

Barry

SUBMIT IN TRIPLICATE  
(Other instructions on  
reverse side)FORM APPROVED  
OMB NO. 1004-0136  
Expires: February 28, 1995UNITED STATES M. O. Cons. DIV-Dist. 2  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
1301 W. Grand Avenue  
Alamosa, NM 88210

## APPLICATION FOR PERMIT TO DRILL

|  |  |  |  |
|--|--|--|--|
| 1a. TYPE OF WORK<br>DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>  |  | 5. LEASE DESIGNATION AND SERIAL NO.<br>NM-11038                          |  |
| b. TYPE OF WELL<br>OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>   |  | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME<br>-                                |  |
| 2. NAME OF OPERATOR<br>POGO PRODUCING COMPANY (RICHARD WRIGHT 432-685-8140)  |  | 7. UNIT AGREEMENT NAME<br>-  |  |
| 3. ADDRESS AND TELEPHONE NO.<br>P.O. BOX 10340 MIDLAND, TEXAS 79702-7340 (432-685-8100)  |  | 8. FARM OR LEASE NAME, WELL NO.<br>CIMARRON "23" FEDERAL # 5             |  |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)<br>At surface<br>330' FSL & 1910' FWL SECTION 23 T26S-R29E EDDY CO. NM<br>At proposed prod. zone SAME |  | 9. AP WELL NO.<br>30-015-33565   |  |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*<br>Approximately 17 miles Southeast of Malaga New Mexico   |  | 10. FIELD AND POOL, OR WILDCAT<br>BRUSHY DRAW-DELAWARE                   |  |
| 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.<br>(Also to nearest drlg. unit line, if any)<br>330'   |  | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA<br>SECTION 23 T26S-R29E |  |
| 16. NO. OF ACRES IN LEASE<br>1280  |  | 12. COUNTY OR PARISH<br>EDDY CO.   |  |
| 17. NO. OF ACRES ASSIGNED TO THIS WELL<br>40   |  | 13. STATE<br>NEW MEXICO  |  |
| 18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.<br>900'  |  | 19. PROPOSED DEPTH<br>5300'  |  |
| 20. ROTARY OR CABLE TOOLS<br>ROTARY  |  | 21. APPROX. DATE WORK WILL START*  |  |
| 21. ELEVATIONS (Show whether DF, RT, GR, etc.)<br>2893' GR.  |  | 22. APPROX. DATE WORK WILL START*  |  |

## PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT         |
|--------------|-----------------------|-----------------|---------------|----------------------------|
| 25"          | Conductor             | NA              | 40'           | Cement to surface/Redi-mix |
| 12 1/2"      | J-55 8 5/8"           | 32              | 600' 650'     | 655 Sx. cement to surface  |
| 7 7/8"       | J-55 5 1/2"           | 15.5            | 5300'         | 1350 Sx. " " "             |

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 12 1/2" hole to 600'. Run and set 600' of 8 5/8" 32# J-55 ST&C casing. Cement with 655 Sx. of Class "C" cement + 2% CaCl, + 1/2# Flocele/Sx. Circulate cement to surface.
3. Drill 7 7/8" hole to 5300'. Run and set 5300' of 5 1/2" 15.5# J-55 ST&C casing. Cement in two stages with DV Tool at 2800'±. Cement 1st stage with 750 Sx. of Class "C" cement + additives, cement 2nd stage with 600 Sx. of Class "C" cement + additives. Circulate cement to surface.

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED

CARLSBAD CONTROLLED WATER BASIN

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 and true vertical depths. Give blowout prevention program.

24. SIGNED Joe T. Danica TITLE Agent DATE 06/03/04

(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.

CONDITIONS OF APPROVAL, IF ANY:

ACTING

/s/ Joe G. Lara

FIELD MANAGER

3 AUG 2004

\*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-14  
March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Pogo Producing Company Telephone: 432-685-8100 e-mail address: wrightc@pogoproducing.com  
Address: P. O. Box 10340, Midland, TX 79702-7340  
Facility or well name: Cimarron 23 Fed #5 API #: \_\_\_\_\_ U/L or Qtr/Qtr N Sec 23 T 26 R 29  
County: Eddy Latitude 32 01 14.6N Longitude 103 57 25.1W NAD: 1927 ☒ 1983 ☐ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

Pit

Type: Drilling ☒ Production ☐ Disposal ☐  
Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 12 mil Clay ☐ Volume  
8400 bbl

Below-grade tank

Volume: \_\_\_\_\_ bbl Type of fluid: \_\_\_\_\_

Construction material: \_\_\_\_\_

Double-walled, with leak detection? Yes ☐ If not, explain why not.

RECEIVED

AUG 11 2004

ODD-ARTESIA

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

|   |                |
|---|----------------|
| Less than 50 feet   | (20 points)    |
| 50 feet or more, but less than 100 feet <input checked="" type="checkbox"/> | (10 points) 10 |
| 100 feet or more  | (0 points)     |

Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

|  |              |
|--|--------------|
| Yes                                    | (20 points)  |
| No <input checked="" type="checkbox"/> | (0 points) 0 |

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

|   |              |
|---|--------------|
| Less than 200 feet                                    | (20 points)  |
| 200 feet or more, but less than 1000 feet             | (10 points)  |
| 1000 feet or more <input checked="" type="checkbox"/> | (0 points) 0 |

Ranking Score (Total Points) 10

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location:

onsite ☐ offsite ☐ If offsite, name of facility \_\_\_\_\_ (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface \_\_\_\_\_ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 08/10/04

Printed Name/Title Cathy Wright, Sr Oper Tech

Signature Cathy Wright

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approved AUG 13 2004

Date: \_\_\_\_\_

Printed Name/Title \_\_\_\_\_

Signature [Signature]

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240  
DISTRICT II  
811 South First, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999

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

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                    |   |                                   |
|--------------------|---|-----------------------------------|
| API Number         | Pool Code<br>8080                       | Pool Name<br>BRUSHY DRAW-DELAWARE |
| Property Code      | Property Name<br>CIMARRON "23" FEDERAL  | Well Number<br>5                  |
| OGRID No.<br>17891 | Operator Name<br>POGO PRODUCING COMPANY | Elevation<br>2893'                |

Surface Location

|               |         |          |       |         |               |                  |               |                |        |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| N             | 23      | 26 S     | 29 E  |         | 330           | SOUTH            | 1910          | WEST           | EDDY   |

