District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED MAY 2006 OIL CONS. DIV. DIST. 3

Form C-101
May 27, 2004

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

[1] Operator Name and Address	[2] OGRID Number
Pogo Producing Company 300 North Marienfeld, Suite 600 Midland, TX 79701	17891
	[3] API Number 30 – 045- 33737

[5] Property Code	[5] Property Name	[6] Well No.
~~28108~~ 300777	Golden Bear	#5T

[9] Proposed Pool 1	[10] Proposed Pool 2
Basin Fruitland Coal	

[7] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	2	29 N	13 W	4	490'	North	1015'	West	San Juan

[8] Proposed 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

Additional Well Information

[11] Work Type Code	[12] Well Type Code	[13] Cable/Rotary	[14] Lease Type Code	[15] Ground Level Elevation
N	G	Rotary	S	5586'
[16] Multiple	**[17] Proposed Depth**	**[18] Formation**	**[19] Contractor**	**[20] Spud Date**
N	+/- 1665'	Basin Fruitland Coal	Availability	ASAP

Depth to groundwater >100'	Distance from nearest fresh water well ~~+/- 2000'~~ >1000'	Distance from nearest surface water ~~+/-5000'~~ >200'

Pit: Liner: Synthetic ☒ 20 mils thick Clay ☐ Pit Volume: 160 bbls Drilling Method:

Closed-Loop System ☐

[21] Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
8- 3/4"	7"	20#	390'	150sx	Surface
6- 1/4"	4- 1/2"	10.5#	1665'	200sx	Surface

[22] Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Pogo plans to drill a vertical well with a 8-3/4" surface hole to approx. 390' with spud mud and set and cement to surface 7", 20# casing with 150sx (175 cu.ft.) of type 5 with additives. A double ram, 2000 pound psi rated BOP will be installed and pressure tested to 1000 psi. A 6-1/4" hole will be drilled using clear water, natural mud, and water loss control additives to approximately 1665'. New 4-1/2" 10.5# casing will be set and cemented to surface. with type 5 with additives. Cement volumes will be determined based on open hole logs.
KB elevation: approx. +5586'
Surface formation: Ojo Alamo
Top Kirtland Formation: 468' (+5122') Top Fruitland Formation: 1168' (+4422')Top Pictured Cliffs Formation: 1515' (+4075') Top Lewis Shale: 1680' (+3910')

[23] I hereby certify that the information given above is true and complete to the best of my knowledge and belief. **I further certify that the drilling pit will be constructed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.**

Printed name: Bradley Salzman

Title: Drilling Consultant

E-mail Address: brads@titusconsulting.net

Date: 5-4-06 Phone: 486-1701

OIL CONSERVATION DIVISION

Approved by:

Title: DEPUTY OIL & GAS INSPECTOR, DIST. ☐

Approval Date: MAY 10 2006 Expiration Date: MAY 10 2007

Conditions of Approval Attached ☐

NSL-5375

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

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

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-045-33737	71629	BASIN FRUITLAND COAL

[4] Property Code	[5] Property Name	[6] Well Number
300777	GOLDEN BEAR	5T

[7] OGRID No.	[8] Operator Name	[9] Elevation
17891	POGO PRODUCING COMPANY	5586'

[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
D	2	29N	13W	(4)	490	NORTH	1015	WEST	SAN JUAN

