

District I - (505) 393-6161  
P. O. Box 1980  
Hobbs, NM 88241-1980  
District II - (505) 748-1283  
811 S. First  
Artesia, NM 88210  
District III - (505) 334-6178  
1<sup>st</sup> Rio Brazos Road  
NM 87410  
District IV

New Mexico  
Energy Minerals and Natural Resources Department  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

Form C-140  
Originated 11/1/95

Submit Original  
Plus 2 Copies  
to appropriate  
District Office

H-0369 8/15

APPLICATION FOR  
QUALIFICATION OF WELL WORKOVER PROJECT  
AND CERTIFICATION OF APPROVAL

THREE COPIES OF THIS APPLICATION AND ALL ATTACHMENTS MUST BE FILED WITH THE APPROPRIATE DISTRICT OFFICE OF THE OIL CONSERVATION DIVISION.

I. Operator: TITAN RESOURCES I, INC. OGRID #: 150661

Address: 500 W. TEXAS, SUITE 500, MIDLAND TX 79701

Contact Party: BRUCE WOODARD Phone: 915/682-6612

II. Name of Well: LOVINGTON DEEP STATE NO. 2 API #: 30-025-30044  
Location of Well: Unit Letter I, 1830 Feet from the SOUTH line and 660 feet from the EAST line,  
Section 01, Township 17S, Range 35E, NMPM, LEA County

III. Date Workover Procedures Commenced: 5/28/97  
Date Workover Procedures were Completed: 6/6/97

IV. Attach a description of the Workover Procedures undertaken to increase the production from the Well.

Attach an estimate of the production rate of the Well (a production decline curve or other acceptable method, and table showing monthly oil and/or gas Project Production) based on at least twelve (12) months of established production which shows the future rate of production based on well performance prior to performing Workover.

VI. Pool(s) on which Production Projection is based:

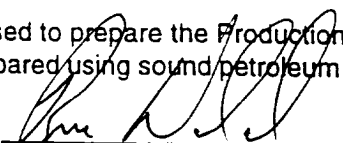
56300 SHOE BAR; WOLFCAMP, SOUTH  
56285 SHOE BAR; UPPER PENN, SOUTH

VII. AFFIDAVIT:

State of TEXAS )  
 ) ss.  
County of MIDLAND )

Bruce Woodard, being first duly sworn, upon oath states:

1. I am the Operator or authorized representative of the Operator of the above referenced Well.
2. I have made, or caused to be made, a diligent search of the production records which are reasonably available and contain information relevant to the production history of this Well.
3. To the best of my knowledge, the data used to prepare the Production Projection for this Well is complete and accurate and this projection was prepared using sound petroleum engineering principles.

  
(Name) BRUCE WOODARD

PRODUCTION OPERATIONS MANAGER  
(Title)

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SUBSCRIBED AND SWORN TO before me this 25<sup>th</sup> day of July, 1997



Haylie M. Urias  
Notary Public

My Commission expires: \_\_\_\_\_

FOR OIL CONSERVATION DIVISION USE ONLY:

VIII. CERTIFICATION OF APPROVAL:

This Application for Qualification of Well Workover Project is hereby approved and the above referenced Well is designated as a Well Workover Project pursuant to the "Natural Gas and Crude Oil Production Incentive Act" (Laws 1995, Chapter 15, Sections 1 through 8). The Oil Conservation Division hereby verifies the Production Projection for the Well Workover Project attached to this application. By copy of this Application and Certification of Approval, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval and certifies that this Well Workover Project has been completed as of 6-6-97, 1997.

[Signature]  
District Supervisor, District 7  
Oil Conservation Division

Date: 8/20/97

IX. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT.

