District Office State Lease — 6 copies Fee Lease — 5 copies	Energy, Minerals and Natural Resources Department			Form C-101 Revised 1-1-89			·		
DISTRICT I	OIL CONSERVATION DI 10. Box 1980, Hobbe, NM 88240 P.O. Box 2088			N	API NO. (assigned by OCD on New Wells) $30-025-31483$				
DISTRICT II P.O. Drawer DD, Artesia, NM 88210 Santa Fe, New Mexico 87504-2			87504-2088		5. Indicate Type of Lease				
DISTRICT III 1000 Rio Brazos Rd., Azte				-	6. State Oil	& Gas Lease		FEE	
		TO DRILL, DEEPEN,	OR PILIC BACK			B.	-9613 ////////		
1a. Type of Work:		TO DITIOLITY CITY	OTT LOG BROK		7. Lease Nar	ne or Unit A	greement Name		
DRIL b. Type of Well: OR. GAS. WELL X WELL	L X RE-ENTE	SINGLE	PLUG BACK MULTIPLE				IDE DRINKA		т
2. Name of Operator		2 ONE	X 20NE						
	ATION AND PRODUCT	TION INC.			8. Well No.		115		
3. Address of Operator					9. Pool name	or Wildcat	113		
P. O. Box 3109,	, Midland, Texas	79702	·		DOLLAF	RHIDE TUE	BB DRINKAR	D	
4. Well Location Unit Letter A	: 121 Feet 1	From The NORTH	Line and 13	109	Feet F	rom The	EAST	I	Line
Sarrion 5	_	OF SOUTH	00 5407		DM LEA	-			
Section 5	Town	ahip 25-SOUTH Ra	_{nge} 38-EAST	NM /////	PM LEA	7777777	,,,,,,,,,,,	County	
		10. Proposed Depth		11. Form	nation		12. Rotary or (<i>/////</i> C.T.	224
			'510'		DRINKAI	RD	•	TARY	
 Elevations (Show whether GR-3165) 	er DF, RT, GR, etc.)	14. Kind & Status Plug. Bond	15. Drilling Contr TO BE SELE	actor	Į i		Date Work will		
7.	1	BLANKET			l_	JAN	UARY 2, 19	992	
SIZE OF HOLE		ROPOSED CASING AN	~						_
20	SIZE OF CASING 16	WEIGHT PER FOOT	SETTING DEPT	H S	ACKS OF (_
14 3/4	11 3/4	42#	1170'		890		SURFACE SURFACE		
11	8 5/8	32#	4200'		138		SURF		\dashv
7 7/8	5 1/2	15.5# & 17#	7510'	_,	144		SURF		
IRFACE CASING - 5: Caci2 (15.6ppg, FERMEDIATE CASING W/s). F/B 470 SX ODUCTION CASING - 9.9gw/s). F/B 52 TOOL @ 4800' - 2 9gw/s). F/B 50 SX ERE ARE NO ORTHE ORTHODOX LOCATION	RIBE PROPOSED PROGRESS OF STORY ANY.	2% GEL & 2% CacL2 (FEL, 5% SALT & f/s, 5.2gw/s). w/ 6% GEL, 5% Sgw/s). / 6% GEL, 5% SA s). SECTION. OPY ATTACHED). OR PLUG BACK, GIVE DAT	1/4# F SALT & LT & 1	FLOCELE (1/4# FLOCE 1/4# FLOCE SENT PRODUCT	(12.8ppg OCELE (1 CELE (12	, 1.87cf/s 2.8ppg, 1 .8ppg, 1.8	, 987cf/ 7cf/s	, ,
		TITUL	E	ATIONS	MANAGE		· · · · · · · · · · · · · · · · · · ·		
TYPEOR PRINT NAME C. P.	BASHAM	1				TELEJ	PHONE NO. (91	5) 688	3-462
This space for State Use) OR	IGINAL SIGNED BY I	BOOM decreases					-1AN 1	ດ 'ດວ	

Permit Expires 6 Months From Approval Date Unless Drilling Underway.

