

SURFACE USE AND OPERATIONS PLAN

FOR

POGO PRODUCING COMPANY
AMAX 24 FEDERAL WELL NO. 8
2100' FSL & 330' FWL SEC. 24, T. 23 S., R. 31 E.
EDDY COUNTY, NEW MEXICO

LOCATED: 21 miles east of Loving, New Mexico.

FEDERAL LEASE NUMBER: NM-40655.

LEASE DATE: July 1, 1980.

ACRES IN LEASE: 320.

LESSEE: Pogo et al.

SURFACE OWNERSHIP: Federal.

GRAZING PERMITTEE: Charles F. James (505-885-3938)
1207 W. Riverside Drive
Carlsbad, New Mexico 88220

POOL: Undesignated Sand Dunes Brushy Canyon.

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 17.6, approximately 36 miles west of Jal, New Mexico, where Eddy County road 798 goes north. To go to the proposed well site from this point, go north on 798 2.5 miles, and the well location will be on the east side of the road at a distance of about 500 feet. Also see Exhibits "B" and "D".

The well site can also be reached by going south off US 62-180 at Milepost 66.8, approximately 38 miles west of Hobbs, New Mexico, on Lea County road C-29. To go to the proposed well site from this point, go south 18.9 miles on Lea County C-29 and Eddy County 798 to where a caliche road goes east to a pumping well (this point is 0.4 mile north of gas pipeline surface equipment located adjacent on the east to Eddy 798). The proposed well site is about 500 feet east of this point.

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. No new road will be needed for access. Existing roads providing access to a pumping well just north of the proposed well site will be utilized for access to this proposed well. Access road is shown on Exhibit "B" and in more detail on Exhibit "C".

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. Necessary production facilities for this proposed well will be located on the well pad.

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 archaeologically cleared work area. Otherwise, caliche will be taken from an existing pit on Federal land in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 35, T.23 S., R.31 E., Eddy County, New Mexico, and will be trucked to the well site over existing 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, shinny 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. There is a windmill about 1000 feet northeast of the 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.

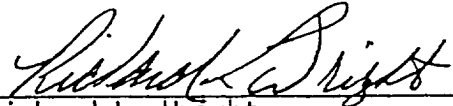
12. OPERATOR's REPRESENTATIVE:

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

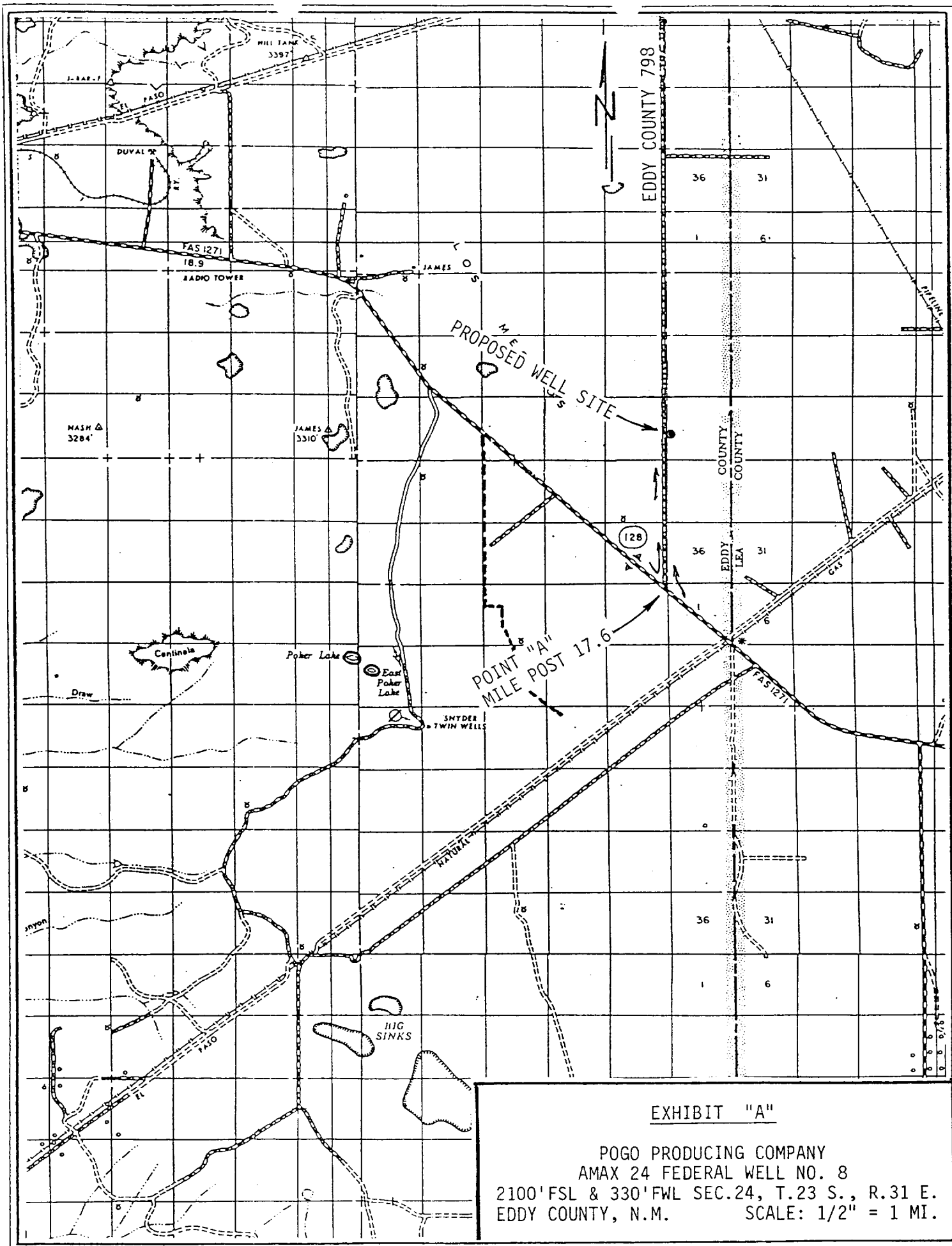
13. CERTIFICATION:

