

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
1201 W. Grand Avenue

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL ARTESIAN WELL 88210

1a. TYPE OF WORK
DRILL ☒ DEEPEN ☐ 645

b. TYPE OF WELL
OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR
POGO PRODUCING COMPANY (RICHARD WRIGHT 432-685-8140)

3. ADDRESS AND TELEPHONE NO.
P.O. BOX 10340 MIDLAND, TEXAS 79702-7340 (432-685-8100)

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface
330' FSL & 1650' FWL SECTION 14 T26S-R29E EDDY CO. NM
At proposed prod. zone SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
Approximately 17 miles Southeast of Malaga New Mexico

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 330'

16. NO. OF ACRES IN LEASE 1280

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. NA

19. PROPOSED DEPTH 5300'

20. ROTARY OR CABLE TOOLS ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 2921' GR.

22. APPROX. DATE WORK WILL START

23. 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
WITNESS 12 1/2"	J-55 8 5/8"	32	600'	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 preventer program, if any.

24. SIGNED Joe G. Lara TITLE Agent RECEIVED AUG 05 2004 DATE 06/03/04

(This space for Federal or State office use)

OCB-ARTESIA

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:

/s/ Joe G. Lara

ACTING

FIELD MANAGER

3 AUG 2004

APPROVED BY TITLE DATE

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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-1
March 12, 2004

For drilling and production facilities, submit 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: Pita 14 Fed #1 API #: _____ U/L or Qtr/Qtr N Sec 14 T 26 R 29
County: Eddy Latitude 32 02 07.8N Longitude 103 57 28W NAD: 1927 ☒ 1983 ☐ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

Pit	Below-grade tank
Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Volume <u>8400</u> bbl	Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____
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.

Approval

Date: AUG 13 2004

Printed Name/Title Wild Sep ID

Signature Wild Sep ID

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 8080	Pool Name BRUSHY DRAW-DELAWARE
Property Code	Property Name PITA "14" FEDERAL	Well Number 1
OGRID No. 17891	Operator Name POGO PRODUCING COMPANY	Elevation 2921'

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	14	26 S	29 E		330	SOUTH	1650	WEST	EDDY