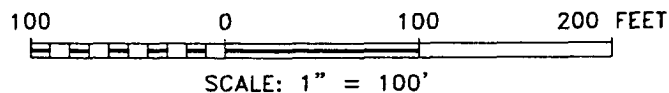
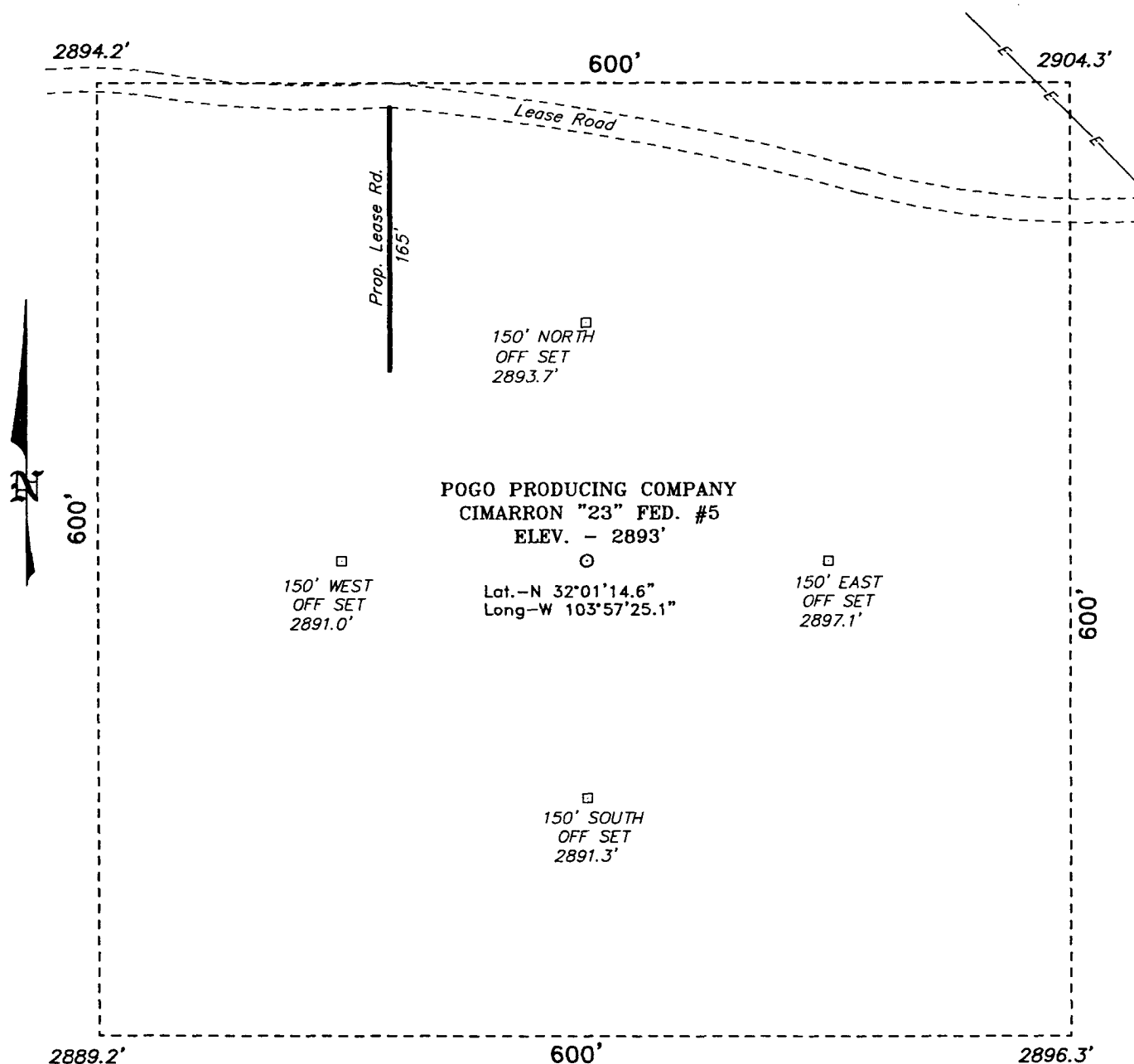
Bottom Hole Location If Different From Surface

|                       |                 |                    |           |         |               |                  |               |                |        |
|-----------------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot No.         | Section         | Township           | Range     | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|                       |                 |                    |           |         |               |                  |               |                |        |
| Dedicated Acres<br>40 | Joint or Infill | Consolidation Code | 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

|  |   |  |
|--|---|--|
|  | <p>EXHBIT "A"</p> <p>Lat.: N32°01'14.6"</p> <p>Long.: W103°57'25.1"</p> | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Joe T. Janica</i><br/>Signature</p> <p>Joe T. Janica<br/>Printed Name</p> <p>Agent</p> <p>Title</p> <p>06/03/04<br/>Date</p>   |
|  |   | <p>SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>APRIL 30, 2004</p> <p>Date Surveyed</p> <p>Signature &amp; Seal of Professional Surveyor</p> |
|  |   | <p>W.O. No. 4237</p> <p>Certificate No. Gary L. Jones 7977</p> <p>PROFESSIONAL LAND SURVEYOR</p>   |
|  |   |  |

SECTION 23, TOWNSHIP 26 SOUTH, RANGE 29 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF STATE HWY 285 AND CO.  
RD. 725, GO ON 725 FOR 7.1 MILES TO "Y", TAKE  
RIGHT FORK FOR 0.5 MILE; THENCE SOUTHEAST 0.5  
MILE; THENCE EAST 0.3 MILE TO PROPOSED LEASE  
ROAD.

