



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

May 1, 1998

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

Attention: A. Phil Ryan
Commission Coordinator

Re: *Administrative application for the creation of a non-standard 80-acre gas spacing and proration unit within the Undesignated Skaggs-Abo Gas Pool comprising the E/2 NW/4 of Section 10, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, to be dedicated to its existing E.H.B. Phillips "C" Well No. 2 (API No. 30-025-33989) located at a standard gas well location 1980' FNL - 660' FEL (Unit H) of Section 10, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.*

Dear Mr. Ryan:

The Skaggs-Abo Gas Pool currently comprises the S/2 of Section 2, the E/2 of Section 3, all of Section 12, the E/2 of Section 11, the NW/4 of Section 13, the N/2 of Section 14, and the NE/4 and S/2 of Section 15, all in Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, and is subject to Division statewide Rule 104.C(2)(a), requiring 160-acre spacing and proration units and wells to be located no closer than 660 feet to any outer boundary of the dedicated tract nor closer than 330 feet from any quarter-quarter section or subdivision inner boundary. Further, since the Skaggs-Abo Gas Pool is a "non-prorated" gas pool, Division General Rule 104.D(3) applies, which limits standard 160-acre gas spacing units to only one producing well therein. To reiterate, this means that only one well will be allowed in anyone quarter section at a time. The creation of an 80-acre non-standard gas spacing and proration unit in the E/2 NW/4 of said Section 10 would therefore: (i) require the drilling of a second well in the NW/4 of said Section 10 to assure that all interest owners are adequately compensated; and, (ii) would cause inequitable drainage within the surrounding units by doubling the number of wells in the NW/4 of said Section 10. Your application appears to promote waste, does not serve to protect correlative rights, and promotes the drilling of unnecessary wells. Further, your application failed to provide an adequate explanation as to why forced pooling in this instance is not an option.

This application will therefore be set for hearing before a Division Hearing Examiner on the next available docket scheduled for May 28, 1998 and will be advertised in the following manner:

"Application of Texaco Exploration and Production Inc. for a non-standard gas spacing and proration unit or, in the alternative, for compulsory pooling, Lea County, New Mexico. Applicant seeks authority to establish an 80-acre non-standard comprising the E/2

NW/4 of Section 10, Township 20 South, Range 37 East (which is located approximately three miles southeast of Monument, New Mexico), in the Undesignated Skaggs-Abo Gas Pool. Said unit to be dedicated to its existing E.H.B. Phillips "C" Well No. 2 (API No. 30-025-33989) located at a standard gas well location 1980' FNL - 660' FEL (Unit H) of Section 10. IN THE ALTERNATIVE, applicant seeks an order pooling all mineral interests in the Undesignated Skaggs-Abo Gas Pool underlying the NW/4 of said Section 10, thereby forming a standard 160-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to the above-described E.H.B. Phillips "C" Well No. 2. Also to be considered will be the cost of drilling said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Please provide adequate notice pursuant to Rule 1207.A(5) and (6) of the Division's General Rules and Regulations.

Should you have any questions concerning this matter, please contact your legal counsel, Mr. William F. Carr in Santa Fe at (505) 988-4421.

Sincerely,



Michael E. Stogner
Chief Hearing Officer/Engineer

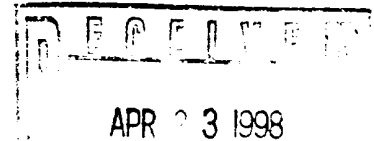
cc: New Mexico Oil Conservation Division - Hobbs
William F. Carr, Legal Counsel for Texaco Exploration and Production Inc. - Santa Fe
Kathy Valdes - NMOCD, Santa Fe



Texaco Exploration
and Production Inc.

Oil and Natural Gas
Midland, TX 79701

Phone
512-835-7100



April 21, 1998

**Mr. Michael E. Stogner
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87501**

Dear Mr. Stogner:

Texaco Exploration and Production Inc. hereby requests administrative approval of the following 160-acre non-standard proration unit:

**E. H. B. Phillips "C" #2
E/2 NE/4 (Unit H) Section 10, T-20-S, R-37-E
Lea County, New Mexico
Skaggs Abo Pool**

The necessity for the formation of the subject non-standard spacing unit and the reason why a standard spacing unit is not feasible are:

- 1) This was drilled as an oil well in the SE/4 NE/4 of Section 10, T-20-S, R-37-E, Lea County, New Mexico. The Operating Agreement had expired so we entered into a new O/A with BK Exploration and J. Hiram Moore, Ltd. The agreement covered depths below the Queen formation in the E/2 NE/4. The O/A covers 80 acres because the ownership is common.**
- 2) We prefer to do a non-standard spacing unit because the ownership in the W/2 NE/4 is different. Texaco Exploration and Production Inc. owns 75% and BK Exploration owns 25%. J. Hiram Moore does not have an interest. In the E/2Ne/4 Texaco owns 50%, BK owns 25% and J. Hiram Moore owns 25%. Bk Exploration did not want to join in the well so we farmed in their interest to give Texaco 75% until payout.**
- 3) If we have a standard spacing unit (160 acres), then we do not have an operating agreement in place. J. Hiram Moore's interest in a very good new commercial well will be cut in half and we will have to negotiate a new deal with BK Exploration.**

A copy of the Form C-102 for the subject well is attached. The subject acreage is in the Skaggs Abo Pool, which provides for 160-acre spacing. Rule 3 of the Special Rules and Regulations for the pool allows administrative approval of non-standard

160-acre units upon notice to all offsetting operators. Notice of this application has been given by certified mail to the offset operators shown on the attached list.

We look forward to receiving your approval and please call me at (915) 688-4606 with any questions.

Yours truly,

A handwritten signature in black ink, appearing to read "A. Phil Ryan". The signature is fluid and cursive, with a large initial "A" and a long, sweeping underline.

**A. Phil Ryan
Commission Coordinator
Texaco Exploration and Production Inc.**

**Cc: NMOCD – District 1
P. O. Box 1980
Hobbs, NM 88240**

Attachments:



Texaco Exploration
and Production Inc.

P.O. North Branch
Midland, TX 79701

NSP 5/12/98

April 21, 1998

Mr. Michael E. Stogner
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87501

Dear Mr. Stogner:

Texaco Exploration and Production Inc. hereby requests administrative approval of the following 160-acre non-standard proration unit:

E. H. B. Phillips "C" #2
E/2 NE/4 (Unit H) Section 10, T-20-S, R-37-E
Lea County, New Mexico
Skaggs Abo Pool

A copy of the Form C-102 for the subject well is attached. The subject acreage is in the Skaggs Abo Pool, which provides for 160-acre spacing. Rule 3 of the Special Rules and Regulations for the pool allows administrative approval of non-standard 160-acre units upon notice to all offsetting operators. Notice of this application has been given by certified mail to the offset operators shown on the attached list.

We look forward to receiving your approval and please call me at (915) 688-4606 with any questions.

