BLM Roswell District CONTACT RECEIVING Modified Form No. OFFICE FOR NUMBER OF COPIES REQUIRED NM060-3160-4 UNIT STATES Form 3160-5 (Other instructions on reverse LEASE DESIGNATION AND SERIAL NO. (July 1989) DEPARTMENT OF THE INTERIOR side) (Formerly 9-331) NM-86710 BUREAU OF LAND MANAGEMENT 6. IF INDIAN, ALLOTTEE OR TRIBE NAME SUNDRY NOTICES AND REPORTS ON WELLS N.M. OIL CONS. COMMISSION (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.

Use "APPLICATION FOR PERMIT-" for such proposals.) P.O. BOX 1980 HOBBS, WEWE MEXICO 88240 1. GASL X FARM OR LEASE NAME NAME OF OPERATOR TEXACO EXPLORATION AND PRODUCTION INC. BILBREY -33- FEDERAL 3a. AREA CODE & PHONE NO. WELL NO. ADDRESS OF OPERATOR 2 (915) 688-4620 Midland, TX 79702 P. O. Box 3109. 10. FIELD AND POOL, OR WILDCAT LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* BILBREY, ATOKA/MORROW See also space 17 below.) 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 1980' FSL, 2310' FWL, UNIT LETTER K. SEC 33, T-21-S, R-32-E 13. STATE 12. COUNTY OR PARISH 15. ELEVATIONS (Show whether DF, RT, GR, etc.) 14. PERMIT NO. NM GR-3746', KB-3771' API NO. - 30-025-32383 Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data SUBSEQUENT REPORT OF: NOTICE OF INTENTION TO: REPAIRING WELL WATER SHUT-OFF **PULL OR ALTER CASING** TEST WATER SHUT-OFF ALTERING CASING FRACTURE TREATMENT MAIN THRUE COMPLETE FRACTURE TREAT ARANDONMENT* SHOOTING OR ACIDIZING ARAMDON* SHOOT OR ACIDIZE CHANGE PLANS (NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) REPAIR WELL 17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)4 1. TEXACO REQUESTS A VARIANCE TO 43 CFR PART 3160 AS IT RELATES TO THE 10000 PSI CHOKE MANIFOLD EQUIPMENT. PART 3160 III (A) (b) (ii) ATTACHMENT 1 REQUIRES FOUR (4) 3 INCH 10000 PSI VALVES AND TEXACO PROPOSES TO USE FOUR (4) 2 9/16 INCH 10000 PSI VALVES IN PLACE OF THE 3 INCH. TEXACO IS CONFIDENT THE 2 9/16 INCH VALVES WILL MEET ALL SAFETY REQUIREMENTS AS INCLUDED IN PART 3160. TEXACO HAS USED THESE VALVES IN THIS CONFIGURATION ON WELLS DRILLED BELOW 22000' MANY TIMES AND SUCH HAVE PERFORMED SATISFACTORILY IN NUMEROUS WELL CONTROL SITUATIONS. THIS VARIANCE IS BEING ASKED FOR FROM OUR ORIGINAL INTENT TO USE 4 INCH VALVES WHICH ARE JUST NOT PRACTICAL AND COMMON TO DRILLING OPERATIONS IN THE PERMIAN BASIN. THE INLET AND OUTLET ON THE CROSS ON THE MANIFOLD WILL REMAIN 4 1/16 INCH 10000 PSI AS DISCUSSED. 2. ALSO, TEXACO IS ASKING FOR A VARIANCE TO CONNECTING A LINE WITH A 3 INCH VALVE TO A REMOTE OPERATED VALVE WITH 3 INCH LINE FROM THE CHOKE MANIFOLD. TEXACO BELIEVES THIS TO BE A DANGEROUS CONFIGURATION SINCE THERE IS NO BACKUP IN THE LINE TO 3 INCH VALVE. THE LINE IN QUESTION WITH THE REMOTE OPERATED CHOKE IS VIEWED AS A PANIC LINE AND SHOULD NOT BE CONNECTED TO THE CHOKE MANIFOLD. TEXACO WILL HAVE A PANIC LINE WITH AN AUTO CHOKE CONNECTED TO IT IN PLACE PRIOR TO DRILLING BELOW THE 7 INCH CASING SET AT 12300'. TEXACO WILL ALSO HAVE IN PLACE 2 AUTOMATIC CHOKES IN THE CHOKE MANIFOLD AS PER OUR EXHIBIT J ATTACHED WITH OUR APD. VERBAL APPROVAL TO THESE REQUESTS WAS OBTAINED FROM SHANON SHAW JANUARY 28, 1994.

DRILLING OPERATIONS MANAGER

Same Same and the same of the

01-31-94

DATE

18. I hereby certify that the foregoing is true and correct

Orial Signed by Admin Salameh

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C.P. Ra

(This space for Federal or State office use)

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY