RESUBMITTINEM. Oil Cons. DIV-Dist. 2 12/18/03

Form 3160-3 (July 1992)

UNITED STATES DEPARTMENT OF THE INTERIOR

1301 W. Grand Avenue ArteStayer 1 8821 Cxpires: February 28, 1995

0250

14-3/4

9-7/8

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25

-04		11	11	
-09	_	4	4	

5. LEASE DESIGNATION AND SERIAL NO.

			_		
NM	_/	£ 2	72	ፍ	

	BUREAU OF LAN	D MANAGEMEN	NT		' '	NM-45236	
APPLICA	TION FOR PER	MIT TO DR	ILL OR	DEEPEN		6. IF INDIAN, ALLOTTEE OR	TRIBE NAME
1a. TYPE OF WORK	ILL X	DEEPEN [R	-111 - POTA	SH	7. UNIT AGREEMENT NAME	
b. TYPE OF WELL			*				
OIL X	SAS OTHER		SING ZON		MULTIPLE ZONE	8. FARM OR LEASE NAME,	WELL NO.
2. NAME OF OPERATOR						Sterling Silv	er 33 Fed #12
Pogo Produci	ng Company					9. API WELL NO.	
3. ADDRESS AND TELEPHONE	NO.					30-013-3	3259
P. O. Box 10	340, Midland, TX	79702-73	40	432-685-8	100	10. FIELD AND POOL, OR W	
4. LOCATION OF WELL (Report	location clearly and in accordance	with any State require	ments.*)			Sand Dunes De	laware West
	FSL & 2310' FEL	, Section	33	R	ECEIVED	11. SEC., T., R., M., OR BLK AND SURVEY OR AREA	
At proposed prod. zone	Same			FI	EB 2:0 2004	Section 33, T	23S, R31E
14. DIST ANCE IN MILES AND D	IRECTION FROM NEAREST TO	WN OR POST OFFICE	•	001	D ADTECIA	12. COUNTY OR PARISH	13. STATE
Approximate1	y 25 miles East	of Loving	New M	exico OCI	D-ARIESIA	Eddy County	NM
15. DISTANCE FROM PROPOS LOCATION TO NEAREST	ED*		16. NO. OF	ACRES IN LEASE	17. NO. OF TO THIS	ACRES ASSIGNED	
PROPERTY OR LEASE LINE (Also to nearest drig. unit line,	FT 1980	, •	640		TOTALS	40	
18. DISTANCE FROM PROPOS	ED LOCATION*			SED DEPTH	20. ROTAR	Y OR CABLE TOOLS	-
TO NEAREST WELL, DRILLI OR APPLIED FOR, ON THIS		1	845	0'	Rota	ry	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 22. APPROX. DATE WORK WILL START*							
	3	402' GR				When approv	ed
23.		PROPOSED CAS	SING AND C	EMENTING PRO	OGRAM		
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER F	00Т	SETTING DEPT	гн	QUANTITY OF CEMEN	NT

Drill 25" hole to 40'. Set 40' of 20" conductor and cement to surface with Redi-mix.

NA

32,75 26.40

11.60

J-55,N-80 4-1/2

10 - 3/4

7-5/8

Conductor

H - 40

J-55

Drill 14-3/4" hole to 600°. Run & set 600° of 10-3/4" 32.75# H-40 ST&C csg. Cmt w/ 650 sks Cl "C" cmt + additives. Circulate cmt to 750 うらけ

40

8450

Drill 9-7/8" hole to 4250'. Run & set 4250' of 7-5/8" 26.4# J-55 ST&C csg. Cmt w/ 1200 sks Cl "C" cmt + additives. Circulate cmt to

Drill 6-3/4" hole to 8450'. Run & set 8450' 4-1/2" csg as follows: 1450' 4-1/2" 11.6# N-80 LT&C, 6000' 4-1/2" 11.6# J-55 LT&C, 1000' 4-1/2" 11.6# N-80 LT&C csg. Cmt in 2 stages. Stage tool @ 6200'±. Cmt w/ 1150 sks Cl "H" cmt + additives. Est TOC @ 3100'.