DATE: \_\_\_\_\_

8/15/97

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

OIL CONSERVATION DIVISION  
2040 Pacheco St.  
Santa Fe, NM 87505

WELL API NO. 30-025-30044
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No. LG 3362
Lease Name or Unit Agreement Name LOVINGTON DEEP STATE
Well No. 2
Pool name or Wildcat SHOE BAR; UPPER PENN, SOUTH

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.)	
Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	
Name of Operator TITAN RESOURCES I, INC.	
Address of Operator 500 W. TEXAS, SUITE 500 - MIDLAND, TEXAS 79701	
Well Location Unit Letter <u>I</u> : <u>1830</u> Feet From The <u>SOUTH</u> Line and <u>660</u> Feet From The <u>EAST</u> Line 1 Section 17-S Township 35-E Range NMPM LEA County	
Elevation (Show whether DF, RKB, RT, GR, etc.) 3929' GR.	

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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 OPNS. ☐ PLUG AND ANBANDONMENT ☐  
CASING TEST AND CEMENT JOB ☐  
OTHER: CLEAN OUT AND ACIDIZE UPPER PENN ☐

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.

UPPER PENN PERFS: 10,814' TO 10,874'.

5/28/97 MIRU pulling unit. Rods parted. Fished rods and stripped out of hole.

5/30/97 RIH with bit and clean out bailer to PBD 10,930'. POOH. RIH with packer and tubing. Set packer at 10,690'. Pumped 1500 gals Xylene and Toluene plus paraffin chemical into perfs.

5/31/97 RU swab and swabbed well down. Acidized perfs 10,814'-10,874' with 3,000 gals 15% NeFe HCL. RU swab. Recovered 4 bbls load water. POOH with tubing and packer.

6/3/97 LD 2-3/8" tubing.

6/4/97 RIH with 2-7/8" tubing.

6/5/97 RIH with pump and rods.

6/6/97 Put well on produciton.

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

SIGNATURE [Signature] TITLE PRODUCTION OPERATIONS MANAGER DATE 06-16-97

TYPE OR PRINT NAME BRUCE WOODARD

TELEPHONE NO. 915/682-6612

(This space for State Use) ORIGINAL SIGNED BY CHARIS WILLIAMS  
DISTRICT I SUPERVISOR

APPROVED BY [Signature] TITLE [Signature] DATE UN 24 1997

CONDITIONS OF APPROVAL, IF ANY

# Rate/Time Graph

Lease Name:  
State, County:  
Location:

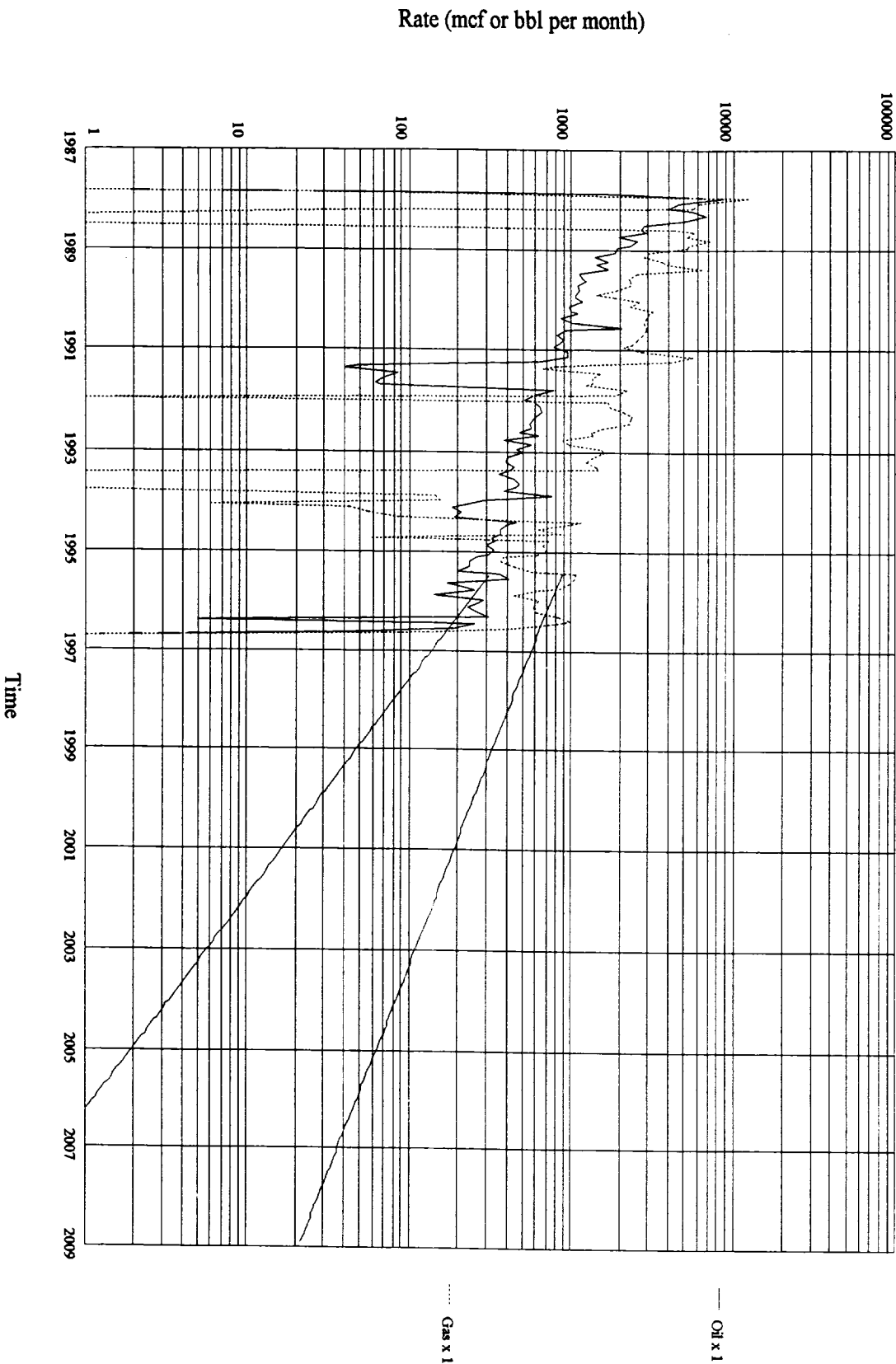
LOVINGTON DEEP STATE NO. 2 (19998)  
NM, LEA  
1/17S/35E

Field Name:  
Operator:

SHOE BAR, UPPER PENN, SOUTH  
TITAN RESOURCES I, INC.

Date: 8/14/1997  
Time: 1:40 PM

## LOVINGTON DEEP STATE NO. 2



# **TITAN RESOURCES I, INC.**

## **PRODUCTION PROJECTION**

Lease: Lovington Deep State No. 2

Pool: 56285 Shoe Bar, Upper Penn, South

<u>Date</u>	<u>Oil, Bbls</u>	<u>Gas, Mcf</u>
Jul-97	103	486
Aug-97	99	475
Sep-97	94	465
Oct-97	90	454
Nov-97	86	444
Dec-97	83	434
Jan-98	79	424
Feb-98	76	415
Mar-98	72	405
Apr-98	69	396
May-98	66	387
Jun-98	63	378
Jul-98	61	370
Aug-98	58	361
Sep-98	55	353
Oct-98	53	345
Nov-98	51	338
Dec-98	49	330
Jan-99	46	323
Feb-99	44	315
Mar-99	42	308
Apr-99	41	301
May-99	39	294
Jun-99	37	288
Jul-99	36	281
Aug-99	34	275
Sep-99	33	269
Oct-99	31	263
Nov-99	30	257
Dec-99	29	251
Jan-00	27	245
Feb-00	26	240
Mar-00	25	234
Apr-00	24	229
May-00	23	224
Jun-00	22	219
Jul-00	21	214
Aug-00	20	209
Sep-00	19	204
Oct-00	18	200
Nov-00	18	195
Dec-00	17	191
Jan-01	16	186
Feb-01	15	182