Bottom Hole Location If Different From Surface

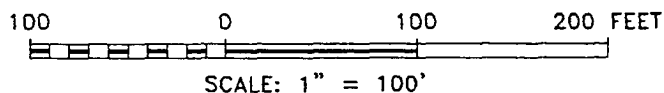
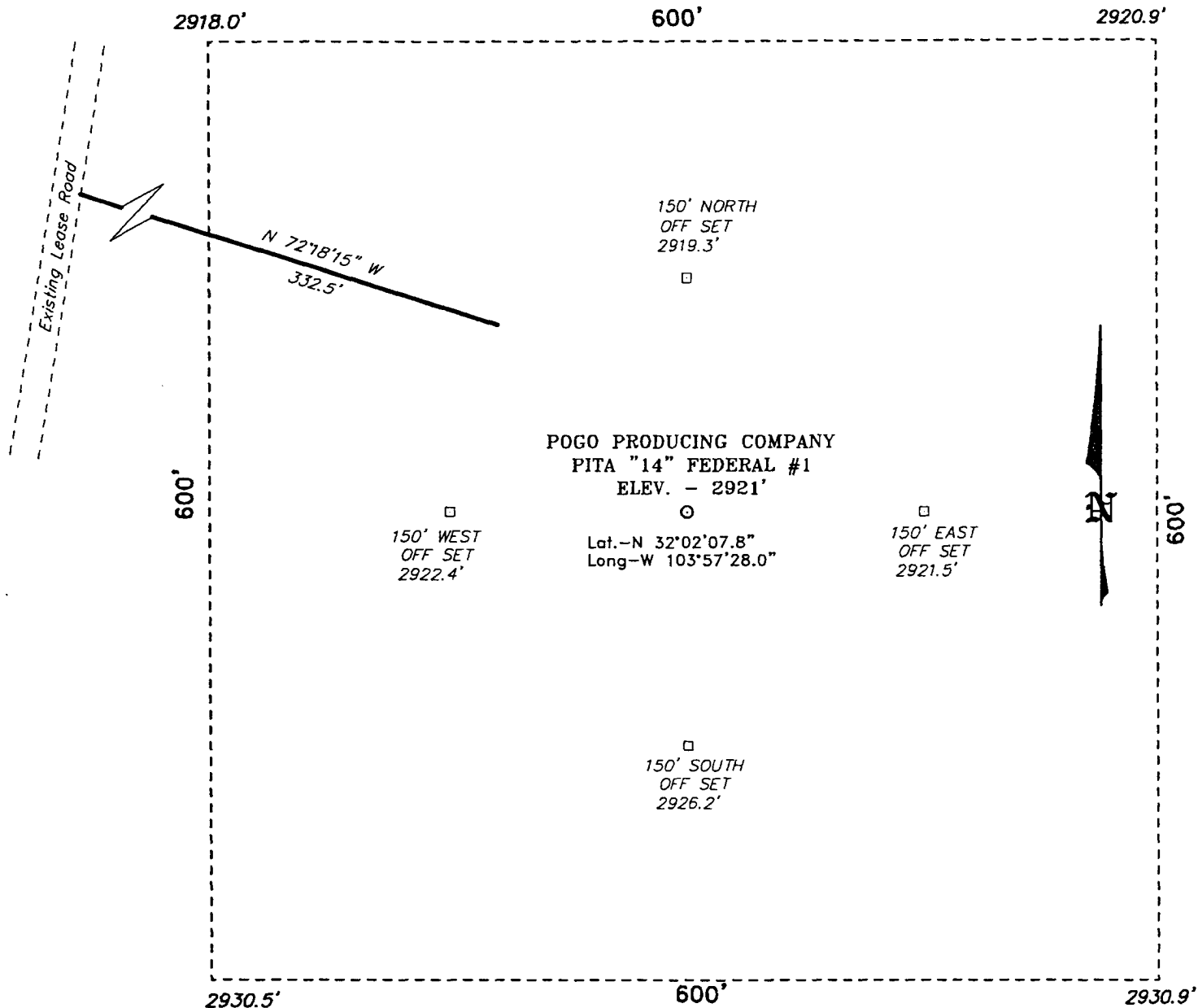
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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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>Lat.: N32°02'07.8"</p> <p>Long.: W103°57'28.0"</p> <p>2918.0' 2920.9'</p> <p>1650' 330'</p> <p>2930.5' 2930.9'</p> <p>EXHIBIT "A"</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></p> <p>Signature</p> <p>Joe T. Janica</p> <p>Printed Name</p> <p>Agent</p> <p>Title</p> <p>06/03/04</p> <p>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 & Seal of</p> <p>Professional Surveyor</p> <p>W.O. No. 4238</p> <p>Certificate No. Gary L. Jones 7977</p> <p>JLP BASIN SURVEYS</p>
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SECTION 14, TOWNSHIP 26 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF CO. RD. 726 AND CO. RD. 725, GO NORTHEAST ON CO. RD. 725 FOR 1.2 MILES TO PROPOSED LEASE ROAD.

POGO PRODUCING CO.

REF: PITA "14" FEDERAL #1 / Well Pad Topo

THE PITA "14" FEDERAL No. 1 LOCATED 330' FROM THE SOUTH LINE AND 1650' FROM THE WEST LINE OF SECTION 14, TOWNSHIP 26 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