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

CARLSBAD CONTROLLED WATER BASIN

Cmt to surface w/ Redi-mix

1150 sk - Est TOC 3100'

600 WITNESS650 sk - circ to surface

4250WITNES\$1200 sk - circ to surface

IN ABOVE SPACE DESCRIBE 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

SIGNED Cathylllist	πτιε Sr. Operation Tech	DATE 12/17/03
(This space for Federal or State office use)		
PERMIT NO.	APPROVAL DATE	

CONDITIONS OF APPROVAL, IF ANY:

/s/	Jesse	J.	Juen
101	0 0330	•	Juci

ATE DIRECTOR TITLE

*See Instructions On Reverse Side

DISTRICT I P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name	
	53815	SAND DUNES-DELAWARE WEST	
Property Code		Well Number	
023597	STERLING SILVER 33 FED. 12		
OGRID No.	Operator Name		Elevation
17891	POGO PR	ODUCING COMPANY	3402

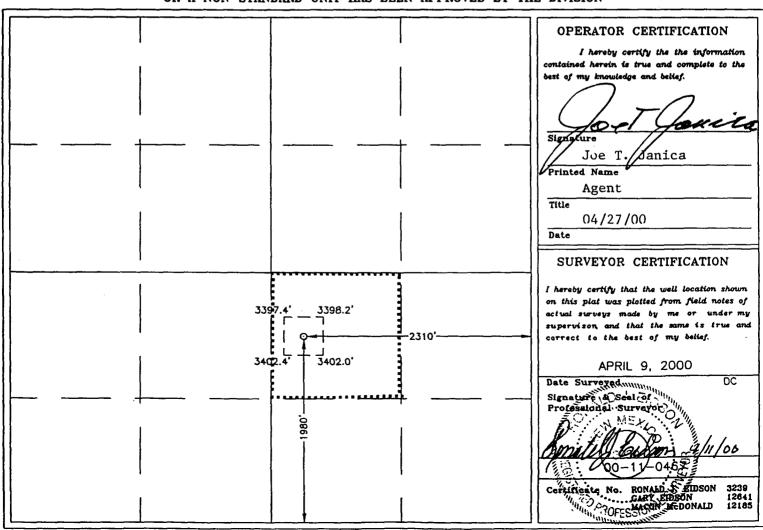
Surface Location

-	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	J	33	23 S	31 E		1980	SOUTH	2310	EAST	EDDY

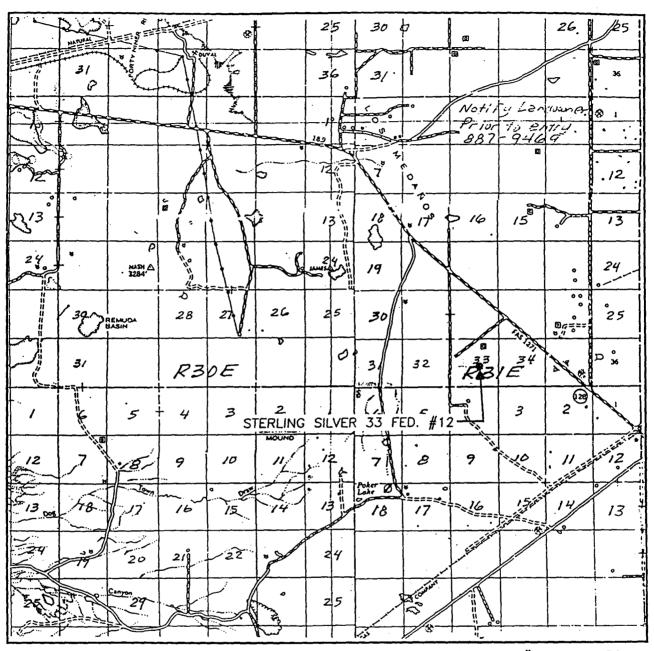
Bottom Hole Location If Different From Surface

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



VICINITY MAF

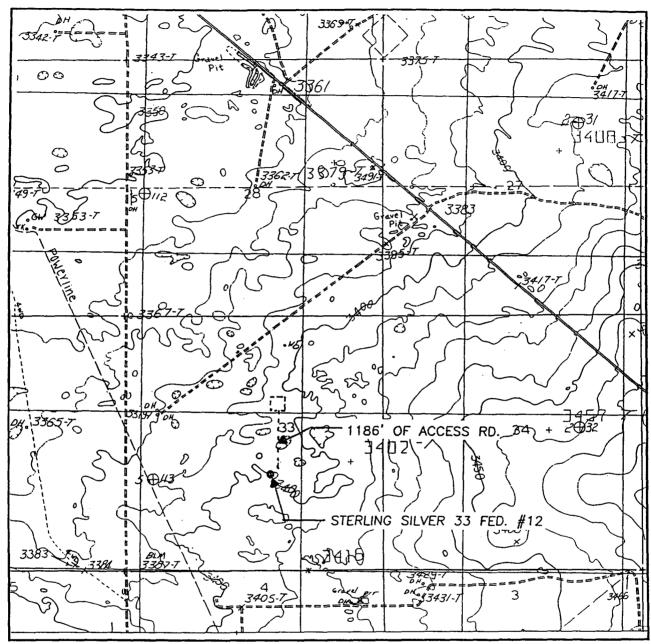


SCALE: 1" = 2 MILES

SEC. 33	TWP. 23-S RGE. 31-E
SURVEY	N.M.P.M.
COUNTY	EDDY
DESCRIPTIO	N 1980' FSL & 2310' FEL
ELEVATION_	3402
OPERATORE	OGO PRODUCING COMPANY
IEACE C	TEDLING SILVED 33 CED

JOHN WEST SURVEYING HOBBS, NEW MEXICO (505 393-3117

LOCATIO : VERIFICATIOI MAP



SCALE: 1'' = 2000'

LOS MEDANOS, N.M.

CONTOUR INTERVAL: LOS MEDANOS - 10'

SEC. 33 TWP. 23-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1980' FSL & 2310' FEL

ELEVATION 3402

OPERATOR POGO PRODUCING COMPANY

LEASE STERLING SILVER 33 FED.

U.S.G.S. TOPOGRAPHIC MAP

JOHN WEST SURVEYING HOBBS, NEW MEXICO (505 393-3117

And the second APPLICATION TO DRILL

POGO PRODUCING COMPANY STERLING SILVER "33" FEDERAL # 12 UNIT "J" SECTION 33

EDDY CO. NM T23S-R31E

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: 1980' FSL & 2310' FEL SEC. 33 T23S-R31E EDDY CO. NM
- 2. Elevation above Sea Level: 3402' GR.
- 3. Geologic name of surface formation: Quaternery 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: 84501
- 6. Estimated tops of geological markers:

Rustler Anhydrite	810'	Bell Canyon	4465 '
Salado	8651	Cherry Canyon	5485 '
Delaware Lime	4395'	Bone Spring	8250 ¹

7. Possible mineral bearing formations:

Delaware

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
14 3/4"	0-600750	10 3/4"	32.75	8-R	ST&C	H-40
9 7/8"	0-4250	7 5/8"	26.40	8-R	ST&C	J-55
6 3/4"	0-84501	415"	11.60	8-R	LT&C	N-30 J-55

APPLICATION TO DRILL

POGO PRODUCING COMPANY STERLING SILVER "33" FEDERAL # 12 UNIT "J" SECTION 33 T23S-R31E EDDY CO. NM

9. CEMENTING & SETTING DEPTH:

20"	Conductor	Set 40' of 20" conductor and cement to surface with Redi-mix.
10 3/4"	Surface WITNESS	Set 600 of 10 3/4" H-40 32.75# ST&C casing, cement with 650 Sx. of Class "C" cement + additives, circulate cement to surface.
7 5/8"	Intermediate WITNESS	Set 4250' of 7 5/8" J-55 26.4# ST&C casing, cement with 1200 Sx. of Class "C" cement + additives, circulate cement to surface.
4½"	Production	Set 8450' of $4\frac{1}{2}$ " N-80 & J-55 11.6# LT&C casing as follows: 1450' of $4\frac{1}{2}$ " 11.6# N-80 LT&C, 6000' of $4\frac{1}{2}$ " 11.6# J-55 LT&C, 1000' of $4\frac{1}{2}$ " 11.6# N-80 LT&C. Cement in two stages, stage tool at 6200'±. Cement with 1150 Sx. of Class "H" + additives estimate top of cement on second stage to be 3100' from surface.

10. PRESSURE CONTROL EQUIPMENT: Exhibit "E". A Series 900 3000 PSI working pressure B.O.P. consting of a double ram type preventor with a bag type annular preventor. The B.O.P. unit will be hydraulically operated. Exhibit "E-1". Choke manifold and closing unit. The B.O.P. will be nippled up on 10 3/4" casing and will be operated at least once each 24 hour period while drilling and blind rams will be operated when out of hole on trips. Full opening stabbing valve and upper kelly cock will be utilized. No abnormal pressure or temperature is expected while drilling.

