

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
**APPLICATION FOR PERMIT TO DRILL OR REENTER**

2006 JAN 11

RECEIVED

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

5. Lease Serial No.  
NMNM-101991

6. If Indian, Allottee or Tribe Name

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		070 FARM UNIT OR GAS AGREEMENT, NAME AND NO. N/A	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		8. Lease Name and Well No. LaPLATA 7 1 T 301390	
2. Name of Operator POGO PRODUCNG (SAN JUAN) COMPANY 233194		9. API Well No. 30-045- 33509	
3a. Address P. O. BOX 10340 MIDLAND, TX 79702-7340	3b. Phone No. (include area code) (432) 685-8143	10. Field and Pool, or Exploratory BASIN FRUITLAND COAL 71629	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1870' FNL & 690' FEL At proposed prod. zone SAME		11. Sec., T. R. M. or Blk. and Survey or Area H 7-31N-13W NMPM	
14. Distance in miles and direction from nearest town or post office* 3 AIR MILES W OF LaPLATA POST OFFICE		12. County or Parish SAN JUAN	13. State NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 690'	16. No. of acres in lease 280	17. Spacing Unit dedicated to this well E2	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. N/A	19. Proposed Depth 2,200'	20. BLM/BIA Bond No. on file BLM NM2125	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5,858' GL	22. Approximate date work will start* 03/01/2006	23. Estimated duration 2 WEEKS	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- |   |  |
|---|--|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan.   | 5. Operator certification  |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) BRIAN WOOD	Date 01/09/2006
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Title CONSULTANT	PHONE: (505) 466-8120	FAX: (505) 466-9682
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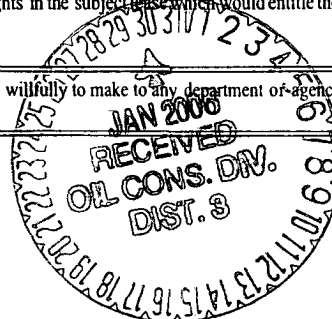
Approved by (Signature) 	Name (Printed/Typed) JIM LOVELACE	Date 1/25/06
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Title Acting AD	Office
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Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

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)



This action is subject to technical and procedural review pursuant to 43 CFR 3160.3 and appeal pursuant to 43 CFR 3165.4

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

NMOCD

State of New Mexico  
Energy, Minerals & Mining Resources Department

Form C - 102

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

2006 JAN 11 AM 7 46

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION RECEIVED

070 EASTING ON NM

APA Number 30-045-33509	Pool Code 71629	Pool Name BASIN FRUITLAND COAL
Property Code 301390	Property Name LA PLATA 7	Well Number 1F
OGFD No. 233194	Operator Name - POGO PRODUCING (SAN JUAN) CO.	Elevation 5858'