Yours truly,

A. Phil Ryan
Commission Coordinator
Texaco Exploration and Production Inc.

Cc: NMOCD – District 1
P. O. Box 1980
Hobbs, NM 88240

Attachments:

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

DISTRICT II
P. O. Drawer DD, Artesia, NM 88210

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

DISTRICT IV
P. O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-102
Revised February 10, 1994

Instructions on back

Submit to Appropriate District Office

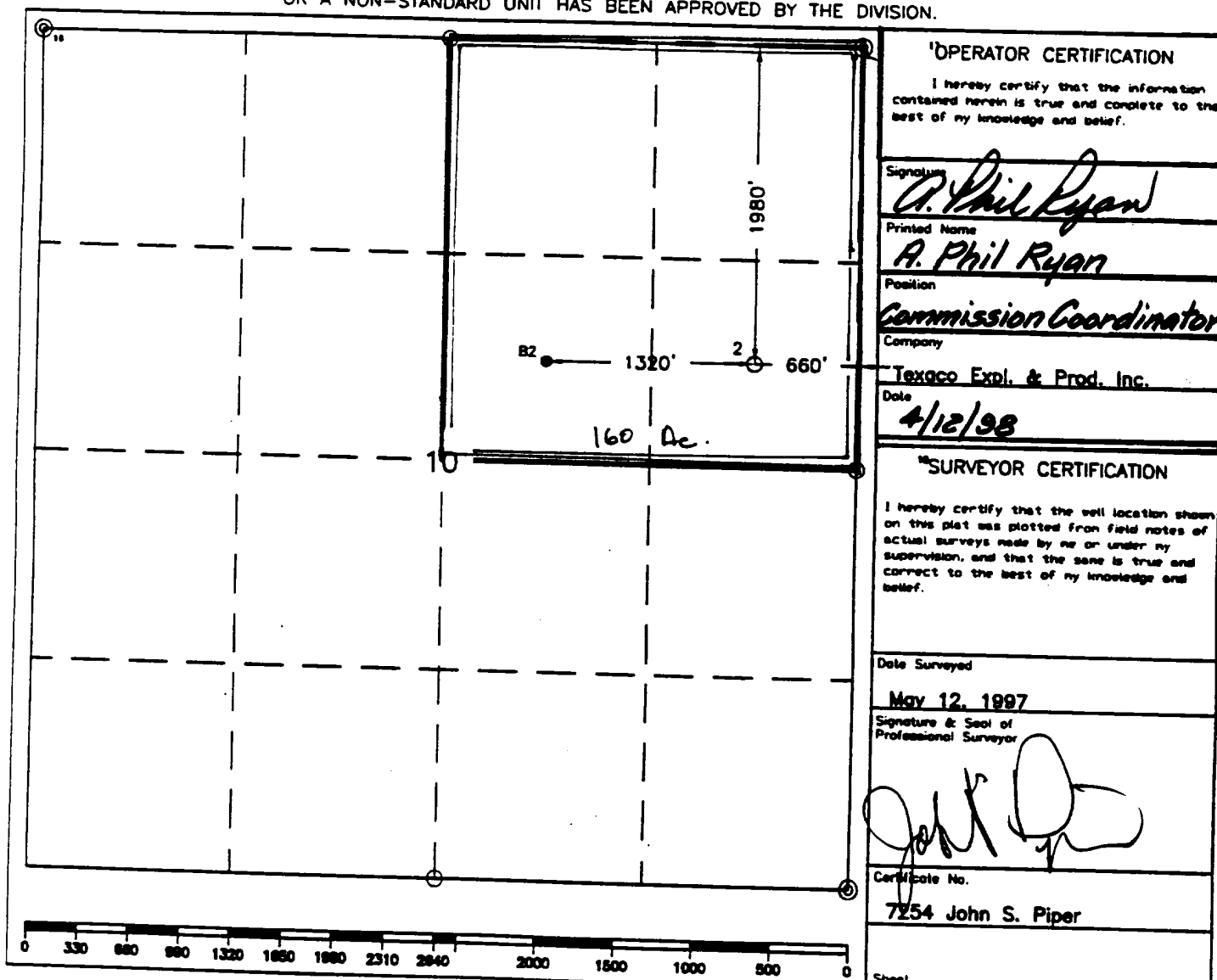
State Lease-4 copies
Fee Lease-3 copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

1 API Number		2 Pool Code		3 Pool Name Skaggs Abo					
4 Property Code		5 Property Name E. H. B. Phillips "C"						6 Well Number 2	
7 OGRID No. 22351		8 Operator Name TEXACO EXPLORATION & PRODUCTION, INC.						9 Elevation 3608'	
10 Surface Location									
UL or lot no. H	Section 10	Township 20-S	Range 37-E	Lot Idn	Feet from the 1980'	North/South line North	Feet from the 660'	East/West line East	County Lea
11 Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 160		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
A. Phil Ryan
Printed Name
A. Phil Ryan
Position
Commission Coordinator
Company

Texaco Expl. & Prod. Inc.

Date
4/12/98

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

May 12, 1997

Signature & Seal of
Professional Surveyor

John S. Piper

Certificate No.

7254 John S. Piper

Sheet

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

DISTRICT II
P. O. Drawer DD, Artesia, NM 88210

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

DISTRICT IV
P. O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-102
Revised February 10, 1994

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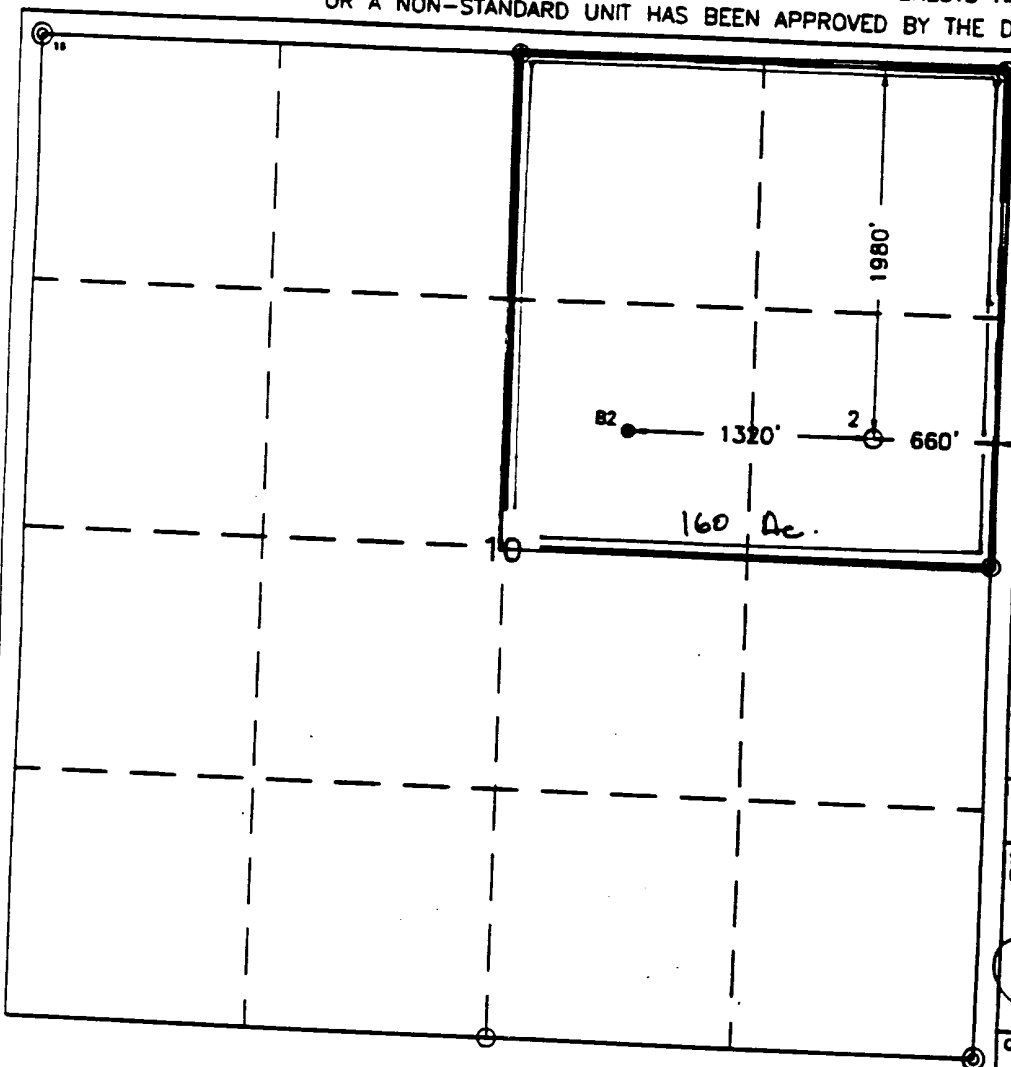
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Fee Lease-3 copies

