Form 3160-3
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

New Mexico Oil Conservation Division

OGRID NO. 22351
PROPERTY NO. 28933
POOL CODE 72124
EFF. DATE 10-15-01
API NO. 30-025-35738

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: [X] DRILL [ ] REENTER

1b. Type of Well: [ ] Oil Well [X] Gas Well [ ] Other [X] Single Zone [ ] Multiple Zone

2. Name of Operator
Texaco Exploration & Production

3a. Address
500 N. Loraine Midland, Texas 79702

3b. Phone No. (include area code)
(915) 688-4606

4. Location of Well (*Report location clearly and in accordance with any State equirements*)*
At surface: UNIT P, 660' FSL & 660' FEL
At proposed prod. zone: SAME

5. Lease Serial No.
NM-14331

6. If Indian, Allotee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No.
BILBREY '29 FEDERAL #2

9. API Well No.
30-025-35738

10. Field and Pool, or Exploratory
BILBREY, MORROW

11. Sec., T., R., M., or Blk. and Survey or Area
SEC 29, T-21-S, R-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 drg. unit line, if any)	16. No. of Acres in lease	17. Spacing Unit dedicated to this well
650'	320	320

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. on file
1ST WELL	14900'	CO-0058

21. Elevations (Show whether DF, KDB, RT, GL, etc.	22. Approximate date work will start*	23. Estimated duration
3694'	7/1/01	

R-111-P Potash **Secretary's Potash** **Cerlsbad Controlled Water Basin**

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature: A. Phil Ryan
Name (*Printed/Typed*): A. PHIL RYAN
Date: 5/18/01
Title: COMMISSION COORDINATOR

Approved by (Signature): /S/ Jamie L. Stanley
Name (*Printed/Typed*): /S/ Jamie L Stanley
Date: OCT 03 2001
Title: Acting STATE DIRECTOR
Office: NM STATE OFFICE

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.
Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

*(Instructions on Reverse)

DECLARED WATER BASIN
CEMENT BEHIND THE 13 3/8" WITNESS
CASING MUST BE CIRCULATE

DECLARED WATER BASIN
CEMENT BEHIND THE 9 5/8" WITNESS
CASING MUST BE CIRCULATE

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

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
30-025-35738	72124	Bilbrey, Morrow

[4] Property Code	[5] Property Name	[6] Well Number
28933	Bilbrey "29" Federal	2

[7] OGRID No.	[8] Operator Name	[9] Elevation
22351	TEXACO EXPLORATION & PRODUCTION, INC.	3694'

[10] Surface Location

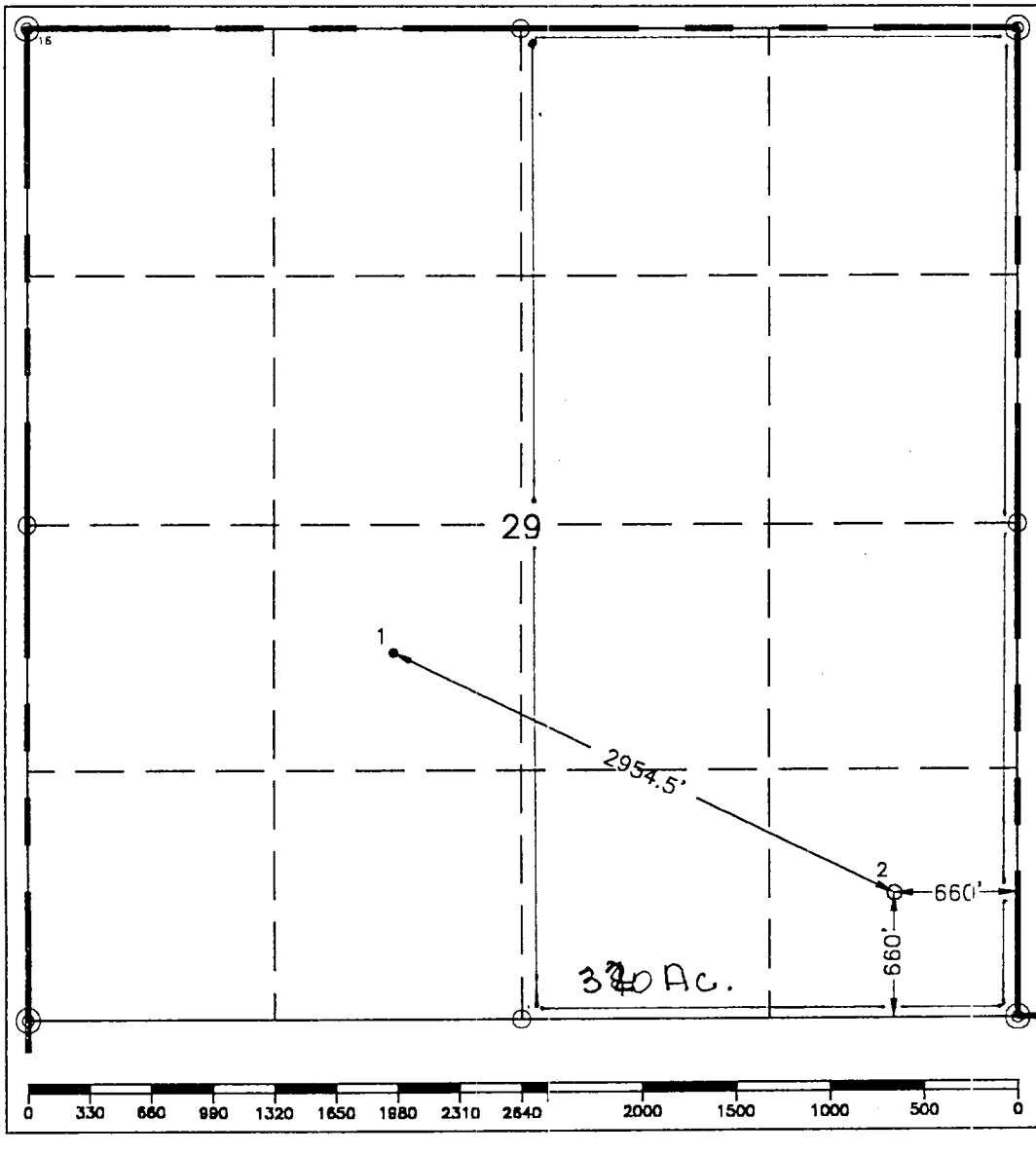
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	[7] County
P	29	21-S	32-E		660'	South	660'	East	Lea

[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	[7] County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
320			

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: A. Phil Ryan

Printed Name: A. Phil Ryan

Position: Commissioner Coordinator

Company: Texaco Expl. & Prod. Inc.

Date: April 26, 2001

[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: April 24, 2001

Signature & Seal of Professional Surveyor

Certificate No. 7254 John S. Piper

Sheet 1 of 1

DRILLING PROGRAM

BILBREY '29' FEDERAL WELL No. 2

SURFACE DESCRIPTION:

See Item 11 (other information) in the attached Surface Use and Operations Plan.

FORMATION TOPS: Estimated KB Elevation: 3963'

Formation	Depth	Lithology	Fluid Content
Rustler	880'	Anhy, Salt	----
Lamar	4605'	Limestone	----
Delaware	4705'	Sand	Possible Pay
Bone Springs	8640'	Limestone	Possible Pay
Wolfcamp	11600'	Limestone	Oil
Strawn	13097'	Limestone	----
Atoka	13287'	Shale,Limestone	Gas
Morrow	13897'	Lime,Sand	Gas
Lower Morrow	14617'	Sand, Shale	Possible Pay
Barnett	14747'	Limestone	----
Total Depth:	14900'		

The base of the salt section is the top of the Yates at 2569'. No abnormal pressures or temperatures are anticipated to be encountered in this well. The Bottom Hole pressure at T.D. is estimated to be 7.9 PPG EMW (5135 PSI).

Install H2S equipment from 900' to 14900' (TD). H2S RADIUS OF EXPOSURE: 100ppm = 199', 500ppm = 91', based on 4300 ppm H2S and 692 MCF (see attached H2S Drilling Operations Plan. H2S equipment to be operational prior to drilling out Surface Casing Shoe.)