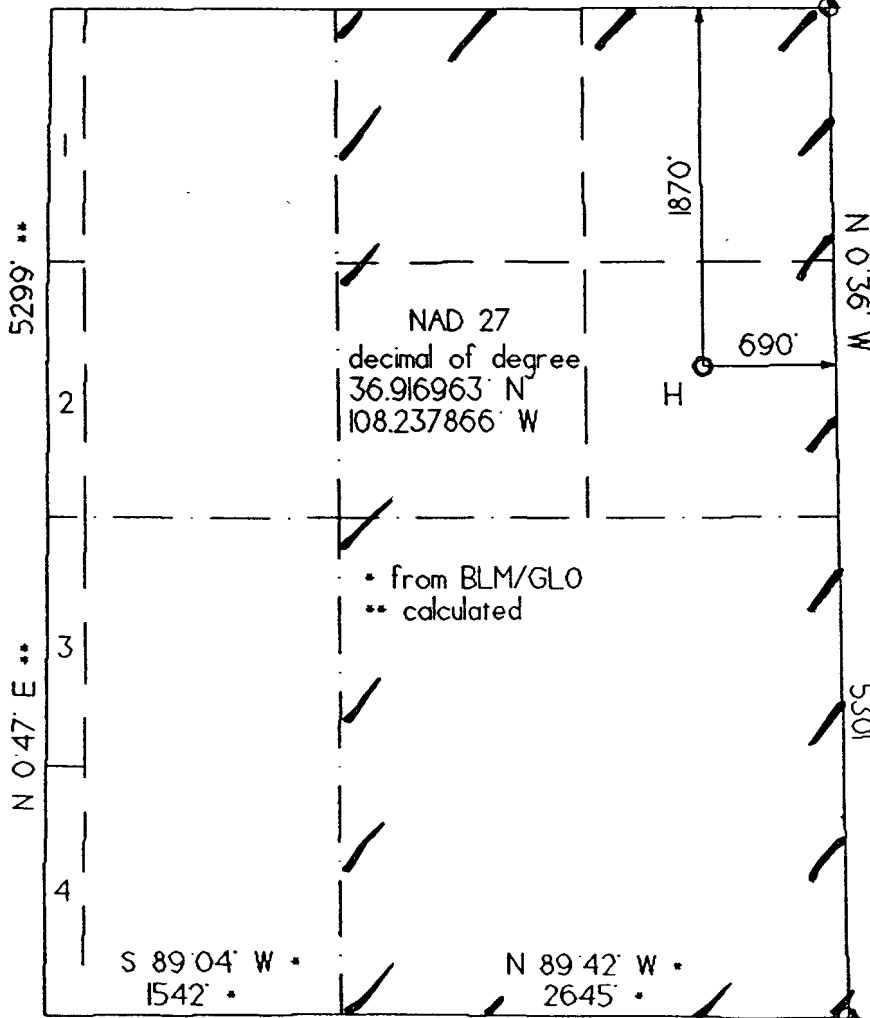
Surface Location									
UL or Lot	Sec.	Twp.	Rgn.	Lot Idn.	Feet from >	North/South	Feet from >	East/West	County
H	7	31 N.	13 W.		1870'	NORTH	690'	East	SAN JUAN

Bottom Hole Location if Different From Surface									
UL or Lot	Sec.	Twp.	Rgn.	Lot Idn.	Feet from >	North/South	Feet from >	East/West	County

Dedication 320	Joint ?	Consolidation C	Order No.
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NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

1478' S 89°49' W \* 2581' \*



<b>OPERATOR CERTIFICATION</b>	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature	<i>Brian Wood</i>
Printed Name	<b>BRIAN WOOD</b>
Title	<b>CONSULTANT</b>
Date	<b>JAN. 9, 2006</b>
<b>SURVEYOR CERTIFICATION</b>	
I hereby certify that the well location on this plot was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.	
Date of Survey	10 20 '05
Signature and Seal of Professional Surveyor	<i>General Huddleston</i>

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Ave., Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 May 27, 2004

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

WELL API NO. 30-045- <b>33509</b>	
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. NMNM-101991	
7. Lease Name or Unit Agreement Name LaPLATA 7	
8. Well Number 1 T	
9. OGRID Number 149052	
10. Pool name or Wildcat BASIN FRUITLAND COAL	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5,858' GL	
Pit or Below-grade Tank Application <input checked="" type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type <u>DRILLING</u> Depth to Groundwater <u>&gt;100'</u> Distance from nearest fresh water well <u>&gt;5,000'</u> Distance from nearest surface water <u>&gt;200'</u>	
Pit Liner Thickness: <u>12 mil</u> Below-Grade Tank: Volume _____ bbls; Construction Material _____	

SUNDRY NOTICES AND REPORTS ON WELLS  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well  Gas Well  Other \_\_\_\_\_

2. Name of Operator **POGO PRODUCING (SAN JUAN) COMPANY**

3. Address of Operator **P.O. BOX 10340, MIDLAND, TX 79702-7340**

4. Well Location  
 Unit Letter H : 1870 feet from the NORTH line and 690 feet from the EAST line  
 Section 7 Township 31N Range 13W NMPM County SAN JUAN

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/>		<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: <u>DRILLING PIT</u> <input checked="" type="checkbox"/>		OTHER: _____ <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed & closed according to NMOCD guidelines , a general permit  or an (attached) alternative OCD-approved plan .

