N.M. OIL CONS. C
P.O. BOX 1
HOBBS, NEW ME

OPER. OGRID NO. 22351
PROPERTY NO. 13331
POOL CODE 40299
EFF. DATE 10/29/96
API NO. 30-025-33647

Form 3160-3
(December 1990)

UNITE
DEPARTMENT (
BUREAU OF LA

SUBMIT IN TRIPLICATE

FORM APPROVED
Budget Bureau No. 1004-0136
Expires: December 31, 1991

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. Lease Designation and Serial No.: NM-14331

6. If Indian, Alottee or Tribe Name:

7. If Unit or CA, Agreement Designation:

1a. Type of Work: DRILL ☒ DEEPEN ☐

1b. Type of Well: OIL WELL ☒ GAS WELL ☐ OTHER — SINGLE ZONE ☒ MULTIPLE ZONE ☐

8. Well Name and Number: BILBREY '30' FEDERAL 5

2. Name of Operator: TEXACO EXPLORATION & PRODUCTION INC.

3. Address and Telephone No.: P.O. Box 3109, Midland Texas 79702 — 688-4606

9. API Well No.:

4. Location of Well (Report location clearly and in accordance with any State requirements.*)
At Surface
Unit Letter J : 1980 Feet From The SOUTH Line and 1980 Feet From The EAST Line
At proposed prod. zone
SAME

10. Field and Pool, Explortory Area: LOST TANK DELAWARE

11. SEC., T., R., M., or BLK. and Survey or Area: Sec. 30, Township 21-S, Range 32-E

14. Distance In Miles and Direction from Nearest Town or Post Office*: 32.5 MILES WEST OF EUNICE, NM

12. County or Parish: LEA — 13. State: NM

15. Distance From Proposed* Location to Nearest Property or Lease Line, Ft. (also to nearest drlg. unit line, if any): 1980'

16. No. of Acres in Lease: 1620.75

17. No. of Acres Assigned To This Well: 40

18. Distance From Proposed Location* to Nearest Well, Drilling, Completed or Applied For, On This Lease, Ft.: 1320'

19. Proposed Depth: 8850'

20. Rotary or Cable Tools: ROTARY

21. Elevations (Show whether DF,RT, GR, etc.): GR-3680'

R-111-P Potash

22. Approx. Date Work Will Start*: 10/15/96

23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 3/4	WC50, 11 3/4	42#	800'	500 SACKS - CIRCULATE
11	WC50, K55, 8 5/8	32#	4400'	1050 SACKS - CIRCULATE
7 7/8	WC50, L80, 5 1/2	17#	8850'	1560 SACKS - CIRCULATE

CEMENTING PROGRAM:
SURFACE CASING - 500 SACKS CLASS C W/ 2% CACL2 (14.8 PPG, 1.34 CF/S, 6.3 GW/S).

INTERMEDIATE CASING - 900 SACKS 35/65 POZ CLASS H W/ 6% GEL, 5% SALT, 1/4# FLOCELE (12.4 PPG, 2.14 CF/S, 11.9 GW/S). F/B 150 SACKS CLASS H (15.6 PPG, 1.18 CF/S, 5.2 GW/S).

PRODUCTION CASING -1st STG: 860 SACKS 50/50 POZ H w/ 2% GEL, 5% SALT, 1/4# FC (14.2 PPG, 1.35 CF/S, 6.3 GW/S).
DV TOOL @ 5500' - 2nd STG: 600 SACKS 35/65 POZ CLASS H W/ 6% GEL, 5% SALT, 1/4# FLOCELE (12.4 PPG, 2.14 CF/S, 11.9 GW/S). F/B 100 SACKS CLASS H (15.6 PPG, 1.18 CF/S, 5.2 GW/S)

DAYS TO DRILL: 15 DAYS. DAYS TO COMPLETE: 14 DAYS.
THERE ARE NO OTHER OPERATORS IN THIS QUARTER QUARTER SECTION.

In Above Space Describe Proposed Program: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured true verticle depths. Give blowout preventer program, if any.

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

SIGNATURE C. Wade Howard TITLE Eng. Assistant DATE 8/30/96

TYPE OR PRINT NAME C. Wade Howard

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

APPROVED BY Gilbert J Lucero TITLE Acting Area Director DATE 10-18-96

CONDITIONS OF APPROVAL, IF ANY:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DeSoto/Nichols, 10-94 ver 2.0

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
30-025-33647	40299	Lost Tank - DELAWARE