DISTRICT I SUPERVISOR

CONDITIONS OF APPROVAL, IF ANY:

7182-3086

State of New Mexico

Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-29

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II P.O. Drawer DD, Artesia, NM \$8210

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

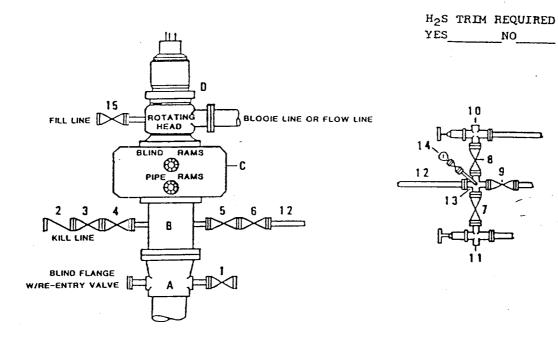
DISTRICT III
1000 Rio Brazos Ré., Aziec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
All Distances must be from the outer boundaries of the section

Operator	 · 			Lesso				Wall No.
TEXACO E	XPLORATION	AND PRODU	CTION INC.	WEST	DOLLARHIDI	E DRINKAF	RD UNIT	115
Unit Letter A	Section 5	Township	оитн	Range	38- EAS	T	County	LEA
Actual Pootage Local	tion of Well:	1				NMPM	<u> </u>	
121	feet from the N	ORTH	line and	1	309	feet from	n EA	ST line
Ground level Elev.	Producia	g l'ormation (A	BO) AND	Pool				Dedicated Acreege:
3165	TUBB	DRINKARD(D		DOL	LARHIDE TU	JBB DRIN	IKARD	40 Acres
1. Outline	the acreege dedicated							1 . J Aures
2. If more	then one lease is ded	icated to the well, o	utline each and	identify the o	waenhip thereof (b	oth as to worki	ng interest and	royalty).
3. If smore	than one lease of diff	ersat ow sershi p is e	ledicated to the	well, have the	interest of all own	ers been conso	lidated by com	munitization,
	ion, force-pooling, etc Yes		wer is "yes" typ	e of consolida	tion			
	is "no" list the owner		na which have	actually been	consolidated. (Use	reverse side of		
this form it	f seccessary.				 			··
or until a s	ble will be assigned to son-standard unit, elim	ninating such intere	Mereals have be it, has been app	roved by the I	Division.		, forced-poolis	g, or otherwise)
	•			×	**************************************		OPERAT	OR CERTIFICATION
				*	31	38		certify that the informat
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	j -				 		SURVEY	OR CERTIFICATION
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DRILLING CONTROL CONDITION II-B 3000 WP

FOR AIR DRILLING OR WHERE NITROGEN OR AIR BLOWS ARE EXPECTED



DRILLING CONTROL

MATERIAL LIST - CONDITION II - B

A	Texaco Wellhead
В	3000f W.P. drilling spool with a 2" minimum flanged outlet for kill line and 3" minimum flanged outlet for choke line.
С	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).
а	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).



2" minimum 3000¶ W.P. flanged or threaded full opening steel gate valve, or Halliburton Lo Torc Plug valve.

TEXACO, INC.