11. PROPOSED MUD CIRCULATING SYSTEM:

	Depth	Mud Wt.	Visc.	Fluid Loss	Type Mud System
	40-6081 750	8.6-8.8	29-36	NC	Fresh water spud mud add paper to control seepage.
750	686-4250'	10.2-10.5	29-36	NC	Brine water use lime to control pH and paper to control seepage.
	4250'-8000'	8.6-8.8	30-40	NC	Fresh water use paper to control seepage and high viscosity sweeps to clean hole.
	8000-84501	8.6-8.8	34-40	10 cc or less	Same as above use starch or Dris-Pac to control water loss

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

APPLICATION TO DRILL

POGO PRODUCING COMPANY
STERLING SILVER "33" FEDERAL # 12
UNIT "J" SECTION 33
T23S-R31E EDDY CO. NM

12. TESTING, LOGGING, & COREING PROGRAM:

- A. Open Hole logs: Dual-Induction, SNP-Density, Gamma Ray, Caliper from TD to 4250'
- B. Gamma Ray, Neutron from 4250' to surface.
- C. Mud logger on hole from 4250' to TD.
- D. No cores or DST's are planned at this time.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. Hydrogen Sulfide gas may be encountered, $\rm H_2S$ detectors will be in place to detect any presence of unsafe levels of $\rm H_2S$. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operations of all equipment that will be used. Estimated BHP 3650 PSI & estimated BHT 148° .

14. ANTICIPATED STARTING DATE AND DURATION OF OPERATION:

Roads and location construction will begin after the BLM approves the APD. Anticipated spud date will be as soon as pad & road construction has been completed. Drilling time for the well is estimated to take 22-28 days. If production casing is run an additional 25 days will be required to complete well and construct surface facilities.

15. OTHER FACETS OF OPERATION:

After running production casing, cased hole Gamma-Neutron & Collar logs will be run over all possible pay intervals. If commercial production from the Bone Spring pay is indicated it will be perforated and stimulated. Then if necessary the pay will be swab tested and completed as an Oil well

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

- 1. All Company and Contract personnel admitted on location must be trained by a qualified $\rm H_2S$ 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 ${\rm H}_2{\rm S}$ detectors, warning system and briefing areas.
 - E. Evacuation procedure, routes and first aid.
 - F. Proper use of 30 minute pressure demand air pack.
- 2. 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"
- 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 location is near any dwelling a closed D.S.T. will be performed.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

- 8. Drilling contractor supervisor will be required to be familiar with the effects H_2S 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.

Page 3-B

POGO PRODUCING COMPANY
STERLING SILVER "33" FEDERAL # 12
UNIT "J" SECTION 33
T23S-R31E EDDY CO. NM

- EXISTING ROADS: Area maps, Exhibit "B" is a reproduction of a County General Highway Map. Exhibit "C" is a reproduction of a USGS Topographic Map, showing existing roads 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 Hobbs New Mexico take 62-180 West toward Carlsbad go 38 miles to CR-29 turn South go 21.5 miles to State Road 128 Turn Right go .9 miles turn Left (South) go .1 mile turn Right (West) go 1.5 miles, turn Left (South) go 1180' to location.
 - C. Lay pipelines and construct powerlines along existing R-O-W's or along roads to a tamk battery that collects produced fluids and seperates gas from oil and put in sales line.
- 2. PLANNED ACCESS ROADS: Construct approximately 1180' of new road.
 - A. The access road will be crowned and dirched to a 12'00" wide travel surface with a 40' right-of-way.
 - B. Gradient on all roads will be less than 5.00%.
 - C. No turnouts will be necessary.
 - D. If needed, road will be surfaced with a minimum of 4" of caliche.
 This material will be obtained from a local source.
 - E. Centerline for the new access road has been flagged. Earthwork will be as required by field conditions.
 - F. Culverts in the access road will not be used. The road will be constructed to utilize low water crossings for drainage as required by the Topography.

LOCATION OF EXISTING WELLS IN A ONE-MILE RADIUS EXHIBIT "A-1"

Α.	Water wells	-	None known
в.	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"

POGO PRODUCING COMPANY
STERLING SILVER "33" FEDERAL # 12
UNIT "J" SECTION 33
T23S-R31E EDDY CO. NM

4. If, upon completion this well is a producer Pogo Producing Company will furnish maps and/or plats showing on site facilities or off site facilities if needed. This will be accompanied with a Sundry Notice.

