

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

Form C-101

Revised February 10, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 6 Copies

Fee Lease - 5 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ 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
⁴ Property Code 11122	⁵ Property Name CENTRAL VACUUM UNIT	³ API Number 30-025-33722 ⁶ Well No. 175

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
L	31	17-S	35-E	3	1617	SOUTH	1107	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
L	31	17-S	35-E		1930	SOUTH	1228	WEST	LEA

⁹ Proposed Pool 1

VACUUM GRAYBURG SAN ANDRES

¹⁰ Proposed Pool 2

¹¹ Work Type Code N	¹² WellType Code O	¹³ Rotary or C.T. ROTARY	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3983'
¹⁶ Multiple No	¹⁷ Proposed Depth 4850'	¹⁸ Formation GRAYBURG/ S A	¹⁹ Contractor NABORS	²⁰ Spud Date 12/20/96

²¹ Proposed Casing and Cement Program

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
11	8 5/8	24#	1550'	550 SACKS	SURFACE
7 7/8	5 1/2	15.5#	4850'	900 SACKS	SURFACE

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

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: 400 SACKS CLASS C w/ 4% 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).

PRODUCTION CASING: 800 SACKS 35/65 POZ H w/ 6% GEL, 5% SALT, 1/4# FC (12.8 PPG, 1.94 CF/S, 10.4 GW/S). F/B 100 SACKS CLASS H (15.6 PPG, 1.18 CF/S, 5.2 GW/S).

THERE ARE NO OTHER OPERATORS IN THIS QUARTER QUARTER SECTION.

UNORTHODOX LOCATION: NMOCD DISTRICT APPROVAL REQUESTED PER RULE 104.F.(1) FOR EFFICIENT PRODUCTION PATTERN.
DIRECTIONAL DRILLING APPROVED BY ADMINISTRATIVE ORDER DD-160. (COPY ATTACHED)

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

C. Wade Howard

Printed Name

C. Wade Howard

Title

Eng. Assistant

Date

12/9/96

Telephone

688-4606

OIL CONSERVATION DIVISION

Approved By:

ORIGINAL SIGNED BY TERRY SEXTON

Title:

Approval Date:

DEC 16 1996

Expiration Date:

Conditions of Approval:

Attached ☐

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

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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

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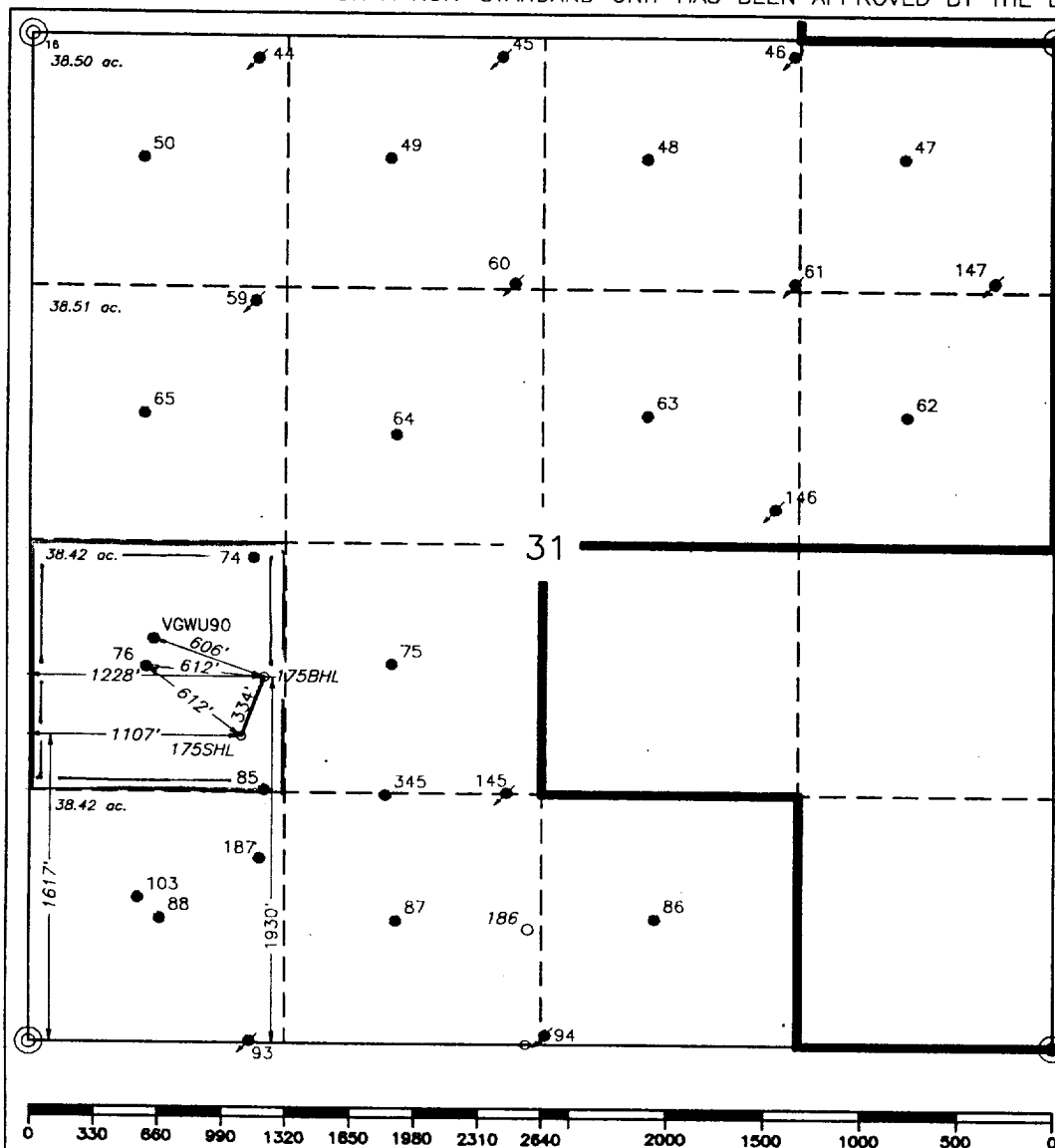
Fee Lease-3 copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