4 Property Code	5 Property Name	6 Well Number
13331	BILBREY "30" FEDERAL	5

7 OGRID No.	8 Operator Name	9 Elevation
22351	TEXACO EXPLORATION & PRODUCTION, INC.	3680'

10 Surface Location

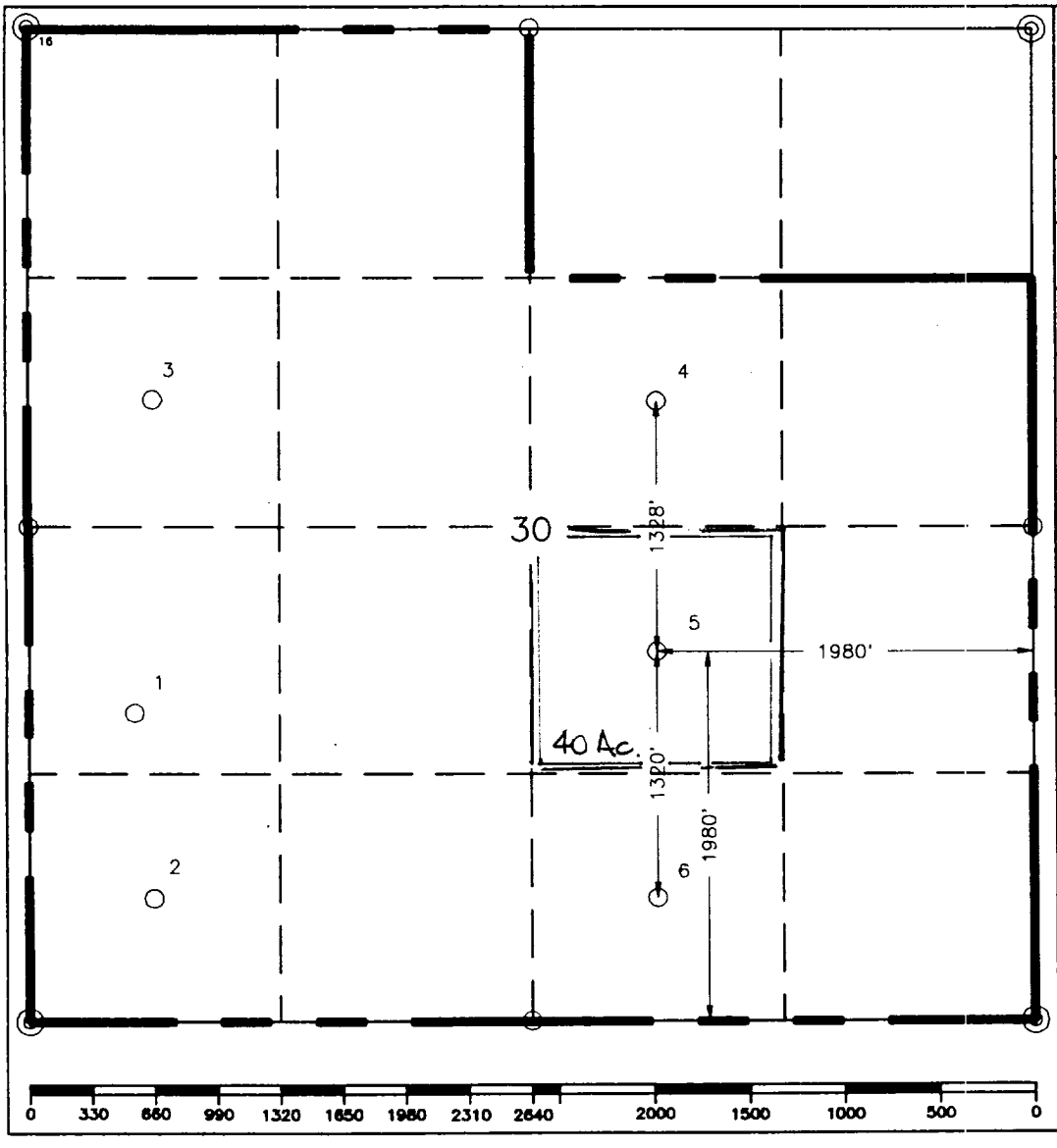
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	7 County
J	30	21-S	32-E		1980'	South	1980'	East	Lea

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	7 County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
40			

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.



17 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: August 26, 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: August 16, 1996

Signature & Seal of Professional Surveyor: John S. Piper

Certificate No. 7254 John S. Piper

Sheet 8 of 8

DRILLING PROGRAM

BILBREY '30' FEDERAL WELL NO. 5

SURFACE DESCRIPTION:

The land surface in this area is relatively level with moderate sand dunes. Regionally, the land slopes to the North. Vegetation consists mainly of scrub oak, mesquite, and range grasses.

FORMATION TOPS: Estimated KB Elevation: 3694'

Formation	Depth	Lithology	Fluid Content
Rustler	798'	Anhydrite, Salt	----
Salado	1120'	Salt	----
Lamar	4530'	Limestone	Marker
Bell Canyon	4670'	Sandstone	----
Brushy Canyon	6960'	Sandstone, Shale	Oil/Gas
Brushy Canyon - Pay	7230'	Sandstone, Shale	Oil/Gas
Bone Spring	8590'	Limestone	Oil/Gas

The base of the salt section is found around 4350'. No abnormal pressures or temperatures are anticipated to be encountered in this well. H2S is possible in this well. H2S RADIUS OF EXPOSURE: 100ppm = 23 feet, 500ppm = 11 feet, based on 800ppm and 115 MCF. (See attached H2S Drilling Operations Plan. H2S equipment to be operational prior to drilling out the Surface Casing Shoe.)

PRESSURE CONTROL EQUIPMENT:

A 3000 psi Dual Ram type preventer with rotating head will be used. (See Exhibit C). We do not plan to have an annular preventer. We will be able to achieve full closure of the well with the double ram preventer. It will be installed after surface casing is set. BOP will be tested each time it is installed on a casing string and at least every 29 days, and operated at least once each 24-hour period during drilling.

A PVT system will not be installed. We will be drilling thru the reserve pit and will circulate the steel pits one hour each tour to check for gains and losses and will be noted on the driller's log, which is Texaco's policy.

We do not plan to run an automatic remote-controlled choke. We will have installed and tested two manual, H2S trimmed, chokes.

CASING AND CEMENT PROGRAM:

The cementing program is detailed on Form 3160-3. All casing will be new.

Surface Casing: 14 3/4" hole, 11 3/4", 42#, WC-50, STC, set @ 800'

Intermediate Casing: 11" hole, 4000' of 8 5/8", 32#, WC-50, LTC and 400' of 8 5/8", 32#, J-55, LTC set @ 4400'.

Production Casing: 7 7/8" hole, 6400' of 5 1/2", 17#, WC-50, LTC and 2450' of 5 1/2", 17#, L-80, LTC set @ 8850'.

Centralizer Program:

Surface Casing - Centralize the bottom 3 joints and every 4th to surface.

Intermediate Casing - Centralize the bottom 3 joints.

Production Casing - Centralize the bottom 1650', every other cplg.

MUD PROGRAM:

Depth	Type	Weight	Viscosity
0'-800'	Fresh Water	8.4	28
800'-4400'	Brine Water	10.0	29
4400'-8850'	Fresh Water Gel	8.4-9.0	45

Bottom Hole Pressure at T.D. estimated to be 7.9 PPG EMW. (3635 psi)

Duration of Operation: 15 Days to Drill + 14 Days to Complete= 29 Days

LOGGING, TESTING:

GR-CAL-CNL-LDT and GR-SP-AIT surveys will be run.

A two-man Mud Logging Unit will be used from 4400' to 8850'.