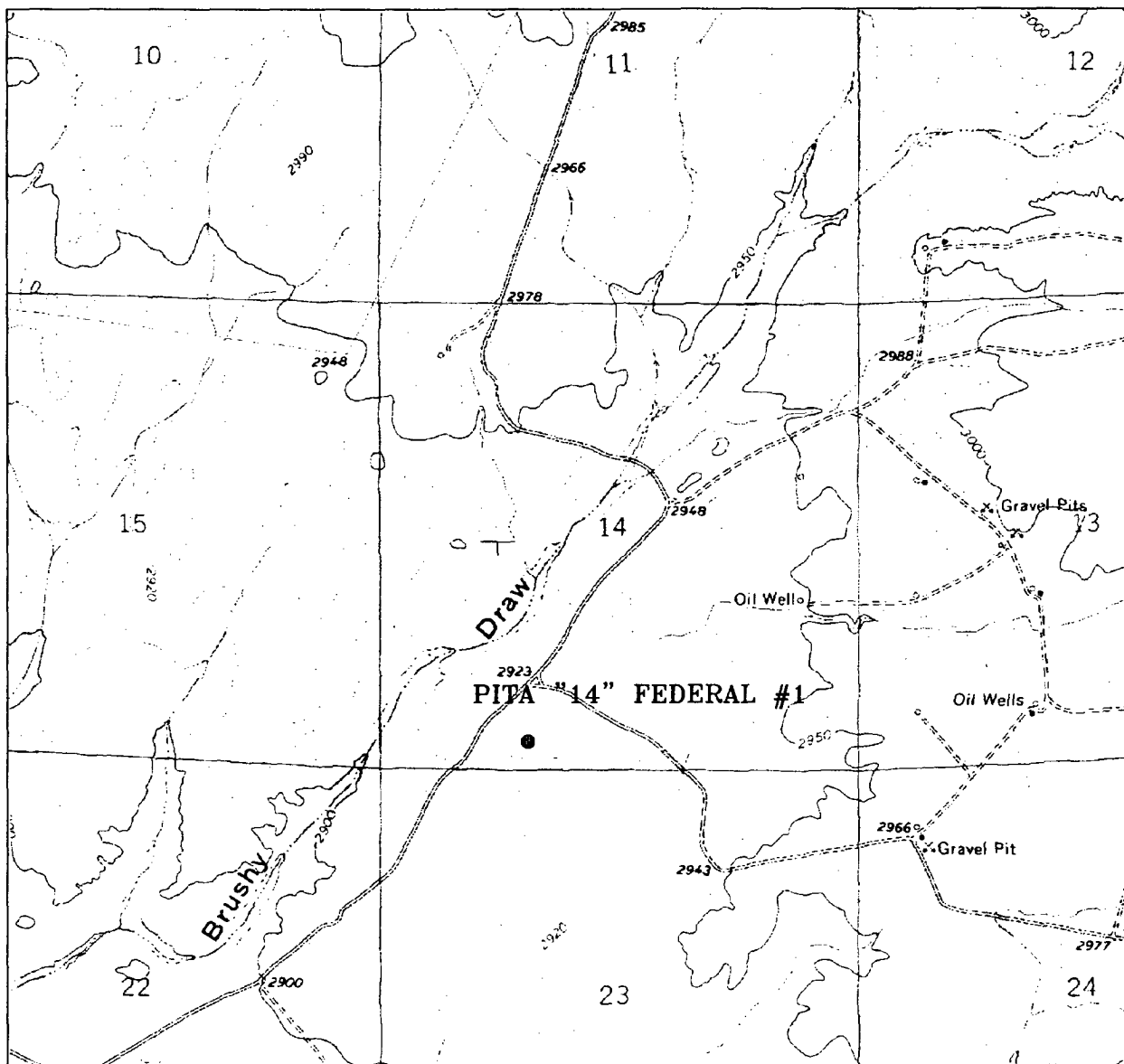
BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 4238 Drawn By: J. PRESLEY

Date: 05-04-2004 Disk: JLP CD#1 - 4238A.DWG

Survey Date: 04-30-2004

Sheet 1 of 1 Sheets



PITA "14" FEDERAL #1

Located at 330' FSL and 1650' FWL

Section 14, 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 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-3074 - Fax
basinsurveys.com