**BASIN SURVEYS** P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 4237

Drawn By: K. GOAD

Date: 05-03-2004

Disk: KJG CD#4 - 4237A.DWG

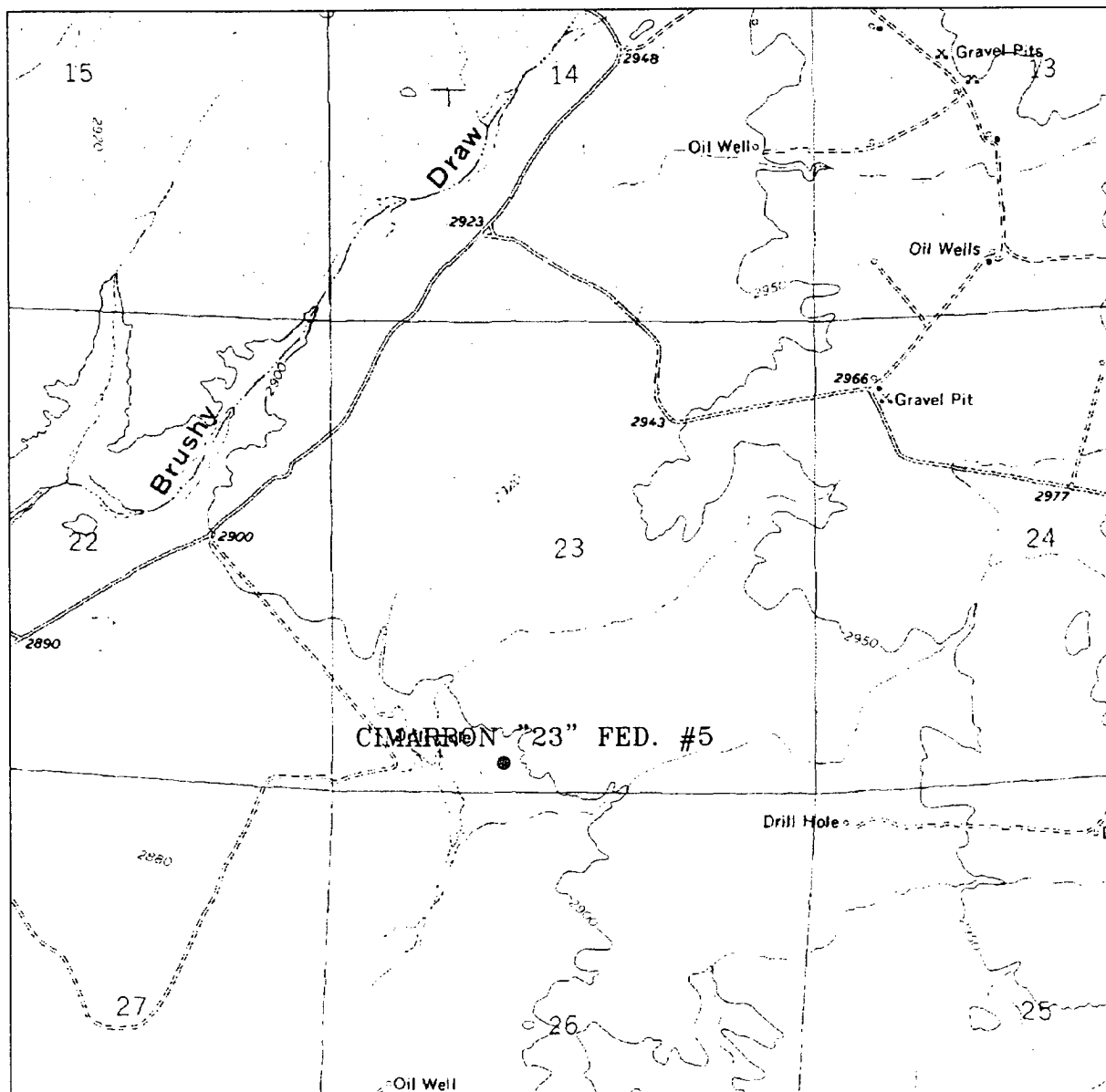
**POGO PRODUCING CO.**

REF: CIMARRON "23" FED. #5 / Well Pad Topo

THE CIMARRON "23" FED. No. 5 LOCATED 330' FROM  
THE SOUTH LINE AND 1910' FROM THE WEST LINE OF  
SECTION 23, TOWNSHIP 26 SOUTH, RANGE 29 EAST,  
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 04-30-2004

Sheet 1 of 1 Sheets



## CIMARRON "23" FEDERAL #5

Located at 330' FSL and 1910' FWL  
 Section 23, Township 26 South, Range 29 East,  
 N.M.P.M., Eddy County, New Mexico.

**basin**  
**surveys**

focused on excellence  
 in the oilfield

P.O. Box 1735  
 1120 N. West County Rd.  
 Hobbs, New Mexico 88241  
 (505) 393-7316 - Office  
 (505) 392-3074 - Fax  
 basinsurveys.com

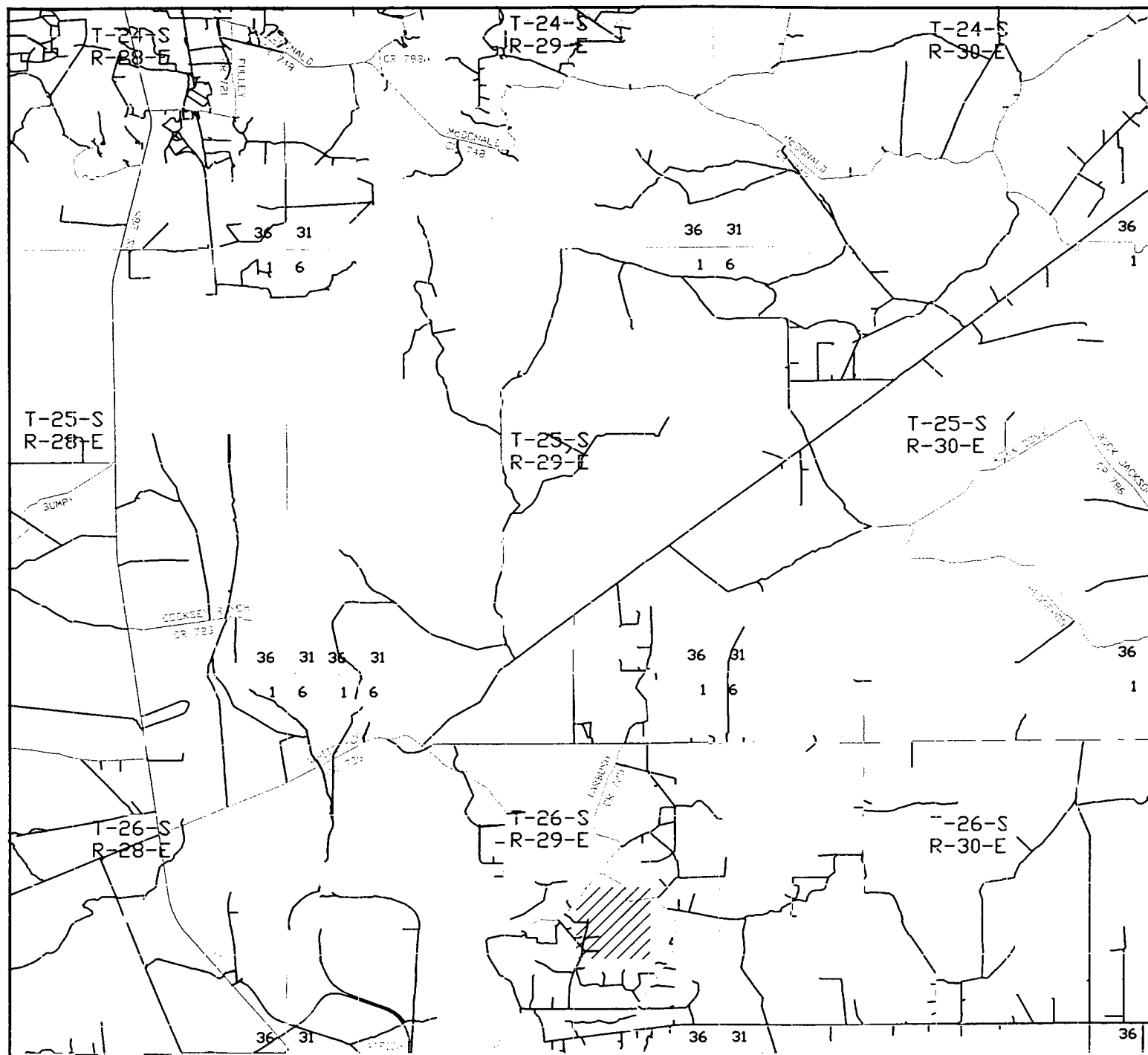
A.C. Number: 40374A - K/S CD#5

Survey Date: 04-30-2004

Scale: 1" = 2000'

Date: 05-03-2004

**POGO**  
**PRODUCING**  
**COMPANY**



**CIMARRON "23" FEDERAL #5**  
 Located at 330' FSL and 1910' FWL  
 Section 23, Township 26 South, Range 29 East,  
 N.M.P.M., Eddy County, New Mexico.

**basin**  
**surveys**

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P.O. Box 1786  
 1120 N. West County Rd.  
 Hobbs, New Mexico 88241  
 (505) 393-7316 - Office  
 (505) 392-3074 - Fax  
 basinsurveys.com

W.O. Number: 4237AA - KJG CD#5

Survey Date: 04-30-2004

Scale: 1" = 2 MILES

Date: 05-03-2004

**POGO**  
**PRODUCING**  
**COMPANY**

In response to questions asked under Section II of Bulletin NTL-6 the following information on the above well is provided for your consideration.

1. Location: 330' FSL & 1910' FWL SECTION 23 T26S-R29E EDDY CO. NM

2. Elevation above Sea Level: 2893' GR.

3. Geologic name of surface formation: Quaternary Aeolian Deposits.

4. Drilling tools and associated equipment: Conventional rotary drilling rig using drilling mud as a circulating medium for solids removal from hole.

