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OPERATOR	

3A. Indicate Type of Lease	
STATE <input checked="" type="checkbox"/>	FEED <input type="checkbox"/>
3. State Oil & Gas Lease No.	
V-654	

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work		7. Unit Agreement Name	
Type of Well	DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>	8. Farm or Lease Name	
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"/>	MTS "2" State	
Name of Operator		9. Well No.	
Texaco Inc.		1	
Address of Operator		10. Field and Pool, or Wildcat	
P. O. Box 728, Hobbs, New Mexico 88240		Shipp Strawn	
Location of Well		12. County	
UNIT LETTER <u>E</u> LOCATED <u>2022</u> FEET FROM THE <u>North</u> LINE		Lea	
510 FEET FROM THE <u>West</u> LINE OF SEC. <u>2</u> TWP. <u>17-S</u> RGE. <u>37-E</u> NMPM			
19. Proposed Depth		19A. Formation	20. Rotary or C.T.
11,700'		Strawn Bank	Rotary
Elevations (Show whether DF, RT, etc.)	21A. Kind & Status Plug. Bond	21B. Drilling Contractor	22. Approx. Date Work will start
3765'	Blanket		October 12, 1987

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
24"	20"	94#	40'	Redimix	Surface
17-1/2"	13-3/8"	48#	450'	550	Circulate
12-1/4"	8-5/8"	32#	4400'	2250	Circulate
7-7/8"	5-1/2"	17#	11,700'	2250	Circulate

CEMENTING PROGRAM

SURFACE CASING: 550 sacks Class "H" with 2% Cacl & 1/4# Flocele (15.6 ppg, 1.18 cu. ft./sx., 5.2 gal. wtr./sx.)

INTERMEDIATE CASING: 2000 sacks Light Weight Class "H" w/15# Salt & 1/4# Flocele (12.7 ppg, 2.10 cu. ft./sx., 11 gal. wtr/sx.) followed by 250 sacks Class "H" w/1/4# Flocele (15.6 ppg, 1.18 cu. ft./sx., 5.2 gal. wtr./sx.).

PRODUCTION CASING: 1st Stage: 700 sacks Class "H" Light Weight w/1/4# Flocele (12.7 ppg, 1.81 cu. ft./sx., 9.9 gal. wtr/sx.) followed by 250 sacks Class "H" w/0.8% Halad-9 & 1/4# Flocele (15.6 ppg, 1.18 cu. ft./sx., 5.2 gal. wtr./sx.).

Continued on Page 2

There are no other wells in this 1/4, 1/4 Section.

ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTION ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signature: L. J. Seeman Title: District Petr. Engr. Date: 9/30/87

(This space for State Use)

Eddie W. Seay

PROVED BY: Oil & Gas Inspector

TITLE

DATE OCT 7 1987

Permit Expires 6 Months From Approval
Date Unless Drilling Underway

MTS "2" STATE WELL NO. 1
LEA COUNTY, NEW MEXICO

Continuation To Form C-101

PRODUCTION CASING: (Continued)

2nd Stage: 1100 sacks Class "H" Light Weight w/1/4# Flocele
(12.7 ppg, 1.84 cu. ft./sx., 11 gal. wtr./sx.) followed by
200 sacks Class "H" w/1/4# Flocele (15.6 ppg, 1.18 cu.
ft./sx., 5.2 gal. wtr./sx.). (DV Tool @ 8400').

All distances must be from the outer boundaries of the Section.

