

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Box Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

| | |
|--------------------------------------|--|
| WELL API NO. | 30-025-351 6 |
| 5. Indicate Type of Lease | STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 6. State Oil / Gas Lease No. | |
| 7. Lease Name or Unit Agreement Name | F.B. DAVIS |
| 8. Well No. | 10 9 |
| 9. Pool Name or Wildcat | NORTH TEAGUE TUBB ASSOC/PADDOCK/BLNBRY |

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT (FORM C-101) FOR SUCH PROPOSALS.

| | |
|--|--|
| 1. Type of Well: | OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> |
| 2. Name of Operator | TEXACO EXPLORATION & PRODUCTION INC. |
| 3. Address of Operator | 205 E. Bender, HOBBS, NM 88240 |
| 4. Well Location | Unit Letter CF Section 1650 Feet From The NORTH Line and 2310 Feet From The WEST Line Section 8 Township 23-S Range 37-E NMPM LEA COUNTY |
| 10. Elevation (Show whether DF, RKB, RT, GR, etc.) | 3338' |

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

| | | | |
|--|---|--|---|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPERATION <input type="checkbox"/> | PLUG AND ABANDONMENT <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | | CASING TEST AND CEMENT JOB <input type="checkbox"/> | |
| OTHER: <input type="checkbox"/> | DHC <input checked="" type="checkbox"/> | OTHER: <input type="checkbox"/> | |

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

TEXACO RESPECTFULLY STATES ITS INTENTION TO DOWNHOLE COMMINGLE THE TEAGUE LOWER PADDOCK/BLINEBRY, N (ASSOC) & TEAGUE TUBB, N. (ASSOC) POOLS FOR THE SUBJECT WELL AS PRE-APPROVED BY DIVISION ORDER NO. R-11363. THIS COMMINGLING WILL NOT REDUCE THE VALUE OF THE TOTAL REMAINING PRODUCTION. INSTEAD, COMMINGLING WILL ALLOW TEXACO TO RECOVER ADD'L RESERVES THAT WOULD NOT HAVE BEEN ECONOMICALLY VIABLE TO CAPTURE OTHERWISE.

THE WELL WILL BE TESTED IN THE TEAGUE LOWER PADDOCK/BLINEBRY, N. (ASSOC) POOL CODE 96314, AND AN ESTABLISHED RATE & PRESSURE WILL BE DOCUMENTED BEFORE DHC WITH THE TEAGUE TUBB, N. (ASSOC) POOL CODE 96315. PRODUCTION SPLITS WILL BE DETERMINED FROM THIS TESTING BASED ON RELATIVE PROPORTIONS, AS INDICATED IN THE FOLLOWING EXAMPLE:

| | | | |
|-----------|----------------|--------------------|------------------------|
| BLINEBRY: | 30 OIL/ 15 MCF | PRODUCTION SPLITS: | 60% OF OIL/ 33% OF GAS |
| TUBB: | 20 OIL/30 MCF | PRODUCTION SPLITS: | 40% OF OIL/ 67% OF GAS |

THE PERFORATED INTERVALS FOR EACH POOL ARE AS FOLLOWS:

| | |
|-----------|------------|
| BLINEBRY: | 5656-5936' |
| TUBB: | 6254-6388' |

OWNERSHIP AND PERCENTAGES BETWEEN THE TEAGUE LOWER PADDOCK/BLINEBRY N. (ASSOC) AND THE TEAGUE TUBB, N. (ASSOC) ARE IDENTICAL FOR THE SPECIFIED WELL AND LEASE.

A COPY HAS BEEN SENT TO THE COMMISSIONER OF PUBLIC LANDS FOR THE STATE OF NEW MEXICO.

DI DHC Order No. 0034

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE J. Denise Leake TITLE Engineering Assistant DATE 6/1/01

TYPE OR PRINT NAME J. Denise Leake Telephone No. 397-0405

(This space for State Use)

APPROVED _____ TITLE _____ DATE JUN 7 2001

CONDITIONS OF APPROVAL IF ANY: _____