☐ AMENDED REPORT

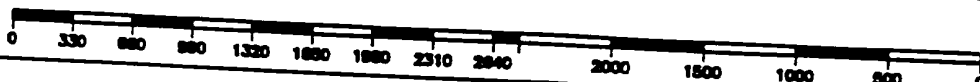
WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
Property Code		4 Property Name		5 Well Number	
OGRID No. 22351		E. H. B. Phillips "C"		2	
		6 Operator Name		7 Elevation	
		TEXACO EXPLORATION & PRODUCTION, INC.		3608'	
10 Surface Location					
UL or lot no. H	Section 10	Township 20-S	Range 37-E	Lot Idn	Feet from the 1980'
			North/South line North		Feet from the 660'
			East/West line East		County Lea
11 Bottom Hole Location If Different From Surface					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the North/South line
			Feet from the		East/West line
			County		
12 Dedicated Acres 160		13 Joint or Infill		14 Consolidation Code	
				15 Order No.	

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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION.



16 OPERATOR CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature	<i>A. Phil Ryan</i>
Printed Name	A. Phil Ryan
Position	Commission Coordinator
Company	Texaco Expl. & Prod. Inc.
Date	4/12/98
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	May 12, 1997
Signature & Seal of Professional Surveyor	<i>John S. Piper</i>
Certificate No.	7254 John S. Piper



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

DISTRICT II
P. O. Drawer DD, Artesia, NM 88210

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

DISTRICT IV
P. O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

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

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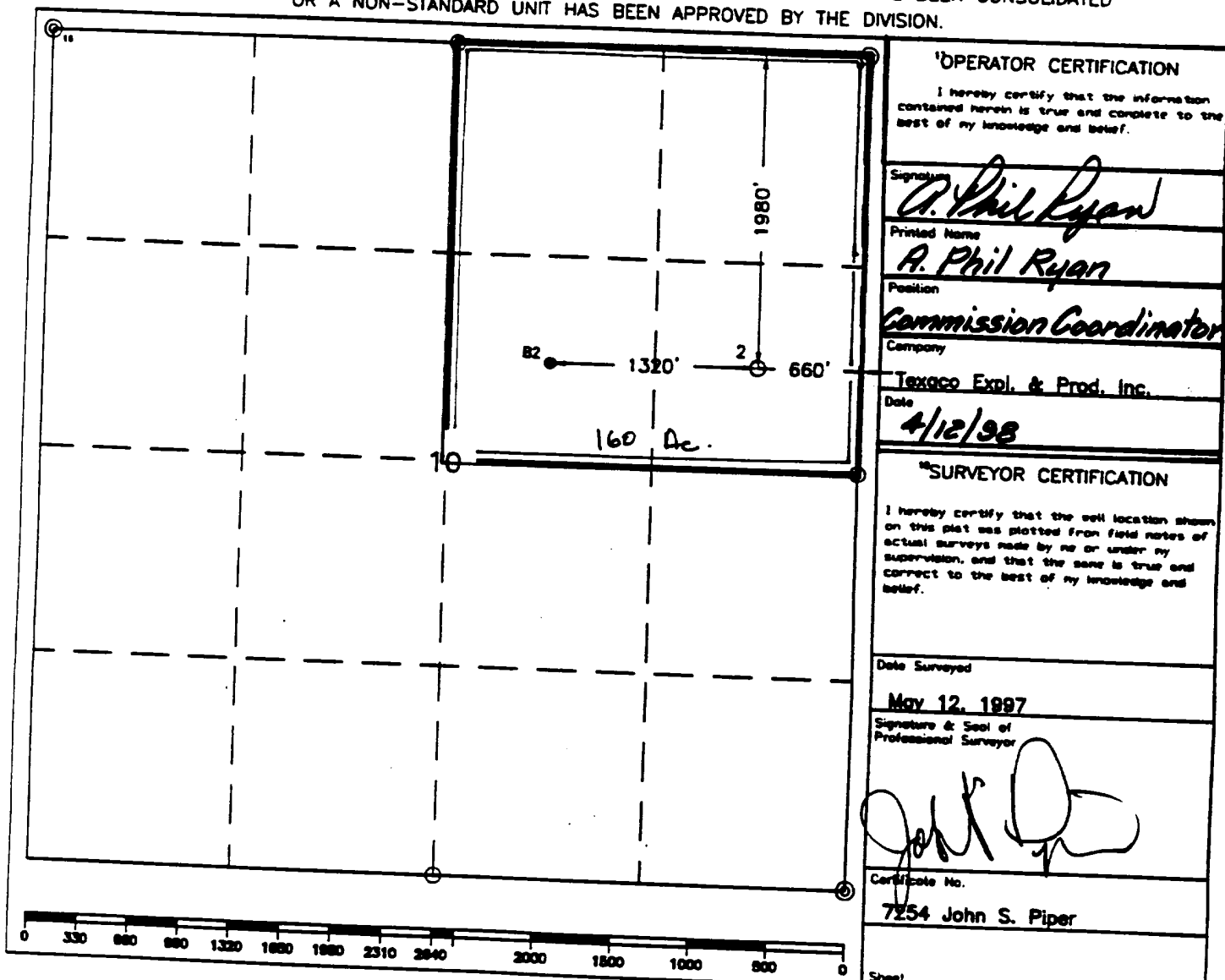
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Fee Lease-3 copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

1 API Number		2 Pool Code		3 Pool Name	
Property Code		Property Name		Well Number	
OGRID No.		Operator Name		Elevation	
22351		E. H. B. Phillips "C"		2	
		TEXACO EXPLORATION & PRODUCTION, INC.		3608'	
10 Surface Location					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the
H	10	20-S	37-E		1980'
				North/South line	East/West line
				North	East
				Feet from the	County
				660'	Lea
11 Bottom Hole Location If Different From Surface					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the
North/South line					
Feet from the					
East/West line					
County					
12 Dedicated Acres		13 Joint or Initial		14 Consolidation Code	
160				15 Order No.	

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16 OPERATOR CERTIFICATION

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

Signature *A. Phil Ryan*

Printed Name *A. Phil Ryan*

Position *Commission Coordinator*

Company *Texaco Expl. & Prod. Inc.*

Date *4/12/98*

17 SURVEYOR CERTIFICATION

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Date Surveyed *May 12, 1997*