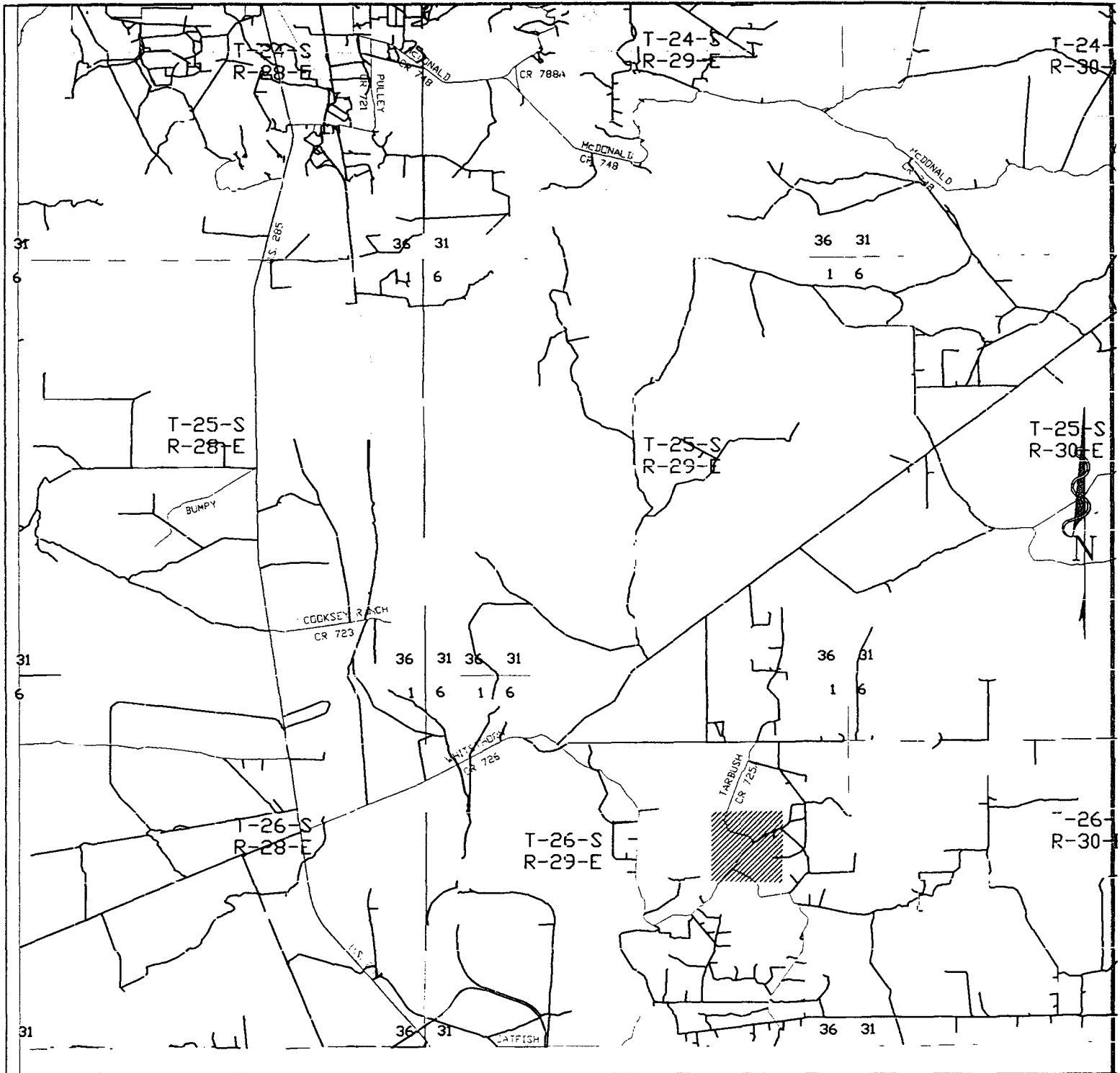
W.O. Number: 4238AA - JLP CD#1

Survey Date: 04/30/04

Scale: 1" = 2000'

Date: 05/04/04

POGO
PRODUCING
COMPANY



PITA "14" FEDERAL #1

Located at 330' FSL and 1650' FWL
 Section 14, Township 26 South, Range 29 East,
 N.M.P.M., Eddy County, New Mexico.



focused on excellence
 in the oilfield

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: 4238AA - JLP CD#1

Survey Date: 04/30/04

Scale: 1" = 2000'

Date: 05/04/04

**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 & 1650' FWL SECTION 14 T26S-R29E EDDY CO. NM
2. Elevation above Sea Level: 2921' 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
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8. Casing program:

Hole size	Interval	OD of casing	Weight	Thread	Collar	Grade
25"	0-40	20"	NA	NA	NA	Conductor
12 1/4"	0-600'	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 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
40-600'	8.4-8.7	29-32	NC	Fresh water spud mud use paper to control seepage.
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 H²S in this area. If H²S 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 H₂S safety instructor to the following:
 - A. Characteristics of H₂S
 - B. Physical effects and hazards
 - C. Proper use of safety equipment and life support systems.
 - D. Principle and operation of H₂S detectors, warning system and briefing areas.
 - E. Evacuation procedure, routes and first aid.
 - F. Proper use of 30 minute pressure demand air pack.
2. H₂S Detection and Alarm Systems
 - A. H₂S 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, H₂S 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 H₂S has on tubular goods and other mechanical equipment.
9. If H₂S 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 H₂S 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 4.7 miles, turn Right on to lease road (newly constructed) go approximately 350' to location.