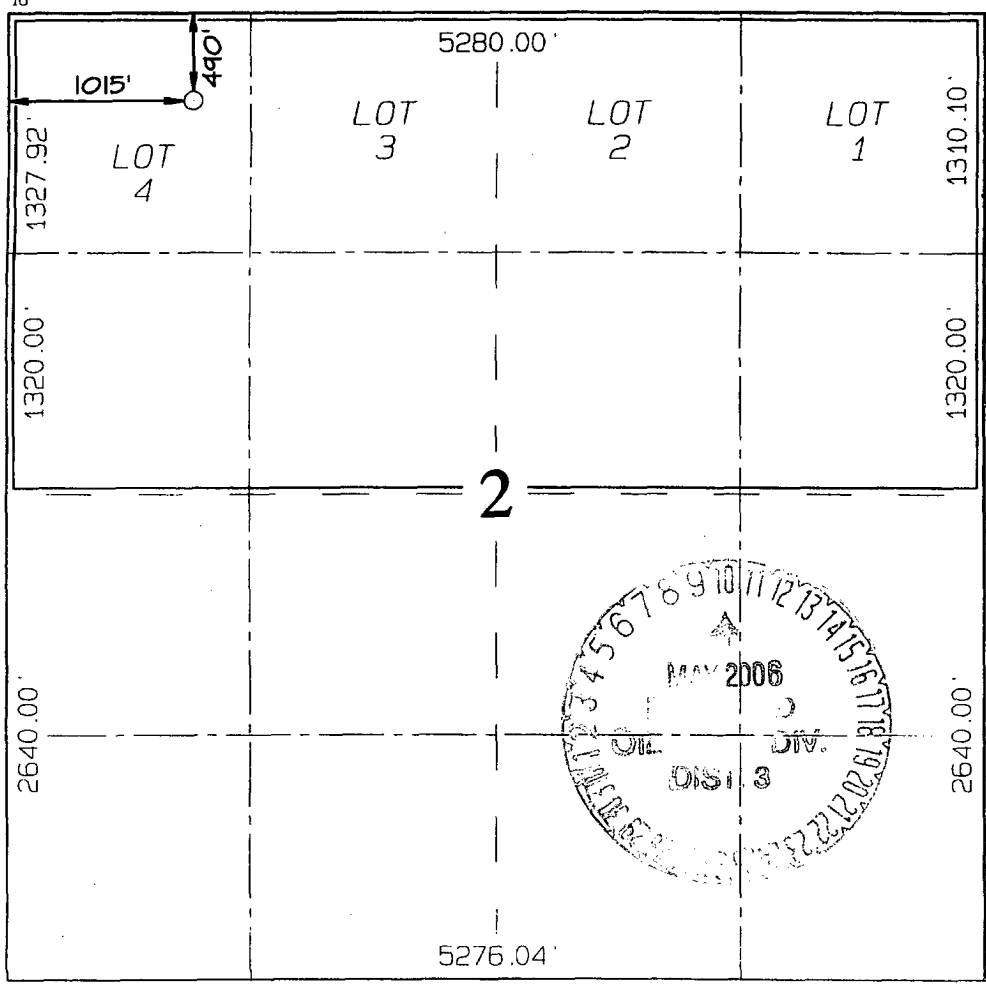
[11] Bottom Hole Location If Different From Surface

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	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
322.92 Acres - (N/2)			NSL-6376

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]



