

Texaco Expl. & Prod. Inc
SDE '31' Federal #9
Lea County, New Mexico

STATE OF NEW MEXICO
DEVIATION REPORT

250	1/2
500	1/4
625	1/2
970	1-1/4
1,177	1/2
1,422	1/2
1,672	3/4
1,950	1/2
2,271	1/4
2,770	1
3,060	3/4
3,296	3/4
3,560	3/4
3,760	1-3/4
4,000	3
4,086	4
4,197	4
4,290	4-1/2
4,390	4-1/2
4,495	3-3/4
4,548	3
4,630	2-3/4
4,790	2-3/4
5,190	1-1/4
5,689	1-1/4
6,178	1
6,618	1
7,410	2-1/2
7,525	2-1/2
7,620	2
8,105	1-3/4
8,725	1-1/4
9,206	2
9,506	2-1/2
9,850	3

Ray Peterson
By: Ray Peterson

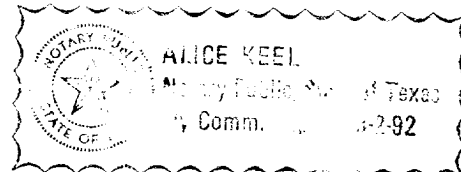
STATE OF TEXAS

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me
this 4th day of April, 19 95, by RAY PETERSON
on behalf of PETERSON DRILLING COMPANY.

My Commission Expires: 8/2/96

Alice Keel
Notary Public for Midland
County, Texas



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT --" for such proposals

5. Lease Designation and Serial No.
NM 18848

6. If Indian, Alottee or Tribe Name

7. If Unit or CA, Agreement Designation

SUBMIT IN TRIPLICATE

1. Type of Well: ☒ OIL WELL ☐ GAS WELL ☐ OTHER

8. Well Name and Number
SDE '31' FEDERAL

2. Name of Operator
TEXACO EXPLORATION & PRODUCTION INC.

9

3. Address and Telephone No. P.O. Box 46510, Denver Colorado 80201-6510 (303)621-485

9 API Well No.
30-025-32868

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Unit Letter J : 1980 Feet From The SOUTH Line and 1980 Feet From The

10. Field and Pool, Exploratory Area
TRISTE DRAW WEST, SAND CUNES SOUTH BONE

EAST Line Section 31 Township 23-S Range 32-E

11. County or Parish, State
LEA, NM

12. Check Appropriate Box(s) To Indicate Nature of Notice, Report, or Other Data

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ OTHER:
☒ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

13. 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.)

We request approval to amend the APD as follows:

1. Extend TD from 9200' to 9850'.

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

SIGNATURE C.P. Basham / SRH TITLE Drilling Operations Mgr.

DATE 3/20/95

TYPE OR PRINT NAME C. P. Basham

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____

DATE 3/22/95

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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMUC
Hobbs

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Budget Bureau No. 1004-0135
Expires: March 31, 1993

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Use "APPLICATION FOR PERMIT --" for such proposals

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NM 18848

6. If Indian, Alottee or Tribe Name

7. If Unit or CA, Agreement Designation

SUBMIT IN TRIPLICATE

1. Type of Well: ☒ OIL WELL ☐ GAS WELL ☐ OTHER

8. Well Name and Number
SDE '31' FEDERAL

2. Name of Operator
TEXACO EXPLORATION & PRODUCTION INC.

9

3. Address and Telephone No. P.O. Box 46510, Denver Colorado 80201-6510 (303)621-485

9. API Well No.

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Unit Letter J : 1980 Feet From The SOUTH Line and 1980 Feet From The
EAST Line Section 31 Township 23-S Range 32-E

10. Field and Pool, Exploratory Area
TRISTE DRAW WEST, SAND DUNES SOUTH BONE

11. County or Parish, State
LEA, NM

12. Check Appropriate Box(s) To Indicate Nature of Notice, Report, or Other Data

TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> OTHER:	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

13. 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.)