Duration of Operation: 46 Days to Drill & 8 Days to Complete

PRESSURE CONTROL EQUIPMENT:

A 3000 psi (or 5000 psi at drilling contractor's option) Dual Ram BOP with rotating head (See Exhibit C) will be installed after surface casing is set. A 5000 psi or 10,000 psi Dual Ram BOP with a rotating head and annular preventer will be used. (See Exhibit F-1 and G-1). It will be installed after intermediate casing is set at 4650'. 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 PROGRAM: All casing will be new.

Casing Program:

Surface Casing - 17 1/2" hole, 13 3/8", 48#, H-40, STC, set @ 900'.

Intermediate Casing 1: 12 1/4" hole, 4650' of 9 5/8", 40#, K-55, LTC set @ 4650'.

Intermediate Casing 2: 8 1/2" hole, 7", 26#, P-110, LTC, set @ 12600'.

Production Casing: 5 7/8" hole, 5", 18#, C-95, FL4S, set @ 14900'.

Centralizer Program:

Surface Casing - Centralize the bottom 3 joints and every 4th to surface. Run float shoe only.

Intermediate Casing 1: - Centralize the bottom 3 joints. Run float shoe and insert float 1 joint up.

Intermediate Casing 2: Centralize bottom 3 joints. Flat shoe and collar 2 joints up. DV tool @ 8000' with ECP below (100% Excess).

Production Casing - Centralize above and below the DV Tool and place 2 baskets below DV Tool.

Cementing Program:

Surface Casing: 600 sacks Class C w/2% Gel, 2% CaCl2 (13.5 PPG, 1.74 CF/S, 9.11 GW/S). F/B 390 sacks Class C w/2% CaCl2 (14.8 PPG, 1.34 CF/S, 6.40 GW/S).

Intermediate Casing 1: 1340 sacks 35/65 Poz Class H w/6% Gel, 5% Salt, 1/4# FC (12.8 PPG, 1.94 CF/S, 10.46 GW/S). F/B 270 sacks Class H (15.6 PPG, 1.18 CF/S, 5.20 GW/S).

Intermediate Casing 2: 750 sacks 50/50 Poz Class H w/2% Gel, 5% Salt, 1/4# FC (14.2 PPG, 1.35 CF/S, 7.45 GW/S). F/B 130 sacks Class H (15.6 PPG, 1.18 CF/S, 5.20 GW/S). DV Tool @ 8000'. 800 sacks Class H (11.5

PPG, 2.98 CF/S, 10.46 GW/S). F/B 120 sacks Pcz Class H w/2% Gel, 5% salt, 1/4# FC (14.2 PPG, 1.35 CF/S, 7.45 GW/S).

Production Casing: 260 sacks Gas Block (16.4 PPG, 1.09 CF/S, 5.31 GW/S).

MUD PROGRAM:

Depth	Type	Weight	Viscosity
0'-900'	Fresh Water	8.4	30
900'-4650'	Brine	10.0	29
4650'-12600'	Fresh Water/Cut Brine	8.4-10	29-40
12600'-14900'	Weighted Brine/Polymer	10-12.5	40

LOGGING, TESTING:

GR-CAL-CNL-LDT, GR-CAL-DLL-MSFL, GR-CAL-BHC surveys will be run.

A two-man Mud Logging Unit will be used from 4200' to 12750'.

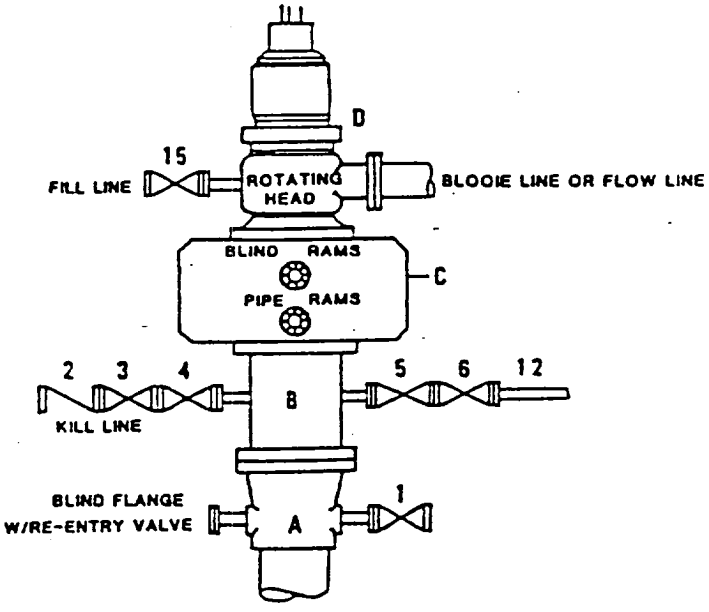
A drill stem test may be conducted in the Morrow, if needed.

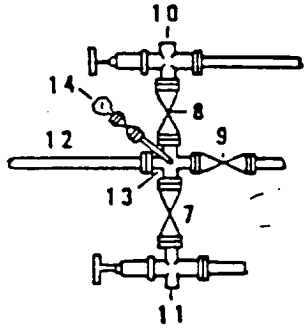
Sidewall cores (25) are planned for the Morrow.

DRILLING CONTROL
CONDITION II-B 3000 WP

FOR AIR DRILLING OR
WHERE NITROGEN OR AIR BLOWS ARE EXPECTED

H_2S TRIM REQUIRED
YES_____ NO X





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 substructure 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

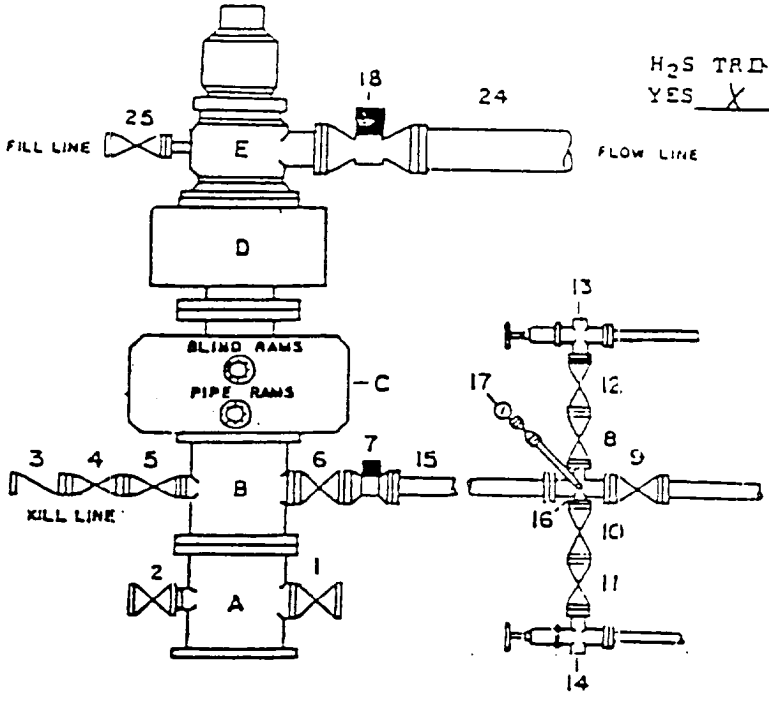
SCALE	DATE	EST. NO.	DRG. NO.
DRAWN BY			
CHECKED BY			
APPROVED BY			

EXHIBIT C

DRILLING CONTROL

CONDITION IV-B-5000 PSI WP

H_2S TRIM REQUIRED
YES X NO



DRILLING CONTROL

MATERIAL LIST - CONDITION IV - B

A	Texaco Wellhead
B	5000# W.P. drilling spool with a minimum 3" flanged outlet for kill line and 3" minimum flanged outlet for choke line.
C	5000# W.P. Dual ram type preventer, hydraulic operated with 1" steel, 5000# W.P. control lines.
D	5000# W.P. Annular preventer, hydraulic operated with 1" steel, 3000# W.P. control lines.
E	Rotating Head with fill up outlet and extended Blooie line.
1,2,4,5, 8,10,11, 12	2" minimum 5000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
3	2" minimum 5000# W.P. back pressure valve.
6,9	3" minimum 5000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
7	3" minimum 5000# W.P. flanged hydraulic valve
15	3" minimum Schedule 160, Grade B, seamless line pipe
16	2" minimum x 3" 5000# W.P. flanged cross
13,14	2" minimum 5000# W.P. adjustable chokes with carbide trim.
17	Cameron Mud Gauge or equivalent (location in choke line optional).
18	6" minimum 1000# hydraulic flanged valve.
24	8" minimum steel flow line.
25	2" minimum 3000# W.P. flanged or threaded fill opening steel gate valve, or Halliburton Lo Torc Plug valve.