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Bradley W Salzman
Signature

BRADLEY W. SALZMAN
Printed Name

AGENT
Title

~~5-5~~ 5-4-06
Date

[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

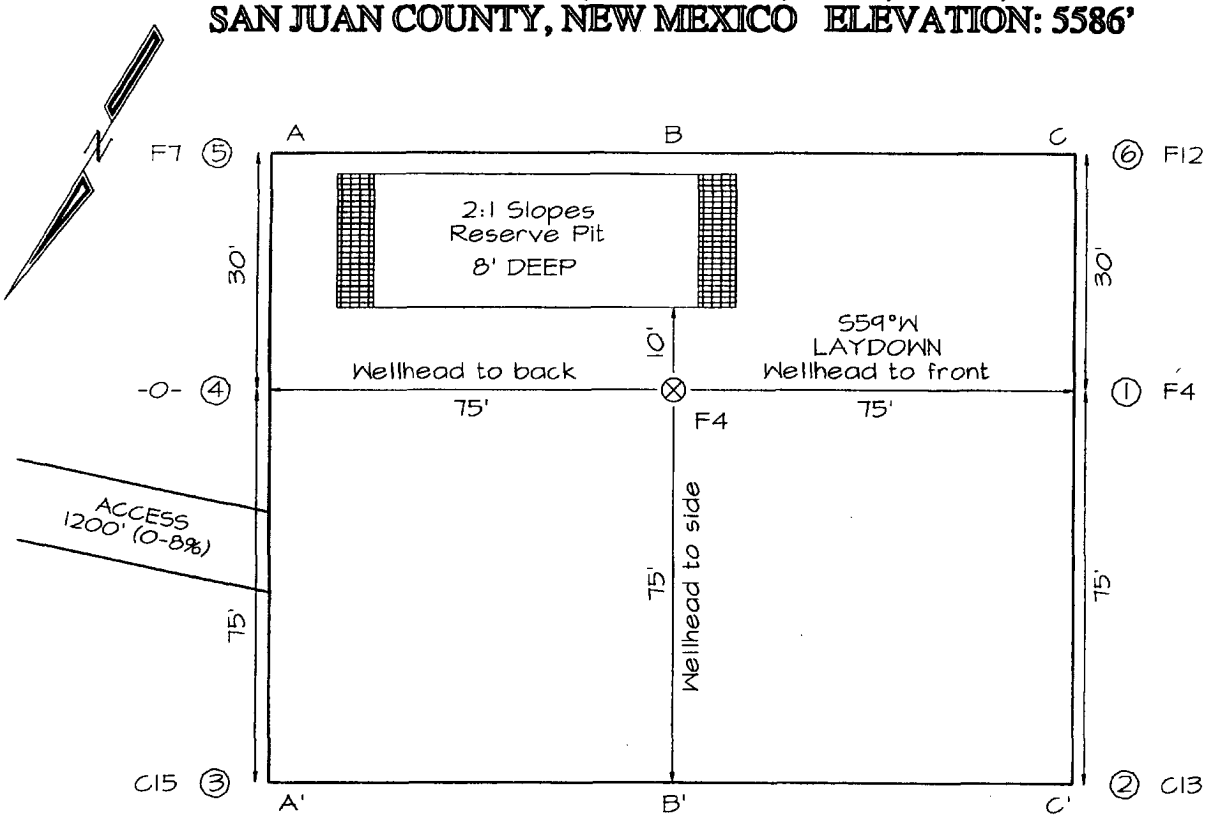
Survey Date: JANUARY 28, 2005

Signature and Seal of Professional Surveyor

JASON C. EDWARDS
NEW MEXICO
15269
REGISTERED PROFESSIONAL SURVEYOR

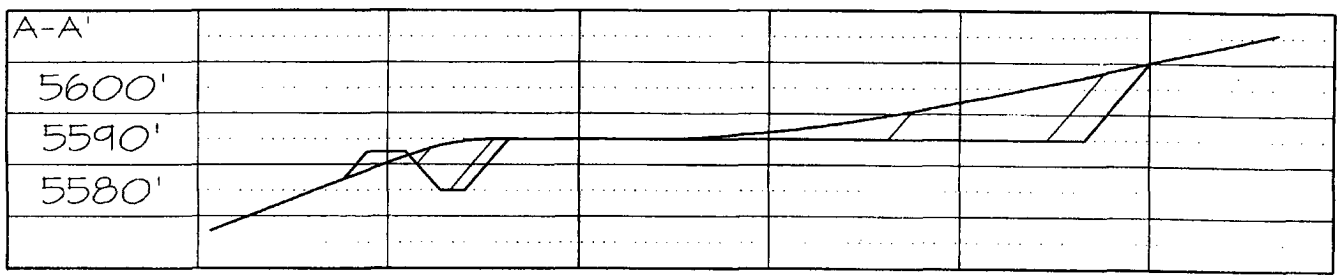
JASON C. EDWARDS
Certificate Number 15269

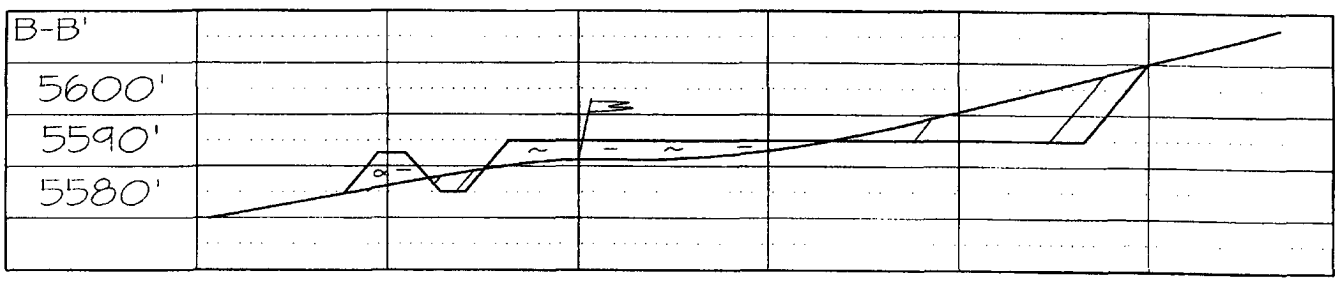
POGO PRODUCING COMPANY GOLDEN BEAR #5T
490' FNL & 1015' FWL, SECTION 2, T29N, R13W, NMPM
SAN JUAN COUNTY, NEW MEXICO ELEVATION: 5586'