SIGNATURE Brian Wood TITLE CONSULTANT DATE 1-9-06

Type or print name BRIAN WOOD E-mail address: brian@permitswest.com Telephone No. (505) 466-8120

APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 41 DATE JAN 30 2006

Conditions of Approval (if any): \_\_\_\_\_

Pogo Producing (San Juan) Company  
LaPlata 7 1 T  
1870' FNL & 690' FEL  
Sec. 7, T. 31 N., R. 13 W.  
San Juan County, New Mexico

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## Drilling Program

### 1. ESTIMATED FORMATION TOPS

<u>Formation</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Nacimiento	0'	5'	+5,858'
Kirtland Shale	1,058'	1,063'	+4,800'
Fruitland Coal	1,558'	1,563'	+4,300'
Pictured Cliffs Sandstone	2,058'	2,063'	+3,800'
Lewis Shale	2,158'	2,163'	+3,700'
Total Depth (TD)	2,200'	2,205'	+3,658'

### 2. NOTABLE ZONES

<u>Gas Zones</u>	<u>Water Zones</u>	<u>Coal Zones</u>
Fruitland	Ojo Alamo	Fruitland
Pictured Cliffs	Fruitland	

Water zones will be protected with casing, cement, and weighted mud. Fresh water encountered during drilling will be recorded by depth, cased, and cemented. Oil and gas shows will be tested for commercial potential based on the well site geologist's recommendations.

### 3. PRESSURE CONTROL

The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. (A typical 2,000 psi model is on PAGE 3.) Double ram or annular 2,000 psi system with a rotating head will be used. All ram preventers and related equipment will be hydraulically tested at nipple up and after any use under pressure to 1,000 psi.

Pogo Producing (San Juan) Company  
LaPlata 7 1 T  
1870' FNL & 690' FEL  
Sec. 7, T. 31 N., R. 13 W.  
San Juan County, New Mexico

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Blind rams will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All checks of the BOP stack and equipment will be noted on the daily drilling report. BOP equipment will include a kelly cock, floor safety valve, and choke manifold all rated to 2,000 psi. Maximum expected pressure is  $\approx 880$  psi.

#### 4. CASING & CEMENT

<u>Hole Size</u>	<u>O. D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>GL Setting Depth</u>
8-3/4"	7"	20	K-55	New	120'
6-1/4"	4-1/2"	10.5	K-55	New	2,200'

