

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

2006 APR 3

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		6. If Indian, Allottee or Tribe Name 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		7. If Unit or CA Agreement, Name and No. N/A	
2. Name of Operator POGO PRODUCNG (SAN JUAN) COMPANY		8. Lease Name and Well No. FEDERAL 8 FC 2 T	
3a. Address P. O. BOX 10340 MIDLAND, TX 79702-7340		9. API Well No. 30-045- 33679	
3b. Phone No. (include area code) (432) 685-8143		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL, Folcher/Cut PC	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1076' FSL & 812' FEL At proposed prod. zone SAME		11. Sec., T. R. M. or Blk. and Survey or Area P 8-30N-12W NMPM	
14. Distance in miles and direction from nearest town or post office* 2 AIR MILES NW OF FLORA VISTA POST OFFICE		12. County or Parish SAN JUAN	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 812'		13. State NM	
16. No. of acres in lease 636.7		17. Spacing Unit dedicated to this well LOTS 9 - 16 52 318.4 FC	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 115' (FRUIT. SAND)		20. BLM/BIA Bond No. on file BLM NM2125	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5,832' GL		22. Approximate date work will start* 05/01/2006	
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.
2. A Drilling Plan.
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).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
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 03/31/2006
Title CONSULTANT		
PHONE: (505) 466-8120 FAX: (505) 466-9682		
Approved by (Signature) 	Name (Printed/Typed)	Date 5/3/06
Title AFM	Office FFO	

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.

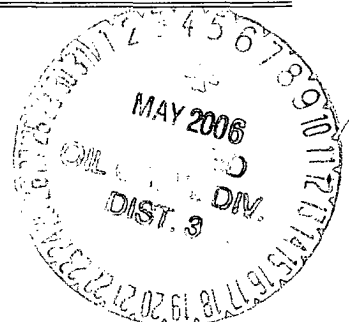
*(Instructions on page 2)

✓

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

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

NMOC



District I

1625 N. Enoch Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, 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 & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-33679	² Pool Code 71629	³ Pool Name BASIN FRUITLAD COAL
⁴ Property Code 301384	⁵ Property Name FEDERAL 8 FC	⁶ Well Number 2 T
⁷ OGRID No. 233194	⁸ Operator Name POGO PRODUCING (SAN JUAN) COMPANY	⁹ Elevation 5832

¹⁰ Surface Location

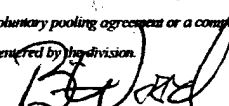
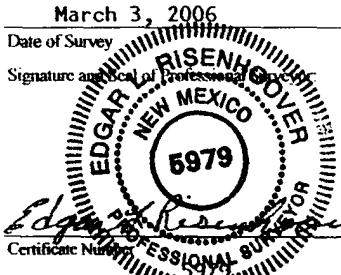

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	8	30 N	12 W	P 16	1076	South	812	East	San Juan

¹¹ 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

¹² Dedicated Acres 318.4	¹³ Joint or Infill .	¹⁴ Consolidation Code .	¹⁵ Order No. .
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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.

<div style="position: relative; height: 400px;"> <div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%); font-size: 2em; opacity: 0.5;">See amended</div> <div style="position: absolute; bottom: 10%; left: 30%;">SECTION 8</div> </div>	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.	
	Signature  Date MARCH 31, 2006	
	Printed Name BRIAN WOOD	
	¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat 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.	
March 3, 2006 Date of Survey		Signature and Seal of Professional Surveyor 
Lat. 36.8236° Long. 108.1147°		812'  1076'

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side. 2006 APR 19 2006

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

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

3a. Address
P. O. BOX 10340, MIDLAND, TX 79702-73403b. Phone No. (include area code)
432 685-8143

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1076' FSL & 812' FEL 8-30N-12W, NMPM P

Sat 16

5. Lease Serial No.

NMNM-000498-0498

6. If Indian, Allottee or Tribe Name

N/A

7. Unit or CA Agreement, Name and/or No.

N/A

8. Well Name and No.

FEDERAL SEC 21

9. API Well No.

30-045-33679

10. Field and Pool, or Exploratory Area

FUL. KUTZ PC BASIN FRUIT COAL

11. County or Parish, State

SAN JUAN COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

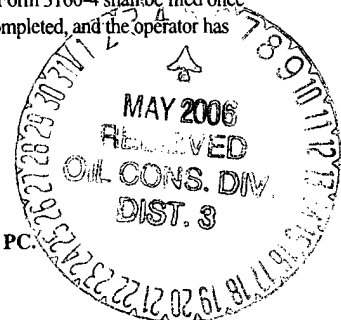
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

APD WAS FOR THE BASIN FRUITLAND COAL GAS.
A SECOND ZONE, FULCHER KUTZ PC, WILL BE ADDED.

THERE WILL BE NO ROTATING HEAD ON THE BOP.

~~NO TURBOLIZERS WILL BE USED.~~

ADEQUATE CENTRALIZERS WILL BE USED FROM THE CASING SHOE ACROSS FRUITLAND COAL & PC.



