

SURFACE USE AND OPERATIONS PLAN

FOR

POGO PRODUCING COMPANY
PURE GOLD "D" WELL NO. 4
330' FSL & 330' FWL SEC. 28, T. 23 S., R. 31 E.
EDDY COUNTY, NEW MEXICO

LOCATED: 18 miles east of Loving, New Mexico.

FEDERAL LEASE NUMBER: NM-40659.

LEASE DATE: July 1, 1980. Lease is in producing status.

ACRES IN LEASE: 640.

LESSEE: Pogo Producing Company.

SURFACE OWNERSHIP: Federal.

GRAZING PERMITTEE: J. C. Mills
P. O. Box 190
Abernathy, Texas 79311

POOL: Undesignated Delaware.

POOL RULES: Statewide Rules. 40 acre spacing for oil.

EXHIBITS: A. Road Map
B. Plat Showing Existing Wells and Existing Roads
C. Drilling Rig Layout
D. Topo Plat

1. EXISTING ROADS:

A. Exhibit "A" is a portion of a road map showing the location of the proposed well as staked. Point "A" on the plat is on State highway 128 at Milepost 13.7, approximately 21 road miles east of Loving, New Mexico, where a caliche road goes south. To go to the proposed well site from this point, exit 128 and go south 1.3 mile and the proposed well site will be on the east side of the road at a distance of about 300 feet. Also see Exhibits "B" and "D".

B. Exhibit "B" shows existing pertinent roads in the vicinity of the proposed well site. Existing roads are color coded.

2. PLANNED ACCESS ROAD:

A. Length and Width: The new road will be 12 feet wide and about 160 feet long, and is shown labeled and color coded red on Exhibit "B". The centerline of the proposed new road is staked and flagged.

B. Surfacing Material: Caliche. Watered, compacted, and graded.

C. Maximum Grade: Less than one percent.

D. Turnouts: None necessary.

E. Drainage Design: The new road will be crowned with drainage to the side.

F. Culverts: None needed.

G. Cuts and Fills: None necessary.

H. Gates and Cattle Guards: None necessary. No fences involved.

3. LOCATION OF EXISTING WELLS:

A. Existing wells in the immediate area are shown on Exhibit "B".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A. Production from this well will be delivered to the lease tank

battery located on the well pad at well No. 1. The flow line will be 3" SDR-7 polyethylene pipe laid on the ground, and will extend from the well to the tank battery as shown on Exhibit "B". The anticipated flow line pressure is estimated to be about 60 psi.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. It is not planned that a water well will be drilled. Water necessary for drilling operations will be purchased and trucked to the well site, or will be moved to the well site by temporary pipeline laid on the ground alongside existing and proposed roads.

6. SOURCE OF CONSTRUCTION MATERIALS:

A. Caliche needed for construction work will be taken, if present, from a pit opened on-site within the 400'x 450' archaeologically cleared work area adjacent to the reserve pit. Otherwise, caliche will be taken from the existing pit on Federal land in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 4, T.24 S., R.31 E., Eddy County, New Mexico, and will be trucked to the well site over existing and proposed roads.

7. METHODS OF HANDLING WASTE MATERIAL:

A. Drill cuttings will be disposed of in the drilling pits.

B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.

C. Water produced during tests will be disposed of in the drilling pits or will be stored in tanks for disposal in an approved disposal system.

D. Oil produced during tests will be stored in test tanks until sold.

E. All trash, junk, and other waste material will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary land fill.

8. ANCILLARY FACILITIES:

A. None necessary.

9. WELL SITE LAYOUT:

A. Exhibit "C" shows the relative location and dimensions of the well pad, mud pits, and reserve pits, and the location of major drilling rig components.

B. Clearing and levelling of the pad and pit area will be required.

C. The pad and pit area is staked and flagged.

10. PLANS FOR RESTORATION OF THE SURFACE:

A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed from the well site. Pits will be filled and the location will be cleaned of all trash and junk to leave the well site in an as aesthetically pleasing condition as possible.

B. Any unguarded pits containing fluids will be fenced.

C. After abandonment, all equipment, trash, and junk will be removed and the well site will be cleaned. Any special rehabilitation requirements of the surface management agency will be complied with and accomplished as rapidly as possible.