Signature & Seal of Professional Surveyor *John S. Piper*

Certificate No. *7254 John S. Piper*

Sheet

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

DISTRICT II
P. O. Drawer DD, Artesia, NM 88210

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

DISTRICT IV
P. O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

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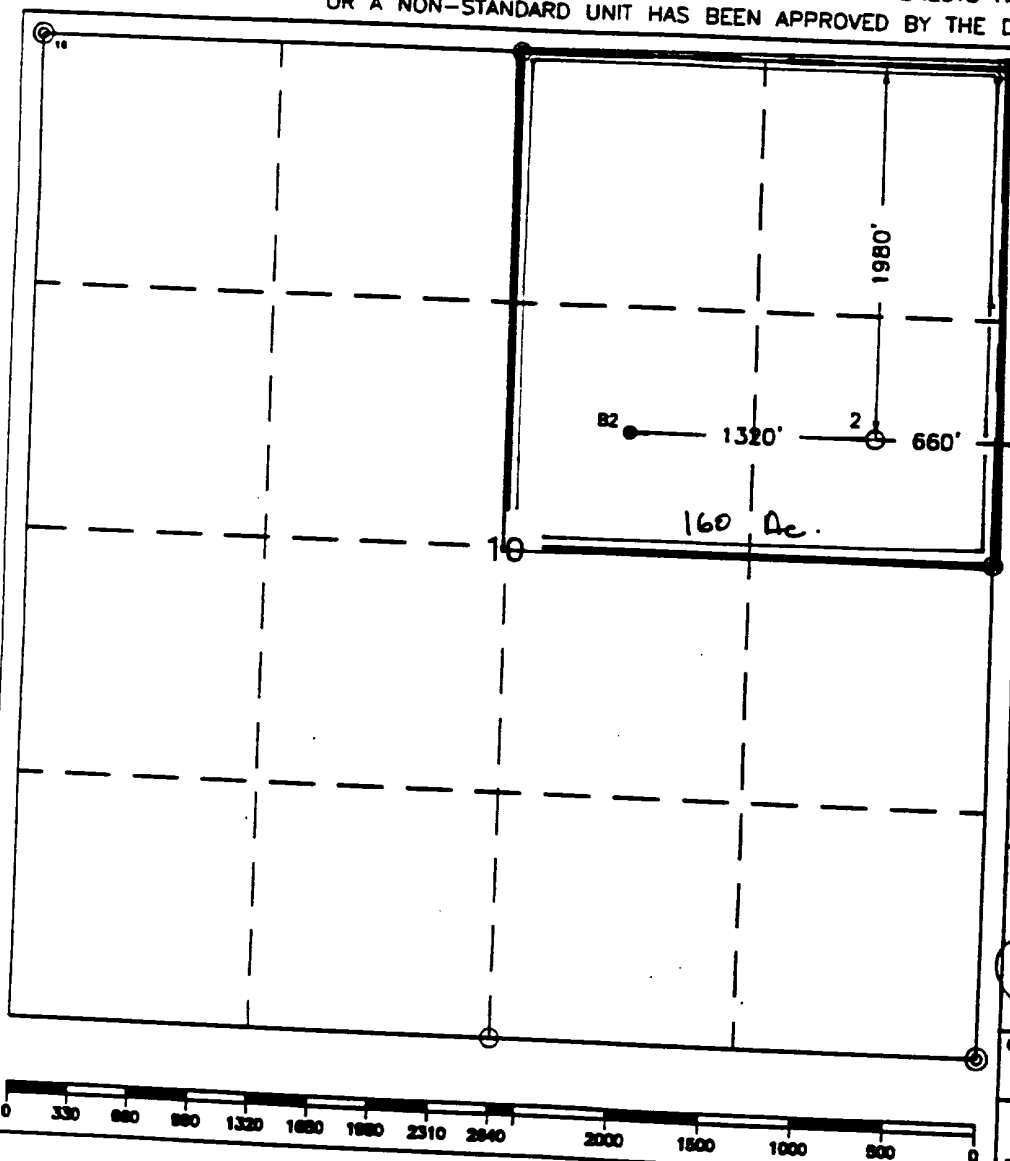
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WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

1 API Number		2 Pool Code		3 Pool Name	
Property Code		4 Property Name		5 Well Number	
OGRID No. 22351		E. H. B. Phillips "C"		2	
		6 Operator Name		7 Elevation	
		TEXACO EXPLORATION & PRODUCTION, INC.		3608'	
10 Surface Location					
UL or lot no. H	Section 10	Township 20-S	Range 37-E	Lot Idn	Feet from the
					North/South line
					North
					Feet from the
					660'
					East/West line
					East
					County
					Lea
11 Bottom Hole Location If Different From Surface					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the
					North/South line
					Feet from the
					East/West line
					County
12 Dedicated Acres 160		13 Joint or Infill		14 Consolidation Code	
				15 Order No.	

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16 OPERATOR CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature	<i>A. Phil Ryan</i>
Printed Name	A. Phil Ryan
Position	Commission Coordinator
Company	Texaco Expl. & Prod. Inc.
Date	4/12/98
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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	May 12, 1997
Signature & Seal of Professional Surveyor	<i>John S. Piper</i>
Certificate No.	7254 John S. Piper

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

DISTRICT II
P. O. Drawer 80, Artesia, NM 88210

DISTRICT III
1000 Rio Grande Rd., Aztec, NM 87410

DISTRICT IV
P. O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-102
Revised February 10, 1994

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☐ AMENDED REPORT

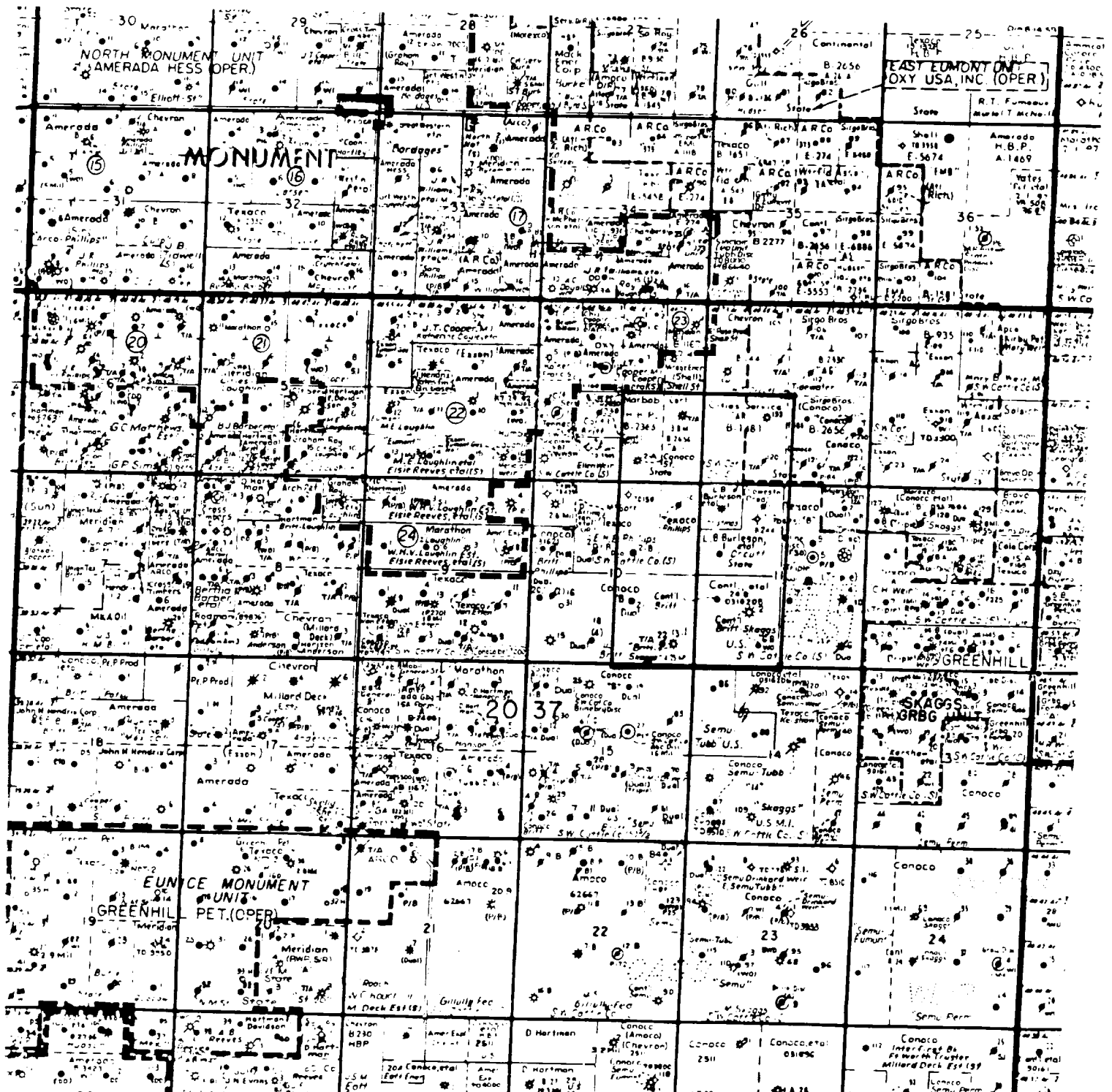
WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name					
Property Code		5 Property Name		6 Well Number					
OGRID No.		4 Operator Name		7 Elevation					
22351		TEXACO EXPLORATION & PRODUCTION, INC.		3608'					
10 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	10	20-S	37-E		1980'	North	660'	East	Lea
11 Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres		13 Joint or Initial		14 Consolidation Code		15 Order No.			
160									