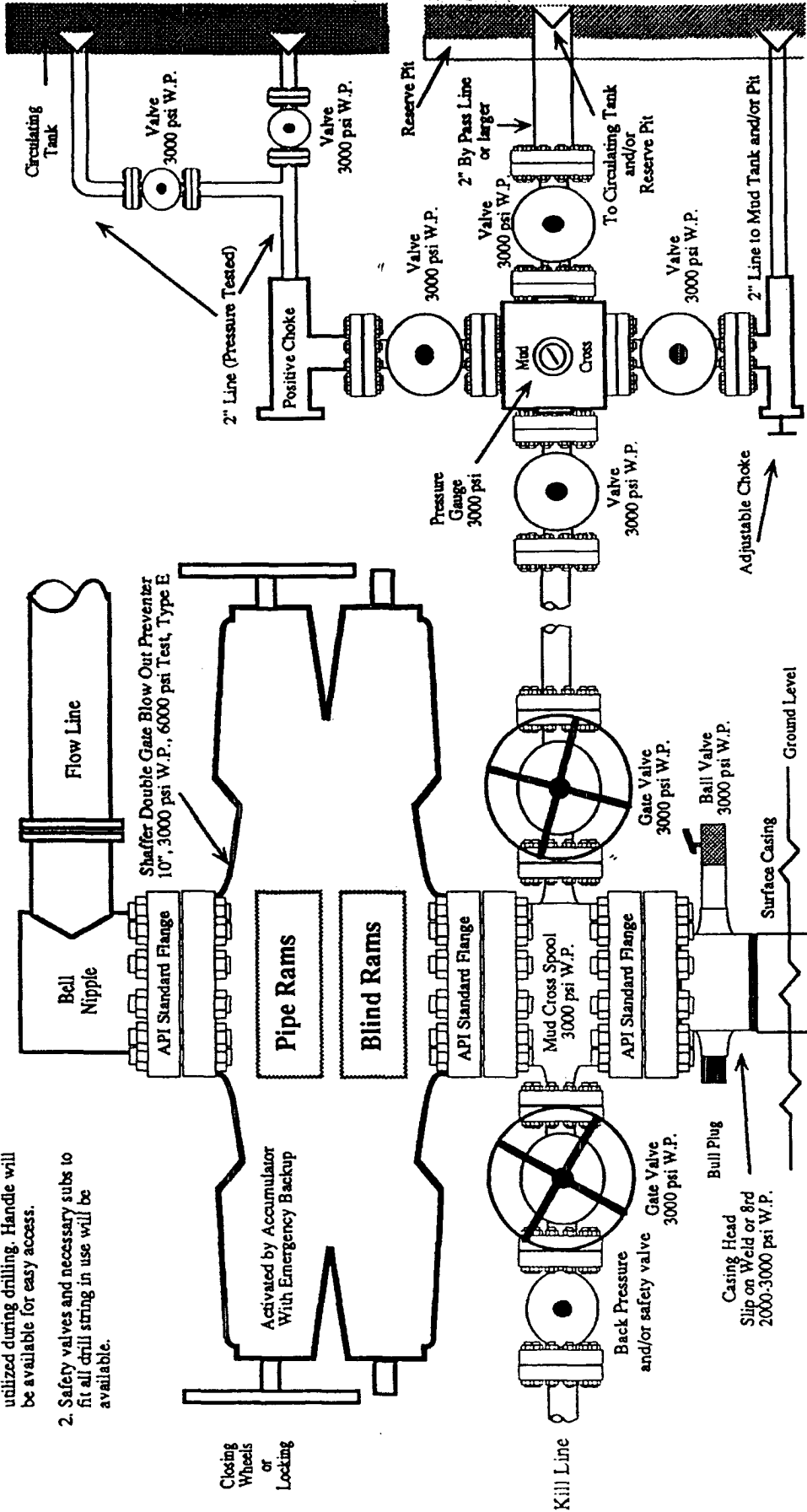
*CMT TO SURFACE*  
Surface casing will be cemented to surface with  $\approx 59$  cubic feet ( $\approx 50$  sacks) Class B + 2%  $\text{CaCl}_2$ . Volume is based on 100% excess, yield of 1.18 cubic feet per sack, and slurry weight of 15.6 pounds per gallon. W. O. C. = 12 hours. Pressure test surface casing to  $\approx 600$  psi for 30 minutes.

Production casing hole will be cleaned of rock chips by circulating  $\geq 150\%$  of hole volume with mud. Forty barrels of fresh water will next be circulated. Lead with  $\approx 400$  cubic feet ( $\approx 195$  sacks) of Class B with 2% metasilicate (yield = 2.06 cubic feet per sack, slurry weight = 12.5 pounds per gallon). Tail with  $\approx 59$  cubic feet ( $\approx 50$  sacks) of Class B with 2%  $\text{CaCl}_2$  (yield = 1.18 cubic feet per sack, slurry weight = 15.6 pounds per gallon). Total cement volume = 459 cubic feet @ 100% excess and circulating to the surface.

Production casing will have 4-1/2" cement guide shoe and self fill float collar. Float will be placed one joint above the shoe. Six or seven centralizers will be spaced on every other joint starting above the shoe. Six or seven turbolizers will be placed on every other joint starting from the top of the well.