C. Exhibit "F" shows the anticipated routes of flowlines and roads into these well locations.

2. PLANNED ACCESS ROADS: Approximately 350' 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.

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 furthed 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

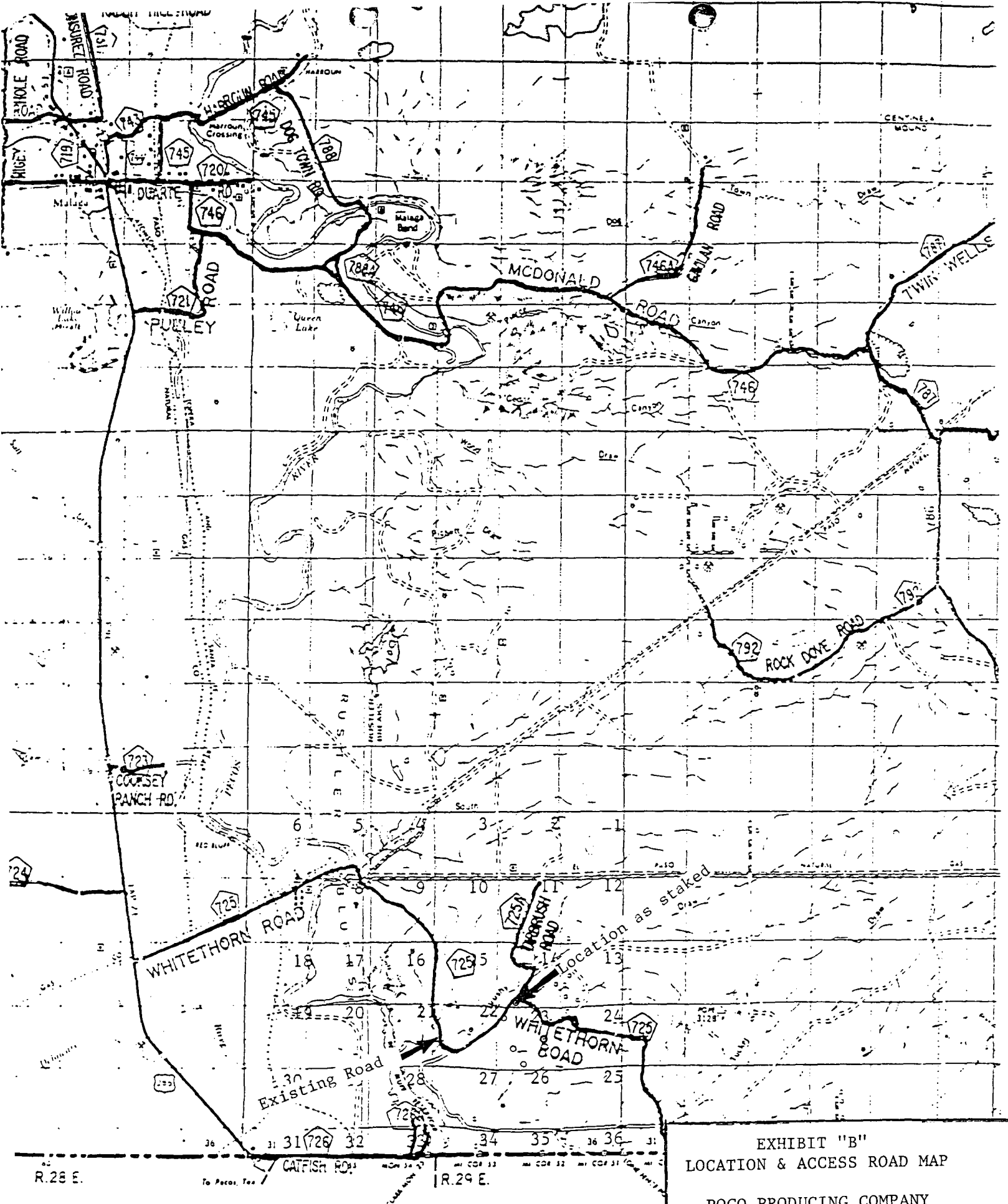


EXHIBIT "B"
LOCATION & ACCESS ROAD MAP

POGO PRODUCING COMPANY
PITA "14" FEDERAL #1
UNIT "N" SECTION 14
T26S-R29E EDDY CO. NM

REEVES CO.