5. Proposed drilling depth: 5300'

6. Estimated tops of geological markers:

|                 |       |               |       |
|-----------------|-------|---------------|-------|
| Basal Anhydrite | 2776' | Cherry Canyon | 3914' |
| Delaware Lime   | 2979' | Brushy Canyon | 5176' |
| Bell Canyon     | 3080' | Bone Spring   | 6900' |

7. Possible mineral bearing formations:

|               |     |
|---------------|-----|
| Brushy Canyon | Oil |
|---------------|-----|

8. Casing program:

| Hole size | Interval                           | OD of casing | Weight | Thread | Collar | Grade     |
|-----------|------------------------------------|--------------|--------|--------|--------|-----------|
| 25"       | 0-40                               | 20"          | NA     | NA     | NA     | Conductor |
| 12 1/4"   | 0- <sup>650</sup> <del>600</del> ' | 8 5/8"       | 32#    | 8-R    | ST&C   | J-55      |
| 7 7/8"    | 0-5300'                            | 5 1/2"       | 15.5#  | 8-R    | ST&C   | J-55      |

# APPLICATION TO DRILL

## 9. Cementing & Casing setting depth:

|        |            |  |
|--------|------------|--|
| 20"    | Conductor  | Set 40' of 20" conductor and cement to surface with Redi-mix.  |
| 8 5/8" | Surface    | Set <sup>650'</sup> 600' of 8 5/8" 32# J-55 ST&C casing. Cement with 655 Sx. of Class "C" cement + 2% CaCl, + 1/4# Flocele/Sx. Circulate cement to surface.  |
| 5 1/2" | Production | Set 5300' of 5 1/2" 15.5# J-55 ST&C casing. Cement in two stages with DV Tool at 2800'±. Cement 1st stage with 750 Sx. of Class "C" cement + 1/4# Flocele/Sx. Cement 2nd stage with 600 Sx. of Class "C" cement + additives, circulate to surface. |

10. Pressure Control Equipment: Exhibit "E" shows a 2000 PSI working pressure B.O.P. consisting of Pipe Rams, Blind Rams, a Pack Off and a bell nipple. Exhibit shows a 3000 PSI choke manifold. The B.O.P. will be nipped up on the 8 5/8" casing and remain on the hole to TD. After the B.O.P is installed it will be tested to API specifications and will be operated at least once each 24 hour period and blind rams will be operated when drill pipe is out of hole. Full opening stabbing valve and kelly cock will be utilized. Exhibit "E-1" shows a 3000 PSI choke manifold. No abnormal pressures or temperatures are expected in this well, as none were encountered in off-set wells.

## 11. Proposed Mud Circulating System:

| Depth                        | Mud Wt.   | Mud Visc. | Fluid Loss | Type Mud   |
|------------------------------|-----------|-----------|------------|--|
| <sup>650'</sup><br>40-600'   | 8.4-8.7   | 29-32     | NC         | Fresh water spud mud use paper to control seepage.                                   |
| <sup>650'</sup><br>600-5300' | 10.--10.2 | 29-38     | NC*        | Brine water using paper to control seepage, use high viscosity sweeps to clean hole. |

\* Water loss may have to be altered in order to run logs and casing.

Sufficient mud materials to maintain mud properties, meet lost circulation and weight increase requirements will be kept at the well site at all times. In order to log well and run casing the viscosity may have to be raised and the water loss lowered.



12. LOGGING, CORING, AND TESTING PROGRAM:

- A. Open hole logs: Dual Laterolog, CNL, LDT, Gamma Ray, Caliper from TD back to 8 5/8" casing shoe.
- B. Run Gamma Ray, Neutron from 8 5/8" casing shoe back to surface.
- C. Mud logger may be used at the discretion of the Geologist, no cores or DST's are planned at this time.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. There is no known presence of H<sup>2</sup>S in this area. If H<sup>2</sup>S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 1100 PSI, and Estimated BHT 145°.

14. ANTICIPATED STARTING DATE AND DURATION OF OPERATION:

Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon after BLM approval and as soon as a rig will be available. Move in operation and drilling is expected to take 8 days. If production casing is run then an additional 30 days will be needed to complete well and construct surface facilities and/or lay flowlines in order to place well on production.

15. OTHER FACETS OF OPERATIONS:

After running casing, cased hole Gamma Ray, Neutron Collar logs will be run from TD back to all possible productive zones. The Brushy Canyon formation will be perforated and stimulated in order to establish production. The well will be swab tested and potentialized as an oil well.

## HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

1. All Company and Contract personnel admitted on location must be trained by a qualified H<sub>2</sub>S safety instructor to the following:
  - A. Characteristics of H<sub>2</sub>S
  - B. Physical effects and hazards
  - C. Proper use of safety equipment and life support systems.
  - D. Principle and operation of H<sub>2</sub>S detectors, warning system and briefing areas.
  - E. Evacuation procedure, routes and first aid.
  - F. Proper use of 30 minute pressure demand air pack.
2. H<sub>2</sub>S Detection and Alarm Systems
  - A. H<sub>2</sub>S detectors and audio alarm system to be located at bell nipple, end of blooie line (mud pit) and on derrick floor or doghouse.
3. Windsock and/or wind streamers
  - A. Windsock at mudpit area should be high enough to be visible.
  - B. Windsock at briefing area should be high enough to be visible.
  - C. There should be a windsock at entrance to location.
4. Condition Flags and Signs
  - A. Warning sign on access road to location.
  - B. Flags to be displayed on sign at entrance to location. Green flag, normal safe condition. Yellow flag indicates potential pressure and danger. Red flag, danger, H<sub>2</sub>S present in dangerous concentration. Only emergency personnel admitted to location.
5. Well control equipment
  - A. See exhibit "E" & "E-1"
6. Communication
  - A. While working under masks chalkboards will be used for communication.
  - B. Hand signals will be used where chalk board is inappropriate.
  - C. Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephoned will be available at most drilling foreman's trailer or living quarters.
7. Drillstem Testing
  - A. Exhausts will be watered.
  - B. Flare line will be equipped with an electric ignitor or a propane pilot light in case gas reaches the surface.
  - C. If the location is near to a dwelling a closed DST will be performed.

## HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

8. Drilling contractor supervisor will be required to be familiar with the effects H<sub>2</sub>S has on tubular goods and other mechanical equipment.
9. If H<sub>2</sub>S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with H<sub>2</sub>S scavengers if necessary.

1. EXISTING ROADS & PROPOSED ROADS: Area maps; Exhibit "B" is a reproduction of a County General Hi-way Map. Exhibit "C" is a reproduction of a USGS Topographic Map, showing existing and proposed roads. All existing roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications.
  - A. Exhibit "A" shows the proposed well site as staked.
  - B. From Malaga New Mexico take U.S. Hi-way 285 South for 12.6 miles to Co. Road 725 (Whitethorn Road) turn Left (East) go 4.2 miles bear Right on Co Road 725 go 3.9 miles bear Right follow lease road .8 miles, turn Left go .3 miles turn Right and go 165' to location.
  - C. Exhibit "F" shows the anticipated routes of flowlines and roads into these well locations.
2. PLANNED ACCESS ROADS: 200' of new road will be constructed.
  - A. The access roads will be crowned and ditched to a 12' wide travel surface with a 40' Right-of-Way.
  - B. Gradient of all roads will be less than 5.00%.
  - C. If turn-outs are necessary they will be constructed.
  - D. If needed roads will be surfaced with a minimum of 4" of caliche. This material will be obtained from a local source.
  - E. Center-line for new roads will be flagged. Earth-work will be will be done as field conditions require.
  - F. Culverts will be placed in the access road if they are necessary. The roads will be constructed to utilize low water crossings for drainage as required by topography.
3. LOCATIONS OF EXISTING WELLS IN A ONE MILE RADIUS. EXHIBIT "A-1"
  - A. Water wells - One approximately 1 mile west of location.
  - B. Disposal wells - None known
  - C. Drilling wells - None known
  - D. Producing wells - As shown on Exhibit "A-1"
  - E. Abandoned wells - As shown on Exhibit "A-1"

4. If on completion this well is a producer the operator will lay pipelines and construct powerlines along existing road R-O-W's or other existing R-O-W's. Possible routes of pipelines, flowlines and powerlines are shown on Exhibit "F".