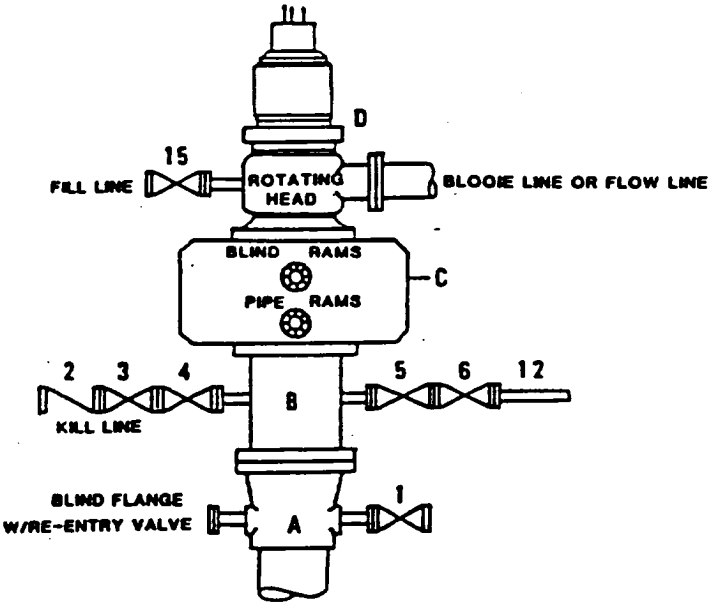
No drill stem tests will be conducted.

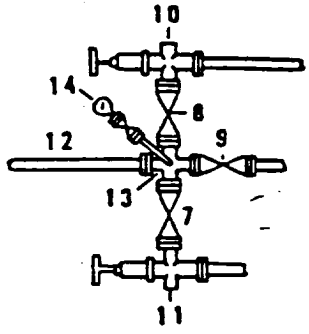
No cores will be taken.

DRILLING CONTROL
CONDITION II-B 3000 WP

FOR AIR DRILLING OR
WHERE NITROGEN OR AIR BLOWS ARE EXPECTED

H_2S TRIM REQUIRED
YES X 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 Blooie 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

SURFACE USE AND OPERATIONS PLAN

FOR

TEXACO EXPLORATION AND PRODUCTION, INC.

BILBREY "30" FEDERAL NO. 5

1980' FSL & 1980' FEL, SECTION 30,

TWP. 21 SOUTH, RANGE 32 EAST, N.M.P.M.,

LEA COUNTY, NEW MEXICO

LOCATED: 32.5 miles West of Eunice, New Mexico

FEDERAL LEASE NUMBER: NM 29233

LEASE ISSUED: Lease is in a producing status

ACRES IN LEASE: 1620.75

RECORD LESSEE: TEXACO EXPLORATION AND PRODUCTION, Inc.

SURFACE OWNERSHIP: USA

GRAZING PERMITTEE: Mr. J. C. Mills
Drawer 190
Abernathy, Texas 79311

POOL: Lost Tank

POOL RULES: Field Rules are for no wells to be located closer than 330' to any quarter-quarter section, to be 330' from the lease line, and 330' from the nearest well.

EXHIBITS: A. Access Road and Facilities Map

B. Drilling Rig Layout Diagram

C. Well Location and Acreage Dedication Plat

1. EXISTING ACCESS ROADS

A. Exhibit "A" is an enlarged portion of a 7.5 minute U.S.G.S. topographic map showing the proposed well site and the existing roads in the area. Point "A" is the junction of the existing resource road with Lea County Road No. C-29, being 9.2 miles Southeasterly and Southerly from its intersection with U.S. Highway 62 & 180. Said intersection is approximately 32 miles Northeasterly of Carlsbad and 40 miles Southwesterly of Hobbs, New Mexico along the major established Public Road System. Point "A" is also approximately 12.7 miles Northerly on Eddy County Road No. 798 and Lea County Road C-29 from Eddy County Road 798 intersection with State Highway 128, which is approximately 34 miles Westerly of Jal, New Mexico. From Point "A" go Easterly 0.65 miles, then 0.55 miles Northerly, to the beginning of the proposed resourse road as shown on Exhibits "A".

2. PLANNED RESOURCE ROAD

A. Length and Width: From the end of the existing resource road, as shown on Exhibit "A", a new 14 foot wide Resource Road willbe constructed approximately 3100 feet North (Shown in Purple on Exhibit "A") with access at the Southeast corner of the proposed well pad, as shown on Exhibits "A" and "B".

B. Surfacing Material: Caliche material will be used to surface the proposed road. It will be watered, compacted, and graded.

C. Maximum Grade: An approximate grade of two percent will be encountered ascending and then descending from the beginning of the proposed resource road to the proposed well pad.

D. Turnouts: Turnouts will not be required.

E. Drainage Design: The new road will be crowned at the center to direct drainage to ditches on both sides of the roadway with turnout ditches to be constructed as required.

F. Culverts: None required.

G. Cuts and Fills: A moderate amount of leveling will be required as the road crosses several intermediate size sand dunes to the proposed well pad.

H. Gates and Cattle Guards: None will be required.

3. LOCATION OF EXISTING WELLS

A. Existing wells on the lease and in the immediate area are shown on Exhibit "A".

4. LOCATION OF EXISTING AND PROPOSED FACILITIES

A. The oil, gas, and/or water that this well produces will be transported by a 2 7/8" steel surface flowline (shown in Dark Green on Exhibit "A") to the Bilbrey "30" Federal Tank Battery to be constructed on the proposed well pad of the Bilbrey "30" Federal No. 5 as shown on Exhibit "B".

B. An electric power line will be built to service this well as shown in red on Exhibit "A". It will be a 12,470 phase to phase, no neutral, rapture protected line. Note that other existing and proposed electric lines are shown on Exhibit "A" for reference.

5. LOCATION AND TYPE OF WATER SUPPLY

A. It is not contemplated that a water well would be drilled. Water necessary for drilling operations will be purchased and trucked to the well site or will be transported to the well site by a temporary pipeline laid on the ground along side existing and proposed roads.

6. SOURCE OF CONSTRUCTION MATERIALS

A. Caliche needed for the road and well pad will be taken from the proposed borrow pit located within the 400' x 400' archaeologically cleared tract at the proposed well site (See Exhibit "B" for location). If sufficient quality or quantity of caliche is not available, it will be transported to the proposed road and well site from the existing pit in the SW/4 of the NE/4 of Section 32, T21S, R32E, by Lea County Road C-29 and the existing resource roads.