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.

July 2, 1992
Date: _____



Richard L. Wright
Division Operations Supervisor



T.23 S., R.31 E.

T.23 S., R.32 E.

EDDY CO. 798

EDDY COUNTY
LEA COUNTY

14

13

18

LEASE BOUNDARY

PIPELINE

23

24

PIPELINE

19

PROPOSED WELL SITE



26

25

30

LEGEND:

- Oil Well
- ⊕ Gas Well
- Proposed Well
- Eddy County 798 (Blacktop)
- Existing Caliche Road

EXHIBIT "B"

POGO PRODUCING COMPANY
 AMAX 24 FEDERAL WELL NO. 8
 2100' FSL & 330' FWL SEC. 24, T.23 S., R.31 E.
 EDDY COUNTY, N.M. SCALE: 1" = 2000'

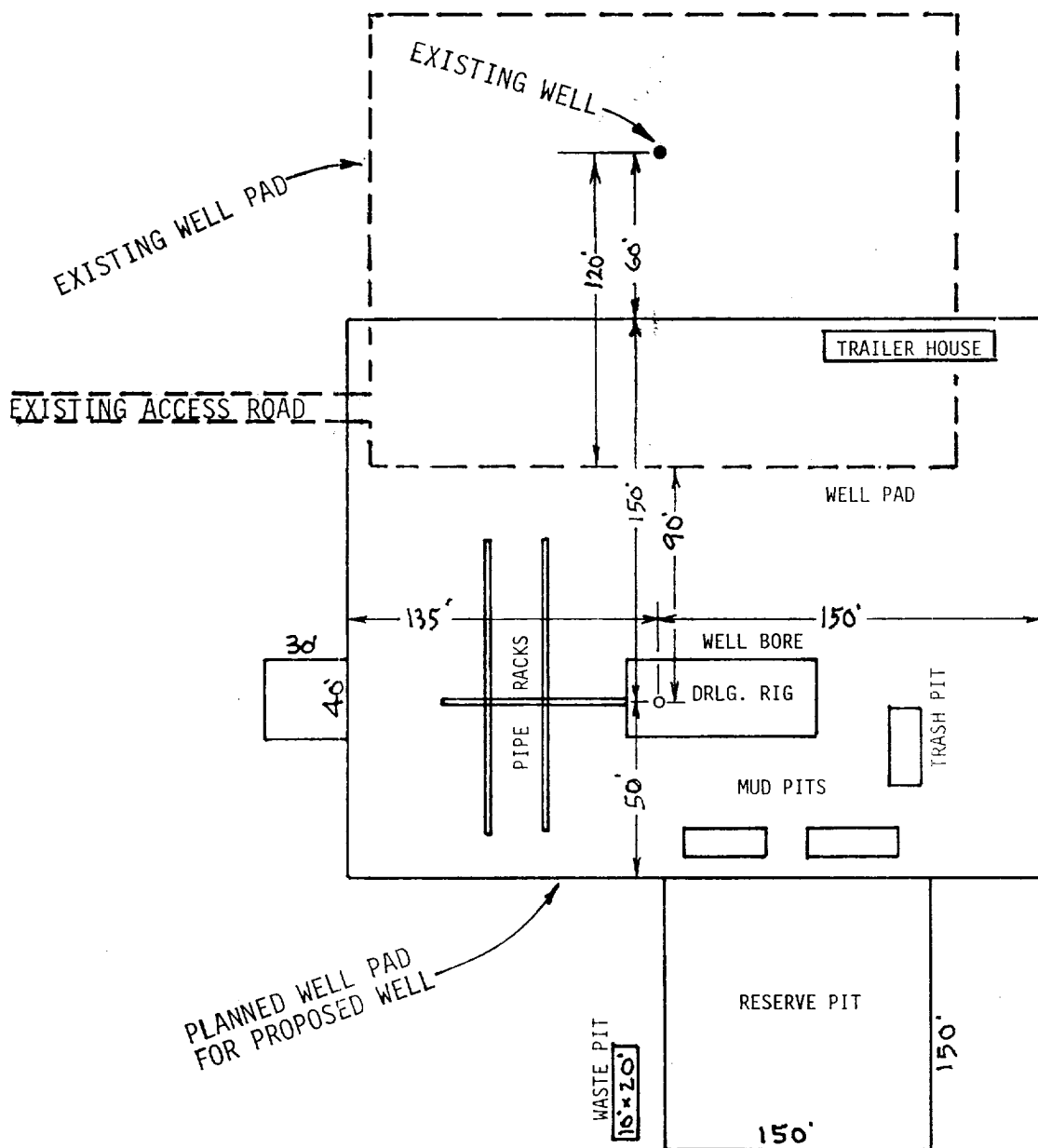


EXHIBIT "C"

POGO PRODUCING COMPANY
AMAX 24 FEDERAL WELL NO. 8

DRILLING RIG LAYOUT
SCALE: None

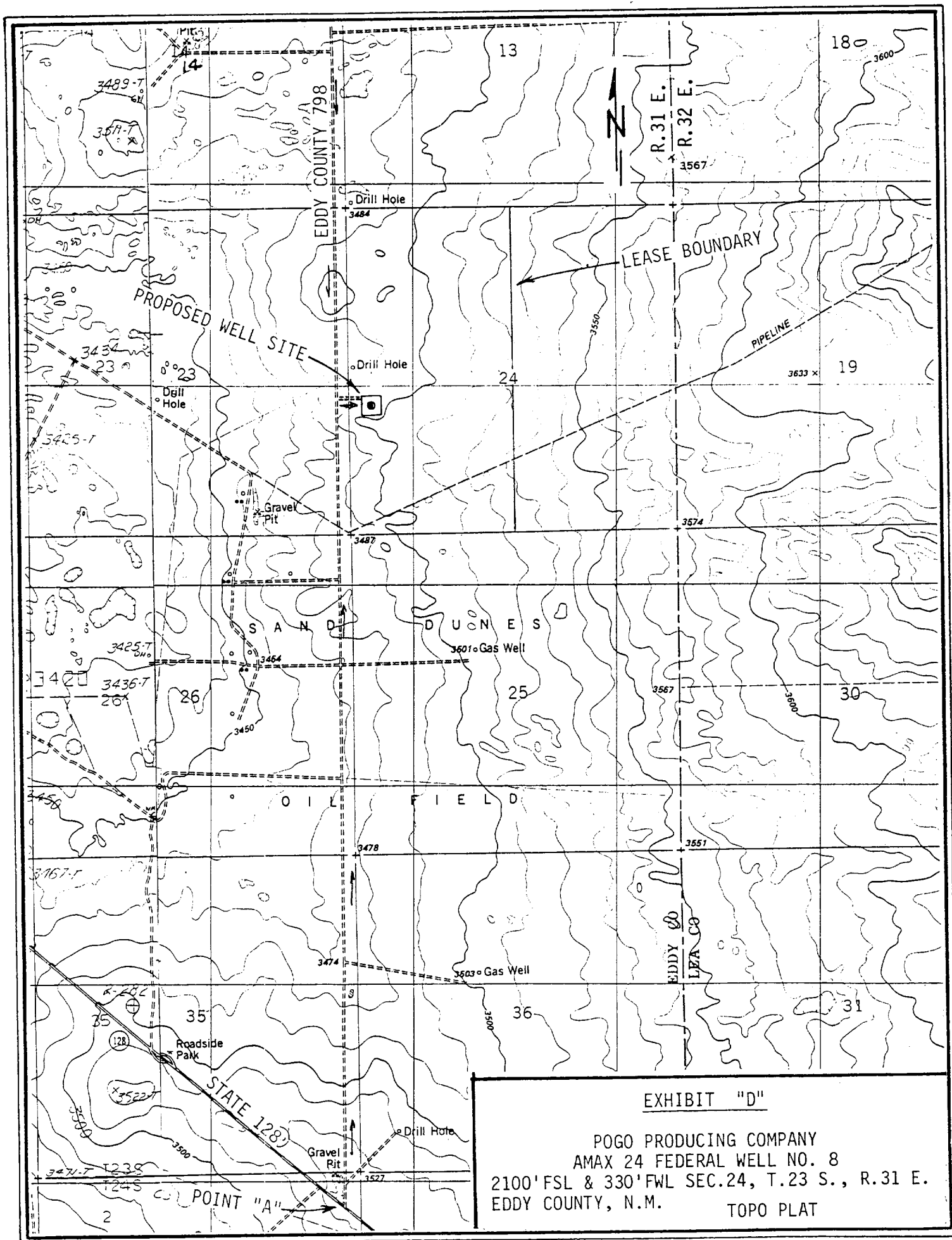


EXHIBIT "D"

POGO PRODUCING COMPANY
AMAX 24 FEDERAL WELL NO. 8
2100' FSL & 330' FWL SEC. 24, T. 23 S., R. 31 E.
EDDY COUNTY, N.M.
TOPO PLAT