



Texaco North America Production
Denver Region - 10000 E. 17th Avenue, Suite 1000

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May 16, 2000

GOV – STATE AND LOCAL GOVERNMENTS

Unorthodox Location

**Cotton Draw Unit Well No. 88
Paduca South, Wolfcamp Field
Lea County, New Mexico**

**State of New Mexico
Energy and Minerals Department
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505**

Attention: Mr. Michael E. Stogner

Gentlemen:

An Exception to Rule 104 F. (2) by administrative approval is requested for the captioned well. The well is located 2210' FSL & 1360' FWL, Unit Letter "K", of Section 7, T-25-S, R-32-E.

This well must be drilled in this location due to geological conditions. It is believed the environment of deposition for Wolfcampian reservoirs in the Cotton Draw area represents detrital sediments. Lithologically these are composed of spiculitic limestones with fair to good porosity, but low matrix permeability and productivity. Using attribute analysis on 3D seismic, Texaco believes it can find not only thicker zones of the Wolfcamp detrital, but; also, identify potentially fracture-enhanced reservoirs.

The attached map is a four mile square mile area (sections 1 & 12 from T-25-S, R-31-E and sections 6 & 7 from T-25-S, R-32-E) seismic attribute map identifying the Cotton Draw Unit well #88 as being the best opportunity for thicker and better reservoir rock in the Wolfcamp. To venture out of the thickest part of the Wolfcamp identified by seismic could reduce the reservoir quality considerably. Therefore, Texaco's reason for this location is seismically and geologically driven.

There are no other operators in this section.