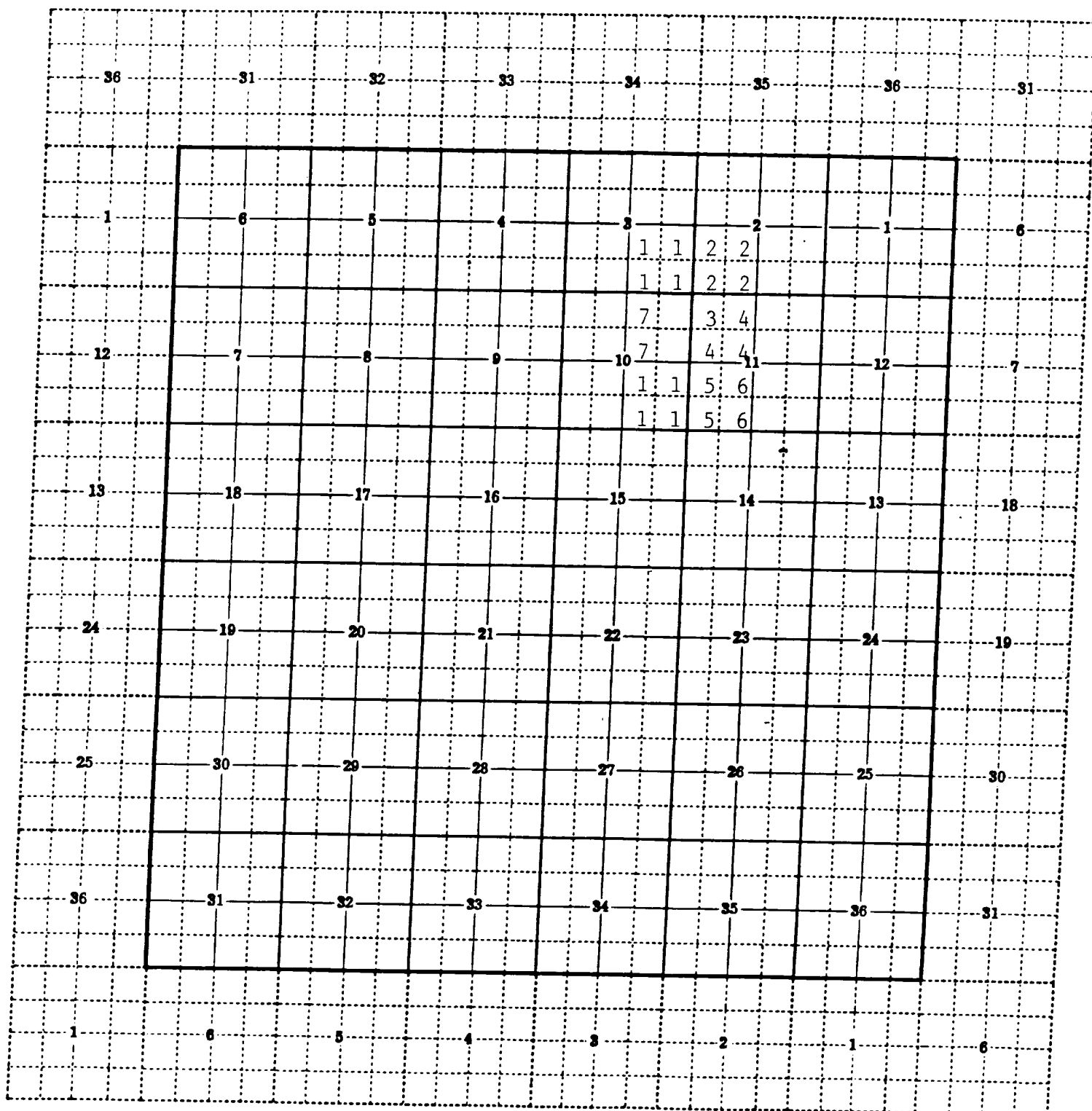
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	16 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
	Signature <i>A. Phil Ryan</i>	
	Printed Name A. Phil Ryan	
	Position Commission Coordinator	
	Company Texaco Expl. & Prod. Inc.	
	Date 4/12/98	
	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 May 12, 1997	
	Signature & Seal of Professional Surveyor <i>John S. Piper</i>	
	Certificate No. 7254 John S. Piper	

Lea County, New Mexico
April 15, 1998



Offset Operators and all Lessees of Record
 E. H. B. Phillips "C" No. 2 Well
 E/2 NE/4 of Section 10, T-20-S, R-37-E
 Abo Formation
 Lea County, New Mexico
 April 15, 1998



Offset Operators and all Lessees of Record
E. H. B. Phillips "C" No. 2 Well
E/2 NE/4 of Section 10, T-20-S, R-37-E
Abo Formation
Lea County, New Mexico
April 15, 1998

Number 1

Conoco Inc.
10 Desta Dr., Suite 100W
Midland, Texas 79705

Number 2

OXY USA Inc.
P. O. Box 50250
Midland, Texas 79710

Number 3

Burlington Resources Oil & Gas Company
P. O. Box 51810
Midland, Texas 79710

J. Hiram Moore
310 W. Wall, Suite 404
Midland, Texas 79701

Number 4

Lewis B. Burleson and wife, Kathryn K. Burleson
Lewis B. Burleson Trust
The New Mexico Company
Nancy E. Wilson
Steven L. Burleson
P. O. Box 2479
Midland, Texas 79702

Sharon Beaver
4014 Lehigh Drive
Midland, Texas 79707

Charles N. Evans
P. O. Box 41
Eunice, New Mexico 88231

Wayne Jarvis
1105 Alpine
Andrews, Texas 79714

Offset Operators and all Lessees of Record
E. H. B. Phillips "C" No. 2 Well
E/2 NE/4 of Section 10, T-20-S, R-37-E
Abo Formation
Lea County, New Mexico
April 15, 1998

Number 5

Conoco Inc.
10 Desta Dr., Suite 100W
Midland, Texas 79705

Apache Corporation
2000 Post Oak Blvd., Suite 100
Houston, Texas 77056-4400

Chevron USA, Inc.
P. O. Box 1150
Midland, Texas 79702

Atlantic Richfield Company
P. O. Box 1610
Midland, Texas 79702

Number 6

Conoco Inc.
10 Desta Dr., Suite 100W
Midland, Texas 79705

Apache Corporation
2000 Post Oak Blvd., Suite 100
Houston, Texas 77056-4400

Chevron USA, Inc.
P. O. Box 1150
Midland, Texas 79702

John H. Hendrix Corporation
Michael L. Klein and wife, Jeanne L. Klein
Ronnie H. Westbrook
Daniel L. Veirs
110 Marienfeld St.
Midland, Texas 79701

Offset Operators and all Lessees of Record
E. H. B. Phillips "C" No. 2 Well
E/2 NE/4 of Section 10, T-20-S, R-37-E
Abo Formation
Lea County, New Mexico
April 15, 1998

Number 7

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

BK Exploration Corporation
810 S. Cincinnati, Suite 208
Tulsa, Oklahoma 74119

The Moore Trust
310 W. Wall, Suite 404
Midland, Texas 79701

DISTRICT I

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

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88211-0718

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
⁴ Property Code 20884	⁵ Property Name E. H. B. PHILLIPS 'C'	³ API Number 30-D25-33989
		⁶ Well No. 2

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
H	10	20-S	37-E		1980	NORTH	660	EAST	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 SKAGGS ABO					¹⁰ Proposed Pool 2 SKAGGS DRINKARD / MONUMENT TUBB				

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Rotary or C.T. ROTARY	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3808'
¹⁶ Multiple No	¹⁷ Proposed Depth 7400'	¹⁸ Formation ABO/DRINKARD	¹⁹ Contractor NABORS	²⁰ Spud Date 6/1/87

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#	1350'	450 SACKS	SURFACE
7 7/8	5 1/2	15.5#	7400'	1100 SACKS	2000'

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: 300 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: 500 SACKS 35/65 POZ H w/ 6% GEL, 5% SALT, 1/4# FC (12.4 PPG, 2.14 CF/S, 11.9 GW/S). F/B 600 SACKS 50/50 POZ H w/ 2% GEL, 5% SALT, 1/4# FC (14.2 PPG, 1.35 CF/S, 6.3 GW/S).