TEXACO, INC
Midland Division
Midland, Texas

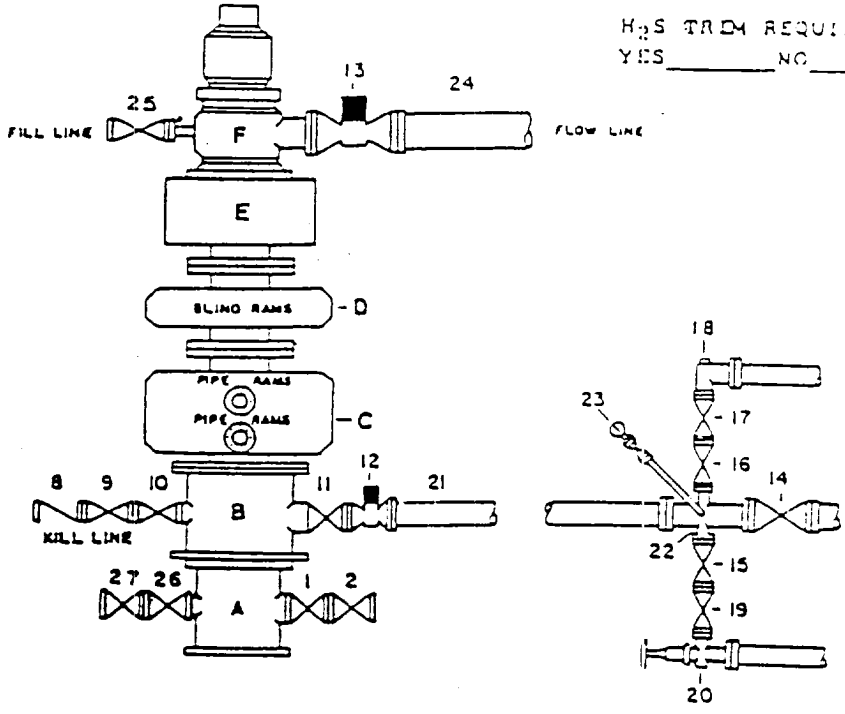
SCALE	DATE	EST NO	DRG NO
DRAWN BY			
CHECKED BY			
APPROVED BY			

EXHIBIT F-1

DRILLING CONTROL

CONDITION V-B - 10,000 PSI WP

H_2S TRIM REQUIRED
YES_____ NO_____



DRILLING CONTROL

MATERIAL LIST - CONDITION V-B

A	Texaco Wellhead
B	10,000# W.P. Drilling Spool with a minimum 2" flanged outlet for kill line and 4" minimum flanged outlet for choke line
C	10,000# W.P. Dual Variable Ram Type preventer, hydraulic operated with 1" steel, 5000# W.P. control line
D	10,000# W.P. Single Ram Type preventer, hydraulic operated with 1" steel, 5000# W.P. control lines
E	10,000# W.P. Annular preventer, hydraulic operated with 1" steel, 5000# W.P. control lines
F	When required - Rotating Head with fill up outlet and extended blooie line
1,2,9,10, 15,16,17, 19,26,27	2" minimum 10,000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve
8	2" minimum 10,000# W.P. back pressure valve
11,14	4" minimum 10,000# W.P. flanged full opening steel gate valve
12	4" minimum 10,000# W.P. flanged full opening hydraulic valve
13	When required - 10" minimum 10000# W.P. flanged full opening hydraulic valve
21	4" minimum 10,000# W.P. 4130 mechanical tubing with flanged ends, or equivalent
22	2" minimum X 4" minimum 10,000# W.P. flanged cross
18	2" minimum 10,000# W.P. automatic choke
20	2" minimum 10,000# W.P. adjustable choke equipped with carbide trim
23	Cameron Mud Gauge or equivalent (location in choke line optional)
24	When required - 10" steel flow line
25	1" minimum 10000# 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 G-1

OPERATOR - LANDOWNER AGREEMENT

COMPANY: TEXACO EXPLORATION AND PRODUCTION INC.

PROPOSED WELL: BILBREY '29' FEDERAL NO. 2
FEDERAL LEASE NO. NM-14331

This is to advise that Texaco Exploration and Production Inc. has an agreement with:
J C & Francis Mills Family Partnership, Ltd., P O Box 190, Abernathy, TX

the surface owner, concerning entry and surface restoration after completion of drilling operations at the above described well.

After abandonment of the well, all pits will be filled and leveled, all equipment and trash will be removed from well site. No other requirements were made concerning restoration of the well site.

5/18/2001
Date

A. Phil Ryan
Commission Coordinator
Midland, Texas

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

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

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No.: NM-14331

Legal Description of Land: Unit P, 660' FSL & 660' FEL, Section 29, T-21-S, R-32-E.

Formations: Bilbrey, Morrow

Bond Coverage: Nationwide

BLM Bond File No.: CO-0058

Authorized Signature: A. Phil Ryan

Title: Commission Coordinator
Date: May 18, 2001

SURFACE USE AND OPERATIONS PLAN

FOR

TEXACO EXPLORATION AND PRODUCTION, INC.

BILBREY "29" FEDERAL NO. 2

660 FSL & 660 FEL SECTION 29,

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 14331

LEASE ISSUED: Lease is in producing status

ACRES IN LEASE: 320 Acres

RECORD LESSEE: TEXACO EXPLORATION AND PRODUCTION, Inc.

SURFACE OWNERSHIP: USA

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

POOL: Bilbrey, Morrow

POOL RULES: Field Rules are for no wells to be located closer than 330' to any quarter-quarter section, to be 660' 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 320 Acres

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 an 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, Northerly 0.55 miles, Easterly 1.55 miles, then Northerly 0.50 miles to Point "B" and the beginning of the proposed resource road as shown on Exhibit "A".

2. PLANNED RESOURCE ROAD

A. Length and Width: From Point "B" as shown on Exhibit "A", a new 14 foot wide Resource Road will be constructed 400 feet Westerly (shown in Orange 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 one percent will be encountered ascending from Point "A" 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 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 separated and stored before sale and/or transportation in a tank battery constructed on the proposed well pad as shown on Exhibit "B".

B. An electric power line will not be built to service this well

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 insufficient 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 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

A. Phil Ryan, Commission Coordinator
Texaco Exploration and Production, Inc.
P. O. Box 3109
Midland, Texas 79701
Office Phone: (915) 688-4606