L C

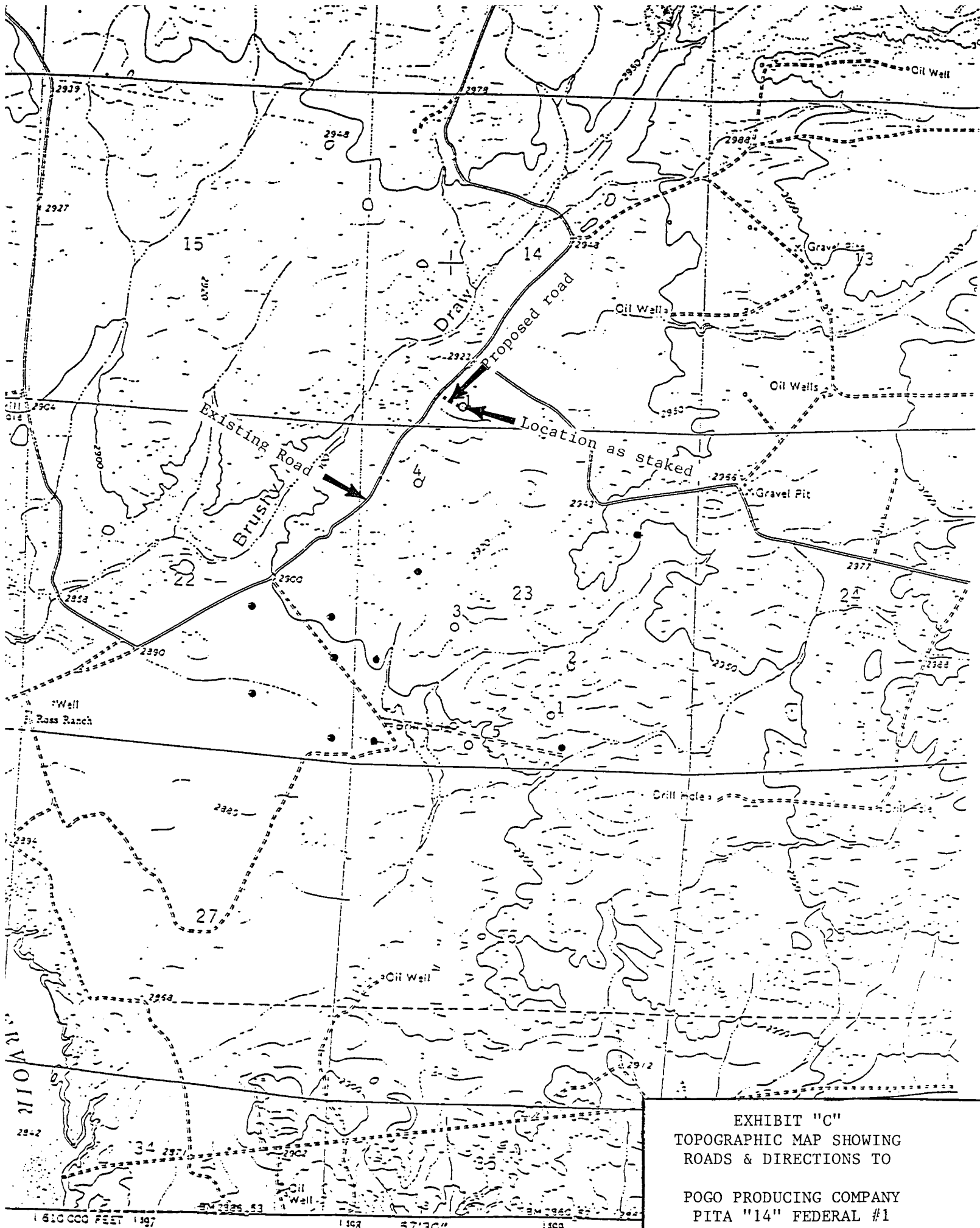


EXHIBIT "C"
 TOPOGRAPHIC MAP SHOWING
 ROADS & DIRECTIONS TO

POGO PRODUCING COMPANY
 PITA "14" FEDERAL #1
 UNIT "N" SECTION 14
 T26S-R29E EDDY CO. NM

The diagram illustrates the layout of a well site. At the top, a large rectangular area is labeled "OUTSIDE PIT" with a width of 100'. Inside this area is a smaller rectangle labeled "INSIDE PIT". Below the pits, a horizontal line indicates a depth of 5' DEEP. To the right of the pits, a note states "RESERVE SHOULD BE PUSHED OUT". Below the 5' DEEP line, a horizontal line indicates a depth of 10'. Further down, a horizontal line indicates a depth of 20'. The main horizontal structure is labeled "RIG" and "BOOM", with a width of 100'. To the left of the rig are two "MUD PUMP" units. To the right of the rig are "PIPE RACKS". Below the rig, a vertical structure is labeled "DOGHOUSE" with a height of 120'. To the left of the doghouse is a "WATER TANK" and a "H M" unit. Below the doghouse is a "CELLAR" which is a "4X6X4 BOX" and a note specifies "(Cellar should not be dug with dozer)".