7. METHOD OF HANDLING WASTE DISPOSAL

A. Drill cuttings will be disposed of in the drilling pits.

B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.

C. Water produced during tests will be disposed of at commercial or company facilities.

D. Oil produced during tests will be stored in test tanks until sold.

E. Trash, waste paper, garbage and junk will be placed in a trash bin located on the drill site pad. It will be transported to an approved landfill for disposal within 30 days after completion of drilling and/or completion of operations. All waste material will be contained to prevent scattering by the wind.

8. ANCILLARY FACILITIES

A. None required.

9. WELL SITE LAYOUT

A. Exhibit "B" shows the relative location and dimensions of the well pad, mud pits, and borrow pit, and the location of the major rig components.

B. Cut and Fill requirements will be minor, but clearing and leveling of the well site will be necessary.

10. PLANS FOR RECLAMATION OF THE SURFACE

A. After completion of drilling and/or completion of operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location will be cleaned of all trash and junk to leave the well site in an as aesthetically pleasing condition as possible.

B. Any unguarded pits containing fluids will be fenced until the pits are dry.

C. After abandonment, all equipment, trash and junk will be removed and the well site will be cleaned. Any special reclamation and/or special revegetation requirements of the Surface Management Agency will be complied with and will be accomplished as rapidly as possible.

11. OTHER INFORMATION

A. Topography: The land surface in the area of the well is relatively level with moderate sand dunes. Regionally, the land slopes to the North with average slopes of less than one or two percent.

B. Soil: Top soil at the well site is a deep sandy loam.

C. Flora and Fauna: The vegetation cover is moderate. It includes range grasses, weeds, scrub oak bushes, and mesquite bushes. Wildlife in the area is that typical of a semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, hawks, dove, quail and other small birds.

D. Ponds and Streams: There are no rivers, lakes, ponds, or streams in the area.

E. Residences and Other Structures: There are no occupied dwellings or other structures within 3/4 mile of the well site.

F. Archaeological, Historical, or other Cultural Sites: None were observed in the area.

G. Land Use: Grazing, oil and gas production, and wildlife habitat.

H. Surface Ownership: Federal

12. OPERATOR'S REPRESENTATIVE

C. Wade Howard
Engineer's Assistant
Texaco Exploration and Production, Inc.
P. O. Box 3109
Midland, Texas 79701
Office Phone: (915) 688-4606

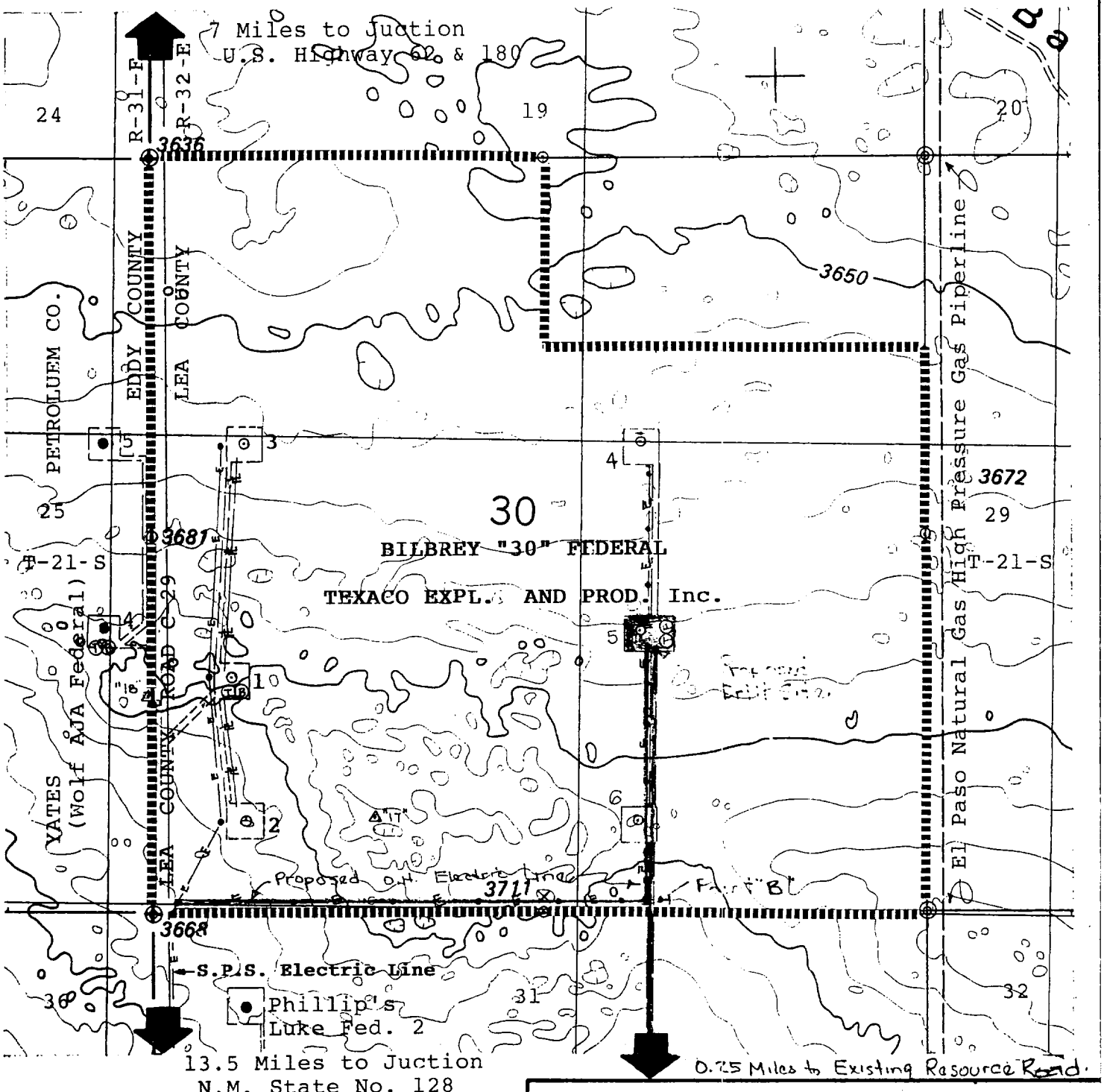
CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Texaco Exploration and Production, Inc. and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U. S. C. 1001 for the filing of a false statement.