1 API Number 30-025-33722		2 Pool Code 62180		3 Pool Name Grayburg/San Andres				
4 Property Code 11122		5 Property Name Central Vacuum Unit				6 Well Number 175		
7 GRID No. 22351		8 Operator Name TEXACO EXPLORATION & PRODUCTION, INC.				9 Elevation 3983'		
10 Surface Location								
UL or lot no. L	Section 31	Township 17-S	Range 35-E	Lot Idn 1617'	North/South line South	Feet from the 1107'	East/West line West	County Lea
11 Bottom Hole Location If Different From Surface								
UL or lot no. L	Section 31	Township 17-S	Range 35-E	Lot Idn 1930'	North/South line South	Feet from the 1228'	East/West line West	County Lea
12 Dedicated Acres 38.42		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.



16 OPERATOR CERTIFICATION

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

Signature

C. Wade Howard

Printed Name

C. Wade Howard

Position

Engineer's Assistant

Company

Texaco Expl. & Prod. Inc.

Date

November 22, 1996

17 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

November 21, 1996

Signature & Seal of Professional Surveyor

John S. Piper

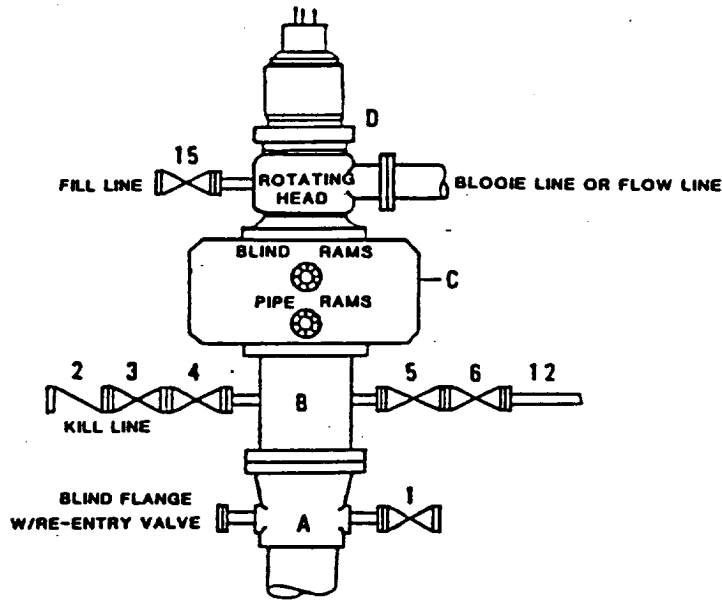
Certificate No.