We request approval to amend the APD as follows:

Casing Program:

Surface Csg: 950' 8-5/8", 24# WC-50. in 11" HOLE.*

Production Csg: 9200' 5-1/2": 0 - 7500' 15.5#, J-55, LTC in 7 7/8" HOLE.*
7500' - 8700' 17#, J-55, LTC
8700' - 9200' 17#, L-80, LTC
DV tool @ 5300'

Cement Program:

Surface Csg: 175 sxs Class C w/ 4% gel, 2% CaCl2 (13.5 ppg, 1.74 cf/sx, 9.11 GW/sx). F/B 150 sxs Class C w/ 2% CaCl2 (14.8 ppg, 1.34 cf/sx, 6.3 GW/sx). Will circulate cement to the surface.*

Production Csg:

1st Stg: 750 sxs 50/50 poz "H" w/ 2% gel, 5% salt, 1/4# /sxs flocele (14.2 ppg, 1.35 cf/sx, 6.3 GW/sx).

2nd Stg: 750 sxs 35/65 poz "H" w/ 6% gel, 5% salt, 1/4# /sxs flocele (12.8 ppg, 1.94 cf/sx, 10.4 GW/sx). F/B 100 sxs Class H neat (15.6 ppg, 1.18 cf/sx, 5.2 GW/sx). Will circulate cement to the surface.*

* AS PER TELECON. W/ NEAL KEBERT W/ TEXACO ON 2-17-95.

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

SIGNATURE *C. P. Basham* TITLE Drilling Operations Mgr.

DATE 2/2/95

TYPE OR PRINT NAME C. P. Basham

(This space for Federal or State office use)

APPROVED BY *Yolanda Vega* TITLE *Acting*

DATE 2/21/95

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.

SUBMIT IN TRIPLICATE

UNIT PROPERTY NO. 22351
DEPARTMENT 15704
BUREAU OF LAND MANAGEMENT 538085
EFF. DATE 3/2/95
API NO. 30-025-32868

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>	1b. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>	5. Lease Designation and Serial No. NM 18848
2. Name of Operator TEXACO EXPLORATION & PRODUCTION INC.			6. If Indian, Alottee or Tribe Name
3. Address and Telephone No. P.O. Box 3109, Midland Texas 79702 688-4606			7. If Unit or CA, Agreement Designation
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			8. Well Name and Number SDE '31' FEDERAL
14. Distance in Miles and Direction from Nearest Town or Post Office* 23 MILES EAST OF LOVING, NM			9. API Well No.
15. Distance From Proposed* Location to Nearest Property or Lease Line, Ft. (also to nearest drg. unit line, if any) 1980'		16. No. of Acres in Lease 1994.13	10. Field and Pool, Exploratory Area TRISTE DRAW WEST, SAND DUNES SOUTH BONE
18. Distance From Proposed Location* to Nearest Well, Drilling, Completed or Applied For, On This Lease, Ft. 1323'		19. Proposed Depth 9200'	11. SEC., T., R., M., or BLK. and Survey or Area Sec. 31, Township 23-S, Range 32-E
21. Elevations (Show whether DF, RT, GR, etc.) GR-3581'			12. County or Parish LEA
			13. State NM
20. Rotary or Cable Tools ROTARY			17. No. of Acres Assigned To This Well 40
22. Approx. Date Work Will Start* 2/15/95			

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 - CIRCULATE
7 7/8	J55, L80, 5 1/2	15.5 & 17#	9200'	1725 SACKS - CIRCULATE

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 225 SACKS CLASS H (15.6 PPG, 1.18 CF/S, 5.2 GW/S).

THERE ARE NO OTHER OPERATORS IN THIS QUARTER QUARTER SECTION.

[Handwritten signature]
Special Agent in Charge

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 1/20/95
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 [Signature] TITLE AREA MANAGER DATE 2/21/95
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.

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

Form C-102
Revised February 10, 1994

Instructions on back

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

Submit to Appropriate District Office

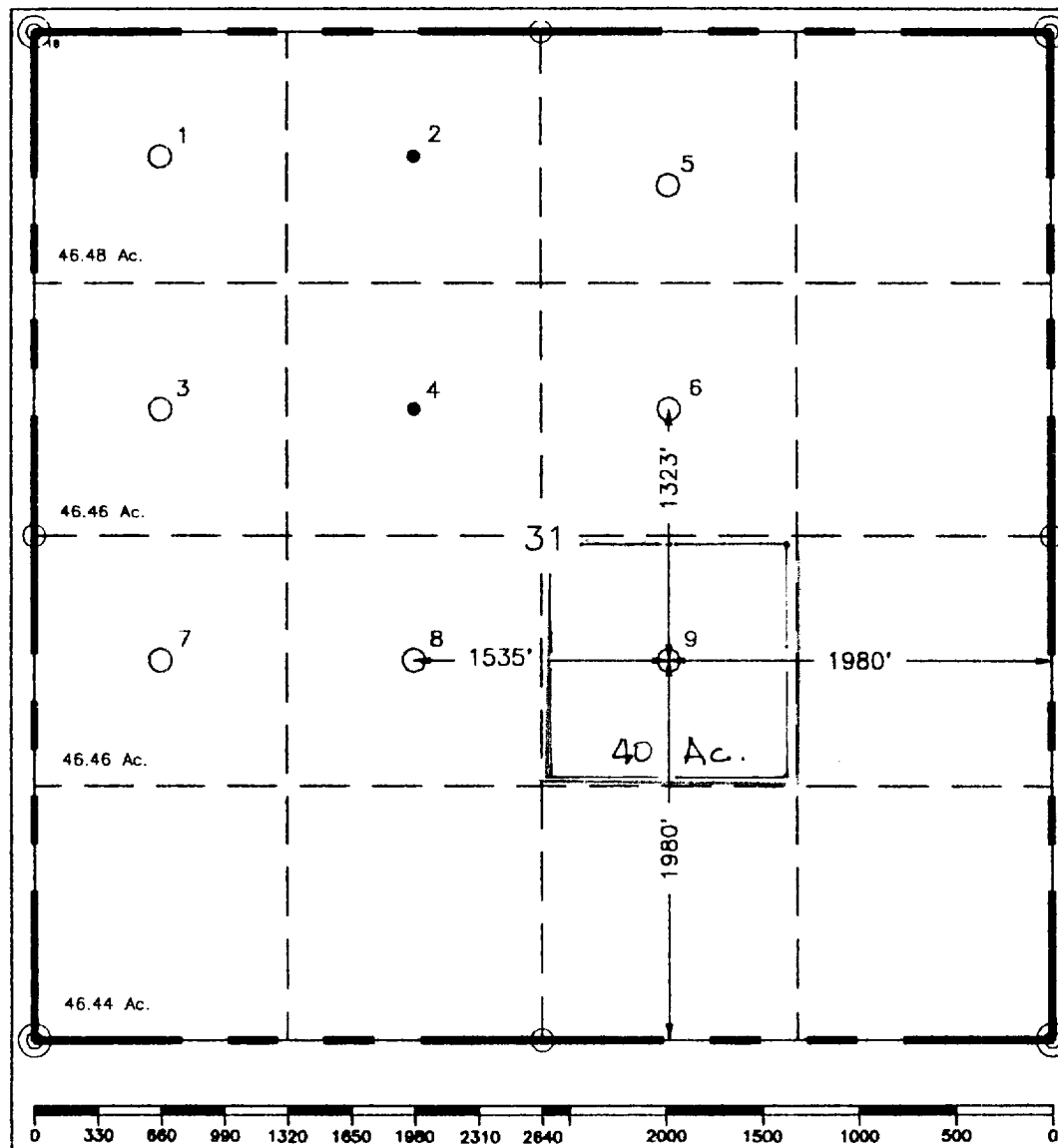
State Lease-4 copies
Fee Lease-3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-32868		² Pool Code 53805		³ Pool Name TRISTE DRAW WEST SAND DUNES SOUTH BONE SPRINGS					
⁴ Property Code 15704		⁵ Property Name SDE FEDERAL "31"			⁶ Well Number 9				
⁷ GRID No. 22351		⁸ Operator Name TEXACO EXPLORATION & PRODUCTION, INC.			⁹ Elevation 3591'				
¹⁰ Surface Location									
UL or lot no. J	Section 31	Township 23-S	Range 32-E	Lot Idn 1980'	Feet from the South	North/South line 1980	Feet from the East	East/West line Lea	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 40		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 Engineering Assistant	
	Company Texaco Expl. & Prod. Inc.	
	Date January 11, 1995	
	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 January 3, 1995	
	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.

