

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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FEB 25 2005

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.		6. If Indian, Allottee or Tribe Name
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	CONFIDENTIAL	7. If Unit or CA/Agreement, Name and/or No.
2. Name of Operator Pogo Producing Company		8. Well Name and No. Palladium 7 Federal #9
3a. Address P.O. Box 10340, Midland, TX		9. API Well No. 30-015-33732
3b. Phone No. (include area code) 432-635-8100		10. Field and Pool, or Exploratory Area Sand Dunes Delaware South
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 330' FSL & 1980' FEL, Section 7, T24S, R31E		11. County or Parish, State Eddy County, NM

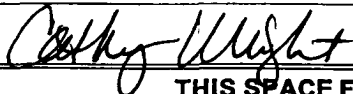
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Drill operations</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Intermediate Csg - Drld 11" hole to 4193'. TD reached @ 05:30 hrs 01/19/05. Ran 94 jts 8-5/8" 32# J-55 LT&C csg. Cmt'd w/ 1100 sks 35:65 POZ C @ 12.4 ppg followed by 200 sks Cl "C" + 1% CaCl2 @ 14.8 ppg. Plug down @ 22:30 hrs 01/19/05. Circ 80 sks to surface. WOC 18 hrs. Make cut-off. Install WH. NU BOP's & test ok.

TD & Production Csg - Drld 7-7/8" hole to 8308'. TD reached @ 18:00 hrs 01/26/05. Logged w/ Halliburton. Ran 188 jts 5-1/2" 15.5# & 17# J-55 LT&C csg. Cmt'd 1st stage w/ 775 sks Cl "H" + additives @ 15.7 ppg. Cmt'd 2nd stage w/ 700 sks Cl C + additives @ 12.4 ppg. Circ 115 sks to surface. Cmt'd 3rd stage w/ 300 sks 65:35 POZ C @ 12.4 ppg followed by 200 sks Cl "C" + 2% CaCl2 @ 14.8 ppg. Circ 106 sks to surface. Ran CBL 02/05/05. TOC @ surface.

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Cathy Wright	Title Sr Eng Tech
Signature 	Date 02/24/05

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice 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.	Office _____	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Instructions on page 2)