7254 John S. Piper

Sheet

**DRILLING CONTROL
CONDITION II-B 3000 WP
FOR AIR DRILLING OR
WHERE NITROGEN OR AIR BLOWS ARE EXPECTED**

H₂S TRIM REQUIRED
YES _____ NO _____



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



Texaco Exploration
and Production Inc

500 North Loraine
Midland TX 79701

P O Box 3102
Midland TX 79702

November 22, 1996

GOV - STATE AND LOCAL GOVERNMENTS
Directional Drilling
Central Vacuum Unit
Well No. 175
Vacuum Grayburg-San Andres 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 111 c.2 by administrative approval is requested for Texaco Exploration and Production Inc.'s Central Vacuum Unit Well No. 175.

This well must be directionally drilled because surface obstructions prevented staking it at the proposed bottom-hole location. It will be completed in the Grayburg San Andres formation and will be a producing well. Attached is a type log section, and our proposed directional plans. This well will be drilled to a TVD of 4800'.

There are no affected offset operators to this location. Attached is Form C-102 and a lease plat showing the location of the subject well.

Any questions concerning this request should be directed to me at (915) 688-4606.

Yours very truly,

C. W. Howard
Adv. Technician

CWH:cwh cc: NMOCD, Hobbs, NM

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

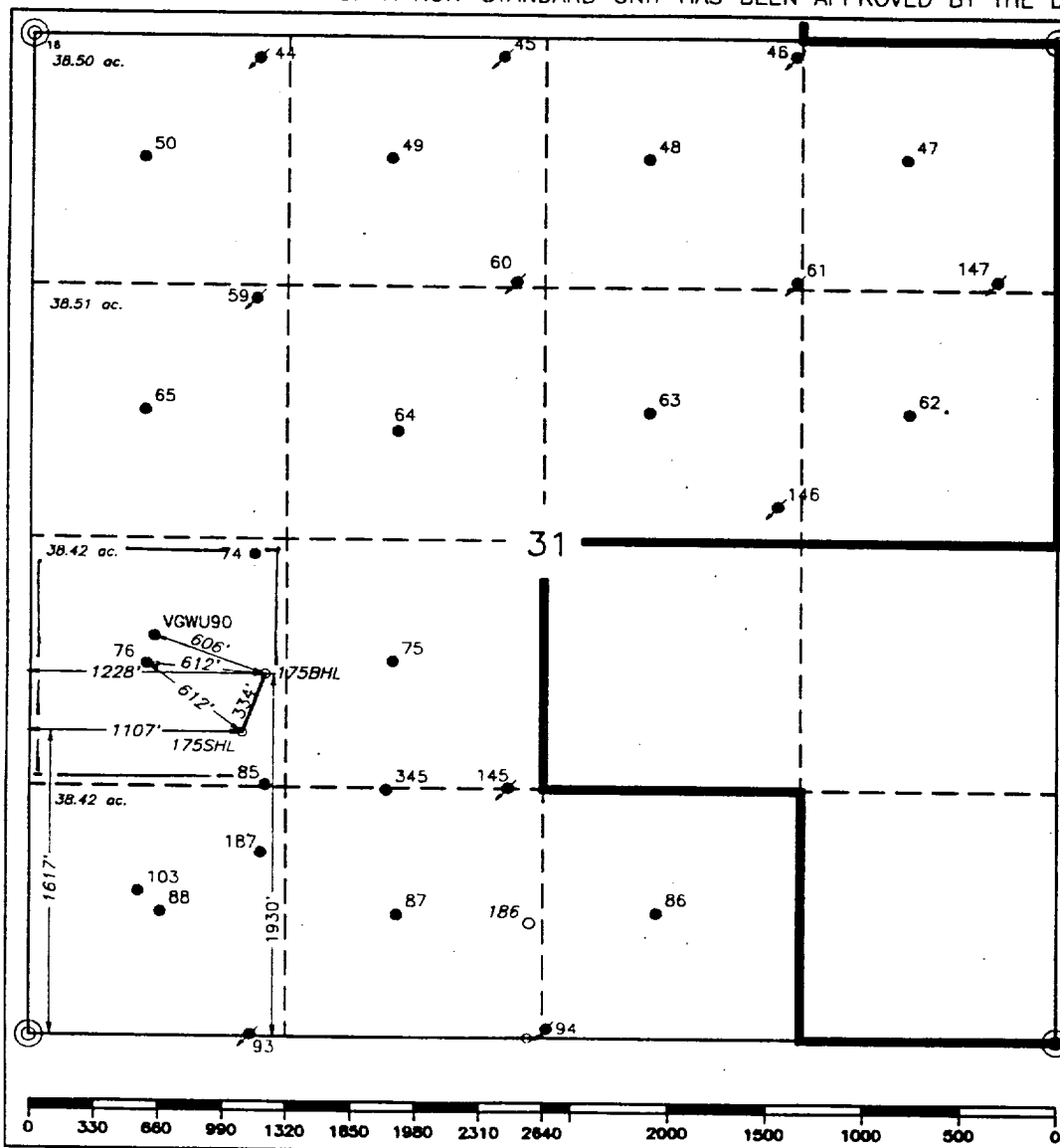
State Lease-4 copies
Fee Lease-3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 62180		³ Pool Name Grayburg/San Andres					
⁴ Property Code 11122		⁵ Property Name Central Vacuum Unit					⁶ Well Number 175		
⁷ OGRID No. 22351		⁸ Operator Name TEXACO EXPLORATION & PRODUCTION, INC.					⁹ Elevation 3983'		
¹⁰ Surface Location									
UL or lot no. L	Section 31	Township 17-S	Range 35-E	Lot Idn	Feet from the 1617'	North/South line South	Feet from the 1107'	East/West line West	⁷ County Lea
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. L	Section 31	Township 17-S	Range 35-E	Lot Idn	Feet from the 1930'	North/South line South	Feet from the 1228'	East/West line West	⁷ County Lea
¹² Dedicated Acres 38.42		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

Printed Name _____

C. Wade Howard

Position

Engineer's Assistant

Company

Texaco Expl. & Prod. Inc.

Date _____

November 22, 1996

18 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 _____

November 21, 1996

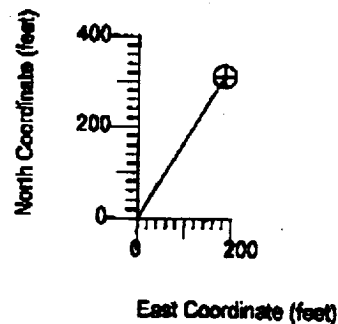
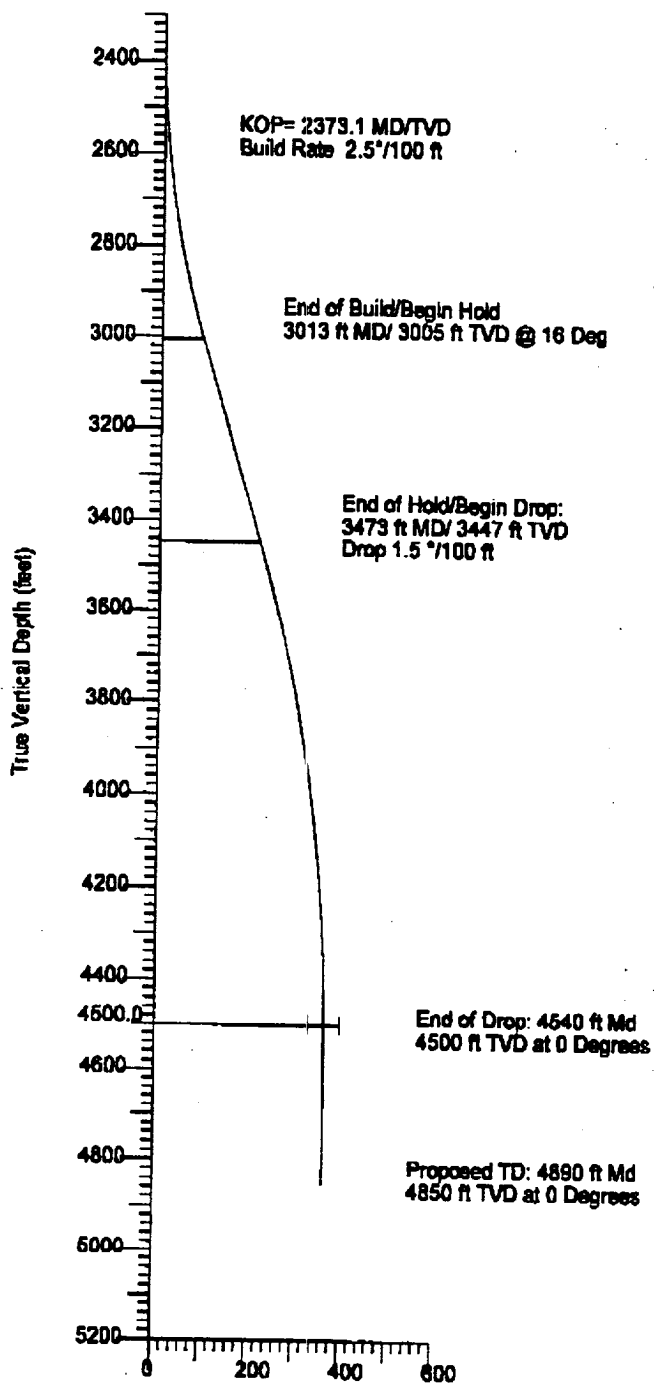
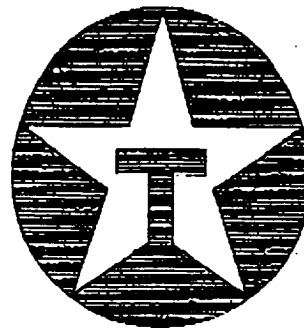
Signature & Seal of Professional Surveyor

Certificate No.

7254 John S. Piper

Sheet

TEXACO EXPL. & PROD
CVU NO. 175
LEA COUNTY, NEW MEXICO
T17S, R35E, SECTION 31





PHOENIX DRILLING SERVICES

DIRECTIONAL WELLPLAN

COMPANY: TEXACO EXPL & PROD, INC.
 WELL: CVJ NO. 175
 LOCATION: LEA COUNTY, NEW MEXICO

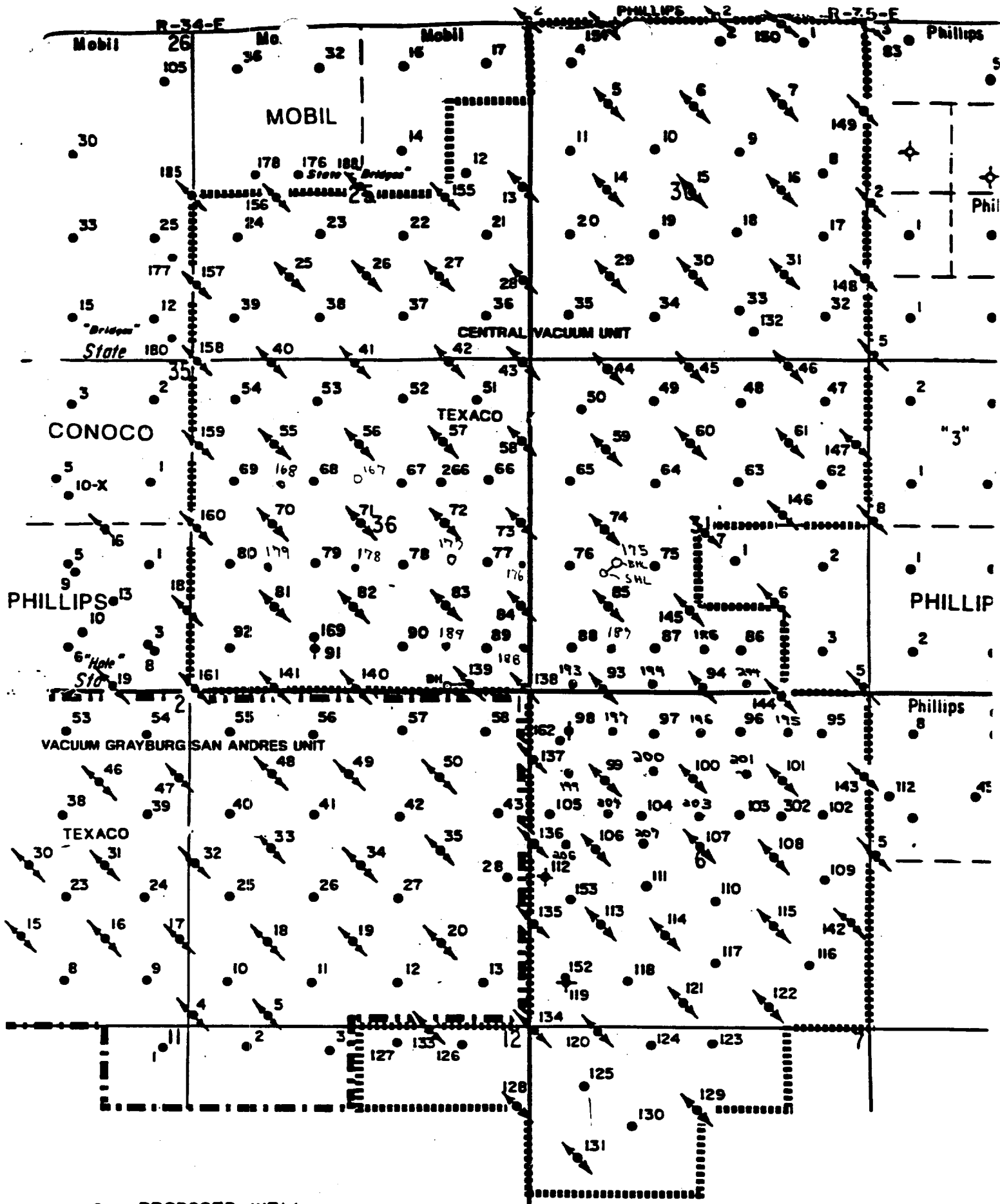
DATE: 11/22/96

MINIMUM CURVATURE CALCULATIONS

PROPOSED DIRECTION
 DEGREES AZIMUTH

30.59

SUR NO.	MD	INC	AZM	TVD	N-S	E-W	VERT SECT	DLS/100
KOP	2373.1	0.00	30.59	2373.1	0.0	0.0	0.0	0.0
1	2400.0	0.67	30.59	2400.0	0.1	0.1	0.2	2.5
2	2500.0	3.17	30.59	2499.9	3.0	1.8	3.5	2.5
3	2600.0	5.67	30.59	2599.6	9.7	5.7	11.2	2.5
4	2700.0	8.17	30.59	2698.9	20.0	11.8	23.3	2.5
5	2800.0	10.67	30.59	2797.5	34.1	20.2	39.6	2.5
6	2900.0	13.17	30.59	2895.4	51.9	30.7	60.3	2.5
7	3000.0	15.67	30.59	2992.2	73.3	43.3	85.2	2.5
8	3013.1	16.00	30.59	3004.8	78.4	45.2	88.8	2.5
9	3100.0	16.00	30.59	3088.4	97.0	57.4	112.7	0.0
10	3200.0	16.00	30.59	3184.5	120.8	71.4	140.3	0.0