5. LOCATION AND TYPE OF WATER SUPPLY:

Water will be purchased locally from a commercial source and trucked over the access roads or piped to location in flexible lines laid on top of the ground.

6. SOURCE OF CONSTRUCTION MATERIAL:

If possible construction material will be obtained from the excavation of drill site, if additional material is needed it will be obtained from a local source and transported over the access roads as shown on Exhibit "C".

7. METHODS OF HANDLING WASTE MATERIAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. All trash, junk and other waste material will be contained in trash cages or trash bins to prevent scattering. When the job is completed all contents will be removed and disposed of in a approved sanitary land fill.
- C. Salts remaining after completion of well will be picked up by the supplier, including broken sacks.
- D. Waste water from living quarters will be drained into holes with a minium of 10'. These holes will be covered during drilling and will be back filled when the well is completed. A Porto-John will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- E. Remaining drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry enough to be broken out for furthred drying. If the drilling fluids do not evaporate in a reasonable time they will be hauled off by transports to a state approve disposal site. Later pips will be broken out to speed drying. Water produced during completion will be put in reserve pits. Oil and condensate produced will be put in storage tanks and sold.

8. ANCILLARY FACILITIES:

- A. No camps or air strips will be constructed on location.

9. WELL SITE LAYOUT

- A. Exhibit "D" shows the proposed well site layout.
- B. This exhibit indicated proposed location of reserve and sump pits and living facilities.
- C. Mud pits in the active circulating system will be steel pits & the reserve pit is proposed to be unlined unless subsurface condition encountered during pit construction indicate that lining is needed for lateral containment of fluids.
- D. If needed, the reserve pit is to be lined with polyethelene. The pit liner will be 6 mils thick. Pit liner will extend a minimum 2'00" over the reserve pits dikes where the liner will be anchored down.
- E. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. The fourth side will be fenced after all drilling operations have ceased. If the well is a producer, the reserve pit fence will be torn down. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

10. PLANS FOR RESTORATION OF SURFACE

Rehabilitation of the location and reserve pit will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole.

However, in either event, the reserve pit will be allowed to dry properly, and fluid removed and disposed of in accordance with Article 7.B as previously noted. The pit area will then be leveled and contoured to conform to the original and surrounding area. Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

If the well is a dry hole, the pad and road area will be contoured to match the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

Should the well be a producer, the previously noted procedures will apply to those areas which are not required for production facilities.

11. ADDITIONAL INFORMATION:

- A. Topography consists of low lying hills with a dip of 1-5% to the Northwest drainage is into Brushy Draw, an intermittent tributary of the Pecos River. Soil consists of calcareous gravelly , sandy loam. Vegetation consists of creosotebush, Acacia, Prickley Pear, Barrel Cactus, Broom Snakeweed, Mesquite Yucca and native grasses.
- B. The surface is owned by The U.S. Department of Interior and is administered by The Bureau of Land Management. The surface is used for the grazing of livestock and the production of Oil & Gas.
- C. An archaeological survey will be conducted on the location and roads. A report of findings will be in a report that will be filed with The Bureau of Land Management in the Carlsbad Field office in Carlsbad New Mexico.
- D. There are no dwellings in the near vicinity of this location.

12. OPERATION'S REPRESENTATIVES:

Before Construction:

TIERRA EXPLORATION, INC.  
P.O. BOX 2188  
HOBBS, NEW MEXICO 88241  
OFFICE Ph. 505-391-8503  
JOE T. JANICA

During and after Construction:

POGO PRODUCING COMPANY  
P.O. BOX 10340  
MIDLAND, TEXAS 79702-7340  
RICHARD WRIGHT  
OFFICE Ph. 432-685-8140

13. CERTIFICATION: I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and the access roads, and that I am familiar with the conditions which currently exist, that the statements made in this plan are to the best of my knowledge are true and correct, and that the work associated with the operations proposed herein will be performed by POGO PRODUCING COMPANY it's contractors/subcontractors is in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for the filing of a false report.