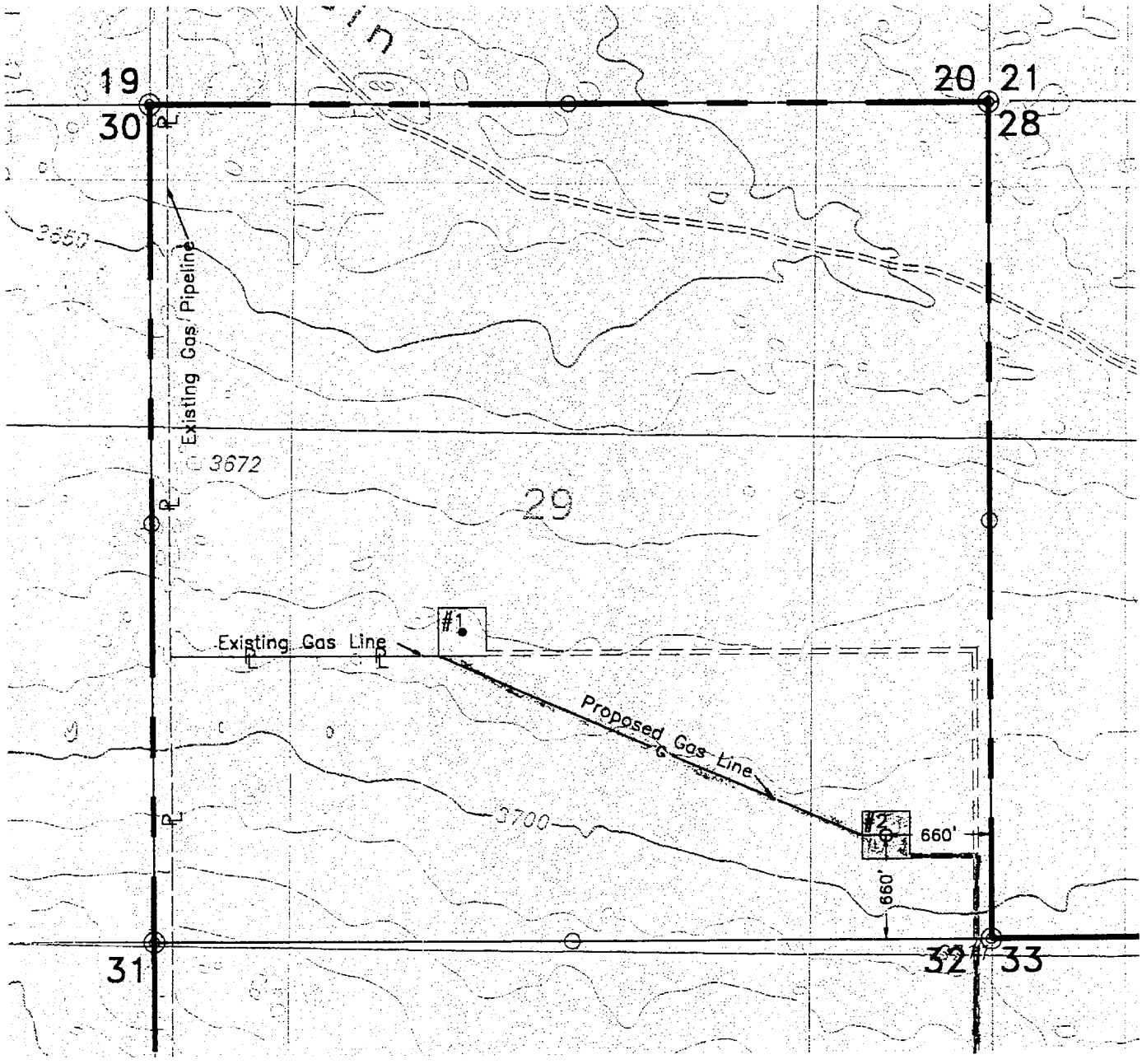
CERTIFICATION

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.

5/18/01
Date

A. Phil Ryan
Commission Coordinator
Midland, Texas

Enclosures
jsp



LEGEND OF SYMBOLS

- = Access Road (Yellow)
- = Resource Road on Lease (Purple)
- = Resource Road on State Land (Blue)
- = Resource Road on Private Land (Pink)
- = Resource Road on Federal Land (Brown)
- = Proposed Resource Road (Red)
- = Proposed Electric Line (Orange)
- = Proposed Production Flow Line (Green)
- = Staked Well Location
- = Producing Well Location
- = Water Injection Well
- = Found 1" Iron Pipe with Brass Cap
- = Found 2" or 3" Iron Pipe with Brass Cap
- = Unit or Lease Boundary

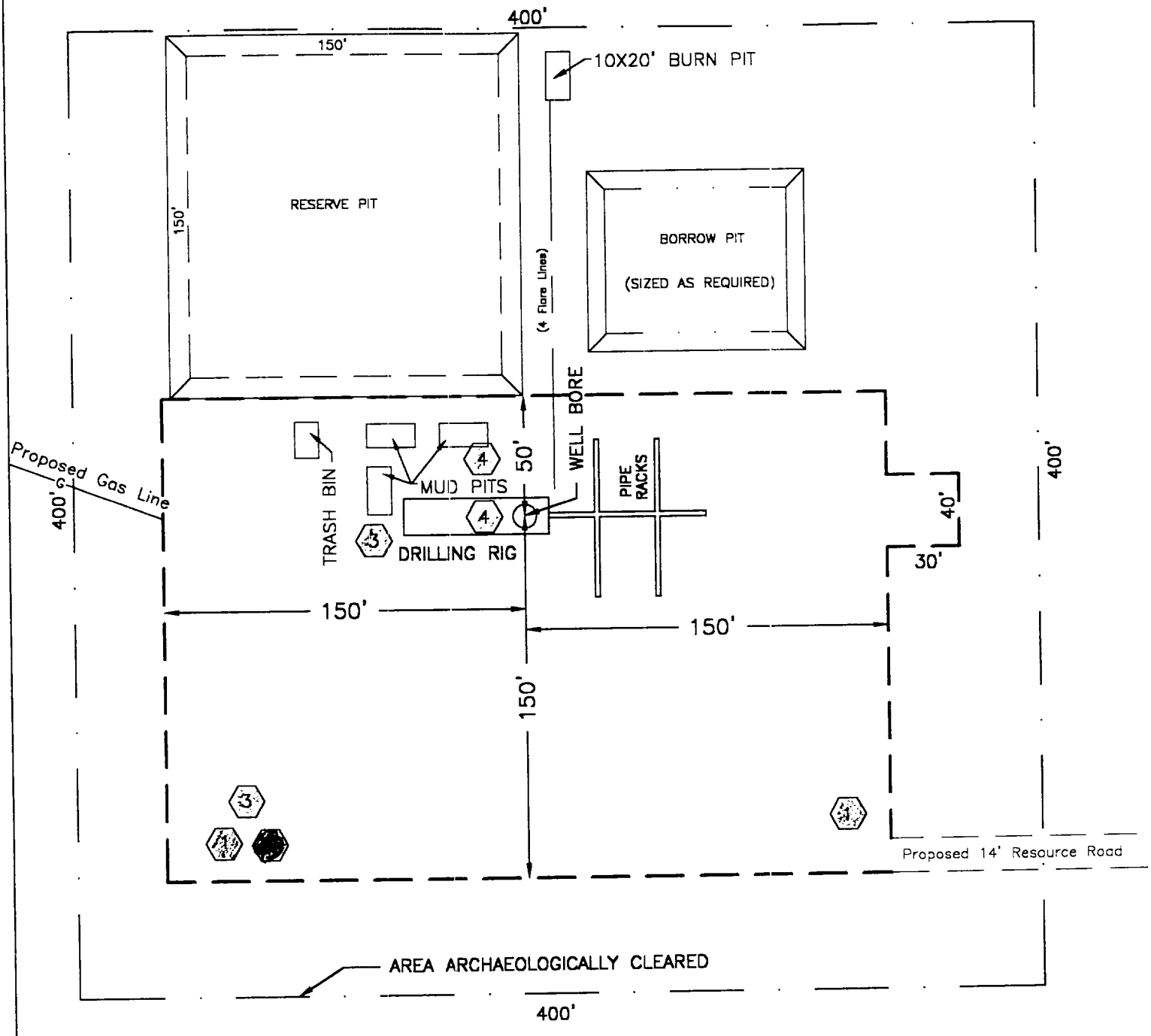
N

EXHIBIT "A"
ACCESS ROAD AND FACILITIES MAP

TEXACO EXPLORATION AND PRODUCTION INC.

BILBREY "29" FEDERAL NO. 2
Located 660' FSL & 660' FEL, Section 29,
T-21-S, R-32-E, NMPM, Lea County, NM

Drawn by: Gene M. Rodriguez	Scale: 1" = 1000'
Date: April 26, 2001	A. Phil Ryan
Checked by: J.S. Piper	Drawing File: Bilbrey29_52a.Dwg



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 "29" FEDERAL NO. 2
Located 660' FSL & 660' FEL, Section 29,
T-21-S, R-32-E, NMPM, Lea County, NM

Drawn by: Gene M. Rodriguez	Scale: 1" = 60'
Date: April 26, 2001	A. Phil Ryan
Checked by: J. S. Piper	Drawing File: Bilbrey29_F2b.Dwg