SEE ATTACHED FOR
CONDITIONS OF APPROVAL

cc: BLM, Jasper, Salzman

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

BRIAN WOOD

(PHONE 505 466-8120)

Title CONSULTANT

(FAX 505 466-9682)

Signature

Date

04/17/2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

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)

NMOCB

District I
1625 N. Enoch Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☒ AMENDED REPORT

WELL LOCATION AND CREAGE DEDICATION PLAT

API Number 30-045-33679	Pool Code 71629	Pool Name BASIN FRUITLAD COAL & Fulch. Kutz PC
Property Code 301384	Property Name FEDERAL 8 FC	Well Number 2 T
GRID No. 233194	Operator Name POGO PRODUCING (SAN JUAN) COMPANY	Elevation 5832

10 Surface Location

UL or lot no. P	Section 8	Township 30 N	Range 12 W	Lot Idn. 16	Feet from the 1076	North/South line South	Feet from the 812	East/West line East	County San Juan
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11 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
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12 Dedicated Acres 318.4	13 Joint or Infill .	14 Consolidation Code .	15 Order No. .
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159.12

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.

16	SECTION 8	Fruit. Coal	Pic. Cliff	Lat. 36.8236° Long. 108.1147°	812'	1076'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization or person owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature <i>Brian Wood</i> Date MARCH 31, 2006 Printed Name BRIAN WOOD
							18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat 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. March 3, 2006 Date of Survey Signature <i>Edgar Risenhoover</i> EDGAR RISENHOOVER NEW MEXICO 6979 PROFESSIONAL SURVEYOR Certificate Number

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- <u>33679</u>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NMNM-000498
7. Lease Name or Unit Agreement Name FEDERAL 8 FC
8. Well Number 2 T
9. OGRID Number 233194
10. Pool name or Wildcat BASIN FRUITLAND COAL GAS

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> 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: P 1076 FSL & 812 FEL Section 8 Township 30 N Range 12 W NMPM SJ County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5,832' GL	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type: <u>DRILLING</u> Depth to Groundwater: <u>>100'</u> Distance from nearest fresh water well: <u>>4,000'</u> Distance from nearest surface water: <u>>500'</u>	
Pit Liner Thickness: 12 mil Below-Grade Tank: Volume bbls; Construction Material	

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: DRILLING PIT <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 or closed according to NMOC guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Brian Wood TITLE: CONSULTANT

DATE: MARCH 31, 2006

Type or print name: BRIAN WOOD

E-mail address: brian@permitswest.com

Telephone No.: (505) 466-8120

For State Use Only

APPROVED BY:

TITLE

DEPUTY OIL & GAS INSPECTOR, DIS. A.

DATE MAY 03 2006

Pogo Producing (San Juan) Company
Federal 8 FC 2 T
1076' FSL & 812' FEL
Sec. 8, T. 30 N., R. 12 W.
San Juan County, New Mexico

PAGE 1

Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation</u>	<u>GL Depth</u>	<u>KB Depth</u>	<u>Elevation</u>
Nacimiento	0'	5'	+5,832'
Ojo Alamo Sandstone	502'	507'	+5,330'
Kirtland Shale	587'	592'	+5,245'
Fruitland Coal	1,997'	2,002'	+3,835'
Pictured Cliffs Sandstone	2,042'	2,047'	+3,790'
Lewis Shale	2,257'	2,262'	+3,575'
Total Depth (TD)	2,300'	2,305'	+3,532'

2. NOTABLE ZONES

<u>Gas Zones</u>	<u>Water Zones</u>	<u>Coal Zone</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.

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
Federal 8 FC 2 T
1076' FSL & 812' FEL
Sec. 8, T. 30 N., R. 12 W.
San Juan County, New Mexico

PAGE 2

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 ~~≈585~~ ⁹²⁰ psi.

4. CASING & CEMENT

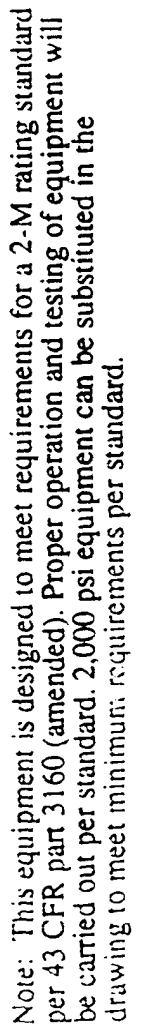
<u>Hole Size</u>	<u>O. D.</u>	<u>Weight (lb/ft)</u>	<u>Grade</u>	<u>Age</u>	<u>GL Setting Depth</u>
8-3/4"	7"	20	K-55	New	650'
6-1/4"	4-1/2"	10.5	K-55	New	2,300'

Surface casing will be cemented from at least 50' below the Ojo Alamo to the surface with ≈200 cubic feet (≈170 sacks) Class B + 2% CaCl₂. 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 ≈600 psi for 30 minutes.

Production casing hole will be cleaned of rock chips by circulating ≥150% of hole volume with mud. Forty barrels of fresh water will next be circulated. Lead with ≈412 cubic feet (≈200 sacks) of Class B with 2% metasilicate (yield = 2.06 cubic feet per sack, slurry weight = 12.5 pounds per gallon). Tail with ≈59 cubic feet (≈50 sacks) of Class B with 2% CaCl₂ (yield = 1.18 cubic feet per sack, slurry weight = 15.6 pounds per gallon). Total cement volume = 471 cubic feet @ 100% excess and circulating to 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. Safety valves and necessary subs to fit all drill string in use will be available.



Pogo Producing (San Juan) Company
Federal 8 FC 2 T
1076' FSL & 812' FEL
Sec. 8, T. 30 N., R. 12 W.
San Juan County, New Mexico

PAGE 4

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 pressure will be ≈ 920 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.