NAME

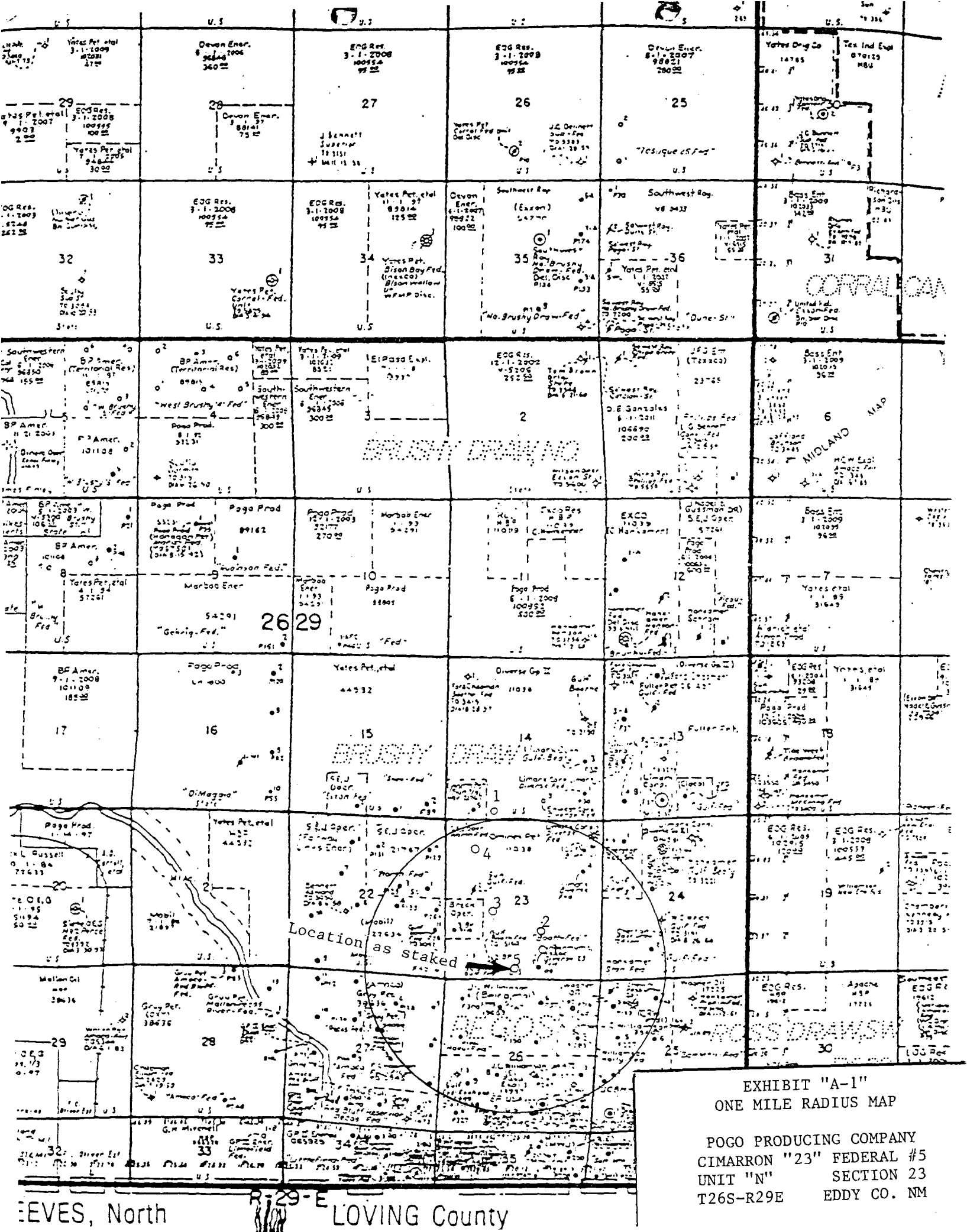
Joe T. Janica

DATE

06/03/04

TITLE

Agent







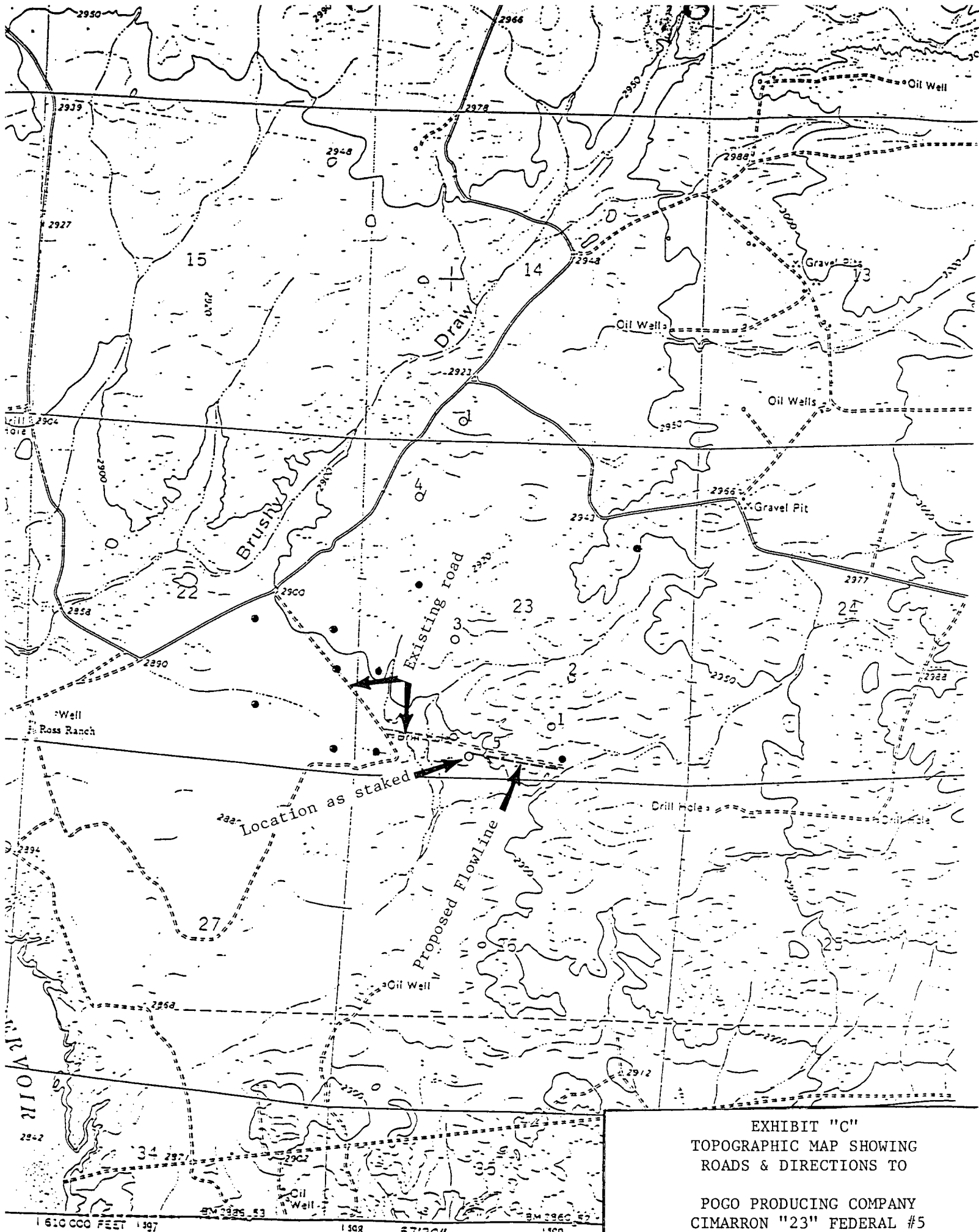
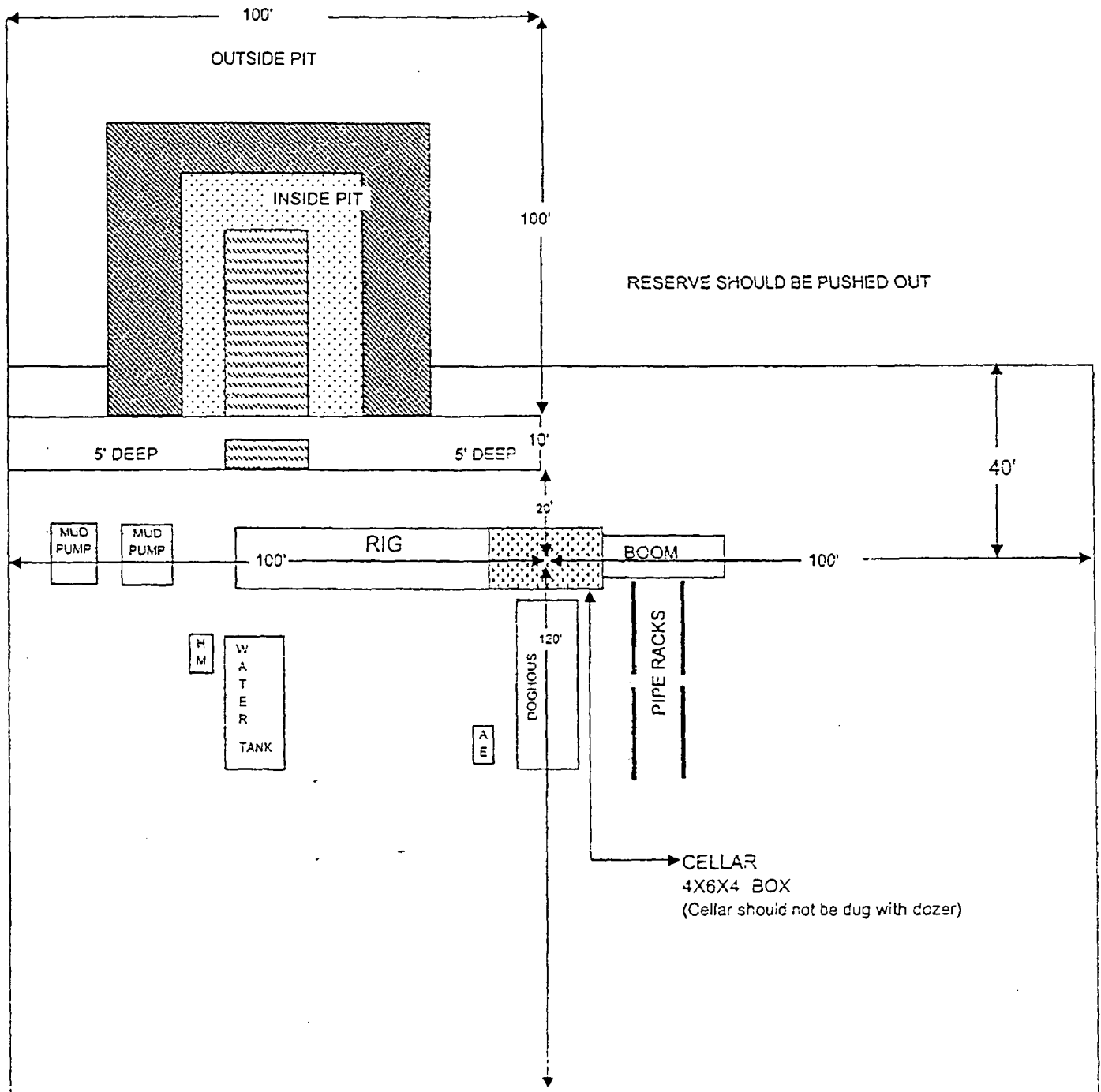