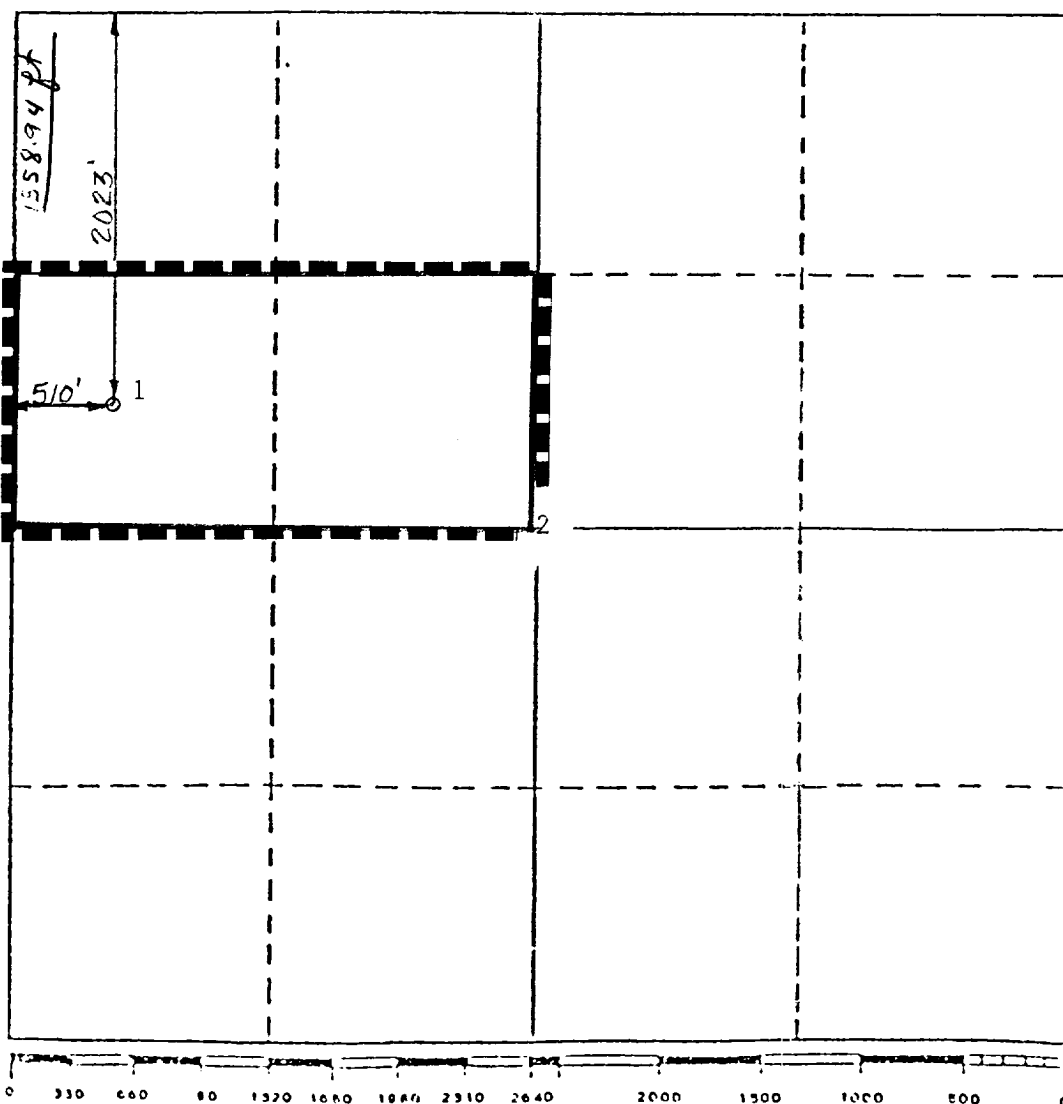
Operator TEXACO INC.		Lease MTS "2" STATE		Well No. 1
Unit Letter E	Section 2	Township 17-S	Range 37-E	County LEA
Actual Footage Location of Well: 2023 feet from the NORTH line and 510 feet from the WEST line				
Ground Level Elev. 3765'	Producing Formation STRAWN BANK	Pool SHIPP STRAWN	Dedicated Acreage: 80 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

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

B. L. Eiland
Name

B. L. Eiland

Position

Division Surveyor

Company

Texaco Inc.

Date

September 18, 1987

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

September 15, 1987

Registered Professional Engineer and/or Land Surveyor

B. L. Eiland

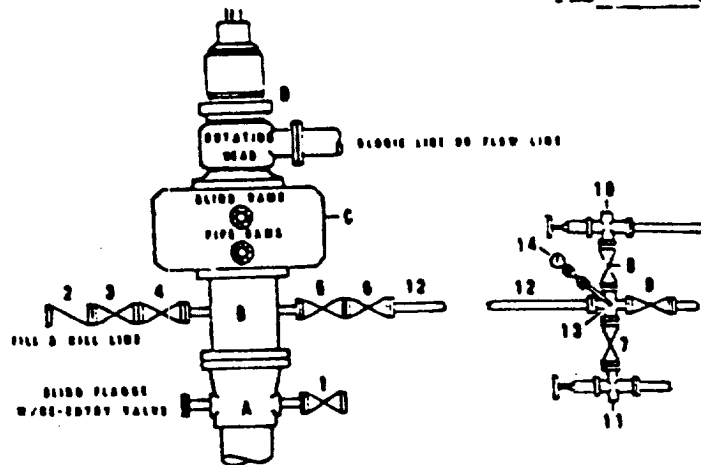
B. L. Eiland

Certificate No.

4386

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

H₂S TRIM REQUIRED
 YES _____ NO _____



DRILLING CONTROL

MATERIAL LIST - CONDITION II - B
FOR AIR DRILLING

- | | |
|---------------|---|
| 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 and extended Blowie 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.) |



TEXACO, INC.
 MIDLAND DIVISION
 MIDLAND, TEXAS



SCALE	DATE	EST. NO.	DWG. NO.
DRAWN BY			
CHECKED BY			
APPROVED BY			

EXHIBIT C