8/30/96
Date

C. Wade Howard
C. Wade Howard
Division Drilling Operations Manager
Midland, Texas

Enclosures
jsp



LEGEND

- Access Road (Yellow)
- Resource Road, Federal (Pink)
- Existing Resource Road(Green)
- Proposed Resource Road(Purple)
- —E— Electric Line (Proposed Red)
- —FL— Flowline (Proposed Dark Green)
- —W— Water Supply Line (Dark Blue)
- Staked Locations
- Producing Oil Wells
- Injection or Disposal Well
- TB Tank Battery
- Lease Boundary Lines

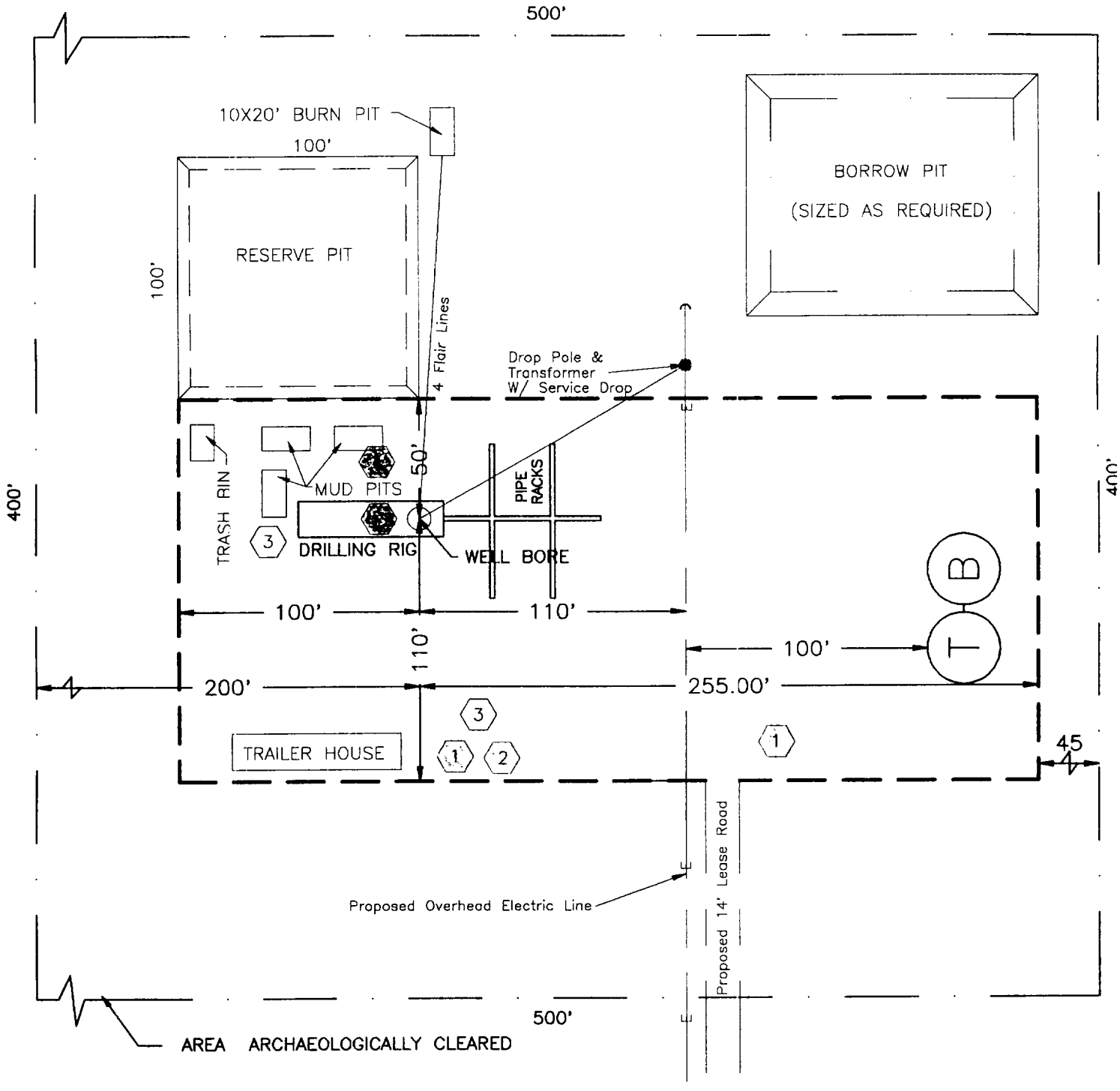
EXHIBIT "A"

ACCESS ROAD AND FACILITIES MAP

TEXACO EXPLORATION AND PRODUCTION, Inc.

BILBREY "30" FEDERAL No. 5
1980' FSL & 1980' FEL Section 30,
T21S, R32E, NMPM, Lea Co., NM

Drawn by: J.S. Piper	Scale: 1" = 1000 Ft.
Date: 8/22/96	Checked by: J. Ballew
Attn: Wade Howard	Sheet 6 of 8



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H_2S DRILLING OPERATION PLAN

1. Briefing Station
2. H_2S Safety Trailer
3. Windsocks
4. H_2S Detectors, Shale Shaker, Rotating Head, Rig Floor

Prevailing Wind from the South

EXHIBIT "B"
DRILLING RIG LAYOUT

TEXACO EXPLORATION AND PRODUCTION INC.