# 2,000 PSI BOP SYSTEM

- Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.
2. Safety valves and necessary subs to fit all drill string in use will be available.



Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.

Pogo Producing (San Juan) Company  
LaPlata 7 1 T  
1870' FNL & 690' FEL  
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San Juan County, New Mexico

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#### 5. MUD PROGRAM

Surface casing hole will be drilled with fresh water. Production casing hole will be drilled with a fresh water polymer mud. Weighting material will be drill solids or, if needed, barite. Maximum expected mud weight will be 8.5 pounds per gallon.

#### 6. CORES, TESTS, & LOGS

No cores or drill stem tests are planned.

Spectral Density/Dual Spaced Neutron and Dual Induction/Guard with GR, SP, and Caliper and logs will be run from TD to at least the base of the surface casing.

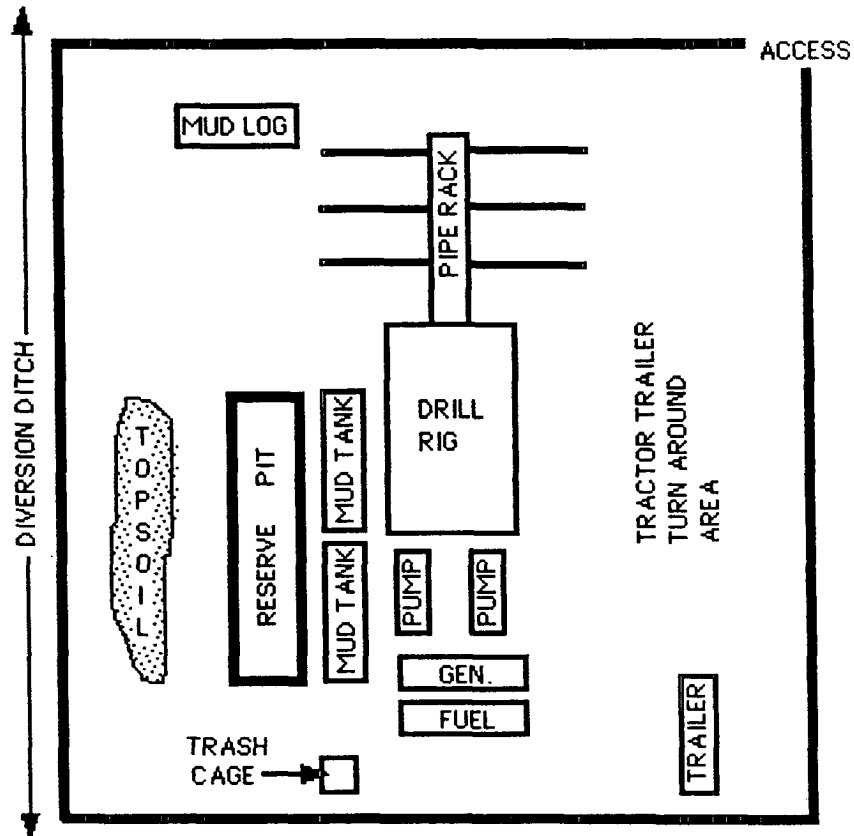
#### 7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum expected bottom hole pressure will be  $\leq 880$  psi.

#### 8. OTHER INFORMATION

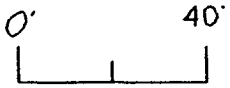
The anticipated spud date is upon approval. It is expected it will take one week to drill the well and one week to complete the well.