EXHIBIT "C"  
TOPOGRAPHIC MAP SHOWING  
ROADS & DIRECTIONS TO

POGO PRODUCING COMPANY  
CIMARRON "23" FEDERAL #5  
UNIT "N" SECTION 23  
T26S-R29E EDDY CO. NM

Capital Drilling, Inc.  
 LOCATION SPECIFICATIONS AND RIG LAYOUT  
 FOR EARTH PITS



Cellar can be 4X4X4 if using a screw-on wellhead  
 Working Pits dug 5' below ground level

Location Specs

EXHIBIT "D"  
 RIG LAY OUT PLAT

POGO PRODUCING COMPANY  
 CIMARRON "23" FEDERAL #5  
 UNIT "N" SECTION 23  
 T26S-R29E EDDY CO. NM

**CIMARRON 23 FED # 5**  
**BOP SCHEMATIC**

11" 2M

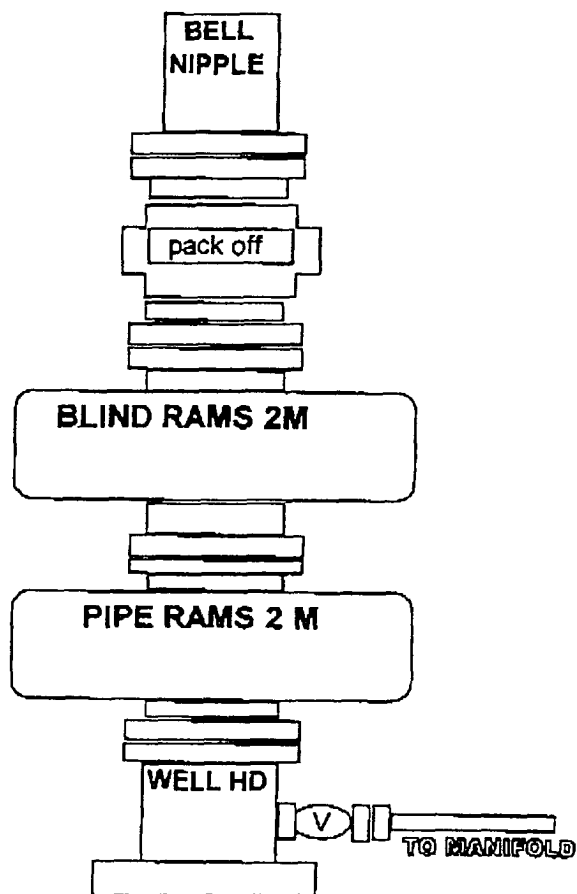


EXHIBIT "E"  
SKETCH OF B.O.P. TO BE USED ON

POGO PRODUCING COMPANY  
CIMARRON "23" FEDERAL #5  
UNIT "N" SECTION 23  
T26S-R29E EDDY CO. NM

# CIMARRON 23 FED # 5 CHOKE MANIFOLD

3000 PSI WP

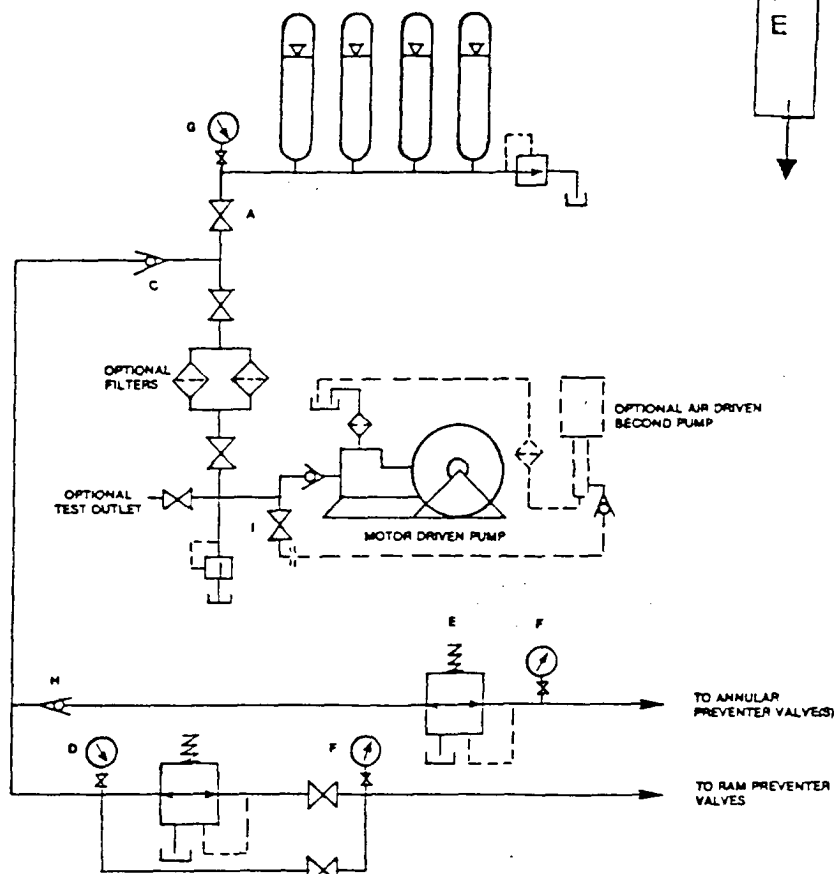
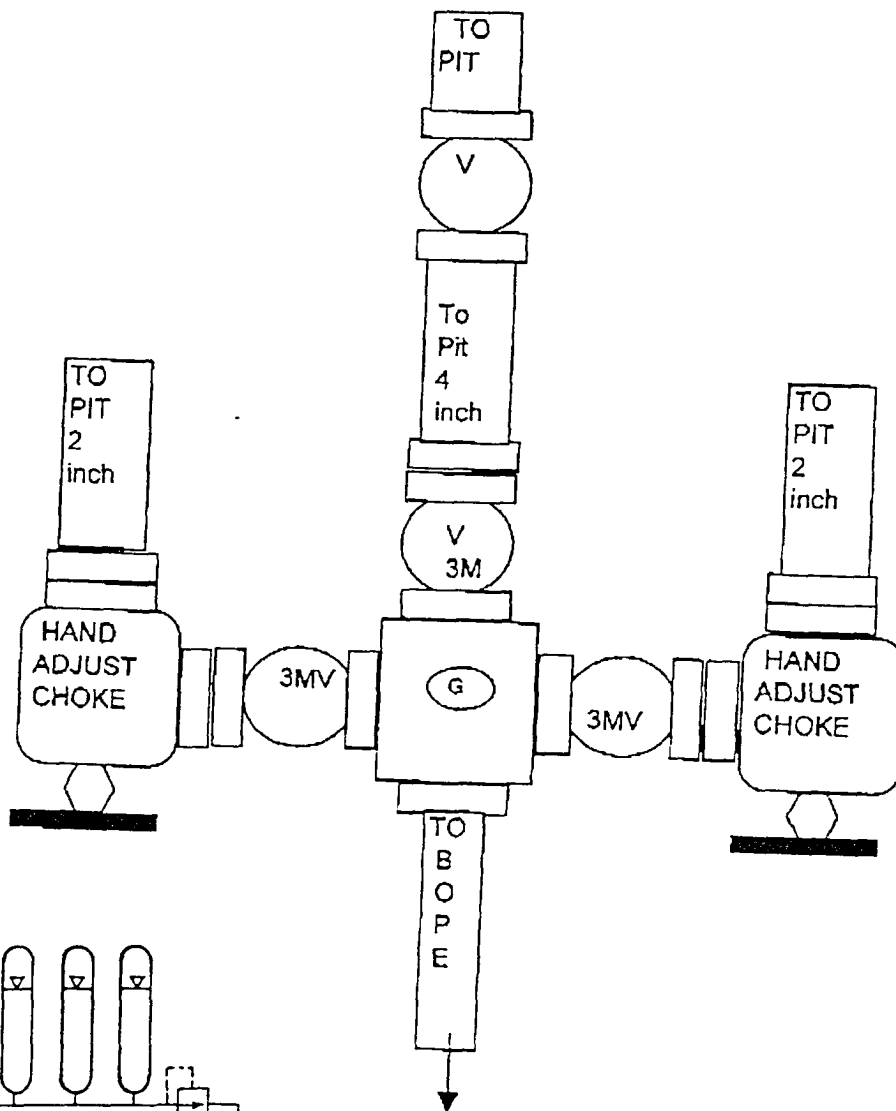
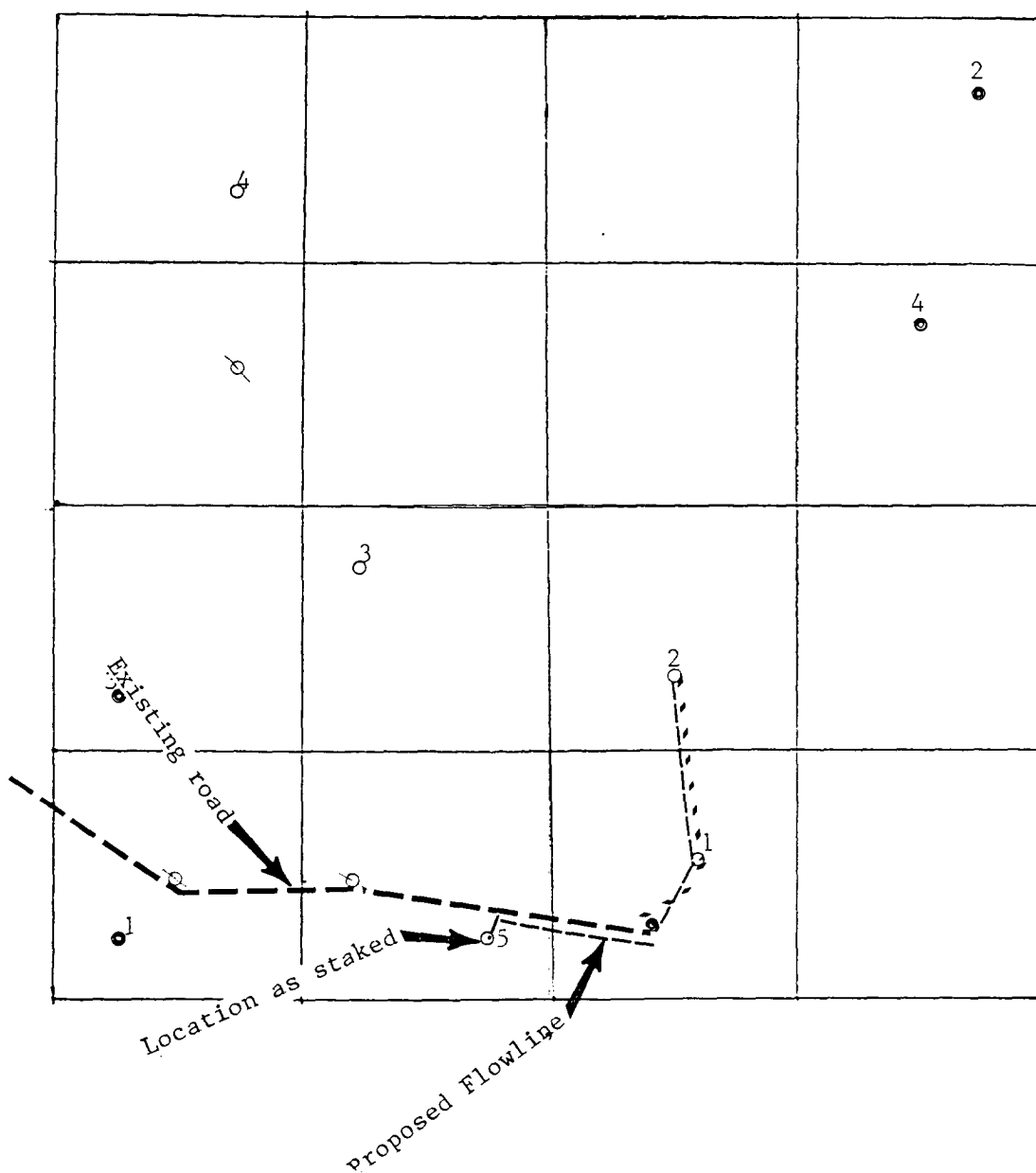


EXHIBIT "E-1"  