BILBREY "30" FEDERAL No. 5
Located 1980' FSL & 1980' FEL, Section 30,
T-21-S, R-32-E, NMPM, Lea County, NM

Drawn by: J.S. Piper	Scale: 1" = 60'
Date: August 25, 1996	C. Wade Howard
Checked by: D. Ballew	Sheet 7 of 8

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

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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
		Lost Tank - DELAWARE

[4] Property Code	[5] Property Name	[6] Well Number
	BILBREY "30" FEDERAL	5

[7] OGRID No.	[8] Operator Name	[9] Elevation
22351	TEXACO EXPLORATION & PRODUCTION, INC.	3680'

[10] Surface Location

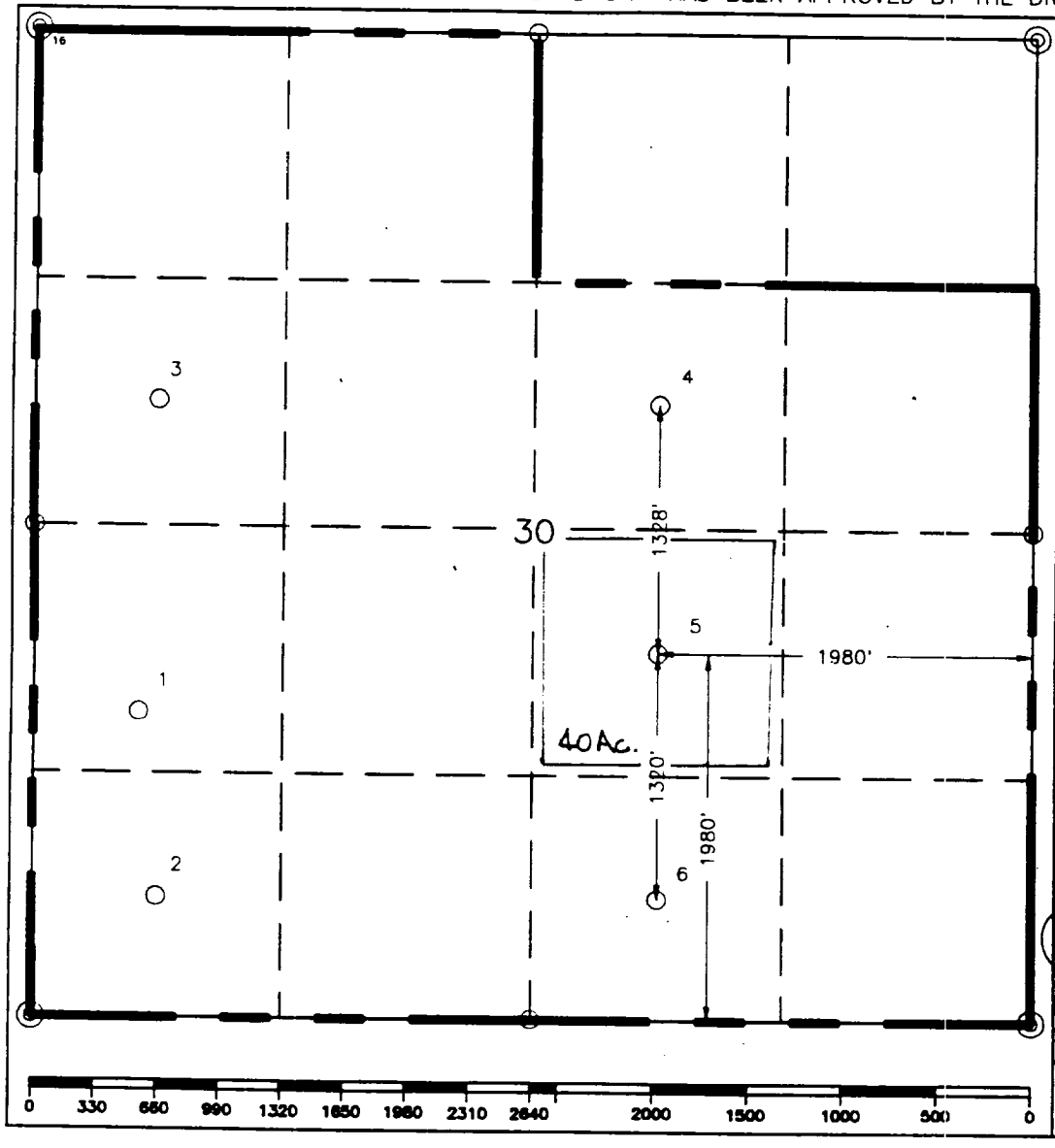
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	[7] County
J	30	21-S	32-E		1980'	South	1980'	East	Lea

[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	[7] County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
40			

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.



[17] 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: August 26, 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: August 16, 1996

Signature & Seal of Professional Surveyor

Certificate No. 7254 John S. Piper

Sheet 8 of 8

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

BILBREY `30' FEDERAL WELL NO. 5

RADIUS OF EXPOSURE

100 PPM: 23 feet

500 PPM: 11 feet Based on 800 PPM H_2S and 115 MCFD.

TRAINING

Every person involved in the wellsite operation will be informed of the characteristics of hydrogen sulfide, its danger, safe procedures to be used when it is encountered, use of detection equipment, use of protective breathing equipment, and first aid procedures for regular rig personnel.

On site training will be provided by Texaco prior to reaching Order 6 compliance depth. The Texaco Drilling Supervisor is responsible for insuring all persons working on location have been provided training.

EXHIBIT A

Topographic map of location and surrounding area.

EXHIBIT B

The wellsite layout contains the following information:

1. Drill rig orientation
2. Prevailing wind direction
3. Location of all briefing areas
4. Location of access road
5. Location of flare line
6. Location of windsocks

EXHIBIT C

Well Control Equipment

PROTECTIVE EQUIPMENT

4 - 30 minute SCBA's: 2 located at each Briefing Station. An additional SCBA will be located at the Tool Pusher's trailer, if used.

5 - 5 minute escape packs will be located in the Dog House.

Means of communication while using protective equipment will be hand signals.

H_2S SENSORS

H_2S sensors will be located at (1) Shale Shaker (2) Rotating Head and (3) Rig Floor.

A light will be located on the rig floor. It will be set to go off at 10 PPM. It will be visible from anywhere on the location.

A siren will be located on the rig floor. It will be set to go off at 15 PPM.

Texaco Drilling Supervisor will maintain a portable H_2S monitor.

MUD PROGRAM

A Fresh Water/Brine system will be used. Ph will be maintained at 10 or higher if H_2S is encountered. Sufficient quantities of H_2S scavenger will be on location for use as required.