5. LOCATION AND TYPE OF WATER SUPPLY:

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

6. SOURCE OF CONSTRUCTION MATERIAL:

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

7. METHODS OF HANDLING WASTE MATERIAL:

- A. Drill cuttings will be disposed of in the reserve pit.
- B. All trash, junk and other waste material will be contained in trash cages or 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 supplier including broken sacks.
- D. Sawage from living quarters will drain into holes with a minium depth of 10'. These holes will be covered during drilling and will be back filled upon completion. A Ports-John will be provided for the rig craws. This equipment will be properly maintained during the drilling operations and removed upon completion of the well.
- E. Remaining drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for breaking out. In the event that drilling fluids do not evaporate in a reasonable time they will be hauled off by transports and be disposed of at a state approved disposal facility. Later pits will be broken out to speed drying. Water produced during testing will be put in reserve pits. Any oil or condensate produced will be stored in test tanks until sold and hauled from the site.

8. ANCILLARY FACILITIES:

A. No camps or airstrips to be constructed.

POGO PRODUCING COMPANY
STERLING SILVER "33" FEDERAL # 12
UNIT "J" SECTION 33
T23S-R31E EDDY CO. NM

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 entend a minimum of 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.

1. 12. 2. 2. 4. 4.

POGO PRODUCING COMPANY
STERLING SILVER "33" FEDERAL # 12
UNIT "J" SECTION 33
T23S-R31E EDDY CO. NM

11. OTHER INFORMATION:

- A. Topography consists of sand dunes with a slight dip toward the West. Deep sandy soil supports native grasses, mesquite, and shinnery Oak.
- B. Surface is owned by the Bureau of Land Management U.S. Department of Interior. Surface is used for grazing of livestock and is leased to ranchers for this purpose.
- C. An archaeological survey will be conducted and copies of the survey will be filed in the Carlsbad Office of The Bureau of Land Management.
- D. There are no dwellings or habitation within three miles of this location.

12. OPERATORS REPRESENTIVE:

Before construction:

TIERRA EXPLORATION INC. P.O. BOX 2188 HOBBS, NEW MEXICO 88241 OFFICE PHONE 505-392-2112 JOE T. JANICA

During and after construction:

POGO PRODUCING COMPANY
P.O. BOX 10340
MIDLAND, TEXAS 79702-7340
OFFICE PHONE 915-685-8100
MR. RICHARD WRIGHT 915-685-8140

CERTIFICATION: - I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Pogo Producing company, its contractors/subcontractors is in the 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 statement.