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
		Bilbrey, Morrow

4 Property Code	5 Property Name	6 Well Number
	Bilbrey "29" Federal	2

7 OGRID No.	8 Operator Name	9 Elevation
22351	TEXACO EXPLORATION & PRODUCTION, INC.	3694'

10 Surface Location

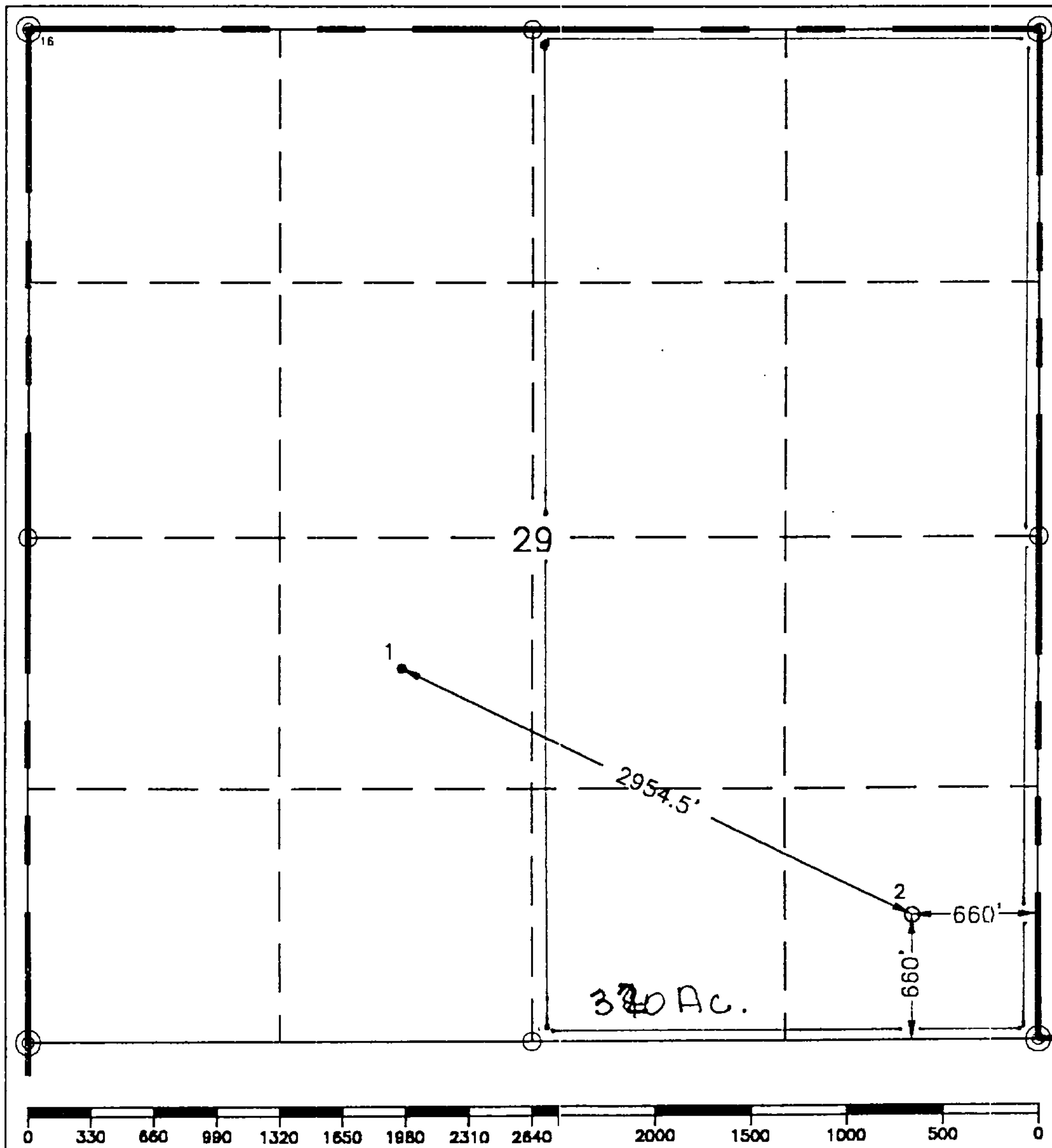
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	29	21-S	32-E		660'	South	660'	East	Lea

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.
320			

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
[signature]

Printed Name
A. Phil Ryan

Position
Commissioner Coordinator

Company
Texaco Expl. & Prod. Inc.

Date
April 26, 2001

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
April 24, 2001

Signature & Seal of Professional Surveyor
[signature]

Certificate No.
7254 John S. Piper

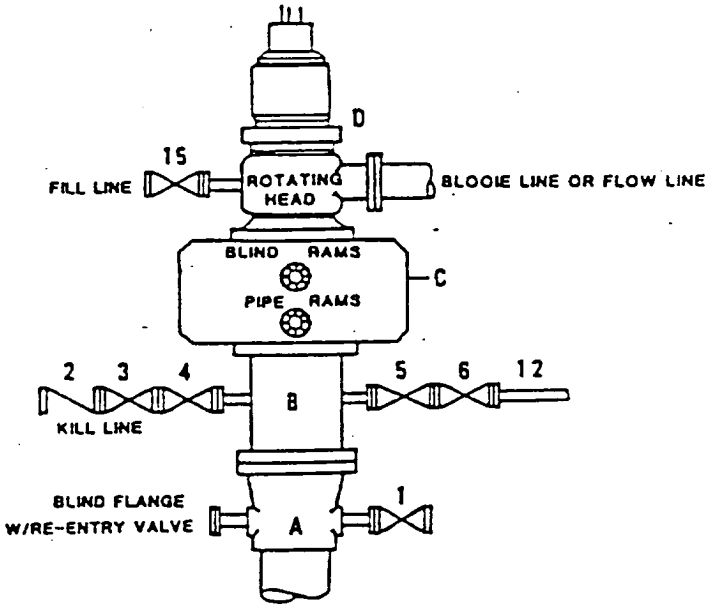
Sheet 1 of 1

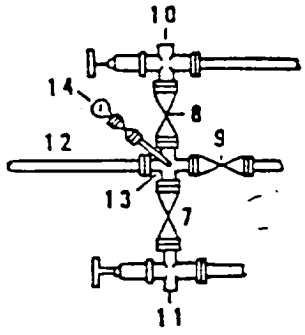
= Plugged & Abandon Well

DRILLING CONTROL
CONDITION II-B 3000 WP

FOR AIR DRILLING OR
WHERE NITROGEN OR AIR BLOWS ARE EXPECTED

H_2S TRIM REQUIRED
YES_____ NO X





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 substructure 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

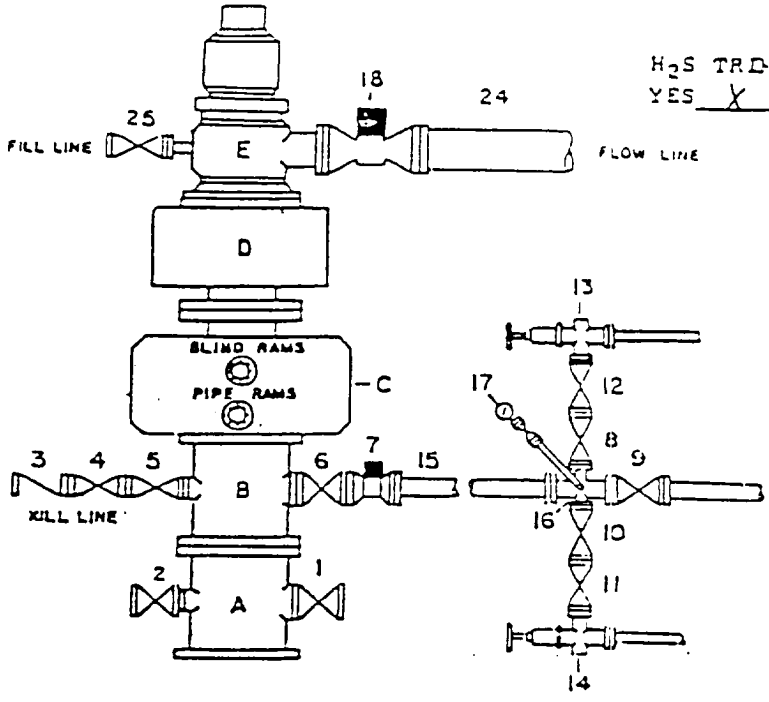
SCALE	DATE	EST NO	DRG. NO.
DRAWN BY			
CHECKED BY			
APPROVED BY			

EXHIBIT C

DRILLING CONTROL

CONDITION IV-B-5000 PSI WP

H_2S TRIM REQUIRED
YES X NO



DRILLING CONTROL

MATERIAL LIST - CONDITION IV - B

A	Texaco Wellhead
B	5000# W.P. drilling spool with a minimum 2" flanged outlet for Kill line and 3" minimum flanged outlet for choke line.
C	5000# W.P. Dual ram type preventer, hydraulic operated with 1" steel, 5000# W.P. control lines.
D	5000# W.P. Annular preventer, hydraulic operated with 1" steel, 3000# W.P. control lines.
E	Rotating Head with fill up outlet and extended Bloole line.
1,2,4,5, 8,10,11, 12	2" minimum 5000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
3	2" minimum 5000# W.P. back pressure valve.
6,9	3" minimum 5000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
7	3" minimum 5000# W.P. flanged hydraulic valve
15	3" minimum Schedule 160, Grade B, seamless line pipe
16	2" minimum x 3" 5000# W.P. flanged cross
13,14	2" minimum 5000# W.P. adjustable chokes with carbide trim.
17	Cameron Mud Gauge or equivalent (location in choke line optional).
18	6" minimum 1000# hydraulic flanged valve.
24	8" minimum steel flow line.
25	2" minimum 3000# W.P. flanged or threaded fill opening steel gate valve, or Halliburton Lo Torc Plug valve.