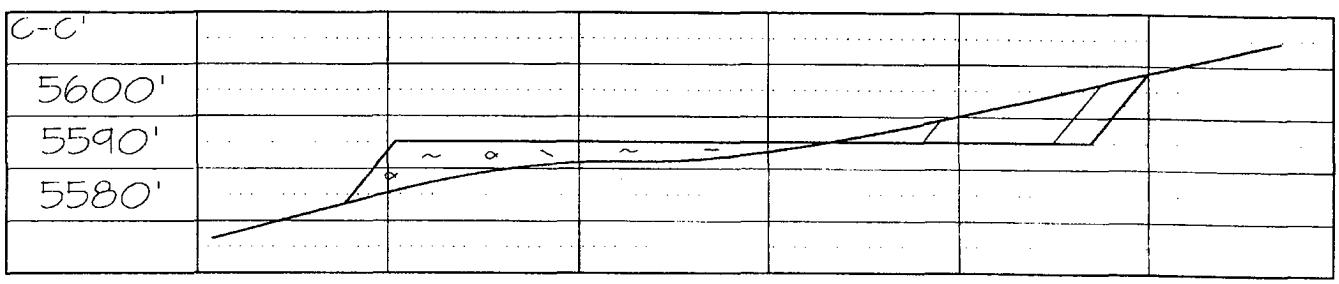


LATITUDE: 36°45'40"
LONGITUDE: 108°10'48"
DATUM: NAD1927

PLAT NOTE:
SURFACE OWNER State of New Mexico







Note: Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least two (2) working days prior to construction

TEN-POINT PROGRAM/ OPERATIONS PLAN
POGO PRODUCING COMPANY

Well name: Golden Bear #5T
Location: 490' FNL & 1015' FWL, Section 2, T-29-N, R-13-W, NMPM
San Juan County, NM
Formation: Basin Fruitland Coal

1. The geological surface formation is: Ojo Alamo

2. The tops of important geological markers: (based on existing log information)

- KB elevation: approx. +5586'
- Surface formation: Ojo Alamo
- Depth to ground water: approx. 35'
- Top Kirtland Formation: 468' (+5122')
- Top Fruitland Formation: 1168' (+4422')
- Top Pictured Cliffs Formation: 1515' (+4075')
- Top Lewis Shale 1680' (+3910')

3. Estimated depths of anticipated water, oil, gas, or minerals:

Substance	Formation	Anticipated Depth
Gas	Fruitland Coal	1665'

4. The Casing Program:

Depth	Hole Size	Casing O.D.	Wt.	Grade	Type	New/Used
0-390'	8 3/4"	7"	20#	J-55	ST&C	New
0-1665'	6 1/4"	4-1/2"	10.5#	J-55	ST&C	New

Proposed Cement Program: To effectively isolate and seal off all water, oil, gas and coal bearing strata encountered by the utilization of spacer, centralizers and swirling centralizers at the base of the Ojo Alamo formation as specified by NTL-FRA 90-1 III.B and API standards; and by using cement volumes as follows: (Exact volumes to be determined from logs):

Surface: Type 5 w-025 pps celloflake and 2 % CaCl
Final volumes will be calculated using 100% excess.

Production: Type 5 with 2% metasilicate and 0.25 pps celloflake @ 12.5 ppg lead. Type 5 with 0.25 pps celloflake and 2% CaCl @ 15.6 ppg tail. Final volumes will be determined using 35% excess and tail will provide 500' cover over basal coal.

