

OPER. OGRID NO. 22351
PROPERTY NO. 11072
POOL CODE 53817
EFF. DATE 9-19-94
API NO. 30-025-32669

OMMISSION

Form 3160-3
(December 1990)

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BUREAU O

(ICO 88240
APPROVED
No. 1004-0136
September 31, 1991
Serial No.
NM 18848

SUBMIT IN TRIPLICATE

APPLICATION FOR PERMIT TO DRILL OR DEEPEN		6. If Indian, Alottee or Tribe Name	
1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		7. If Unit or CA, Agreement Designation	
1b. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		8. Well Name and Number SDE FEDERAL '18'	
2. Name of Operator TEXACO EXPLORATION & PRODUCTION INC.		2	
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 M : 660 Feet From The SOUTH Line and 860 Feet From The WEST Line At proposed prod. zone SAME		10. Field and Pool, Exploratory Area SAND DUNES EAST	
14. Distance in Miles and Direction from Nearest Town or Post Office* 21 MILES EAST OF LOVING, NM		11. SEC., T., R., M., or BLK. and Survey or Area Sec. 18 , Township 23-S , Range 32-E	
15. Distance From Proposed* Location to Nearest Property or Lease Line, Ft. (also to nearest drlg. unit line, if any) 660'		12. County or Parish LEA	
16. No. of Acres in Lease 1994.13		13. State NM	
17. No. of Acres Assigned To This Well 46.12		18. Distance From Proposed Location* to Nearest Well, Drilling, Completed or Applied For, On This Lease, Ft. 3789'	
19. Proposed Depth 8700'		20. Rotary or Cable Tools R	
21. Elevations (Show whether DF, RT, GR, etc.) GR-3565'		22. Approx. Date Work Will Start* 9/15/94	

Controlled Water Basin

23 PROPOSED CASING AND CEMENT PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 3/4	WC40, 11 3/4	42#	945'	550 SACKS CIRCULATE
11	WC50, 8 5/8	32#	4550'	1450 SACKS SEE
7 7/8	J-55, 5 1/2	15.5# & 17	8700'	1600 SACKS SEEPS.

CEMENTING PROGRAM:

SURFACE CASING - 350 SACKS CLASS C W/ 4% GEL, 2% CACL2 (13.5 PPG, 1.74 CF/S, 9.11 GW/S). F/B 200 SACKS CLASS C W/ 2% CACL2 (14.8 PPG, 1.34 CF/S, 6.3 GW/S).

INTERMEDIATE CASING - 1300 SACKS 35/65 POZ CLASS H W/ 6% GEL, 5% SALT, 1/4# FLOCELE (12.8 PPG, 1.94 CF/S, 10.4 GW/S). F/B 150 SACKS CLASS H (15.6 PPG, 1.18 CF/S, 5.2 GW/S).

PRODUCTION CASING - 1ST STAGE - 750 SACKS 50/50 POZ CLASS H W/ 2% GEL, 5% SALT, 1/4# FLOCELE (14.2 PPG, 1.35 CF/S, 6.3 GW/S). DV TOOL @ 6300'. 2ND STAGE - 750 SACKS 35/65 POZ CLASS H W/ 6% GEL, 5% SALT, 1/4# FLOCELE (12.8 PPG, 1.94 CF/S, 10.4 GW/S). F/B 100 SACKS CLASS H (15.6 PPG, 1.18 CF/S, 5.2 GW/S).

THERE ARE NO OTHER OPERATORS IN THIS QUARTER QUARTER SECTION.

**Approval Subject to
General Requirements and
Special Regulations
Attached**

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. P. Basham / cwt TITLE Drilling Operations Mgr. DATE 8/8/94
TYPE OR PRINT NAME C. P. Basham

(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 S. Scott Powers TITLE AREA MANAGER DATE 9-9-94

CONDITIONS OF APPROVAL, IF ANY:

(Acting)

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.

