1a. TYPE OF WORK

b. TIPE OF WELL WELL X

23.

2+.

SIGNE

APPROVED BY .

CONDITIONS OF APPROVAL IF ANY:

204, 71.7

/s/ Jesse J. Juen

25"

11"

WITNESS17岁"

SIZE OF HOLE

*See Instructions On Reverse Side APPROVAL FOR 1 YEAR Title 13 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the

ACTING

Application approval does not womant or certify that the applicant holds legal or equitable title to those rights in the subject lesse which would entitle the applicant to certify that the applicant holds legal or equitable title to those rights in the subject lesse which would entitle the applicant to certify that the applicant holds legal or equitable title to those rights in the subject lesse which would entitle the applicant to certify that the applicant holds legal or equitable title to those rights in the subject lesse which would entitle the applicant to certify that the applicant holds legal or equitable title to those rights in the subject lesse which would entitle the applicant to certify that the applicant holds legal or equitable title to those rights.

STATE DIRECTOR

MAY - 2 2005

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

Approva

Printed Name/Title

State of New Mexico Energy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fc office

RECEIVED

Form C-144

March 12, 2004

Pit or Below-Grade Tank Registration or Closure

MAR 0 1 2005

Is pit or below-grade tank covered by a "general plan"? Yes No X Type of action: Registration of a pit or below-grade tank X Closure of a pit or below-grade tank 432-685-8100 Telephone: Operator: Pogo Producing Company e-mail address: wrightc@pogoproducing.com 79702-7340 P.O. Box 10340, Midland, TX Facility or well name: Palladium 7 Fed #12 API# 30-015-34104 U/L or Qtr/Qtr I Sec 7 T 24 R31 Latitude 32:13:45N Longitude 103:48:37.9WAD: 1927 K 1983 Surface Owner Federal X State Private Indian Pit Below-grade tank Type: Drilling X Production Disposal Volume: _bbl Type of fluid: ___ Construction material: Lined I Unlined Double-walled, with leak detection? Yes If not, explain why not. Liner type: Synthetic XX Thickness 12 mil Clay Volume 16000ы Less than 50 feet (20 points) Depth to ground water (vertical distance from bottom of pit to seasonal high 50 feet or more, but less than 100 feet (10 points) water elevation of ground water.) 100 feet or more (0 points) Х Yes (20 points) Wellhead protection area: (Less than 200 feet from a private domestic Nο (0 points) water source, or less than 1000 feet from all other water sources.) 0 Х Less than 200 feet (20 points) Distance to surface water: (horizontal distance to all wetlands, playas, 200 feet or more, but less than 1000 feet (10 points) irrigation canals, ditches, and perennial and ephemeral watercourses.) 1000 feet or more (0 points) Х Ranking Score (Total Points) 0 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 figure of facility __. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No Tyes I 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 guidelines🄀 a general permit 🗋, or an (attached) alternative OCD-approved plan 🗍. Date: 02/28/05 Printed Name/Title_ Cathy Wright, Sr Eng Tech Signature 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.

Signature

Water Resources

Data Category:
Site Information

Geographic Area:

New Mexico



Site Map for New Mexico

USGS 321205103544701 24S.30E.19.42113

Available data for this site

site map ▼ GO

Eddy County, New Mexico Hydrologic Unit Code Latitude 32°12'05", Longitude 103°54'47" NAD27 Gage datum 3,167.00 feet above sea level NGVD29 Location of the site in New Mexico. Site map. USGS Station 321205103544701 ZOOM IN <u>2X</u>, <u>4X</u>, <u>6X</u>, <u>8X</u>, or ZOOM OUT <u>2X</u>, <u>4X</u>. <u>6X</u>. <u>8X</u> Maps are generated by **US Census Bureau TIGER Mapping Service.**

Questions about data New Mexico NWISWeb Data Inquiries Feedback on this websiteNew Mexico NWISWeb Maintainer NWIS Site Inventory for New Mexico: Site Map http://waterdata.usgs.gov/nm/nwis/nwismap?