11. OTHER INFORMATION:

A. Topography: The land surface in the general area is gently undulating and dunny. In the immediate area of the well site the land surface slopes gently to the north. Regionally, drainage is to the west and southwest.

B. Soil: Top soil at the well site is sand.

C. Flora and Fauna: The vegetative cover is moderate and includes mesquite, shinnery oak, sand sage, yucca, weeds, and range grasses. Wildlife in the area is that typical of semi-desert land and includes coyotes, rabbits, rodents, reptiles, dove and quail.

D. Ponds and Streams: There are no rivers, lakes, ponds, or streams in the area.

E. Residences and Other Structures: There are no occupied dwellings or other structures within a mile of the proposed well site.

F. Archaeological, Historical, and Cultural Sites: None observed. However, an archaeological reconnaissance is to be accomplished and a report furnished.

G. Land Use: Grazing and wildlife habitat.

H. Surface Ownership: Federal.

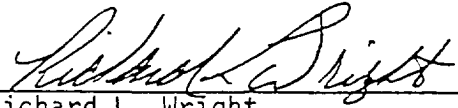
12. OPERATOR'S REPRESENTATIVE:

Richard L. Wright
Division Operations Supervisor
Pogo Producing Company
P. O. Box 10340
Midland, Texas 79702
Office Phone: 915-682-6822

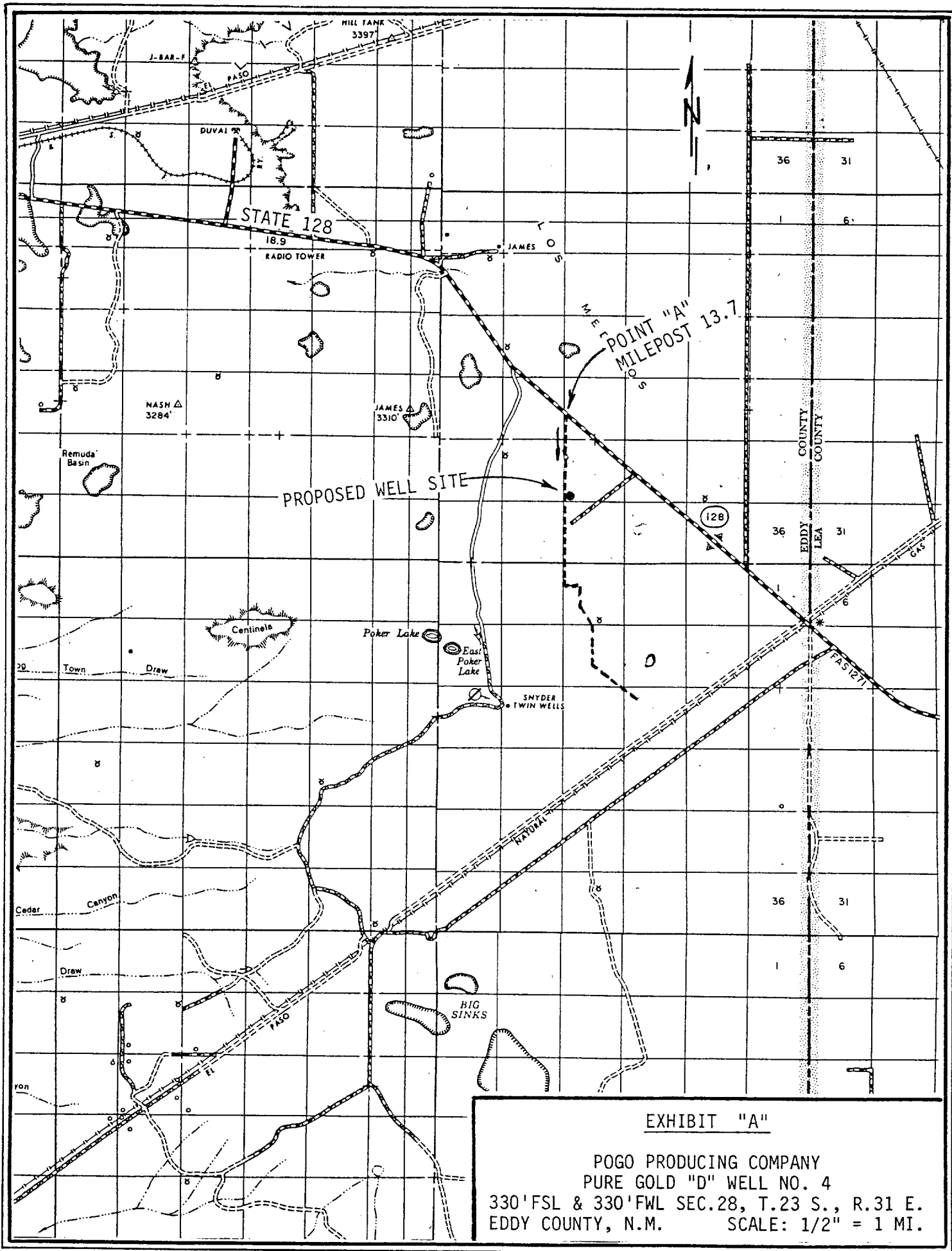
13. CERTIFICATION:

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 and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

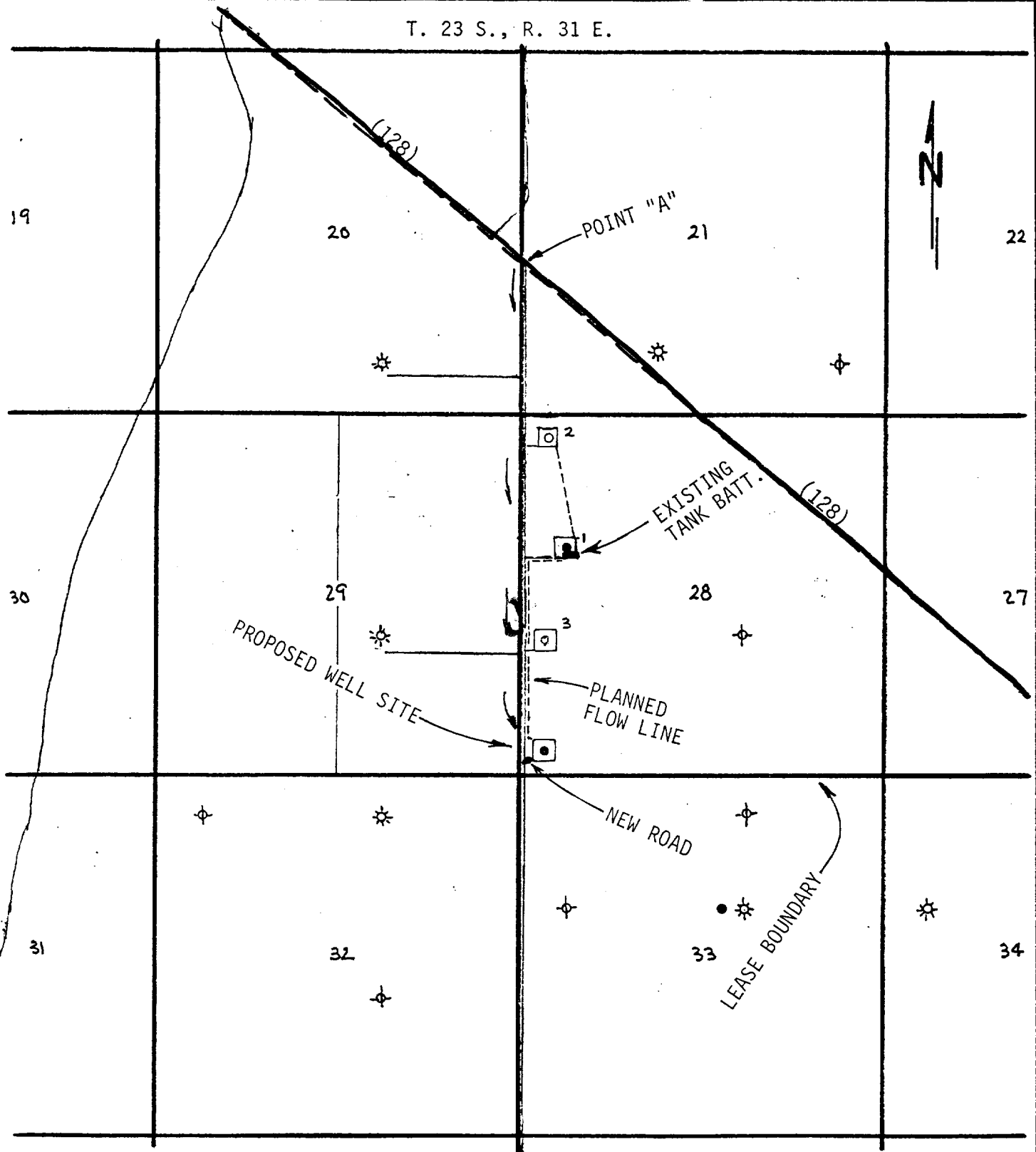
Date: July 24, 1992



Richard L. Wright
Division Operations Supervisor



T. 23 S., R. 31 E.



LEGEND:

- Oil Well
- ☆ Gas Well
- ⊕ Plugged Well
- Proposed Well
- Existing State Highway
- Existing Caliche Road
- Proposed New Road

EXHIBIT "B"

POGO PRODUCING COMPANY
 PURE GOLD "D" WELL NO. 4
 330' FSL & 330' FWL SEC. 28, T. 23 S., R. 31 E.
 EDDY COUNTY, N.M. SCALE: 1" = 2000'

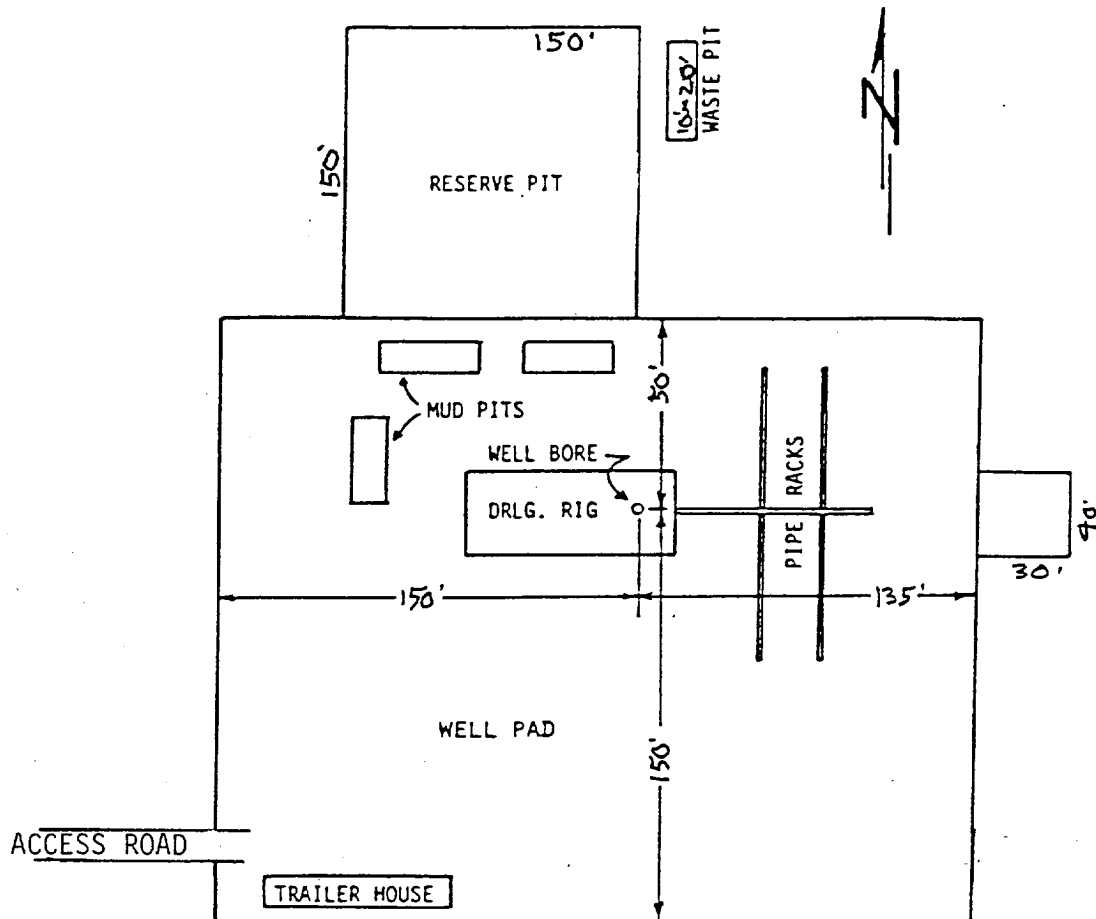


EXHIBIT "C"

