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 JUN 2006

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 / [3] API Number
Pogo Producing Company- 300 N Marienfeld Suite 600 Midland, TX 79701	~~233194~~ 17891 30 - 045 - 33793

[4] Property Code	[5] Property Name	[6] Well No.
300181 ~~71629~~	Northridge	#3

[9] Proposed Pool 1	[10] Proposed Pool 2
Basin Fruitland Coal 71629	

[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
A	3	29N	13W	(1) ~~F~~	679'	North	923'	East	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	P	5550'
[16] Multiple	**Propsoed Depth**	**[18] Formation**	**[19] Contractor**	**[20] Spud Date**
N	+/-1595	Basin Fruitland Coal	Availability	ASAP

Depth to Groundwater +/- 35' | Distance from nearest fresh water well ~~+/-1000'~~ >1000' | Distance from nearest surface water ~~+/-1000'~~ >1000'

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

Drilling Method: Rotary

Closed-Loop System ☒ VGZ 6/8/06

Fresh Water ☒ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☐

[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#	1595'	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 150 sx (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 approx. 1595'. New 4-1/2" casing will be set and cemented to surface, with type 5 additives. Cement volumes will be determined based on open hole logs.
KB elevation: approx. +/- 5550'
Surface formation: Ojo Alamo
Top Kirtland formation: 410' (+5140') Top Fruitland Formation 1060' (+4490') Top Pictures Cliffs Formation 1445' (+4105') Top Lewis Shale 1600' (+3950')

[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: Brad Salzman B. Salzman

Title: Drilling Consultant

E-mail Address: brads@titusconsulting.net

Date: | Phone: 505-486-1701

OIL CONSERVATION DIVISION

Approved by:

Title: DEPUTY OIL & GAS INSPECTOR, DIST. #3

Approval Date: JUN 09 2006 | Expiration Date:

Conditions of Approval Attached ☐ No sub-grade pits or tanks

State of New Mexico
Energy, Minerals & Mining Resources Department
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C - 102

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APA Number	Pool Code	Pool Name
30-045-33793	71629	Basin Fruitland Coal

Property Code	Property Name	Well Number
300781	NORTHRIDGE	3

OGRID No.		Operator Name	Elevation
~~233194~~	17891	POGO PRODUCING CO.	5552'