5. Operators Minimum Specifications for pressure control:

Attached is a schematic of the blowout preventer used by a local contractor for other wells in the area. The BOP to be used is an annular BOP with screwed connections with high-pressure inlet and outlet hoses, all tested to 2000 psi minimum.

TEN-POINT PROGRAM
POGO PRODUCING COMPANY

Well name: Golden Bear #5T
Location: 490' FNL & 1015' FWL, Section 2, T-29-N, R-13-W, NMPM
San Juan County, NM
Formation: Basin Fruitland Coal

6. The type and characteristic of the proposed circulating muds:

Surface Casing: Spud flocculating bentonite with lime.

Production Casing: Low solids non- disbursing system.

Interval	Mud Weight	Viscosity	Fluid Loss	Ph	Additives
0-390'	9.0	45	-----	9	Gel, Lime
390'-TD	8.6 – 9.2	30-50	<15cc	9	Chemicals needed

7. Auxiliary Equipment to be used is as follows:

a. Float valve above bit.
b. Monitoring of mud system will be visual.
c. A safety valve and subs to fit all drill strings will be used.

8. Testing, logging and coring will be as follows:

a. Cores: None
b. Drill stem tests: none anticipated.
c. Logs will include: High Resolution Induction w/ Gamma Ray, SP, Caliper, Microlog, Spectral Density and Dual Spaced Neutron Microlog; all from total depth to the surface casing shoe.

9. Anticipated Abnormal Pressures and temperatures:

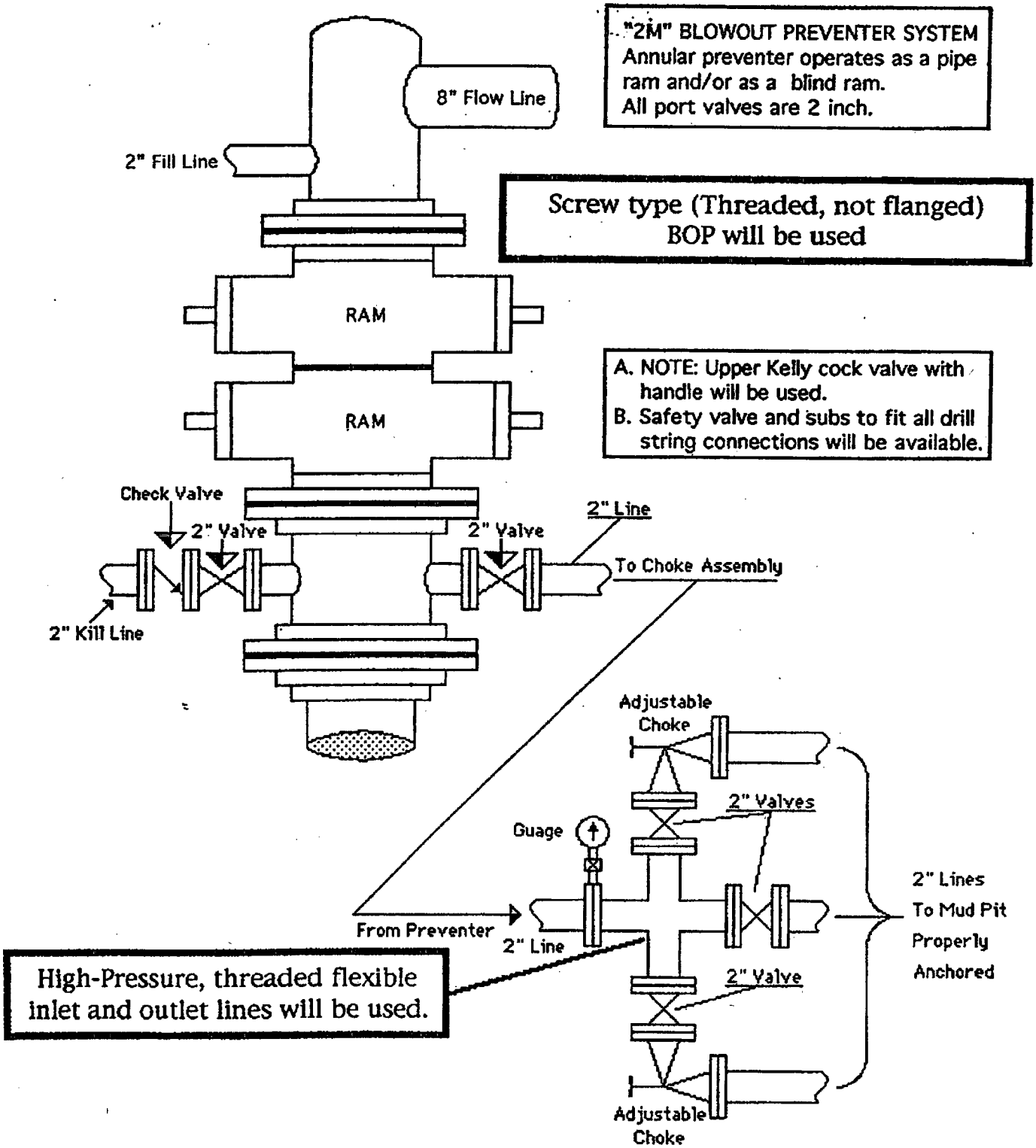
No abnormal pressures, temperatures, or Hydrogen Sulfide gases are anticipated during the completion of this well.