# TITAN RESOURCES I, INC.

## PRODUCTION PROJECTION

Lease: Lovington Deep State No. 2

Pool: 56285 Shoe Bar, Upper Penn, South

Mar-01	15	178
Apr-01	14	174
May-01	13	170
Jun-01	13	166
Jul-01	12	163
Aug-01	12	159
Sep-01	11	155
Oct-01	11	152
Nov-01	10	148
Dec-01	10	145
Jan-02	9	142
Feb-02	9	139
Mar-02	9	135
Apr-02	8	132
May-02	8	129
Jun-02	8	127
Jul-02	7	124
Aug-02	7	121
Sep-02	7	118
Oct-02	6	115
Nov-02	6	113
Dec-02	6	110
Jan-03	6	108
Feb-03	5	105
Mar-03	5	103
Apr-03	5	101
May-03	5	98
Jun-03	4	96
Jul-03	4	94
Aug-03	4	92
Sep-03	4	90
Oct-03	4	88
Nov-03	4	86
Dec-03	3	84
Jan-04	3	82
Feb-04	3	80
Mar-04	3	78
Apr-04	3	77
May-04	3	75
Jun-04	3	73
Jul-04	2	72
Aug-04	2	70
Sep-04	2	68
Oct-04	2	67
Nov-04	2	65
Dec-04	2	64

# **TITAN RESOURCES I, INC.**

## **PRODUCTION PROJECTION**

Lease: Lovington Deep State No. 2

Pool: 56285 Shoe Bar, Upper Penn, South

Jan-05	2	62
Feb-05	2	61
Mar-05	2	60
Apr-05	2	58
May-05	2	57
Jun-05	2	56
Jul-05	1	54
Aug-05	1	53
Sep-05	1	52
Oct-05	1	51
Nov-05	1	50
Dec-05	1	49
Jan-06	1	47
Feb-06	1	46
Mar-06	1	45
Apr-06	1	44
May-06	1	43
Jun-06	1	42
Jul-06	1	41
Aug-06	1	40
Sep-06	1	40
Oct-06	1	39
Nov-06	1	38
Dec-06	1	37
Jan-07	1	36
Feb-07	1	35
Mar-07	1	34
Apr-07	1	34
May-07	1	33
Jun-07	1	32

# Input Listing

Dwights Id: 10253004456285  
 Lease Name: LOVINGTON DEEP STATE NO. 2  
 Lease Number: 19998  
 Field Name: SHOE BAR; UPPER PENN, SOUTH  
 Operator: TITAN RESOURCES I, INC.  
 State, County: NM, LEA  
 Reservoir: PENNSYLVANIAN UPPER  
 Lease Status: ACTIVE  
 Lease Type: OIL  
 Reserve Type:  
 First Prod Date: 11/1/87  
 API Number: 30-025-30044  
 Location: 1/17S/35E  
 Quarter Quarter: NE/SE  
 Offshore Block:  
 User Data 1:  
 User Data 2:  
 User Data 3:  
 User Data 4:  
 User Data 5:  
 User Data 6:

## Project Parameters

Economic Effective Date: 07/1997

Escalate Economics: Yes

## Well Counts:

Well Count	Start Date
1	07/1997

## Division of Interest:

WI	NRI	Burden	ORI	Reversion Type	Reversion Value	Reversion Date
100.000000	80.000000	0.000000	0.000000	None	None	None

## Prices:

	Price	BTU Content	Price Adjustment	Escalation Name
Oil:	18.00		0.0000	None
Gas:	2.20	1.0000	0.0000	None

## Expenses:

	Amount	Escalation Name
Dollars/Month:	0.00	None
Dollars/Well/Month:	0.00	None
Dollars/BBL Oil:	0.00	None
Dollars/MCF Gas:	0.00	None
Dollars/BBL Wtr:	0.00	None