CHOKE MANIFOLD & CLOSING UNIT

POGO PRODUCING COMPANY  
CIMARRON "23" FEDERAL #5  
UNIT "N" SECTION 23  
T26S-R29E EDDY CO. NM

SECTION 23 T26S-R29E  
EDDY CO. NM



EXISTING ROAD     ————  
PROPOSED ROAD     - - - - -  
PROPOSED FLOWLINE - - - - -

EXHIBIT "F"  
ROUTE OF PROPOSED ROADS  
FLOWLINES & POWERLINES

POGO PRODUCING COMPANY  
CIMARRON "23" FEDERAL #5  
UNIT "N"     SECTION 23  
T26S-R29E     EDDY CO. NM

# STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

OPERATOR NAME: POGO PRODUCING COMPANY

ADDRESS; P.O. BOX 10340

CITY,STATE, & ZIP: MIDLAND, TEXAS 79702-7340

The above operator accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below.

Lease No: NM-11038

Well name: CIMARRON "23" FEDERAL 3,4,5  
PITA "14" FEDERAL # 1

Legal Description of land: Section 14 & 23 T26S-R29E EDDY CO. NM.

Bond coverage: BLANKET

B.L.M. Bond File No.: WY-0405

Authorized Signature

*Joe T. Janica*

Title: AGENT

Date: 06/07/04