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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

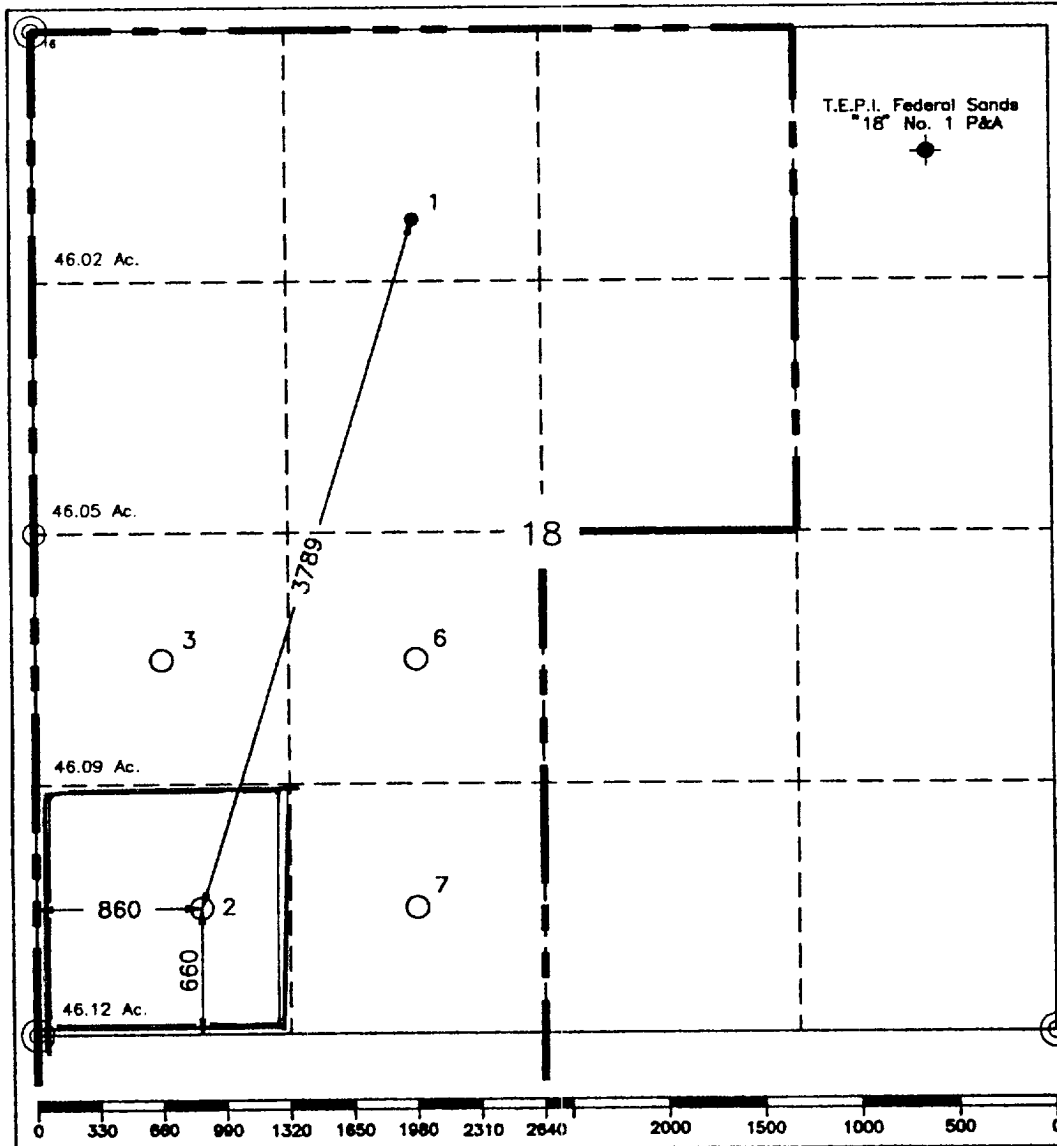
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name SAND DUNES EAST			
⁴ Property Code 11072		⁵ Property Name SDE FEDERAL "18"				⁶ Well Number 2	
⁷ GRID No. 22351		⁸ Operator Name TEXACO EXPLORATION & PRODUCTION, INC.				⁹ Elevation 3566'	

¹⁰ Surface Location									
UL or lot no. M	Section 18	Township 23-S	Range 32-E	Lot Idn	Feet from the 660'	North/South line South	Feet from the 860'	East/West line West	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 46.12		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.



¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature	<i>Royce D. Mariott / cwh</i>
Printed Name	Royce D. Mariott
Position	Division Surveyor
Company	Texaco Expl. & Prod. Inc.
Date	August 1, 1994
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	July 27, 1994
Signature & Seal of Professional Surveyor	<i>John S. Piper</i>
Certificate No.	7254 John S. Piper
Sheet 8 of 8	

○ = Staked Location ● = Producing Well ↗ = Injection Well ◇ = Water Supply Well ◆ = Plugged & Abandon Well
⊙ = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C. ○ = Found 1/4 Section Corner, 1" Iron Pipe & GLO B.C.

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DRILLING PROGRAM

SDE FEDERAL '18' WELL NO. 2

SURFACE DESCRIPTION:

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

FORMATION TOPS: Estimated KB Elevation: 3576'

<u>Formation</u>	<u>Depth</u>	<u>Lithology</u>	<u>Fluid Content</u>
Rustler	930'	Anhydrite, Salt	----
Salado	1245'	Salt	----
Delaware Mtn Group	4640'	Sandstone, Shale	Oil/Gas
Cherry Canyon	5550'	Sandstone, Shale	Oil/Gas
Brushy Canyon- Pay	7200'	Sandstone, Shale	Oil/Gas
Lower Brushy Canyon- Pay	8240'	Sandstone, Shale	Oil/Gas
Bone Spring	8580'	Limestone	----

The base of the salt section is found around 4390'. 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 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.

BOP's on this well will not be tested by an independent service company since it will be drilled immediately following the SDE Federal '31' Well No. 1. We will test the BOP and all components of the well control system with the rig pump.

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.

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CASING AND CEMENT PROGRAM:

The casing and cementing programs are detailed on Form 3160-3. All casing will be new.

Centralizer Program:

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

Intermediate Casing - Centralize the bottom 3 joints.

Production Casing - Centralize bottom 500' every other cplg. and above and below the DV tool.

MUD PROGRAM:

<u>Depth</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>
0'-945'	Fresh Water	8.4	28
945'-4550'	Brine Water	10.0	29
4550'-6500'	Fresh Water	8.4	28
6500'-8700'	FW/Starch	8.4-8.7	29-33

LOGGING, TESTING:

GR-CAL-DSN-SDL and GR-CAL-DISFL surveys will be run.

A two-man Mud Logging Unit will be used from 4400' to 8700'.

No drill stem tests will be conducted.

No cores will be taken.

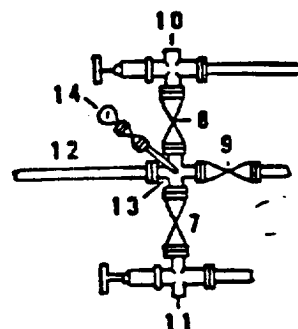
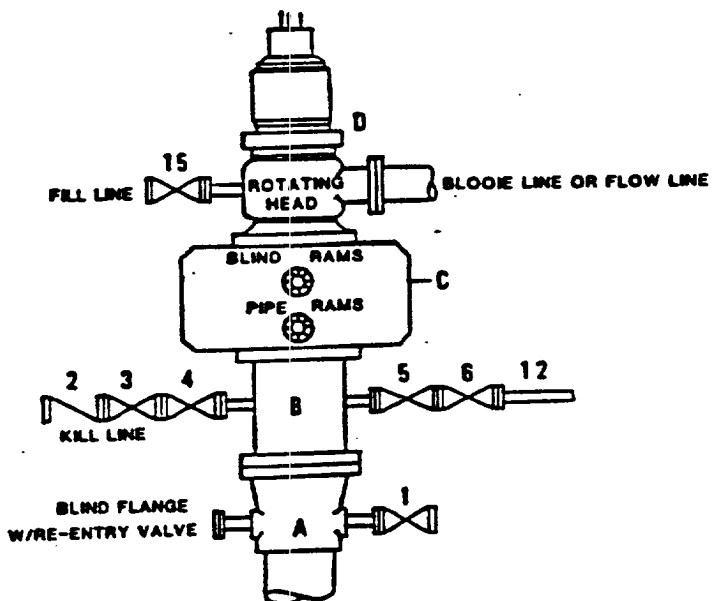
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OFFICE

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

H₂S 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 substructure height is adequate, 2 - 3000# W.P. single ram type preventers may be utilized). |
| D | Rotating Head with fill up outlet and extended Blooe 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

12-1-94

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