TEXACO, INC
Midland Division
Midland, Texas

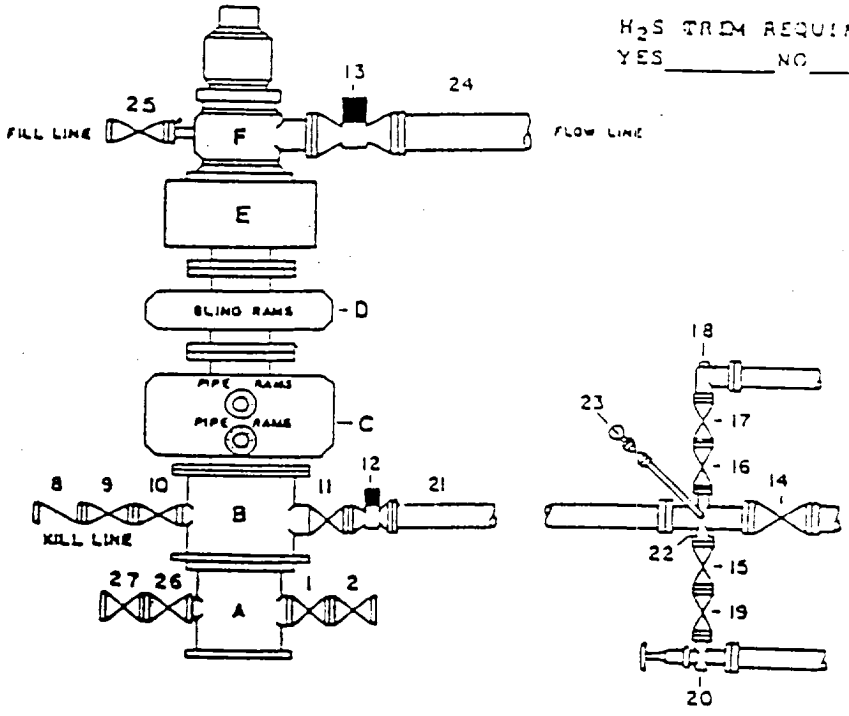
SCALE	DATE	EST NO	DAU NO
DRAWN BY			
CHECKED BY			
APPROVED BY			

EXHIBIT F-1

DRILLING CONTROL

CONDITION V-B - 10,000 PSI WP

H_2S TRIM REQUIRED
YES_____NO_____



DRILLING CONTROL

MATERIAL LIST - CONDITION V-B

A	Texaco Wellhead
B	10,000# W.P. Drilling Spool with 2" minimum flanged outlet for Kill line and 4" minimum flanged outlet for Choke line
C	10,000# W.P. Dual Variable Ram Type preventer, hydraulic operated with 1" steel, 5000# W.P. control line
D	10,000# W.P. Single Ram Type preventer, hydraulic operated with 1" steel, 5000# W.P. control line
E	10,000# W.P. Annular preventer, hydraulic operated with 1" steel, 5000# W.P. control lines
F	When required - Rotating Head with fill up outlet and extended Blooie line
1,2,9,10, 15,16,17, 19,26,27	2" minimum 10,000# W.P. flanged full opening steel gate valve, or Halliburton La Torc Plug valve
8	2" minimum 10,000# W.P. back pressure valve
11,14	4" minimum 10,000# W.P. flanged full opening steel gate valve
12	4" minimum 10,000# W.P. flanged full opening hydraulic valve
13	When required - 10" minimum 10000# W.P. flanged full opening hydraulic valve
21	4" minimum 10,000# W.P. 4130 mechanical tubing with flanged ends, or equivalent
22	2" minimum X 4" minimum 10,000# W.P. flanged cross
18	2" minimum 10,000# W.P. automatic choke
20	2" minimum 10,000# W.P. adjustable choke equipped with carbide trim
23	Cameron Mud Gauge or equivalent (location in choke line optional)
24	When required - 10" steel flow line
25	2" minimum 10000# W.P. flanged or threaded full opening steel gate valve or Halliburton La Torc plug valve

TEXACO, INC.
MIDLAND DIVISION
MIDLAND, TEXAS

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

EXHIBIT G-1

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

BILBREY '29' FEDERAL WELL No. 2

RADIUS OF EXPOSURE

100 PPM: 199 feet

500 PPM: 91 feet Based on 4300 PPM H2S and 692 MCF.

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
7. Location of H2S Safety Trailer

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.

H2S SENSORS

H2S 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 H2S monitor.

MUD PROGRAM

A Fresh Water/ Brine system will be used. Ph will be maintained at 10 or higher if H2S is encountered. Sufficient quantities of H2S scavenger will be on location for use as required.

Drilling will be through an on site gas separator to separate gas from the 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 H2S 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 I) will be equipped with a propane ignition.

The flare gun and flares will be located in the H2S Safety Trailer.

Communications for the location will be by Rig Telephone.

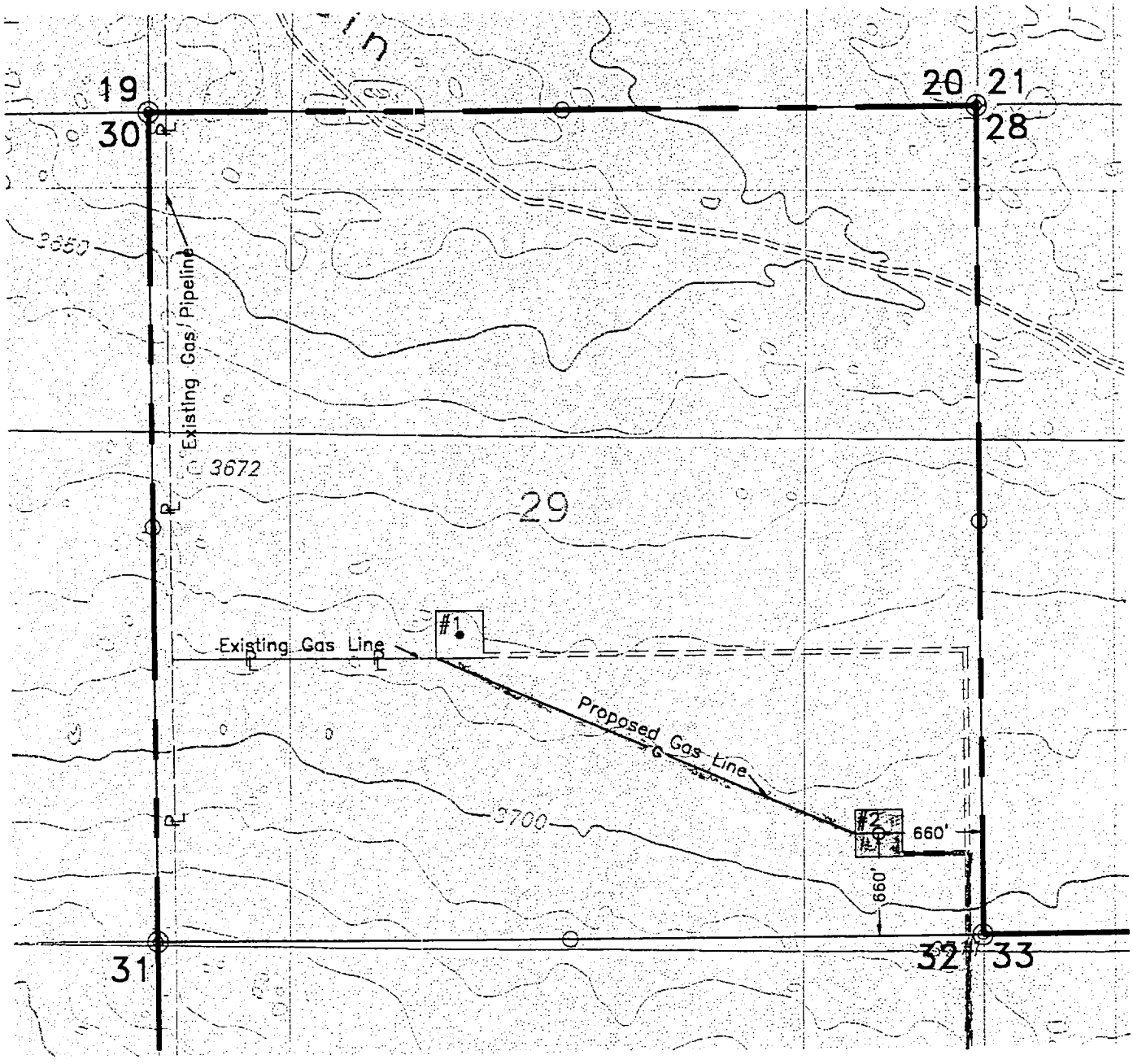
Wind direction indicators will be on the rig floor and at one briefing station with at least one visible from all points on the location.