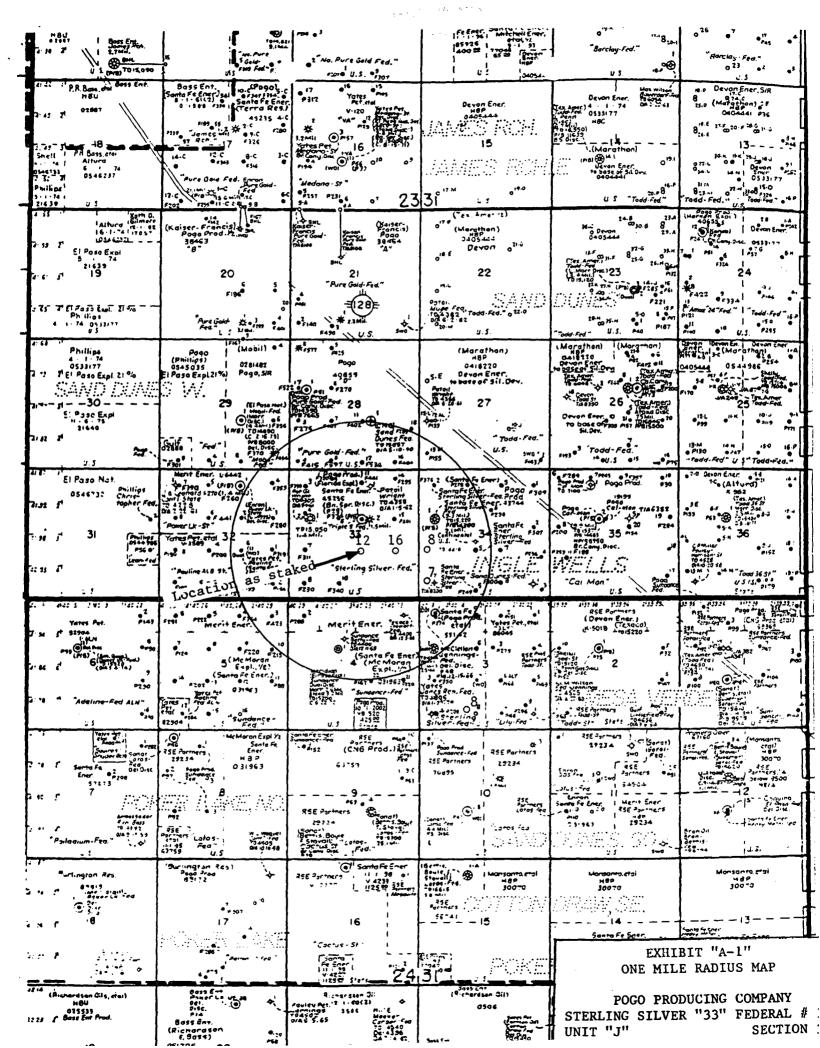
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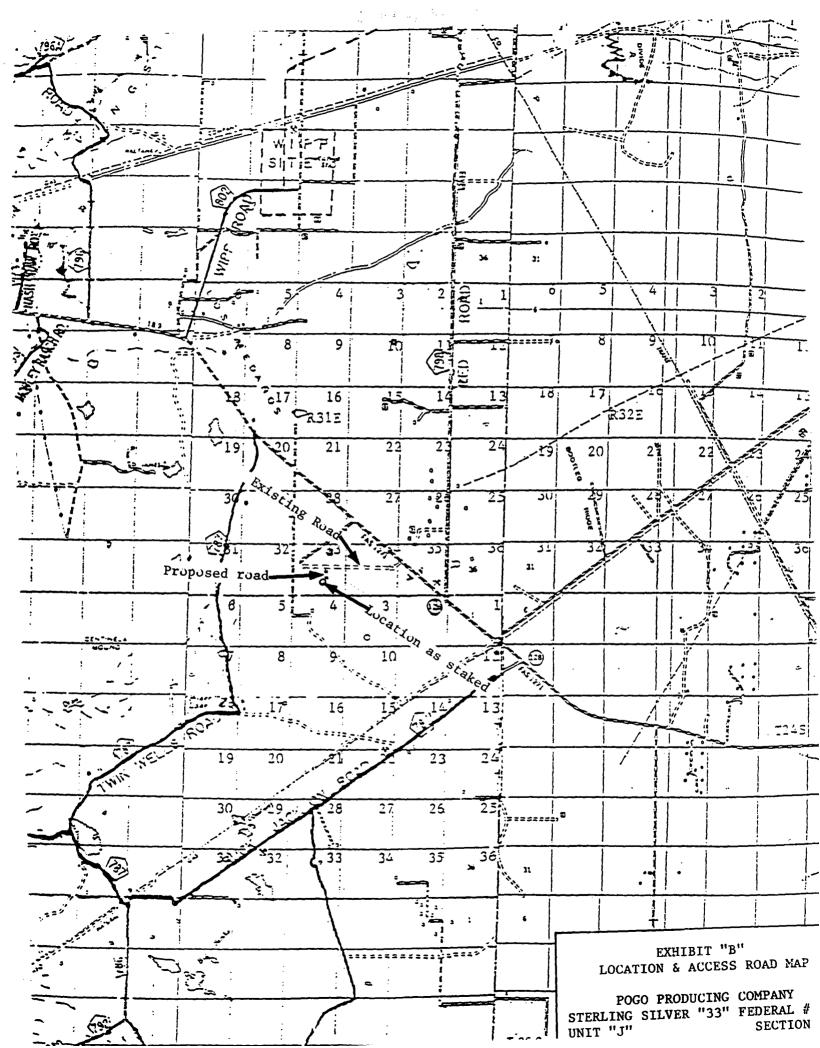
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