Surface Location

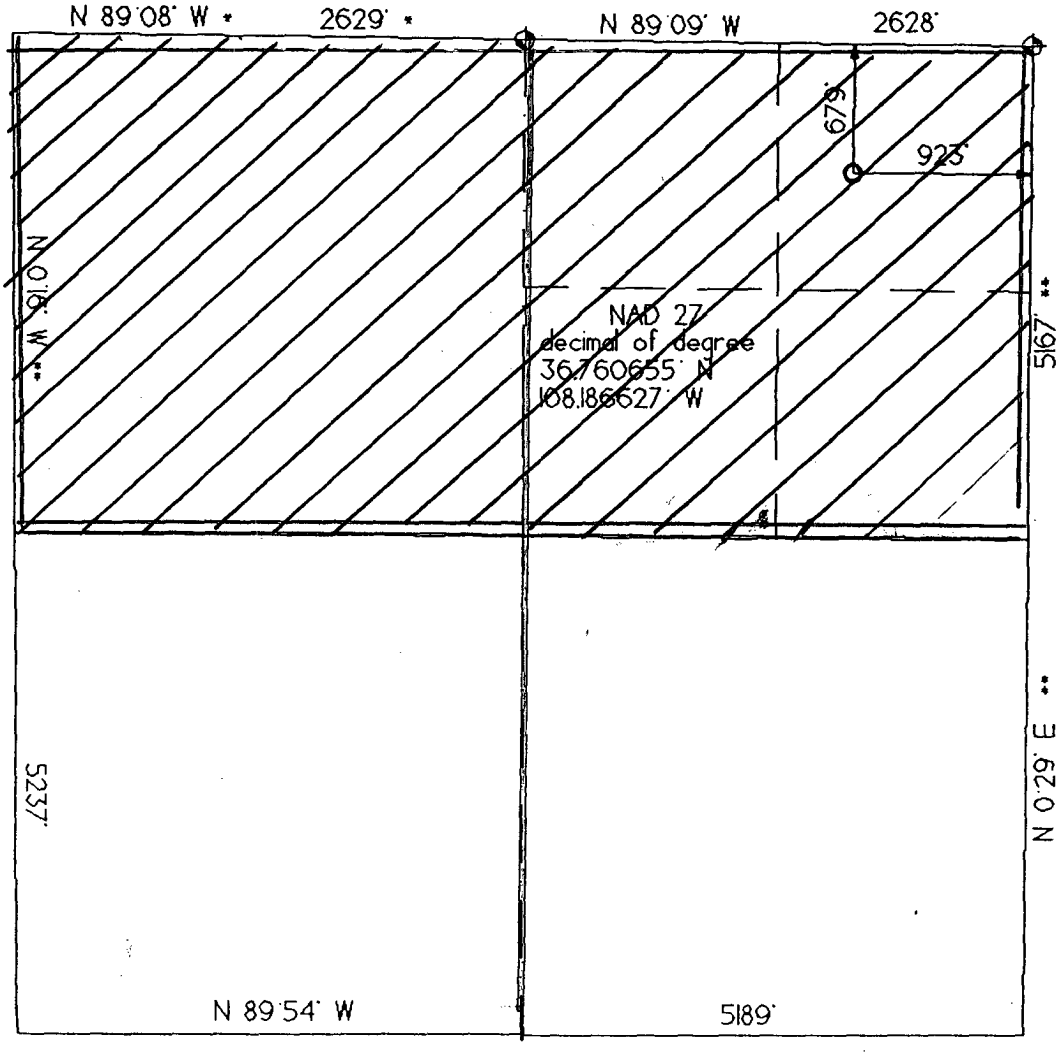
UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from>	North/South	Feet from>	East/West	County
A	3	29 N.	13 W.	1	679'	NORTH	923'	EAST	SAN JUAN

Bottom Hole Location If Different From Surface

UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from>	North/South	Feet from>	East/West	County

Dedication	Joint ?	Consolidation	Order No.
N/2			

NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

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

Signature: B.W. Dalyman

Printed Name: B.W. SPIZMAN

Title: CONSULTANT

Date: 6-7-06

SURVEYOR CERTIFICATION

I hereby certify that the well location 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.

Date of Survey: 09/22/'05

Signature and Seal of Professional Surveyor:

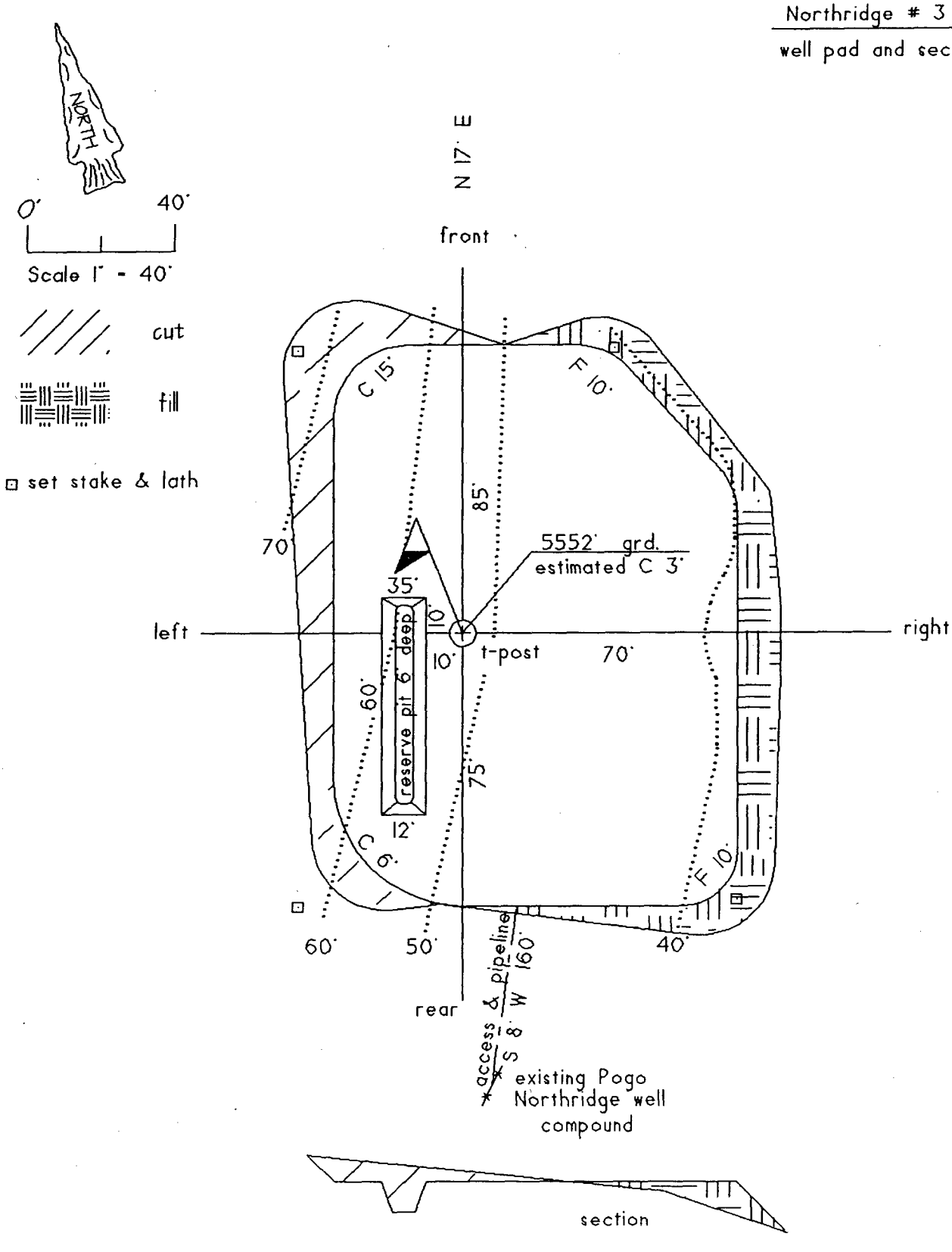
GERALD G. HUDDLESTON
NEW MEXICO
6844
REGISTERED LAND SURVEYOR

Certificate Number: 6844

8

Northridge # 3

well pad and section



TEN-POINT PROGRAM/ OPERATIONS PLAN
POGO PRODUCING COMPANY

Well name: Northridge #3
Location: 679' FNL & 923' FEL, A, Sec. 3, 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)

Top Kirtland	410'
Top Fruitland	1060'
Top Pictured Cliffs	1445'
Top Lewis Shale	1600'

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

Substance	Formation	Anticipated Depth
Gas	Fruitland Coal	1645'

4. The Casing Program:

Depth	Hole Size	Casing O.D.	Wt.	Grade	Type	New/Used
0-650'	8 3/4"	7"	20#	J-55	ST&C	New
0-1645'	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% over gauge hole volume.

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:
Expected bottom hole pressure 250 psi or less.

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 a double ram type BOP with flanged connections and high-pressure inlet and outlet hoses, all tested to 250 psi low and 1000 psi high.

In the event drill floor height precludes the use of a lower BOP spool, the rams will be tested in conjunction with the surface casing.