Drilling will be through an on site gas separator to separate gas from drilling fluid with gas vented down a flare line equipped with an igniter.

METALLURGY

All wellheads, trees, BOP's, rotating heads, choke manifolds and piping will be constructed/trimmed with materials suitable for H_2S service.

All casing and tubing will be no greater than 80000 psi yield strength and no greater than a Rockwell C-22 hardness.

OTHER REQUIREMENTS OF ORDER 6

The flare line (item 4 of exhibit C) will be equipped with a propane ignition.

The flare gun and flares will be located at the primary briefing station.

Communications for the location will be by Rig Telephone.

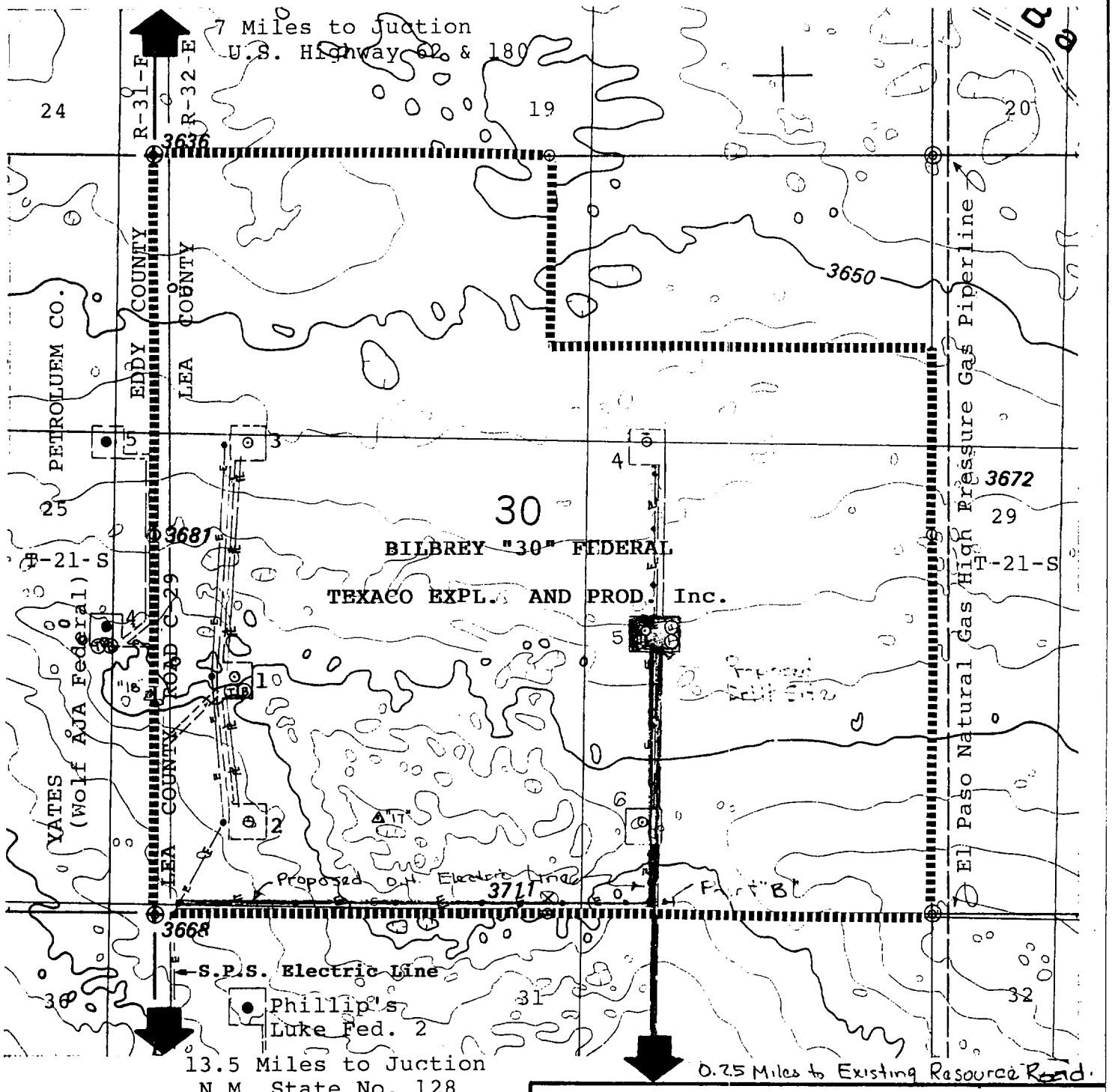
Wind direction indicators will be on the rig floor and at one briefing station with at least one visible from all points on the location.

Caution/danger signs and flags will be maintained at all entrances into the location.

An automatic remote-controlled choke will not be used. We will have installed and tested two manual, H_2S trimmed, chokes.

WELL TESTING

No DST's are planned.



LEGEND

- Access Road (Yellow)
- Resource Road, Federal (Pink)
- Existing Resource Road(Green)
- Proposed Resource Road(Purple)
- —E— Electric Line (Proposed Red)
- —FL— Flowline (Proposed Dark Green)
- —W— Water Supply Line (Dark Blue)
- Staked Locations
- Producing Oil Wells
- Injection or Disposal Well
- TB Tank Battery
- Lease Boundary Lines