11	3300.0	16.00	30.59	3280.6	144.5	85.4	167.8	0.0
12	3400.0	16.00	30.59	3376.7	168.2	99.4	195.4	0.0
13	3473.3	16.00	30.59	3447.2	186.6	109.7	215.6	0.0
14	3500.0	15.60	30.59	3472.9	191.9	113.4	222.9	1.5
15	3600.0	14.10	30.59	3569.5	213.9	126.5	248.5	1.5
16	3700.0	12.60	30.59	3666.8	233.8	138.2	271.6	1.5
17	3800.0	11.10	30.59	3764.7	251.5	148.7	292.1	1.5
18	3900.0	9.60	30.59	3863.1	266.9	157.8	310.1	1.5
19	4000.0	8.10	30.59	3961.9	280.2	165.6	325.5	1.5
20	4100.0	6.60	30.59	4061.1	291.2	172.1	338.3	1.5
21	4200.0	5.10	30.59	4160.5	300.0	177.3	348.5	1.5
22	4300.0	3.60	30.59	4260.2	306.5	181.2	356.0	1.5
23	4400.0	2.10	30.59	4360.1	310.8	183.7	361.0	1.5
24	4539.9	0.00	30.59	4500.0	313.0	185.0	363.6	1.5
25	4600.0	0.00	30.59	4560.1	313.0	185.0	363.6	0.0
26	4700.0	0.00	30.59	4660.1	313.0	185.0	363.6	0.0
27	4800.0	0.00	30.59	4760.1	313.0	185.0	363.6	0.0
28	4889.9	0.00	30.59	4850.0	313.0	185.0	363.6	0.0