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

²³ I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature <i>C. Wade Howard</i>		Approved By: Orig. Signed by Paul Kautz Geologist	
Printed Name C. Wade Howard		Title:	
Title Eng. Assistant		Approval Date: MAY 28 1997 Expiration Date:	
Date 5/19/97	Telephone 688-4606	Conditions of Approval: Attached ☐	

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

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☐ 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
⁴ Property Code	⁵ Property Name E. H. B. PHILLIPS 'C'	⁶ Well No. 2

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
H	10	20-S	37-E		1980	NORTH	660	EAST	LEA

⁸ Proposed Bottom Hole Location If Different From Surface

Ul or lot no.	Section	Township	Range	Lot.Idn	Feet From The	North/South Line	Feet From The	East/West Line	County

⁹ Proposed Pool 1 SKAGGS ABO	¹⁰ Proposed Pool 2 SKAGGS DRINKARD / MONUMENT TUBB
--	--

¹¹ Work Type Code N	¹² WellType Code G	¹³ Rotary or C.T. ROTARY	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3608'
¹⁶ Multiple No	¹⁷ Proposed Depth 7400'	¹⁸ Formation ABO/DRINKARD	¹⁹ Contractor NABORS	²⁰ Spud Date 6/1/97

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#	1350'	450 SACKS	SURFACE
7 7/8	5 1/2	15.5#	7400'	1100 SACKS	2000'

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: 300 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: 500 SACKS 35/65 POZ H w/ 6% GEL, 5% SALT, 1/4# FC (12.4 PPG, 2.14 CF/S, 11.9 GW/S). F/B 600 SACKS 50/50 POZ H w/ 2% GEL, 5% SALT, 1/4# FC (14.2 PPG, 1.35 CF/S, 6.3 GW/S).

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.		OIL CONSERVATION DIVISION	
Signature <i>C. Wade Howard</i>			
Printed Name C. Wade Howard		Approved By:	
Title Eng. Assistant		Title:	
Date 5/19/97		Approval Date:	Expiration Date:
Telephone 688-4606		Conditions of Approval: Attached ☐	

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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

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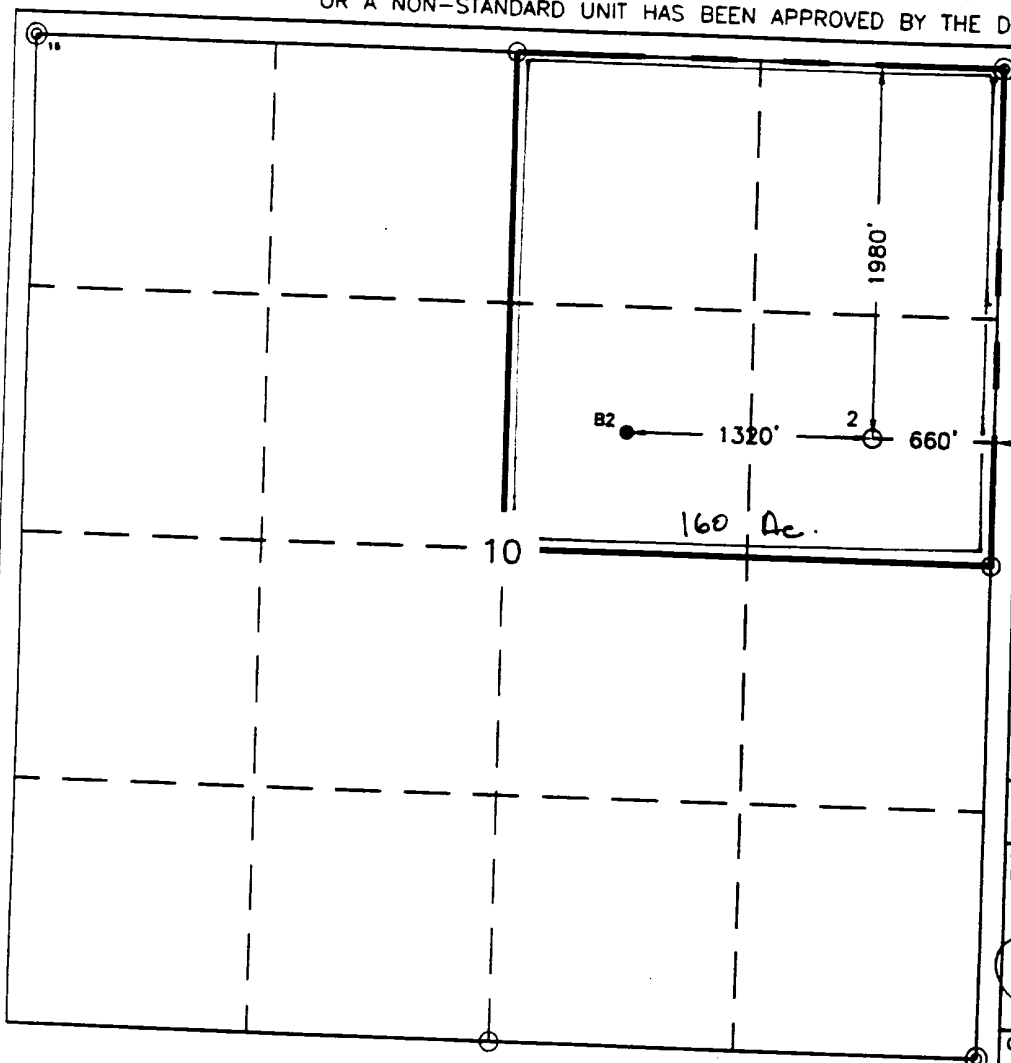
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WELL LOCATION AND ACREAGE DEDICATION PLAT

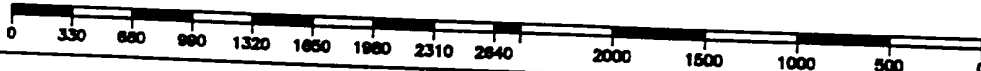
☐ AMENDED REPORT

1 API Number		2 Pool Code		3 Pool Name Skaggs Abo	
4 Property Code		5 Property Name E. H. B. Phillips "C"			
6 OGRID No. 22351		7 Operator Name TEXACO EXPLORATION & PRODUCTION, INC.			
				8 Well Number 2	
				9 Elevation 3608'	
10 Surface Location					
UL or lot no. H	Section 10	Township 20-S	Range 37-E	Lot Idn	Feet from the 1980'
			North/South line North		Feet from the 660'
			East/West line East		7 County Lea
11 Bottom Hole Location If Different From Surface					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the North/South line
					Feet from the East/West line
					7 County
12 Dedicated Acres 160		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 <i>C. Wade Howard</i>	
Printed Name C. Wade Howard	
Position Engineer's Assistant	
Company Texaco Expl. & Prod. Inc.	
Date May 14, 1997	
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 May 12, 1997	
Signature & Seal of Professional Surveyor <i>John S. Piper</i>	
Certificate No. 7254 John S. Piper	