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LaPlata 7 1 T  
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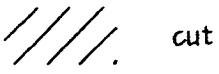




La Plata 7 # IT  
well pad and section



Scale 1" = 40'

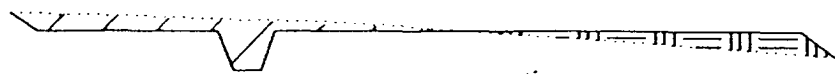
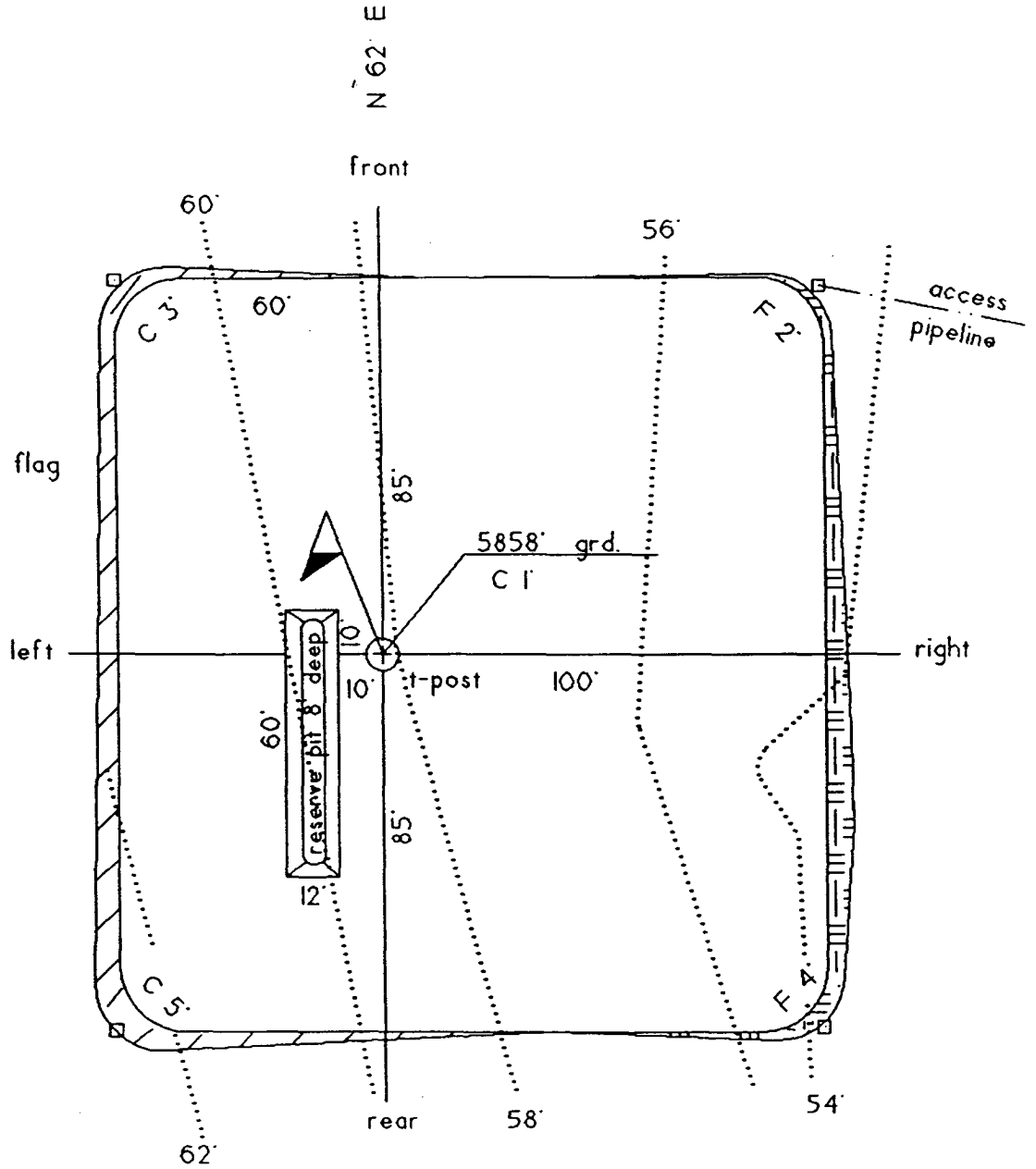


cut



fill

□ set stake & pin flag



section