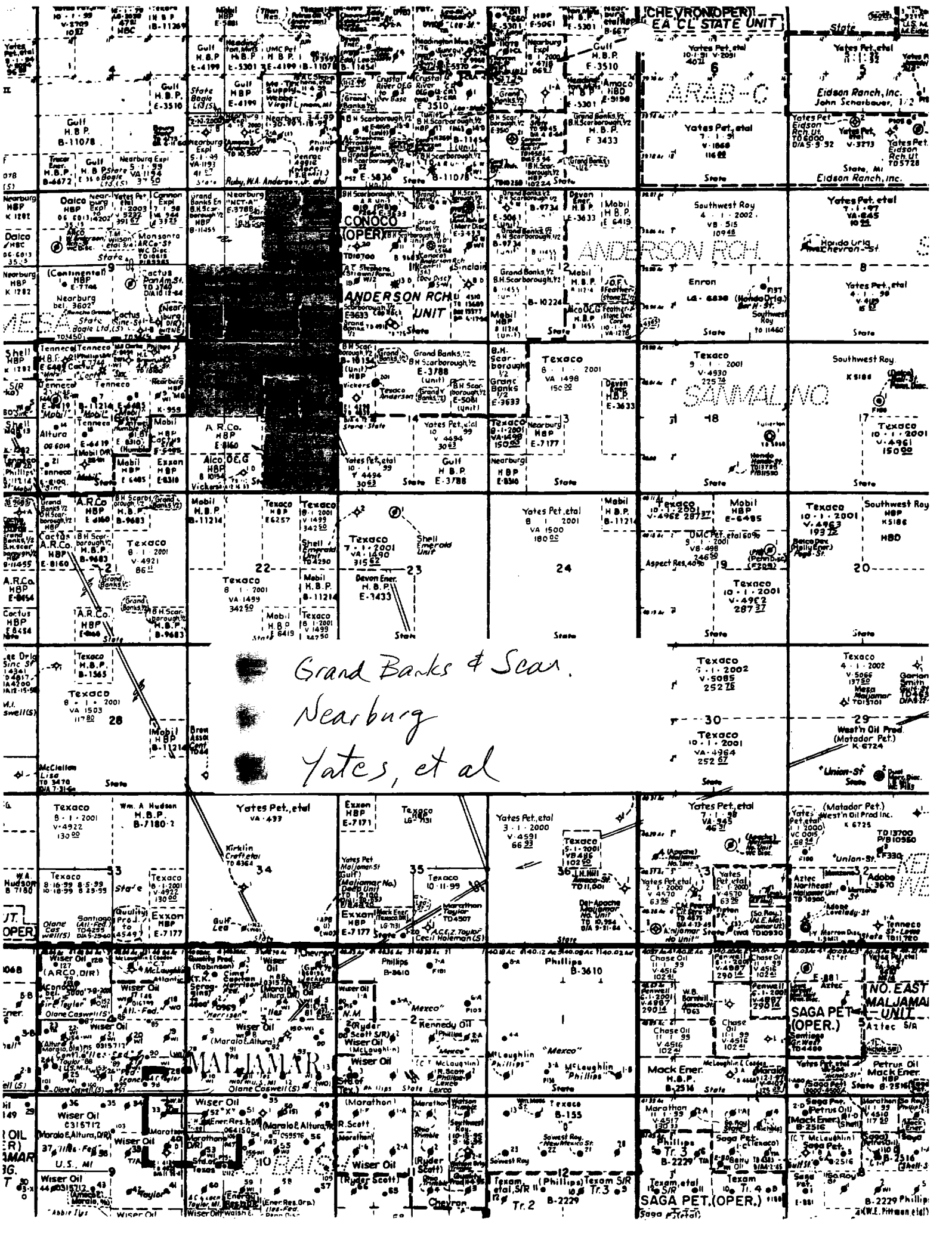
Sincerely,


A. Phil Ryan

Commission Coordinator

Attachments

CC: OCD, Hobbs, NM



Grand Banks & Scan.
Nearburg
Yates, et al

CHEVRON (OPER.)
E.A. CL STATE UNIT

ARAB-C

ANDERSON RCH.

SANMAL NO.

TEXACO

TEXACO

TEXACO

TEXACO

WATER

WATER

WATER

WATER

WATER

WATER

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WATER

**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) 882-1044
FAX (915) 882-3821

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:

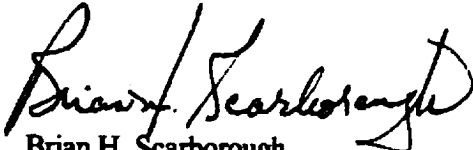
Pursuant to our telephone conversation of this date, Grand Banks Energy Company and Brian H. Scarborough hereby waive any objection to an Unorthodox Location on the Texaco - Anderson Ranch #201 Well at the following location:

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,


John E. Kimberly
Grand Banks Energy Company


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 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

Dear Janet:

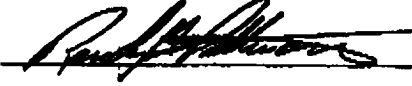
The captioned well was drilled as a Devonian test at an approved unorthodox location of 1488' FNL, 1310' FWL of Section 14, T16S, R32E, Lea County, New Mexico. We were unsuccessful in the Devonian formation, however, we have completed the well in the Morrow formation. The spacing unit will be the N/2 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	Janet		
Co./Dept.		Co.			
Phone #		Phone #			
Fax #	915-688-4831	Fax #			



URTH STREET
MEXICO 88210
TELEPHONE (505) 748-1471

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

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