Location Specs

POGO PRODUCING COMPANY
PITA "14" FEDERAL #1
UNIT "N" SECTION 14
T26S-R29E EDDY CO. NM

PITA 14 FED # 1 BOP SCHEMATIC

11" 2M

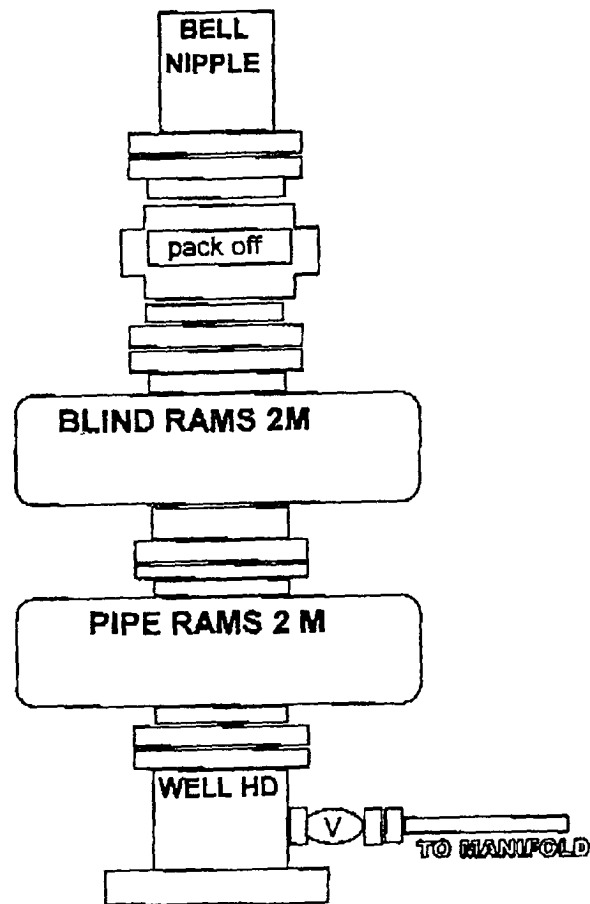


EXHIBIT "E"
SKETCH OF B.O.P. TO BE USED ON

POGO PRODUCING COMPANY
PITA "14" FEDERAL #1
UNIT "N" SECTION 14
T26S-R29E EDDY CO. NM