DRILLING PROGRAM

SDE `31' FEDERAL WELL NO. 9

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: 3601'

<u>Formation</u>	<u>Depth</u>	<u>Lithology</u>	<u>Fluid Content</u>
Rustler	930'	Anhydrite, Salt	----
Salado	1245'	Salt	----
Delaware Mtn Group	4620'	Sandstone, Shale	Oil/Gas
Cherry Canyon	5550'	Sandstone, Shale	Oil/Gas
Brushy Canyon- Pay	7100'	Sandstone, Shale	Oil/Gas
Lower Brushy Canyon- Pay	8150'	Sandstone, Shale	Oil/Gas
Bone Spring- Pay	8570'	Limestone	Oil/Gas

The base of the salt section is found around 4390'. No abnormal pressures, temperatures, or hazardous gases are anticipated to be encountered in this well. Texaco recently drilled four wells in this area (2 in this section) and no H2S was encountered.

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 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'-9200'	FW/Starch	8.4-8.7	29-33

Bottom Hole Pressure at T.D. estimated to be 8.4 PPG EMW.

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 9200'.

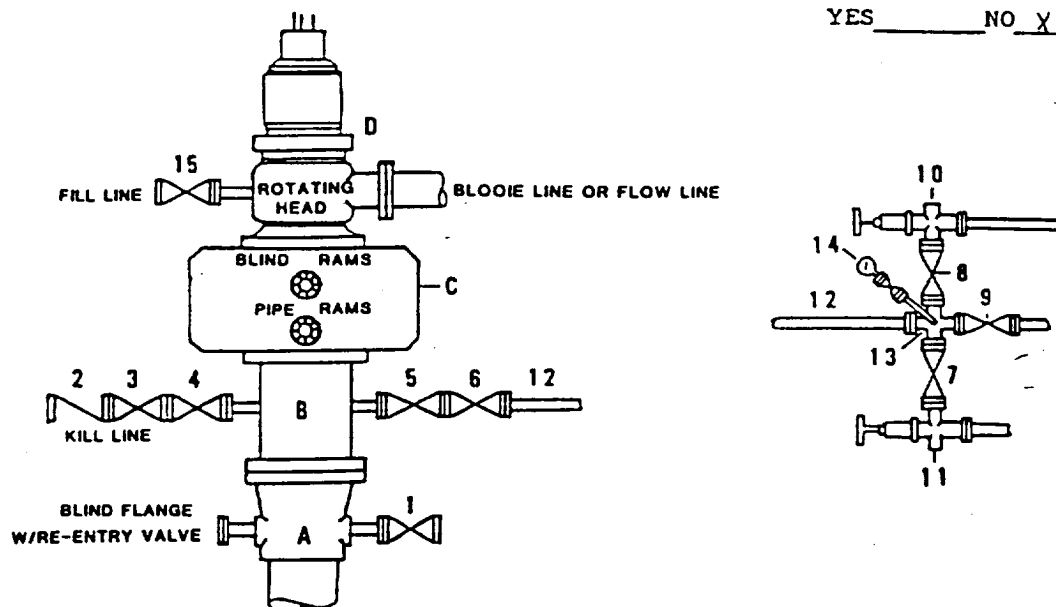
No drill stem tests will be conducted.

No cores will be taken.

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

H₂S 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 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