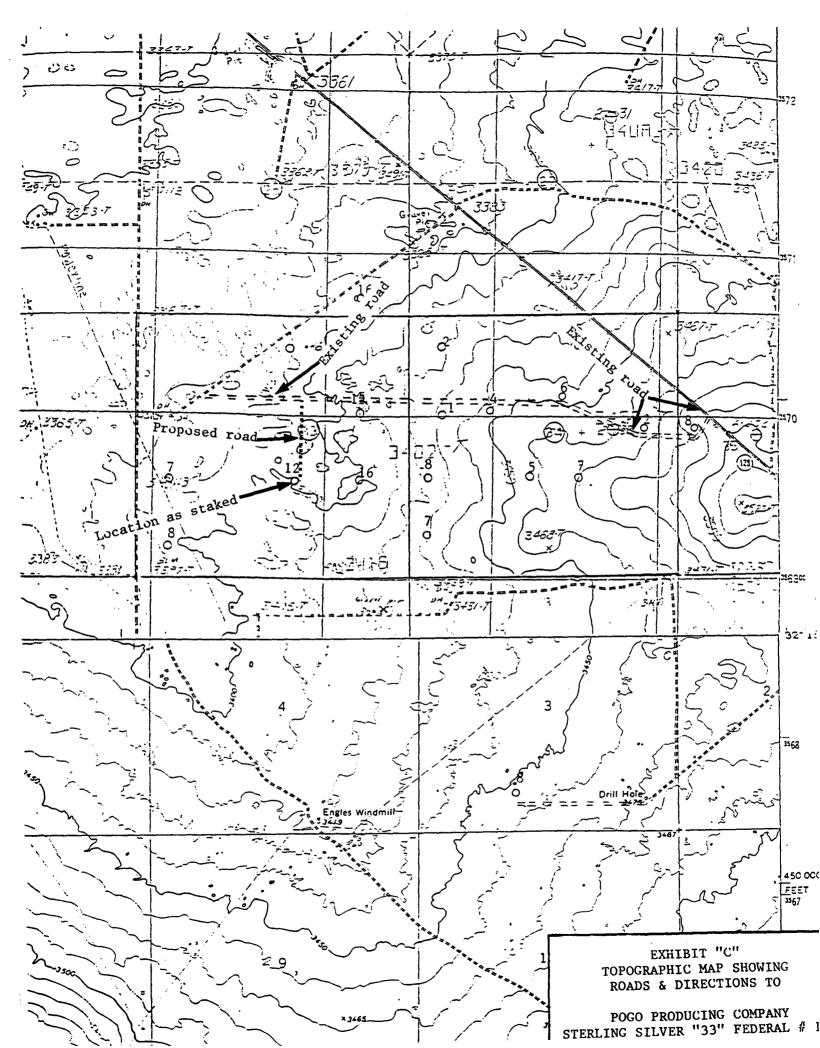
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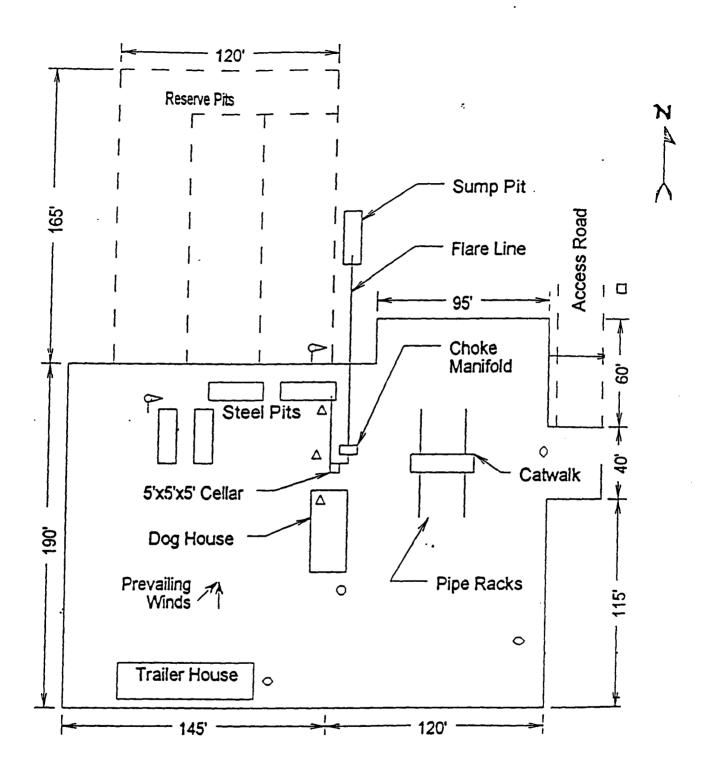
04/27/00