POGO PRODUCING COMPANY
PURE GOLD "D" WELL NO. 4

DRILLING RIG LAYOUT
SCALE: None

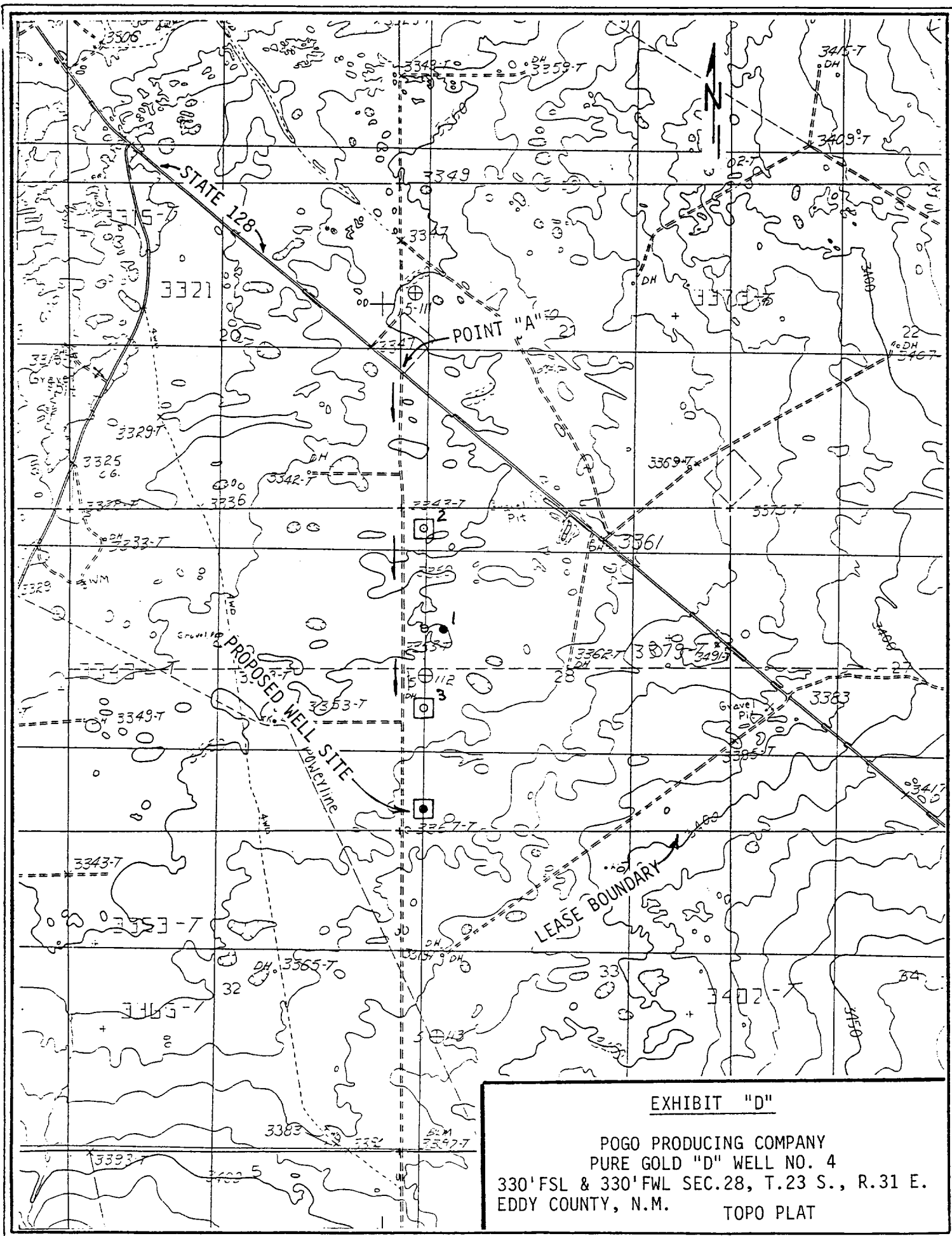


EXHIBIT "D"

POGO PRODUCING COMPANY
PURE GOLD "D" WELL NO. 4
330' FSL & 330' FWL SEC. 28, T. 23 S., R. 31 E.
EDDY COUNTY, N.M.
TOPO PLAT