## Taxes:

	Percent of Revenue	Dollars per Unit
Severance Tax		
Oil:	7.0900	0.0000 / BBL
Gas:	7.5400	0.0000 / MCF
Ad Valorem Tax		
Oil:	2.0000	0.0000 / BBL
Gas:	2.0000	0.0000 / MCF

## Investments:

	Amount	Type	Salvage
Initial:	0.00	Gross	0.00

## Forecasts:

Curve	Type	Date	Rate	Decline	N Factor
Oil Segment 01	Exponential	07/1995 - 08/1996	305	41.2508	0.000000
Gas Segment 01	Exponential	06/1995 - 07/1996	870	23.9562	0.000000
Water Segment 01	Exponential	02/1988 - 09/1996	198	23.7202	0.000001



# Rate/Time Graph

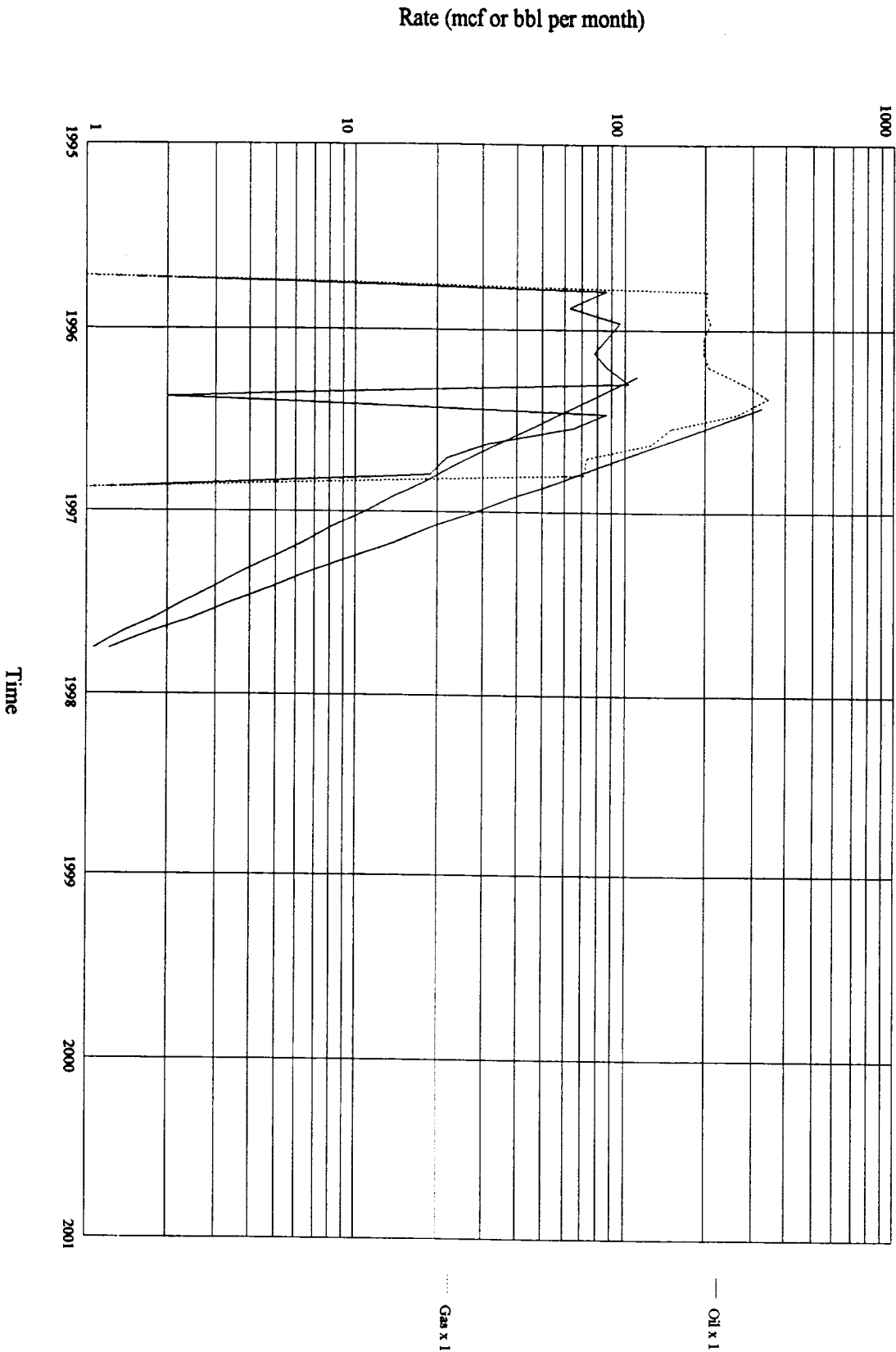
Lease Name: LOVINGTON DEEP STATE NO. 2 (19998)  
State, County: NM, LEA  
Location: 1/17S/35E