Agent





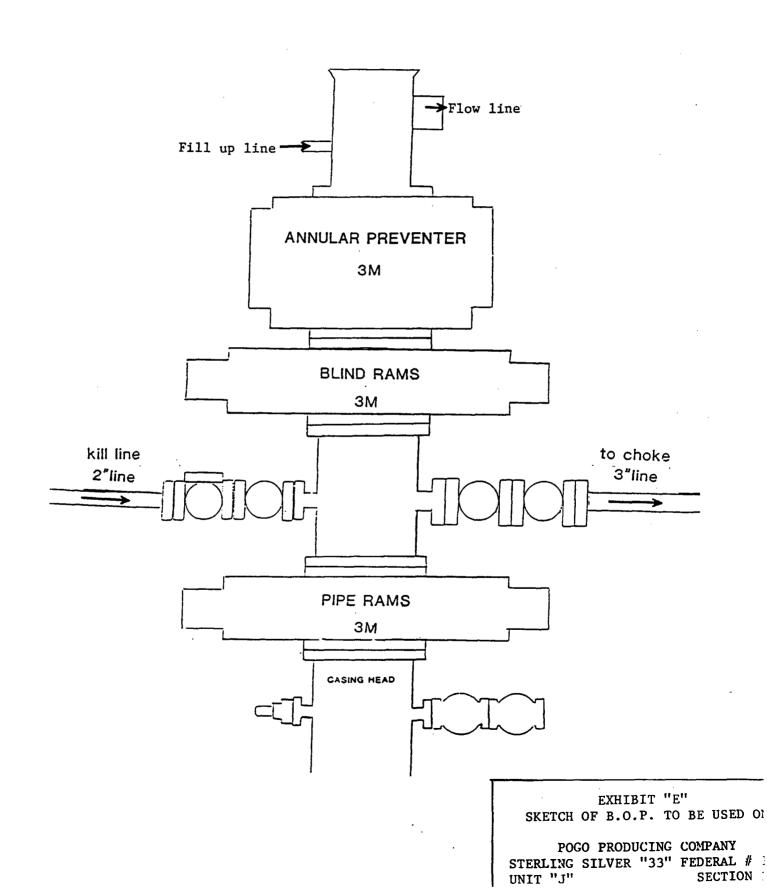


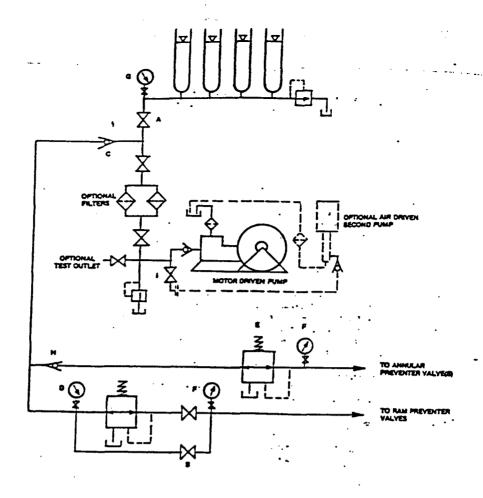


- Wind Direction Indicators (wind sock or streamers)
- △ H2S Monitors (alarms at bell nipple and shale shaker)
- Briefing Areas
- Remote BOP Closing Unit
- □ Sign and Condition Flags

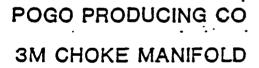
EXHIBIT "D"
RIG LAYOUT PLAT

POGO PRODUCING COMPANY
STERLING SILVER "33" FEDERAL #
UNIT "J" SECTION





HAND AJUSTABLE CHOKE



3" LINE FROM BOP'S

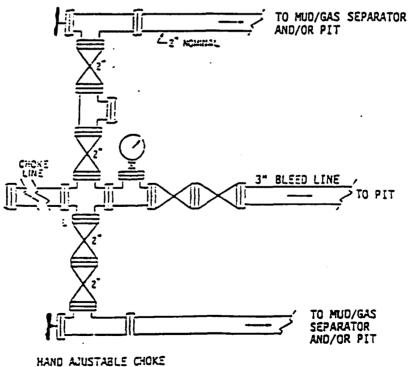


EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

POGO PRODUCING COMPANY
STERLING SILVER "33" FEDERAL # 1
UNIT "J" SECTION 3