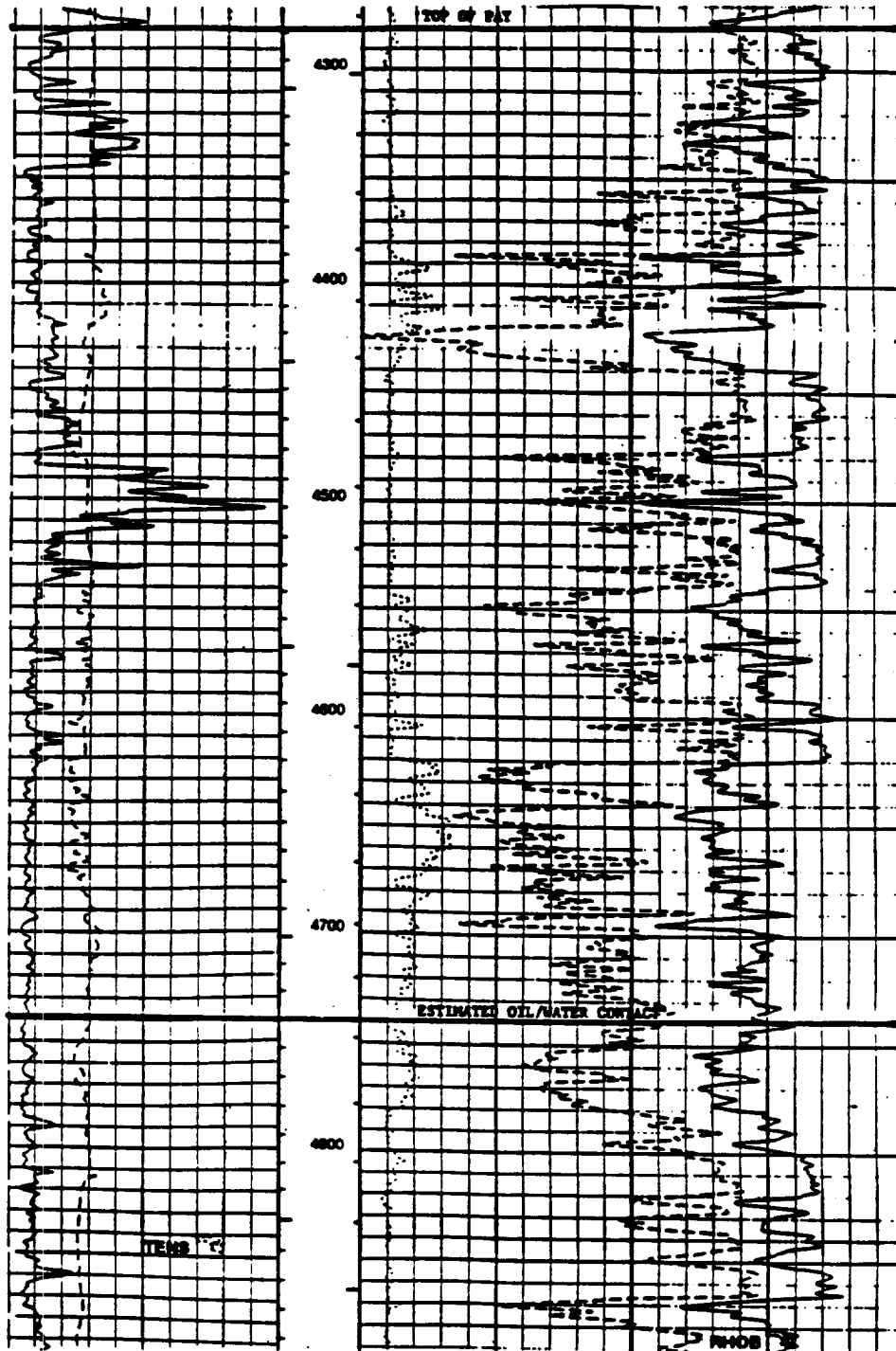


- PROPOSED WELL
- PRODUCING WELL
- ⚡ INJECTION WELL
- ✕ SHUT-IN WELL

TEXACO
CENTRAL VACUUM I
VACUUM G-SA FIE
LEA COUNTY, NEW ME

TYPE LOG

VACUUM CRATERING SAN ANTONIO FIELD
 TEXACO OIL INC.
 VACUUM 36 STATE COM #1
 2310' PER. & 640' PER.
 SEC. 36 179-34E
 LEA COUNTY, NEW MEXICO





STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

December 4, 1996

Texaco Exploration and Production, Inc.
P. O. Box 3109
Midland, Texas 79702
Attention: C. W. Howard

Administrative Order DD-160

Dear Mr. Howard:

Under the provisions of **Rules 111.D and E** of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the Oil Conservation Commission in Case 11,274 on June 13, 1995 and Rule 104.F, revised by Division Order No. R-10533, issued by the Commission in Case 11351 on January 18, 1996, Texaco Exploration and Production Inc. made application to the New Mexico Oil Conservation Division on November 22, 1996 for authorization to directional drill its proposed Central Vacuum Unit Well No. 175, Lea County, New Mexico.

The Division Director Finds That:

- (1) The proposed wellbore to be drilled to a pre-determined bottom-hole location is within the applicant's Central Vacuum Unit Pressure Maintenance Project Area, established by Division Order No. R-5530, as amended, and as such the Vacuum Grayburg-San Andres Pool is subject to the statewide rules and regulations for oil wells, as promulgated by **Rules 104.C(1)(a) and F(1)**, which provides for 40-acre oil spacing and proration units, or drilling units, and requires that wells be located no closer than 330 feet to the outer boundary of the lease or unitized area, nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary;
- (2) Under the provisions of said **Rule 104.F(1)** the applicant further requests that the bottom-hole location be unorthodox for the purpose of completing an efficient injection/production pattern within the Central Vacuum Unit Pressure Maintenance Project Area;
- (3) It is Texaco's intent to place its Central Vacuum Unit Well No. 175 at a surface location 1617 feet from the South line and 1107 feet from the West line (Unit L) of

Section 31, Township 17 South, Range 35 East, NMPM, Vacuum Grayburg-San Andres Pool, Central Vacuum Unit Area, Lea County, New Mexico, drill vertically to an approximate depth of 2375 feet, kick-off in a northeasterly direction, and drill directionally to a targeted unorthodox bottomhole oil well location that is approximately 1930 feet from the South line and 1228 feet from the West line, also in Unit "L" of said Section 31.

- (4) It appears the applicant has satisfied all of the appropriate requirements prescribed in said **Rules 111.D and E and 104.F**, the subject application should be approved and the well should be governed by the provisions contained within this order and all other applicable and/or practical provisions of Division General **Rules 111 and 104.F(1)**.

IT IS THEREFORE ORDERED THAT:

- (1) Texaco Exploration and Production, Inc. is hereby authorized to drill its Central Vacuum Unit Well No. 175 from a surface location 1617 feet from the South line and 1107 feet from the West line (Unit L) of Section 31, Township 17 South, Range 35 East, NMPM, Central Vacuum Unit Area, Lea County, New Mexico, and intentionally deviate to a targeted unorthodox bottomhole oil well location within the Vacuum Grayburg-San Andres Pool that is approximately 1930 feet from the South line and 1228 feet from the West line, also in Unit "L" of said Section 31.

PROVIDED HOWEVER THAT prior to commencing directional drilling operations in said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

PROVIDED FURTHER THAT during or upon completion of said directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

- (2) The applicant shall notify the supervisor of the Hobbs District office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Hobbs offices of the Division upon completion.

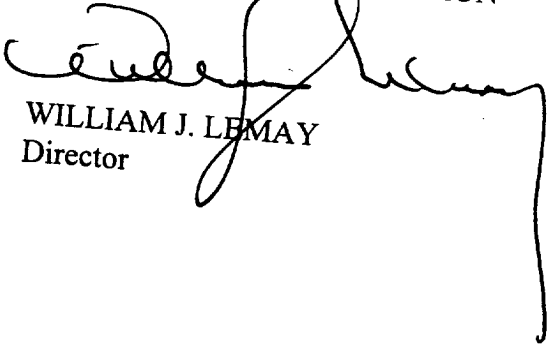
- (3) The operator shall comply with all requirements and conditions set forth in Division General **Rule 111.E(2)** and any applicable and/or practical requirements in **111.D and F and 104.F(1)**.

(4) Form C-105 shall be filed in accordance with Division **Rule 1105** and the operator shall indicate thereon true vertical depth (TVD) in addition to measured depths (MVD).

(5) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

SEAL

cc: Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe

Handwritten scribbles and marks, possibly representing a signature or initials.

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