Top Explanation of terms

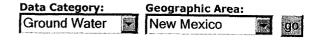
Retrieved on 2005-02-25 17:54:05 EST

Department of the Interior, U.S. Geological Survey

USGS Water Resources of New Mexico

Privacy Statement || Disclaimer || Accessibility || FOIA

Water Resources



Ground-water levels for New Mexico

Search Results -- 1 sites found

Search Criteria

site_no list = • 321205103544701

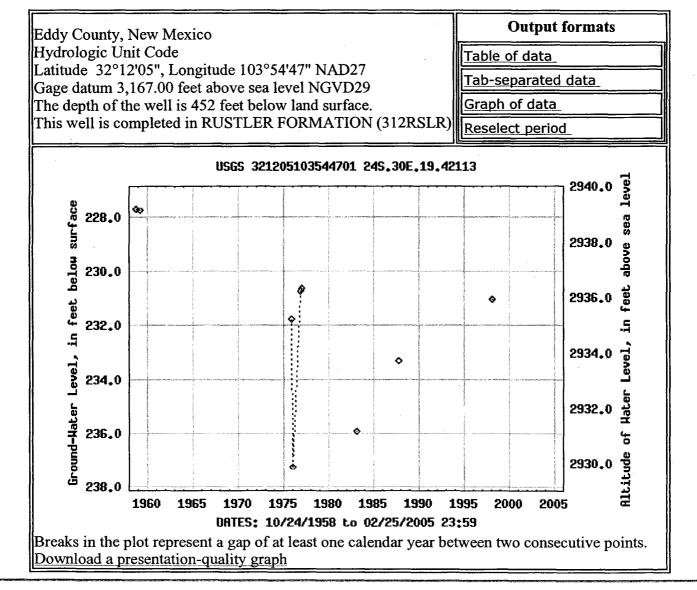
Save file of selected sites to local disk for future upload

USGS 321205103544701 24S.30E.19.42113

Available data for this site

Ground-water: Levels





Questions about data New Mexico NWISWeb Data Inquiries
Feedback on this websiteNew Mexico NWISWeb Maintainer

Top Explanation of terms

Great Circle Calculator.

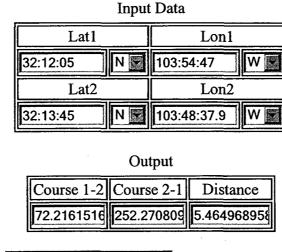
By Ed Williams

You need Javascript enabled if you want this page to do anything useful! For Netscape, it's under Options/Network Preferences/Languages.

Compute true course and distance between points.

Enter lat/lon of points, select distance units and earth model and click "compute". Lat/lons may be entered in DD.DD, DD:MM.MM or DD:MM:SS.SS formats.

Note that if either point is very close to a pole, the course may be inaccurate, because of its extreme sensitivity to position and inevitable rounding error.



Distance Units: nm 🗾	Earth model:	Spherical (1'=1nm)	
Compute Reset			

Compute lat/lon given radial and distance from a known point

Enter lat/lon of initial point, true course and distance. Select distance units and earth model and click "compute". Lat/lons may be entered in DD.DD, DD:MM.MM or DD:MM:SS.SS formats.

Note that the starting point cannot be a pole.

Input data

Lat1 Lon1

0:00.00 N 0:00.00 W
Course 1-2 Distance 1-2

360 0.0

N. French Dr., Hobbs, NM 88240

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised March 17, 1999

hmit to Annuality Division

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

DISTRICT II 811 South First, Artesia, NM 88210

DISTRICT IV

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

24 S

2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

2040 South Pacheco

☐ AMENDED REPORT

EDDY

WELL LOCATION AND ACREAGE DEDICATION PLAT

Santa Fe, New Mexico 87504-2088

API Num	iber		Pool Code Pool Name 53818 SAND DUNES-DELAWARE SOUTH						
Property Code		Property Name				Well Number			
		PALLADIUM "7" FEDERAL 1.				12	2		
OGRID No.		Operator Name				Eleva	tion		
17891	1	POGO PRODUCING COMPANY 3528'				8'			
Surface Location									
L or lot No. Se	ction	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

31 E 1650 SOUTH 660 EAST 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 Joint or Infill Consolidation Code Order No. 40

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

OR A NOI	-SIANDARD UNII HAS BEI	ATTROVED DI TI	E DIVISION
	C-STANDARD UNIT HAS BEI	ATTROVED DI TI	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature Joe T Vanica Printed Name Agent Title 02/21/05 Date SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of
	Lat.: N32°13'45.0" Long.: W103°48'37.9"	3516.5'3539.3'	actual surveys made by me or under my supervison and that the same is true and correct to the best of my belief. FEBRUARY 16, 2005 Date Surveyed
	EXHIBIT "A"	3525.3' 3536.0'	Signature & Seal of Professional Surveyor 7977 Certificate New Good L. Johnson 7977 Basin Surveyor 7977

SECTION 7, TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO. 600' 3516.5 3539.2' 150' NORTH OFF SET 3531.2 280' Prop. Lease Rd. POGO PRODUCING COMPANY PALLADIUM "7" FEDERAL #12 ELEV. - 3528' Ð 0 150' EAST OFF SET 150' WEST OFF SET Lat.-N 32°13'45.0" Long-W 103°48'37.9" 3532.2' 3524.5'

© © 150' EAST
OFF SET Lat.—N 32'13'45.0" 150' EAST
OFF SET Long—W 103'48'37.9" 3532.2'

150' SOUTH
OFF SET
3527.7'

100 0 100 200 FEET

SCALE: 1" = 100'

Directions to Location:

Date: 02-18-2005

3525.3

FROM THE JUNCTION OF STATE HWY 128 AND CO. RD. 787, GO SOUTH ON 787 FOR 4.5 MILES TO PROPOSED LEASE ROAD.

] 7

5129A.DWG

600'

REF: PALLADIUM "7" FEDERAL #12 / Well Pad Topo

POGO PRODUCING CO.

THE PALLADIUM "7" FEDERAL No. 12 LOCATED 1650' FROM THE SOUTH LINE AND 660' FROM THE EAST LINE OF SECTION 7, TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

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

Disk: KJG CD#1 -

W.O. Number: 5129 Drawn By: K. GOAD

Survey Date: 02-16-2005

Sheet 1

1 Sheets

3536.0'

APPLICATION TO DRILL

POGO PRODUCING COMPANY PALLADIUM "7" FEDERAL # 12 UNIT "I" SECTION 7 T24S-R31E EDDY CO. NM

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 of well: 1650' FSL & 660' FEL SECTION 7 T24S-R31E EDDY CO. NM
- 2. Ground Elevation above Sea Level: 3528' GR.
- 3. Geological age of surface formation: Quaternary Deposits:
- 4. <u>Drilling tools and associated equipment:</u> Conventional rotary drilling rig using drilling mud as a circulating medium to remove solids from hole.
- 5. Proposed drilling depth: 8400'
- 6. Estimated tops of geological markers:

Basal Anhydrite	4020'	Manzanita	5340'
Delaware Lime	4240'	Brushy Canyon	6400'
Bell Canyon	4260 '	Bone Spring	8070'
Cherry Canyon	5160'	TD	8400

7. Possible mineral bearing formations:

Manzanita Oil
Bone Spring Oil

8. Casing Program:

Hole Size	Interval	OD of Casing	Weight	Thread	Collar	Grade
25"	0-40	20"	NA	NA	NA	Conductor
17½"	0-975	13 3/8"	48#	8-R	ST&C	н-40
11"	0-4150'	8 5/8".	32#	8-R	ST&C	J - 55
7 7/8"	0-8400'	5½''	17 & 15.5	8-R	LT&C	J-55