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

15

EXHIBIT C



Texaco USA
Producing Department
Midland Division

PO Box 3109 Midland TX 79702-3109

December 10, 1991

GOV - STATE AND LOCAL GOVERNMENTS Unorthodox Locations West Dollarhide Drinkard Unit Well Nos. 113, 115, 116, 117, 119 120, 121, 122 Lea County, New Mexico

State of New Mexico Energy and Minerals Department Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501-2088

Attention: Mr. Michael E. Stogner

Gentlemen:

An exception, by administrative approval, to Rule 104 F.I. is requested for Texaco Producing Inc.'s West Dollarhide Drinkard Unit Well Nos. 113, 115, 116, 117, 119, 120, 121 and 122. The wells are located as follows:

Well No. 113: 136' FSL & 1246' FWL, Sec. 32, T-24-S, R-38-E Well No. 115: 121' FNL & 1309' FEL, Sec. 5, T-25-S, R-38-E Well No. 116: 67' FNL & 152' FWL, Sec. 4, T-25-S, R-38-E Well No. 117: 1098' FNL & 1270' FWL, Sec. 5, T-25-S, R-38-E Well No. 119: 1007' FNL & 1392' FEL, Sec. 5, T-25-S, R-38-E Well No. 120: 2190' FNL & 2224' FWL, Sec. 32, T-24-S, R-38-E Well No. 121: 2176' FNL & 656' FWL, Sec. 32, T-24-S, R-38-E Well No. 122: 2055' FSL & 1981' FWL, Sec. 32, T-24-S, R-38-E

The wells must be drilled in these locations to ensure proper development on 10-acre spacing. Wells drilled previously on 10-acre spacing have proven to be viable wells. These wells will be completed in the Drinkard formation. Well Nos. 120, 121, and 122 will be injection wells.

It should be noted that there are no affected operators to Well Nos. 113, 115, 116, 119, 120, 121 or 122. Texaco is the only "affected" offset operator to Well No. 117 and we grant ourselves a waiver to this request.

Attached are Forms C-102 for each well and a lease plat showing the existing wells, and locations of the subject wells.

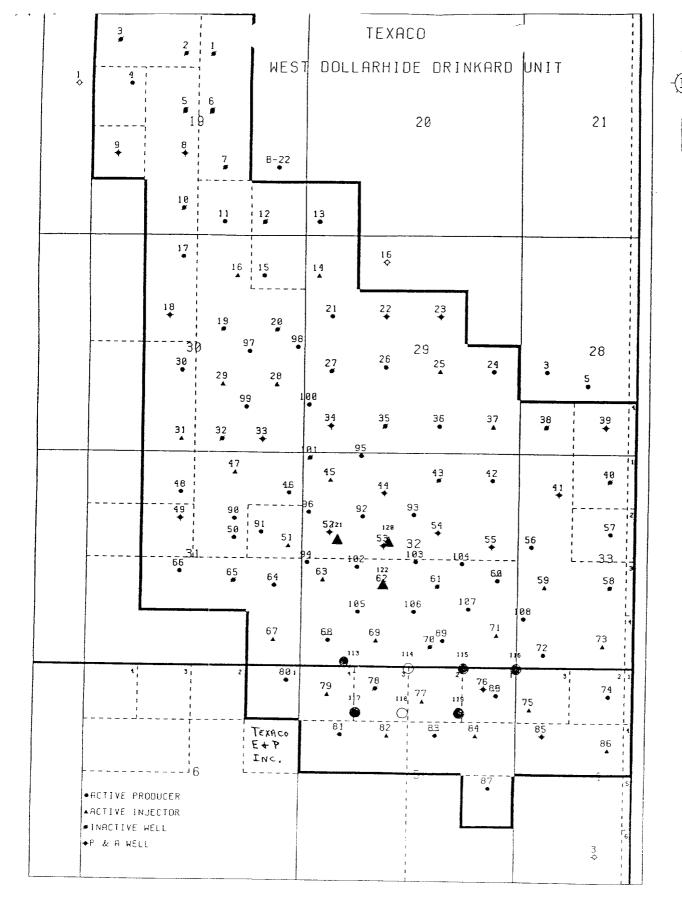
Yours very truly,

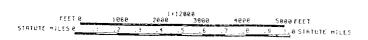
C. P. Basham/cwH

C. P. Basham

Drilling Operations Manager

CWH:cwh cc:NMOCD, P. O. Box 1980, Hobbs, NM 88240





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