TEN-POINT PROGRAM
POGO PRODUCING COMPANY

Well name: Northridge #3
Location: 679' FNL & 923' FEL, A, Sec. 3, 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: Spud flocculating bentonite with lime.
Production:Freshwater - Bentonite

Interval	Mud Weight	Viscosity	Fluid Loss	Ph	Additives
0-650'	8.4	32	-----	7.5	Gel, Lime
650'-TD	8.6 – 9.2	30-50	<15cc	8	Additives as needed to maintain viscosity

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, 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: 6-07-06 Drilling Engineer: B N Tabyman

BOP SCEMATIC FOR DRILLING OPERATIONS CLASS 1 (2M) NORMAL PRESSURE

TESTING PROCEDURE

1. Test BOP after installation:
   Pressure test BOP to 200-300 psig (low pressure) for 5 min.
   Test BOP to Working Press or to 70% internal yield of surf csg (10 min).
2. Test operation of (both) rams on every trip.
3. Check and record Accumulator pressure on every tour.
4. Re-pressure test BOP stack after changing out rams.
5. Have kelly cock valve with handle available.
6. Have safety valve and subs to fit all sizes of drill string.

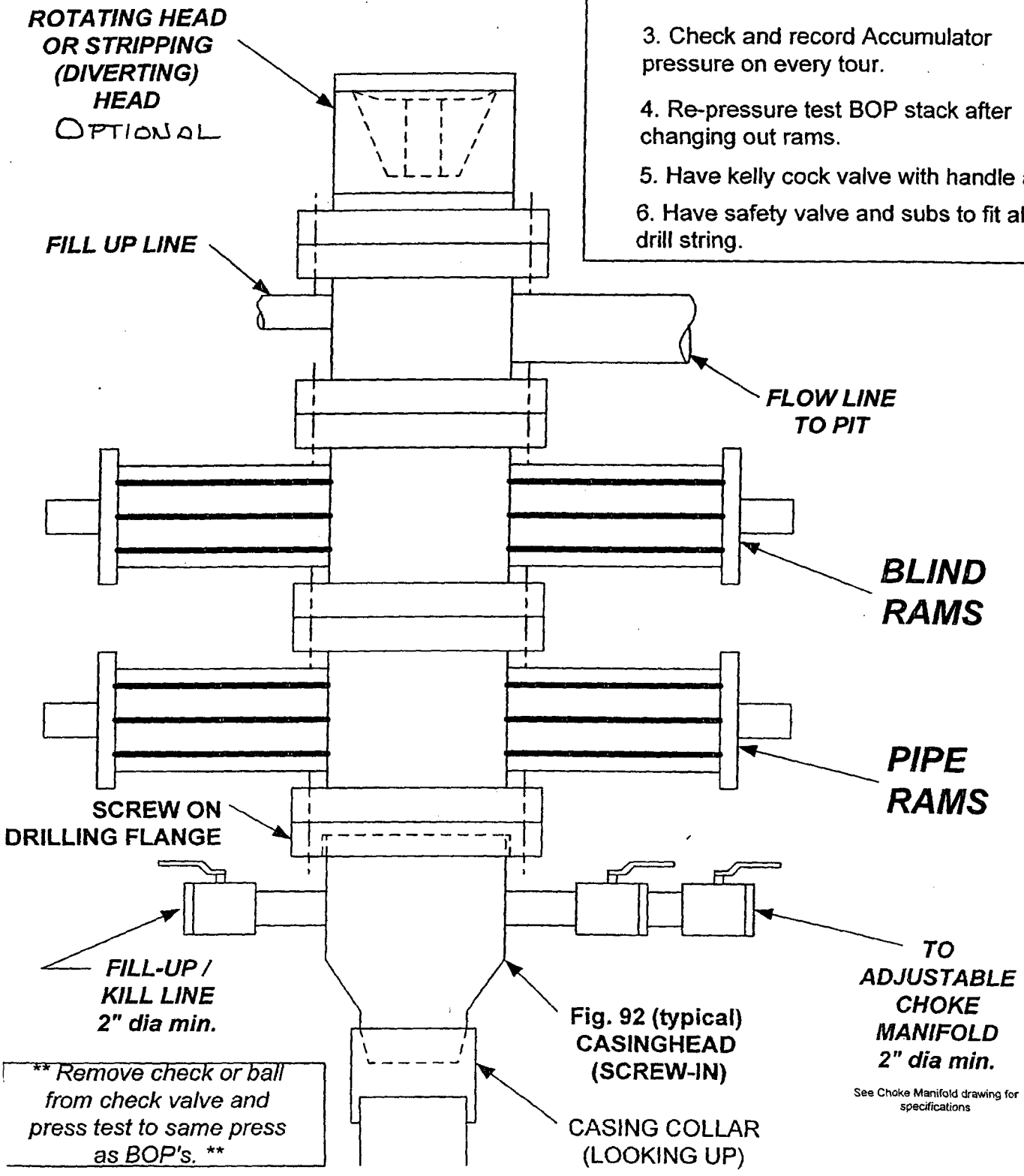
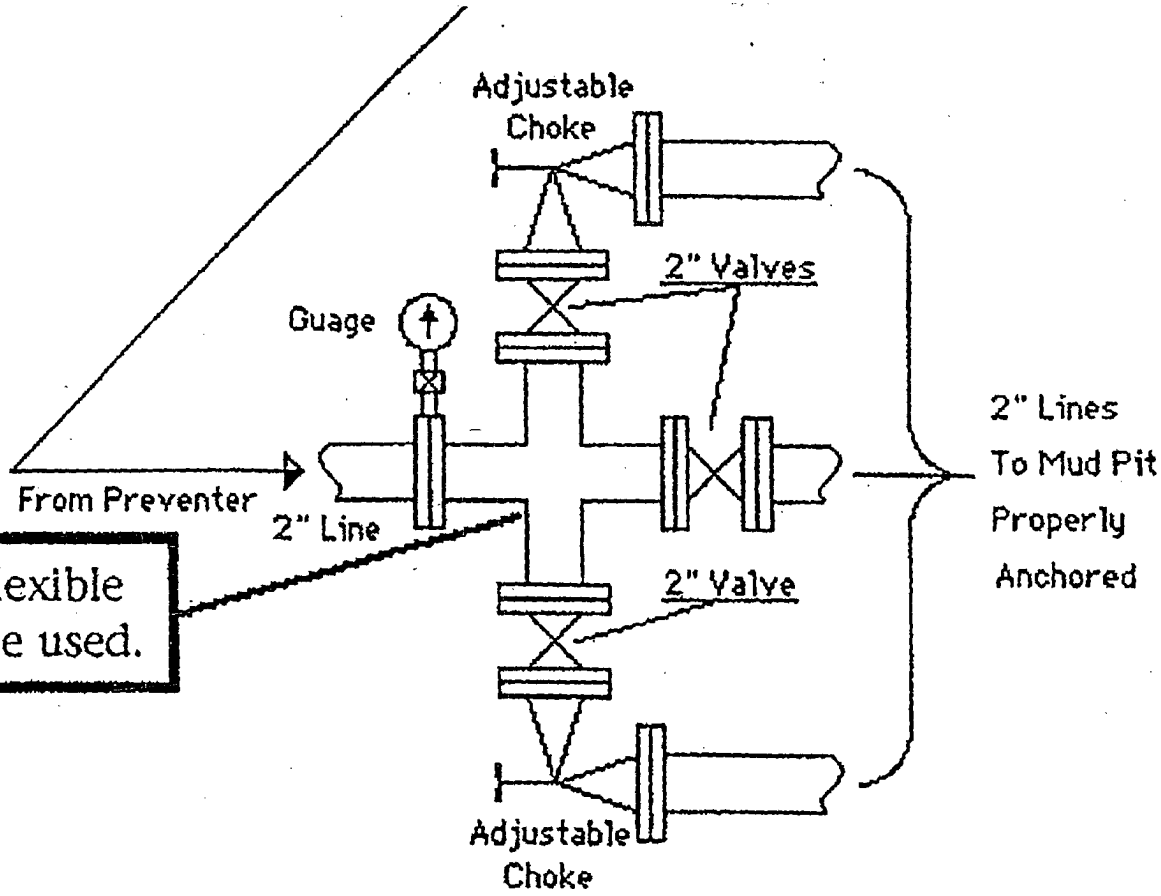


Fig. 92 (typical) CASINGHEAD (SCREW-IN)



High-Pressure, threaded flexible
nlet and outlet lines will be used.

7-06
BS