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, H2S trimmed, chokes.

WELL TESTING

DST's may be conducted in the Morrow formation.



LEGEND OF SYMBOLS

- = Access Road (Yellow)
- = Resource Road on Lease (Purple)
- = Resource Road on State Land (Blue)
- = Resource Road on Private Land (Pink)
- = Resource Road on Federal Land (Brown)
- = Proposed Resource Road (Red)
- = Proposed Electric Line (Orange)
- = Proposed Production Flow Line (Green)
- = Staked Well Location
- = Producing Well Location
- = Water Injection Well
- = Found 1" Iron Pipe with Brass Cap
- = Found 2" or 3" Iron Pipe with Brass Cap
- = Unit or Lease Boundary

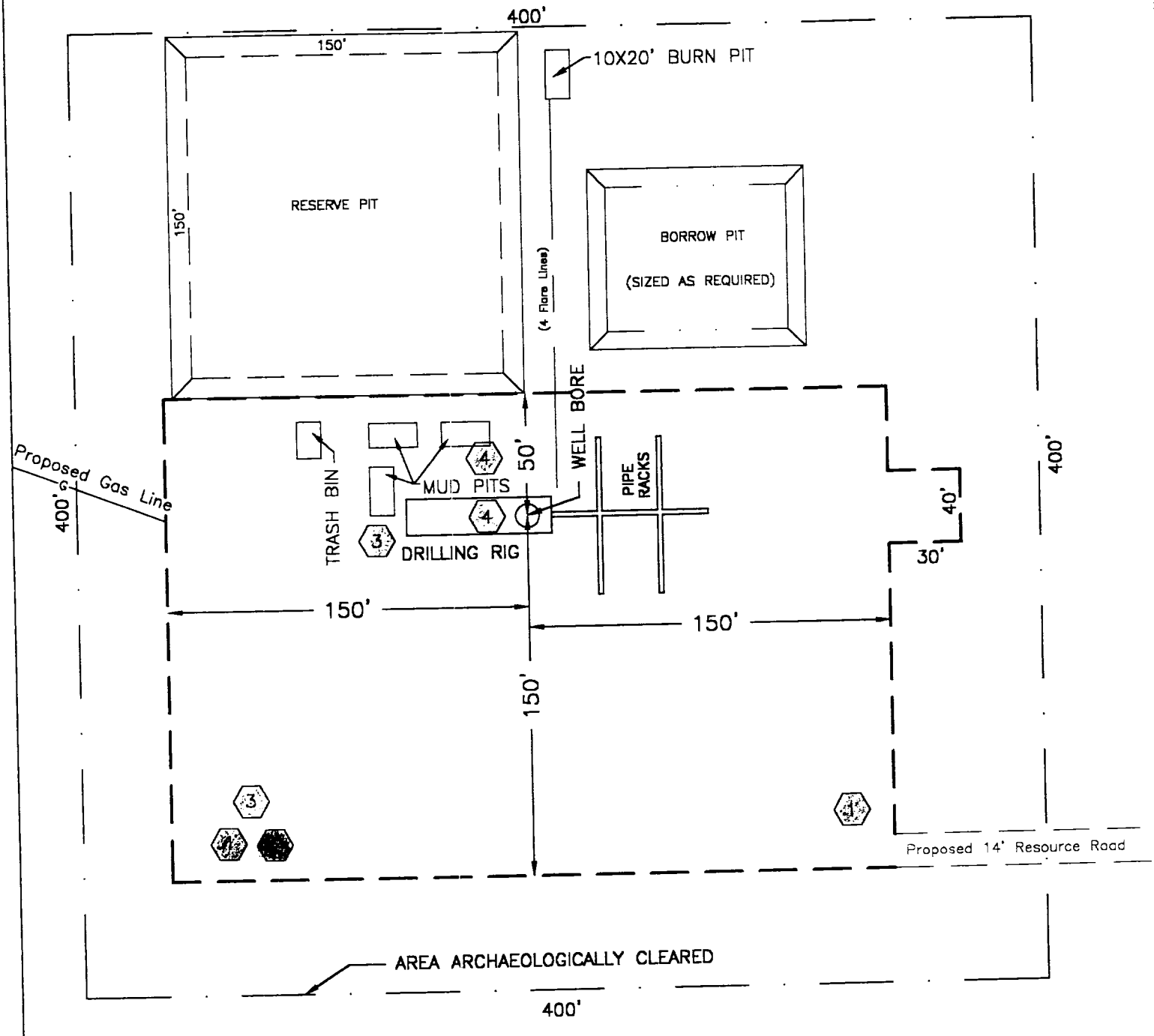
N

EXHIBIT "A"
ACCESS ROAD AND FACILITIES MAP

TEXACO EXPLORATION AND PRODUCTION INC.

BILBREY "29" FEDERAL NO. 2
Located 660' FSL & 660' FEL, Section 29,
T-21-S, R-32-E, NMPM, Lea County, NM

Drawn by: Gene M. Rodriguez	Scale: 1" = 1000'
Date: April 26, 2001	A. Phil Ryan
Checked by: J.S. Piper	Drawing File: Bilbrey29_F2a.Dwg



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 "29" FEDERAL NO. 2
Located 660' FSL & 660' FEL, Section 29,
T-21-S, R-32-E, NMPM, Lea County, NM

Drawn by: Gene M. Rodriguez	Scale: 1" = 60'
Date: April 26, 2001	A. Phil Ryan
Checked by: J. S. Piper	Drawing File: Bilbrey29_F2b.Dwg

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

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P. O. Drawer DD, Artesia, NM 88210

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

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State of New Mexico
Energy, Minerals and Natural Resources Department

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Form C-102
Revised February 10, 1994

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Submit to Appropriate District Office

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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
		Bilbrey, Morrow

[4] Property Code	[5] Property Name	[6] Well Number
	Bilbrey "29" Federal	2

[7] OGRID No.	[8] Operator Name	[9] Elevation
22351	TEXACO EXPLORATION & PRODUCTION, INC.	3694'