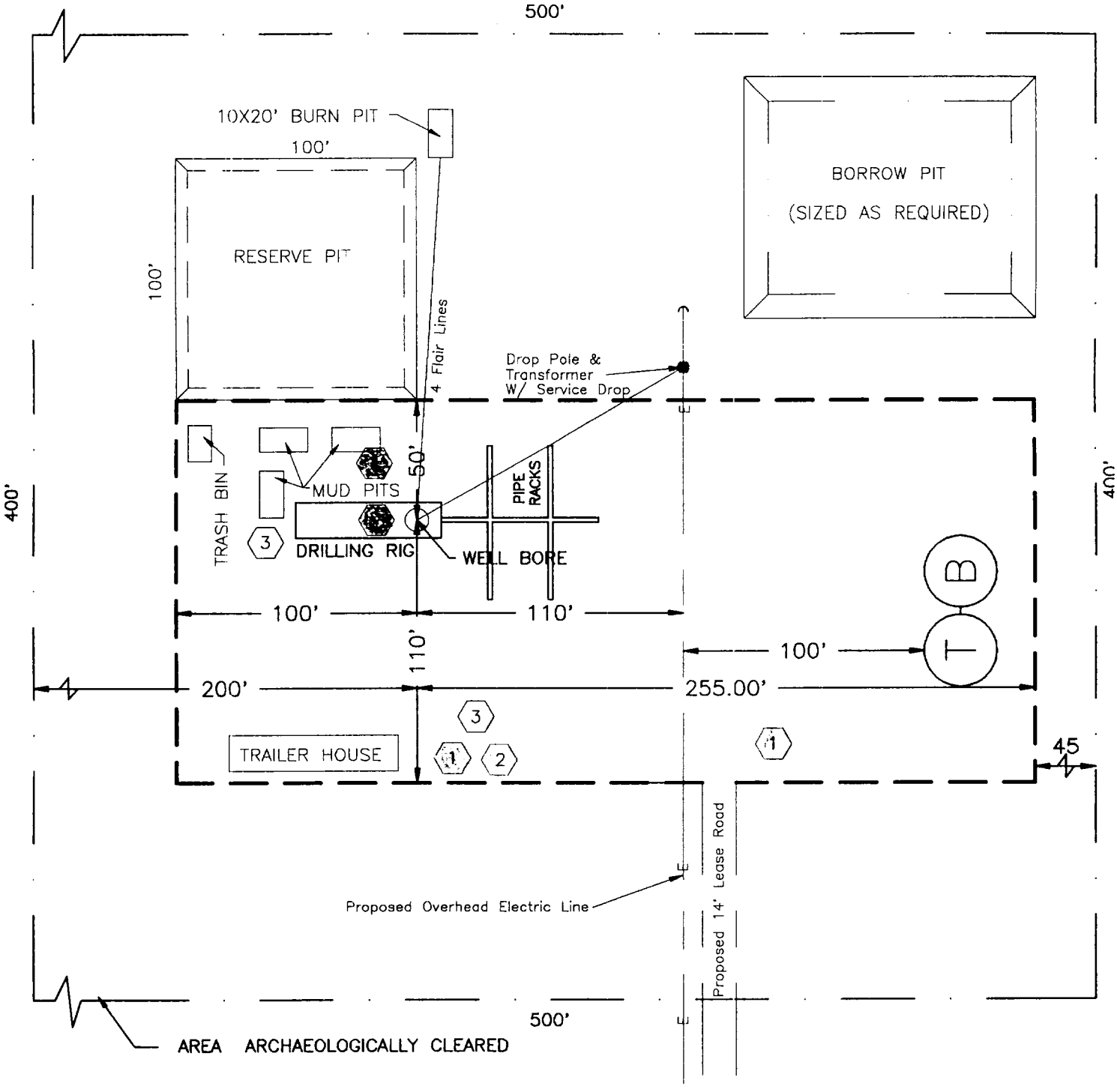
EXHIBIT "A"

ACCESS ROAD AND FACILITIES MAP

TEXACO EXPLORATION AND PRODUCTION, Inc.

BILBREY "30" FEDERAL No. 5
1980' FSL & 1980' FEL Section 30,
T21S, R32E, NMPM, Lea Co., NM

Drawn by: J.S. Piper	Scale: 1" = 1000 Ft.
Date: 8/22/96	Checked by: J. Ballew
Attn: Wade Howard	Sheet 6 of 8



N

H_2S DRILLING OPERATION PLAN

1. Briefing Station
2. H_2S Safety Trailer
3. Windsocks
4. H_2S Detectors, Shale Shaker, Rotating Head, Rig Floor

Prevailing Wind from the South

EXHIBIT "B"
DRILLING RIG LAYOUT

TEXACO EXPLORATION AND PRODUCTION INC.

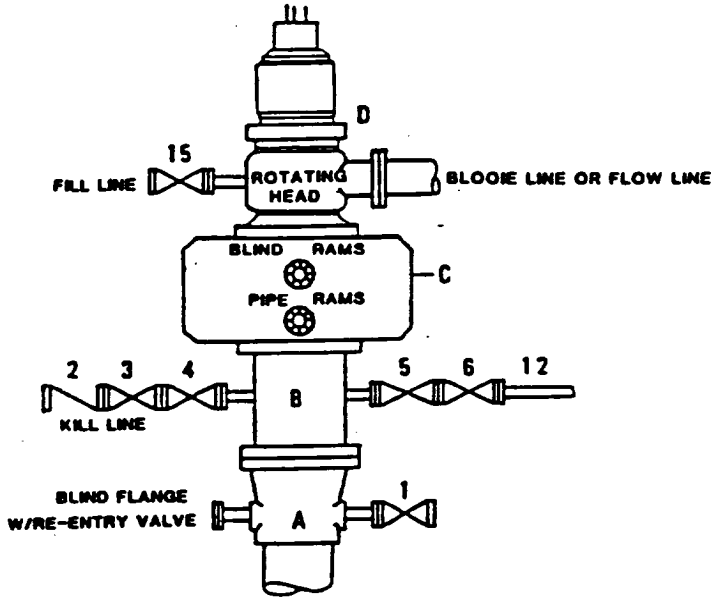
BILBREY "30" FEDERAL No. 5
Located 1980' FSL & 1980' FEL, Section 30,
T-21-S, R-32-E, NMPM, Lea County, NM

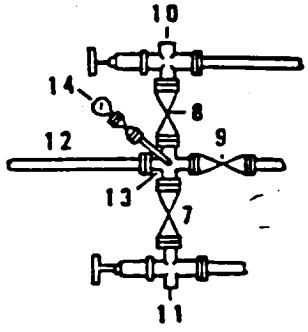
Drawn by: J.S. Piper	Scale: 1" = 60'
Date: August 25, 1996	C. Wade Howard
Checked by: D. Ballew	Sheet 7 of 8

DRILLING CONTROL
CONDITION II-B 3000 WP

FOR AIR DRILLING OR
WHERE NITROGEN OR AIR BLOWS ARE EXPECTED

H_2S TRIM REQUIRED
YES X 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 Blooie 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 threadad 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