APPLICATION TO DRILL

POGO PRODUCING COMPANY
PALLADIUM "7" FEDERAL # 12
UNIT "I" SECTION 7
T24S-R31E EDDY CO. NM

9. CEMENTING & CASING SETTING DEPTHS:

20"	Conductor	Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
13 3/8"	Surface	Set 975' of 13 $3/8$ " $48\#$ H-40 ST&C casing. Cement with 600 Sx. of 65/35/6 Class "C" POZ-Gel + 5% Salt, tail in with 200 Sx. of Class "C" cement + 2% CaCl, + ½# Flocele/Sx. circulate cement to surface.
8 5/8''	Intermediate	Set 4150' of 8 $5/8$ " $32\#$ J-55 ST&C casing. Cement with 1000 Sx. of $65/35/6$ Class "C" POZ-Gel + 5% NaCl, tail in with 200 Sx. of Class "C" cement + 2% CaCl, circulate cement to surface.
5½"	Production	Set 8400' of $5\frac{1}{2}$ " casing as follows: 2400' of $5\frac{1}{2}$ " $17\#$ J-55 LT&C, 5000' of $5\frac{1}{2}$ " $15.5\#$ J-55 LT&C, 1000' of $5\frac{1}{2}$ " $17\#$ J-55 LT&C casing. Cement in 3 stages with DV Tools at $5800'\pm$ & $3700'\pm$. Cement 1st stage with 650 Sx. of Class "H" Premium Plus cement + additives, cement 2nd stage with 600 Sx. of Class "C" cement + $8\#$ Gilsonite/Sx., cement 3rd stage with 400 Sx. of $65/35/6$ Class "C" POZ-Gel, tail in with 100 Sx. of Class "C" cement + 1% CaCl, circulate cement to surface.

10. PRESSURE CONTROL EQUIPMENT: Exhibit "E" shows a 2000 PSI WP B.O.P. consisting of a stripper head instead of an annular preventor, blind rams, & pipe rams. This B.O.P. stack is being used because of substructure height limitations, this stack will be nippled up on the 8 5/8" at 4150'. Pressures encountered while drilling this well are not expected to exceed 1800 PSI. Pogo Producing Company requests permission for a 3rd party test of this B.O.P. arrangement after setting intermediate casing at 4150'±. The B.O.P. will be tested according to API specifications. Exhibit "E-1" shows a manually operated choke manifold, as no remote B.O.P. closing equipment will be necessary.

11. PROPOSED MUD CIRCILATING SYSTEM:

ÐEPTH	MUD WT.	VISC.	FLUID LOSS	TYPE MUD
40-975'	8.4-8.7	29-34	NC	Fresh water use paper to control seepage.
975-4150'	10.1-10.3	29–36	NC	Brine water use paper to control seepage and use high viscositu sweeps to clean hole.
4150-8400'	8.4-8.7	29-38	NC*	Fresh water add Gel for high viscosity sweeps to clean
If water loss	control is requ	ired to log.	run casing	hole.

^{*} If water loss control is required to log, run casing hole. or run DST's use a Dris-pac system.

Sufficient mud materials will be kept on location at all times in order to combat lost circulation, of unexpected kicks, In order to run logs, casing, and/or DST's the water loss and viscosity may have to be adjusted to meet these needs.

_ ^

APPLICATION TO DRILL

POGO PRODUCING COMPANY
PALLADIUM "7" FEDERAL # 12
UNIT "I" SECTION 7
T24S-R31E EDDY CO. NM

12. LOGGING, CORING, AND TESTING PROGRAM:

- A. Open hole logs: Dual Induction, LDT, SNP Gamma Ray, Caliper from TD to the 8 5/8" casing shoe.
- B. Cased hole log: Gamma Ray, Neutron from \$5/8" casing shoe back to surface.
- C. Mud logger to be rigged up on hole at 4150' and remain on hole to TD.
- D. No DST's, or cores are planned at this time.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. There is no known presence of ${\rm H^2S}$ in this area. If ${\rm H^2S}$ 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 ________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 $\frac{25}{2}$ days. If production casing is run then an additional $\frac{30}{2}$ days will be needed to complete well and construct surface facilities and/or lay flowlines in order to place well on production.