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P. O. Box 1980, Hobbs, NM 88240

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P. O. Drawer 00, Artesia, NM 88210

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1000 Rio Brazos Rd., Aztec, NM 87410

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Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
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WELL LOCATION AND ACREAGE DEDICATION PLAT

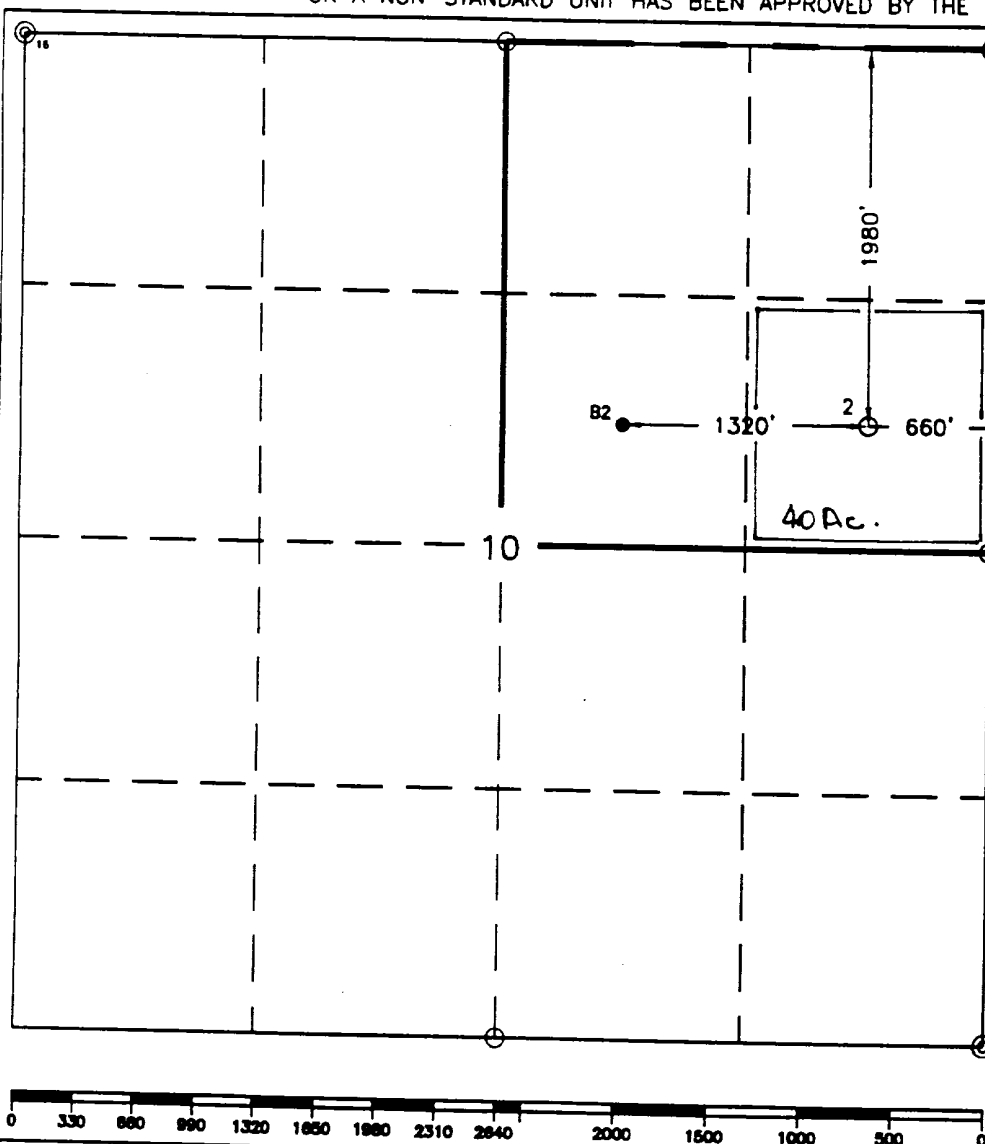
☐ AMENDED REPORT

1 API Number		2 Pool Code		3 Pool Name	
				Skaggs Drinkard	
4 Property Code		5 Property Name			6 Well Number
		E. H. B. Phillips "C"			2
7 OGRID No.		8 Operator Name			9 Elevation
22351		TEXACO EXPLORATION & PRODUCTION, INC.			3608'

10 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	10	20-S	37-E		1980'	North	660'	East	Lea

11 Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres		13 Joint or infill		14 Consolidation Code		15 Order No.			
40									

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Signature	
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Printed Name	
C. Wade Howard	
Position	
Engineer's Assistant	
Company	
Texaco Expl. & Prod. Inc.	
Date	
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May 12, 1997	
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<i>John S. Piper</i>	
Certificate No.	
7254 John S. Piper	
Sheet	

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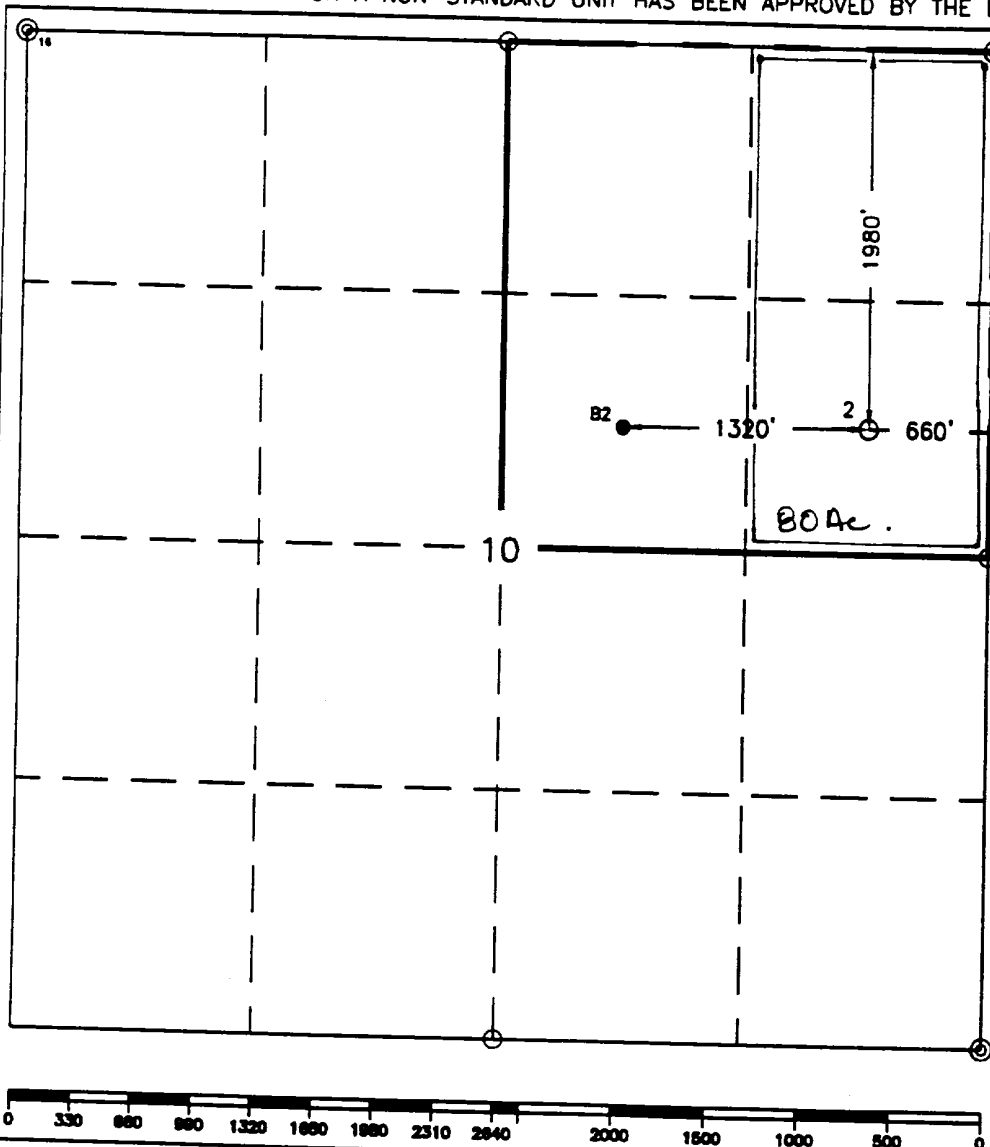
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name Monument Tubb					
4 Property Code		5 Property Name E. H. B. Phillips "C"						6 Well Number 2	
7 OGRID No. 22351		8 Operator Name TEXACO EXPLORATION & PRODUCTION, INC.						9 Elevation 3608'	
10 Surface Location									
UL or lot no. H	Section 10	Township 20-S	Range 37-E	Lot Idn	Feet from the 1980'	North/South line North	Feet from the 660'	East/West line East	County Lea
11 Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 80		13 Joint or Infill		14 Consolidation Code		15 Order No.			