PITA 14 FED # 1 CHOKE MANIFOLD

3000 PSI WP

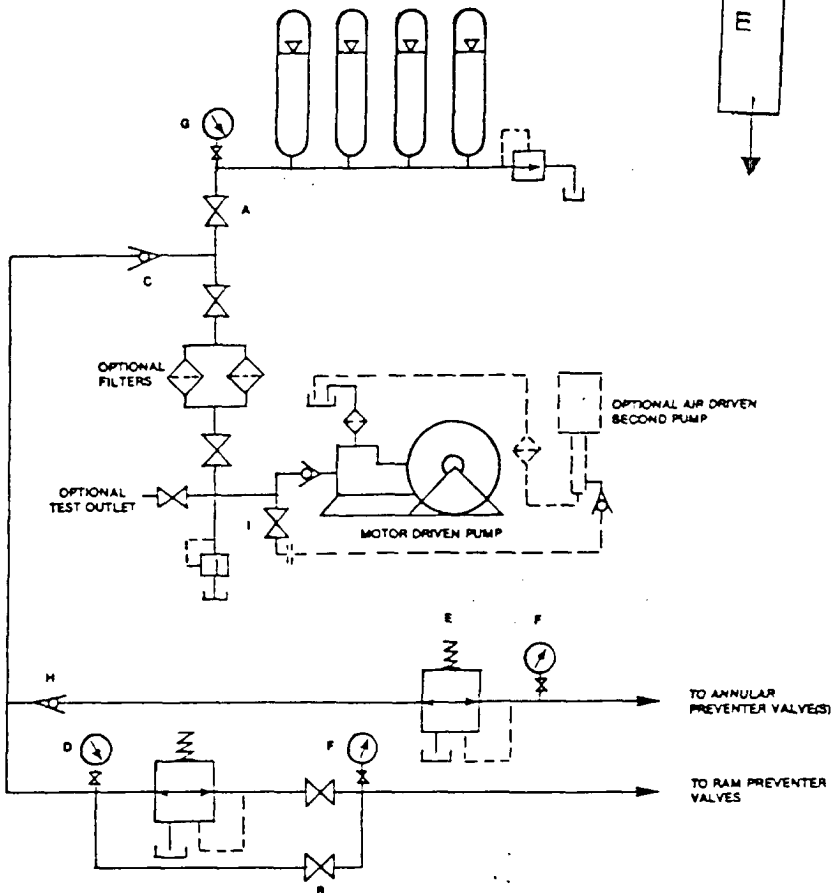
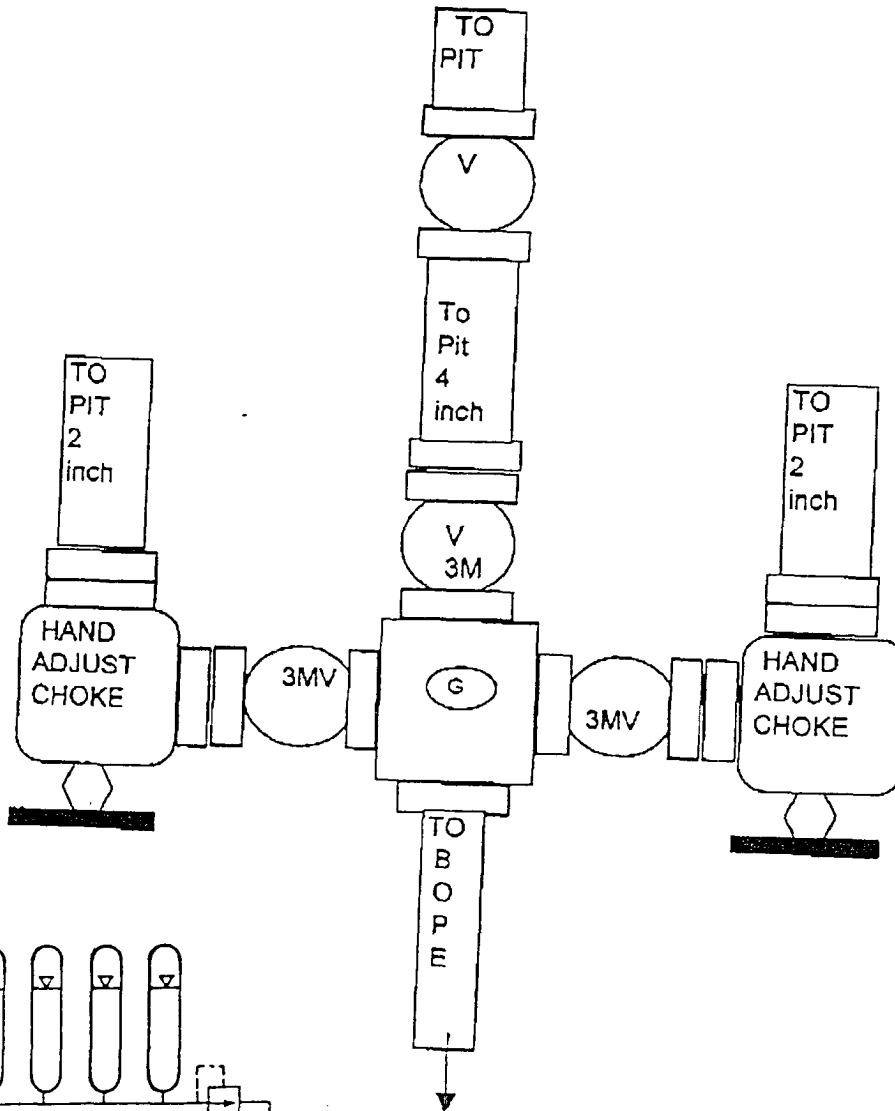


EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

POGO PRODUCING COMPANY
PITA "14" FEDERAL #1
UNIT "N" SECTION 14
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


Title: AGENT

Date: 06/07/04