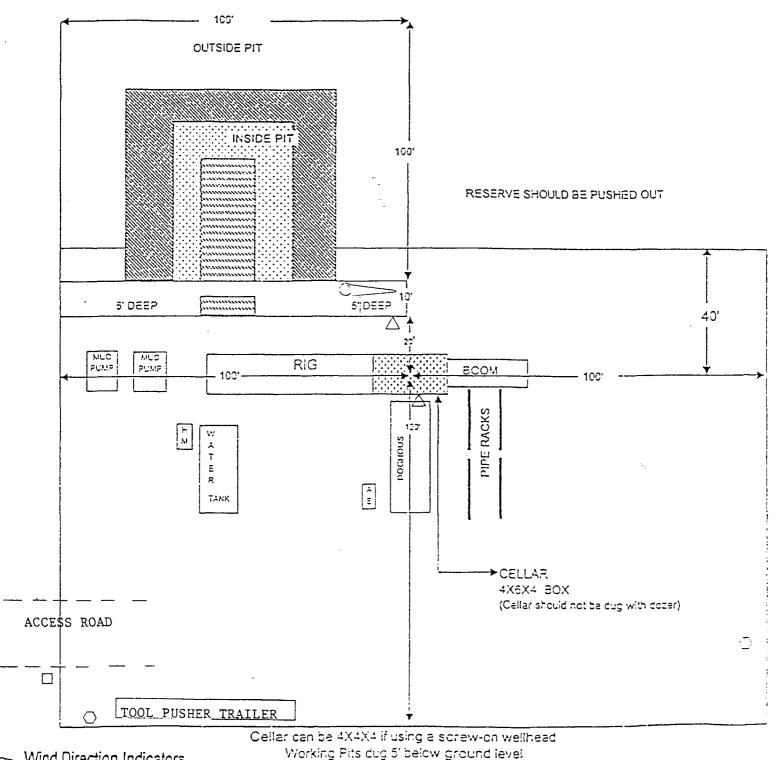
15. OTHER FACETS OF OPERATIONS:

After running casing, cased hole Gamma Ray, Neutron Collar logs will be run from TD back to all possible productive zones. The <u>Bone Spring</u> formation will be perforated and stimulated in order to establish production. The well will be swab tested and potentialed as an oil well.

- 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 hazzards
 - C. Proper use of safety equipment and life support systems.
 - D. Principle and operation of H_2S 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.

- 8. Drilling contractor supervisor will be required to be familiar with the effects H₂S has on tubular goods and other mechanical equipment.
- 9. If H_2S 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_2S scavengers if necessary.

FOR EARTH PITS



Wind Direction Indicators (wind sock or streamers)

△ H2S Monitors (alarms at bell nipple and shale shaker)

Briefing Areas

O Remote BOP Closing Unit

□ Sign and Condition Flags

Location Specs

EXHIBIT "D"
RIG LAY OUT PLAT

POGO PRODUCING COMPANY
PALLADIUM "7" FEDERAL # 12
UNIT "I" SECTION 7
T24S-R31E EDDY CO. NM

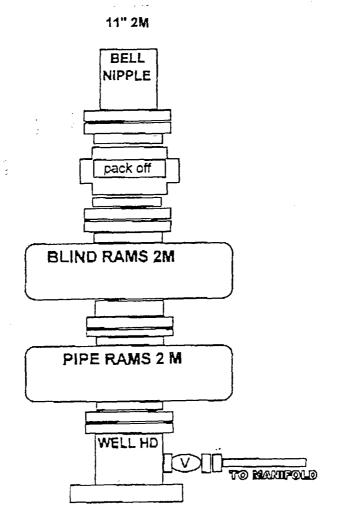


EXHIBIT "E"
SKETCH OF B.O.P. TO BE USED ON

POGO PRODUCING COMPANY
PALLADIUM "7" FEDERAL # 12
UNIT "I" SECTION 7
T24S-R31E EDDY CO. NM

CHOKE MANIFOLD

3000 PSI WP

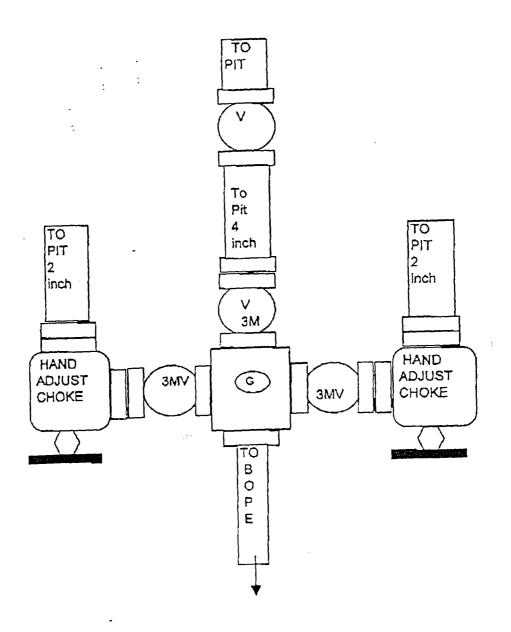


EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

POGO PRODUCING COMPANY
PALLADIUM "7" FEBERAL # 12
UNIT "I" SECTION 7
T24S-R31E EDDY CO. NM