Field Name:  
Operator:

SHOE BAR; WOLFCAMP, SOUTH  
TITAN RESOURCES I, INC.

Date: 8/14/1997  
Time: 1:44 PM

## LOVINGTON DEEP STATE NO. 2



# Input Listing

Dwights Id: 10253004456300  
 Lease Name: LOVINGTON DEEP STATE NO. 2  
 Lease Number: 19998  
 Field Name: SHOE BAR SOUTH  
 Operator: TITAN RESOURCES I, INC.  
 State, County: NM, LEA  
 Reservoir: WOLFCAMP  
 Lease Status: ACTIVE  
 Lease Type: OIL  
 Reserve Type:  
 First Prod Date: 10/1/95  
 API Number: 30-025-30044  
 Location: 1/17S/35E  
 Quarter Quarter: NE/SE  
 Offshore Block:  
 User Data 1:  
 User Data 2:  
 User Data 3:  
 User Data 4:  
 User Data 5:  
 User Data 6:

## Project Parameters

Economic Effective Date: 07/1997

Escalate Economics: Yes

## Well Counts:

Well Count	Start Date
1	07/1997

## Division of Interest:

WI	NRI	Burden	ORI	Reversion Type	Reversion Value	Reversion Date
40.510000	35.440000	0.000000	0.000000	None	None	None

## Prices:

	Price	BTU Content	Price Adjustment	Escalation Name
Oil:	18.00		0.0000	None
Gas:	1.85	1.0000	0.0000	None

## Expenses:

## Taxes:

	Amount	Escalation Name	Percent of Revenue	Dollars per Unit
Dollars/Month:	0.00	None		
Dollars/Well/Month:	1500.00	None		
Dollars/BBL Oil:	0.00	None		
Dollars/MCF Gas:	0.00	None		
Dollars/BBL Wtr:	0.00	None		
		Severance Tax		
		Oil:	7.0900	0.0000 / BBL
		Gas:	7.5400	0.0000 / MCF
		Ad Valorem Tax		
		Oil:	2.0000	0.0000 / BBL
		Gas:	2.0000	0.0000 / MCF

## Investments:

	Amount	Type	Salvage
Initial:	0.00	Gross	0.00

## Forecasts:

Curve	Type	Date	Rate	Decline	N Factor
Oil Segment 01	Exponential	04/1996 - 10/1996	111	95.5135	0.000000
Gas Segment 01	Exponential	05/1996 - 11/1996	399	98.0036	0.000000
Water Segment 01	Exponential	10/1995 - 12/1996	93	99.9992	0.000001

# **TITAN RESOURCES I, INC.**

## **PRODUCTION PROJECTION**

Lease: Lovington Deep State No. 2

Pool: Shoe Bar; Wolfcamp, South

<u>Date</u>	<u>Oil, Bbls</u>	<u>Gas, Mcf</u>
Jul-97	2	3
Aug-97	2	2
Sep-97	1	1
Oct-97	1	1
Nov-97	1	1
Dec-97	1	1
Jan-98	0	0