10. Anticipated starting date and duration of operations:

The anticipated starting date is July 1, 2006. The drilling operations should be completed within 10 days after rig-up date. Completion will be done as equipment availability and weather permit.

Date: 5-4-06 Drilling Engineer: Bradley T. Salyerson

"2M" BLOWOUT PREVENTER SYSTEM



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

May 2, 2006

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Pogo Producing Company
Attention: Ms. Leslyn Wallace (*telefax No. 432-685-8150*)
P. O. Box 10340
Midland, Texas 79702-7340

Administrative Order NSL-5375

Dear Ms. Wallace:

Reference is made to the following: (i) your application dated January 19, 2006 that was not submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico until March 8, 2006 (***administrative application reference No. pTDS0-606831494***); (ii) the Division's initial response by letter dated March 10, 2006 from Mr. Michael E. Stogner, Engineer, requesting additional data and comments concerning this application; (ii) Ms. Becky Heath's, Ellis & Associates, Inc. of Farmington, New Mexico, telephone conversations with Mr. Stogner on Monday, May 1, 2006; (iv) Mr. Stogner's telefax to Ms. Heath Monday afternoon, May 1st; (v) Ms. Heath's response by telefax Monday evening, May 1st with the necessary information and supplemental data to complete your application; and (vi) the Division's records in Aztec and Santa Fe: all concerning Pogo Producing Company's request for an exception to the well location requirements provided within the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended [Rule 7 (a) (1)], for a non-standard infill gas well location within an existing 322.92-acre lay-down gas spacing unit for the Basin-Fruitland Coal (Gas) Pool (***71629***) comprising Lots 1, 2, 3, and 4 and the S/2 N/2 (N/2 equivalent) of Section 2, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico.

Your application has been duly filed under the provisions of: (i) Rule 7 (b) of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*;" and (ii) Division Rules 104.F and 1210.A (2) [formerly Division Rule 1207.A (2), see Division Order No. R-12327-A, issued by the New Mexico Oil Conservation Commission in Case No. 13482 on September 15, 2005].

This unit is currently dedicated to Pogo's Golden Bear Well No. 5 (***API No. 30-045-30765***), located at a standard coal gas well location 1420 feet from the North line and 1850 feet from the East line (Unit G) of Section 2.

By the authority granted me under the applicable provisions of the special pool rules governing the Basin-Fruitland Coal (Gas) Pool and Division Rule 104.F (2), the following described unorthodox infill coal gas well location to be drilled within the above-described 322.92-acre gas spacing unit is hereby approved:

Golden Bear Well No. 5-T
490' FNL & 1015' FWL (Lot 4/Unit D).

Further, Pogo is hereby authorized to simultaneously dedicate production attributed to the Basin-Fruitland Coal (Gas) Pool from both the above-described Golden Bear Wells No. 5 and 5-T.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Aztec
New Mexico State Land Office – Santa Fe
Ms. Becky Heath, Ellis & Associates, Inc. (***telefax No. 505-327-3974***) – Farmington