[10] Surface Location

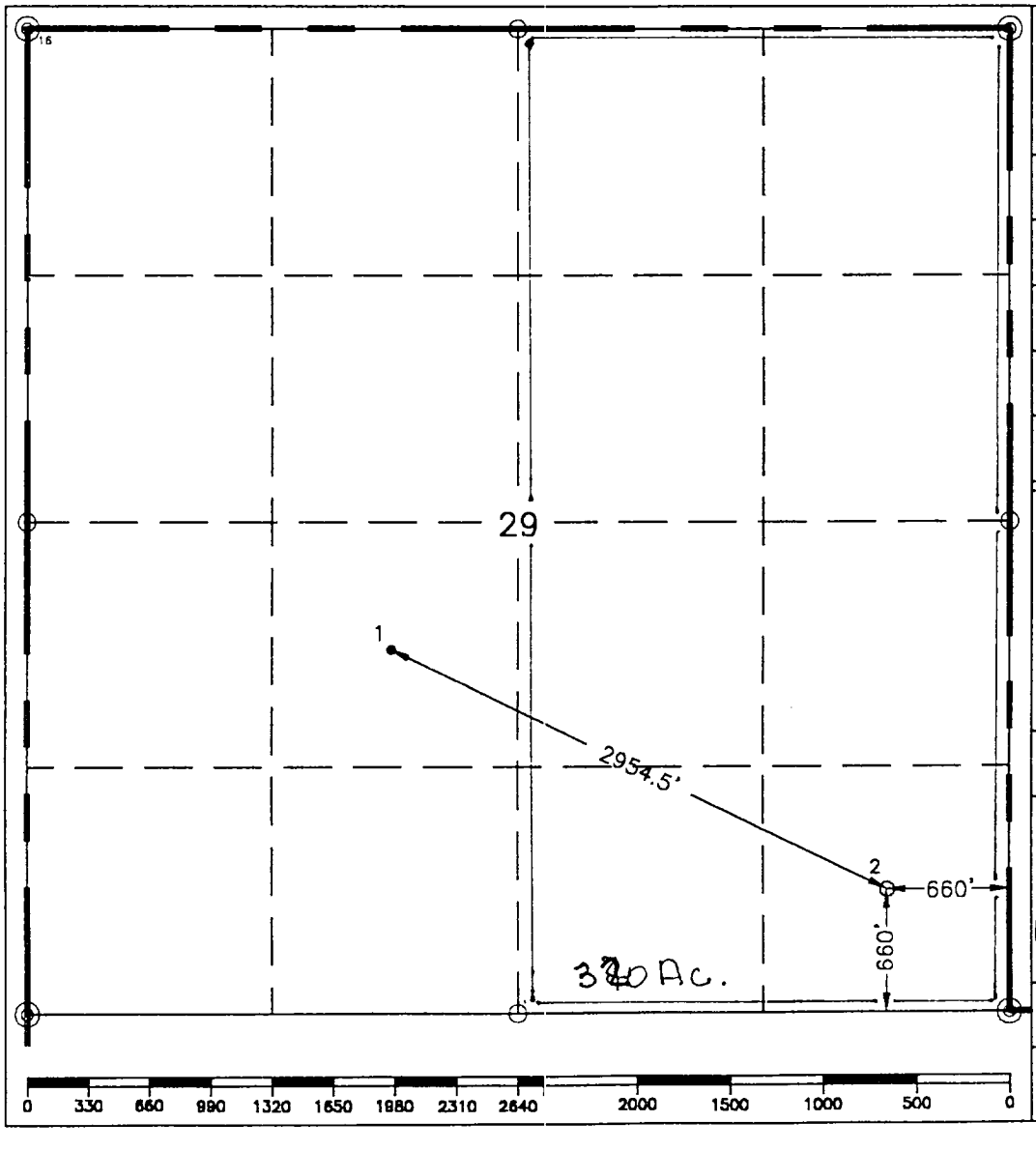
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	[7] County
P	29	21-S	32-E		660'	South	660'	East	Lea

[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	[7] County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
320			

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: A. Phil Ryan

Printed Name: A. Phil Ryan

Position: Commissioner Coordinator

Company: Texaco Expl. & Prod. Inc.

Date: April 26, 2001

[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: April 24, 2001

Signature & Seal of Professional Surveyor

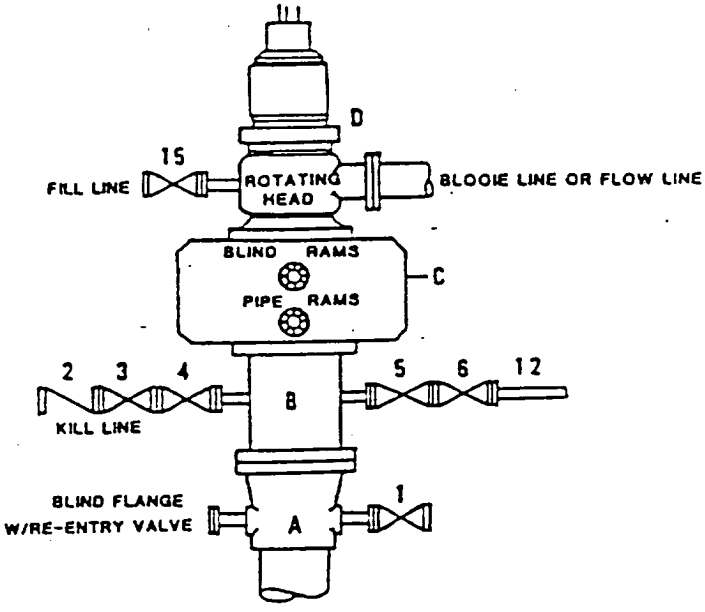
Certificate No. 7254 John S. Piper

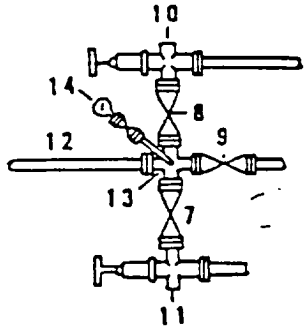
Sheet 1 of 1

DRILLING CONTROL
CONDITION II-B 3000 WP

FOR AIR DRILLING OR
WHERE NITROGEN OR AIR BLOWS ARE EXPECTED

H_2S TRIM REQUIRED
YES _____ NO X





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

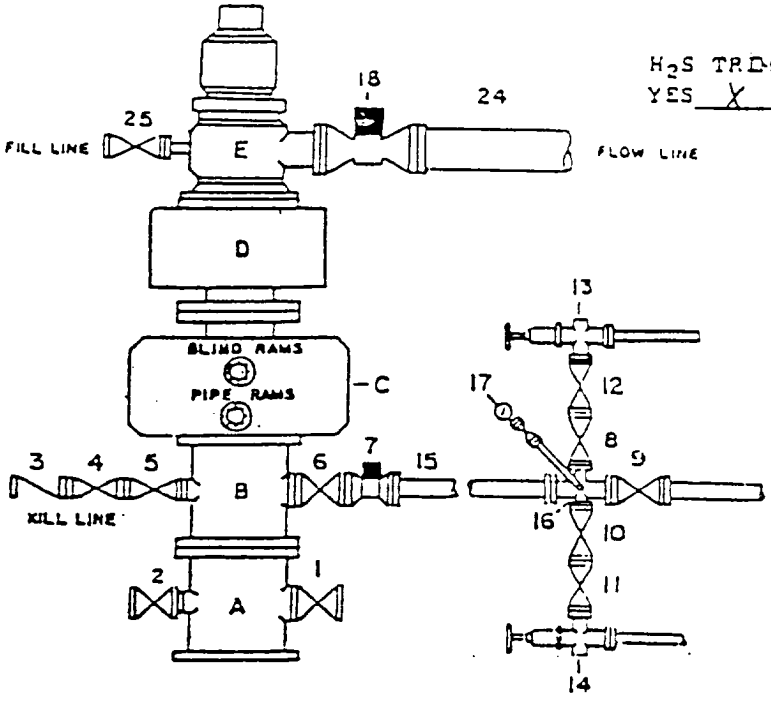
SCALE	DATE	EST. NO.	ORG. NO.
DRAWN BY			
CHECKED BY			
APPROVED BY			

EXHIBIT C

DRILLING CONTROL

CONDITION IV-B-5000 PSI WP

H_2S TRIM REQUIRED
YES X NO



DRILLING CONTROL

MATERIAL LIST - CONDITION IV - B

A	Texaco Wellhead
B	5000# W.P. drilling spool with a minimum 2" flanged outlet for kill line and 3" minimum flanged outlet for choke line.
C	5000# W.P. Dual ram type preventer, hydraulic operated with 1" steel, 5000# W.P. control lines.
D	5000# W.P. Annular preventer, hydraulic operated with 1" steel, 3000# W.P. control lines.
E	Rotating Head with fill up outlet and extended Blooie line.
1,2,4,5, 8,10,11, 12	2" minimum 5000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
3	2" minimum 5000# W.P. back pressure valve.
6,9	3" minimum 5000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
7	3" minimum 5000# W.P. flanged hydraulic valve
15	3" minimum Schedule 160, Grade B, seamless line pipe
16	2" minimum x 3" 5000# W.P. flanged cross
13,14	2" minimum 5000# W.P. adjustable chokes with carbide trim.
17	Cameron Mud Gauge or equivalent (location in choke line optional).
18	6" minimum 1000# hydraulic flanged valve.
24	6" minimum steel flow line.
25	2" minimum 3000# W.P. flanged or threaded fill 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 F-1