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Printed Name

C. Wade Howard

Position

Engineer's Assistant

Company

Texaco Expl. & Prod. Inc.

Date

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Signature & Seal of
Professional Surveyor

John S. Piper

Certificate No.

7254 John S. Piper

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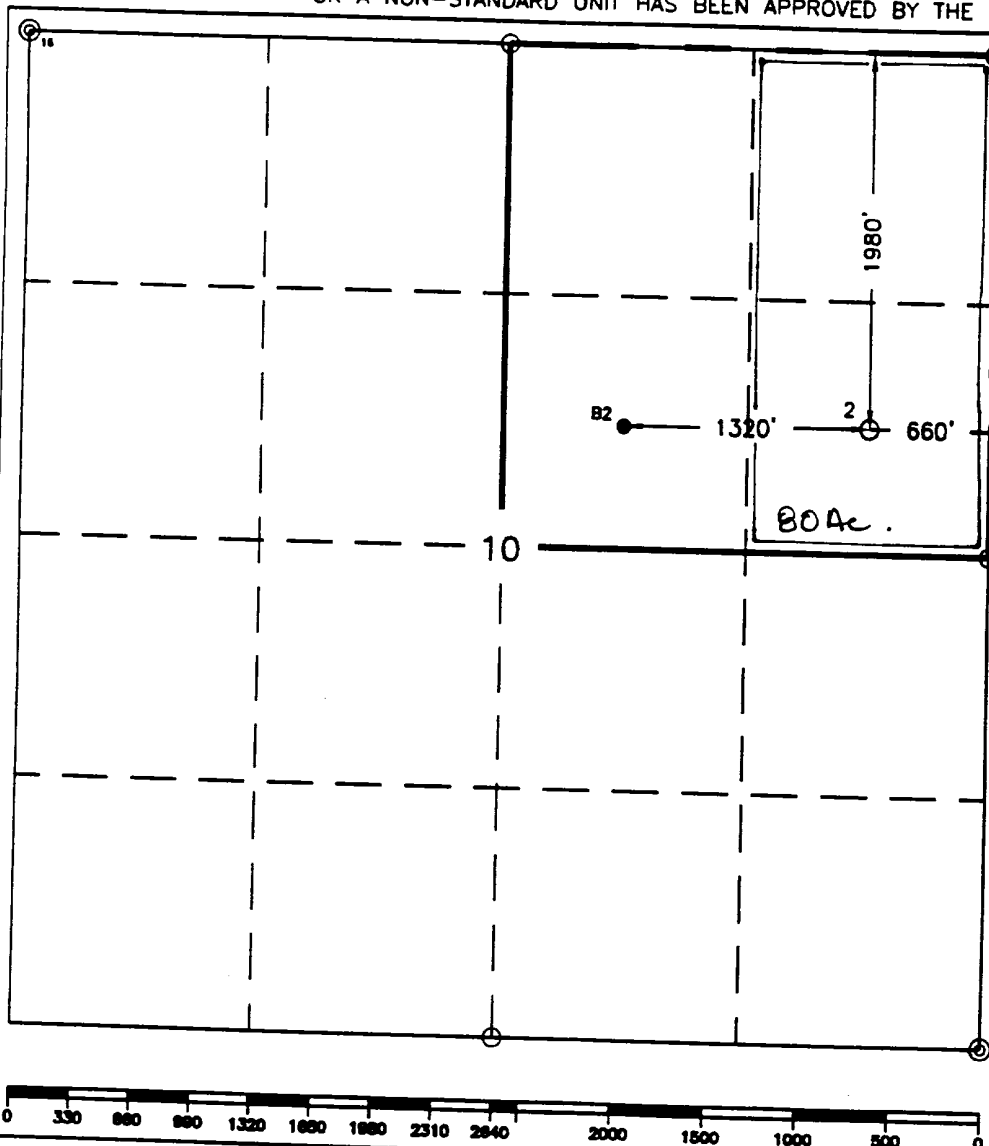
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WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

1 API Number		2 Pool Code		3 Pool Name					
Property Code		5 Property Name		6 Well Number					
22351		E. H. B. Phillips "C"		2					
7 GRID No.		8 Operator Name		9 Elevation					
		TEXACO EXPLORATION & PRODUCTION, INC.		3608'					
10 Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres		13 Joint or Infill		14 Consolidation Code		15 Order No.			
80									

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Company

Texaco Expl. & Prod. Inc.

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Professional Surveyor

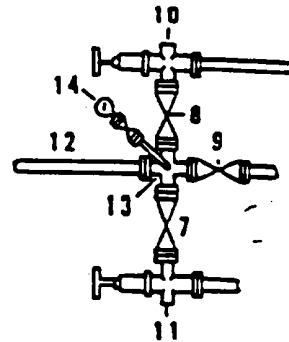
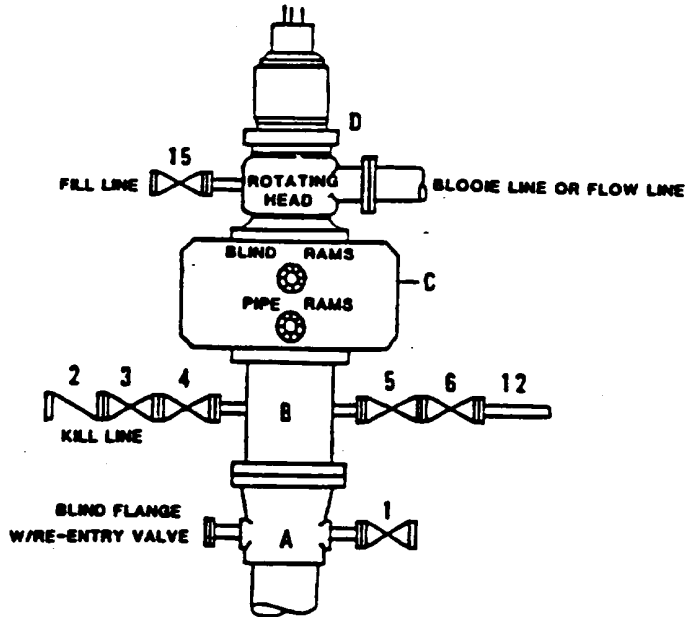
Certificate No.

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.

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



TEXACO, INC.
MIDLAND DIVISION
MIDLAND, TEXAS



EXHIBIT C