

**McMillan 4 Fed Com #1**  
**N/2 Section 4, T20S, R27E - 324.4 acres**

**N/2 Section 4, T20S, R27E, Eddy County, NM**

WI OWNERS	WI%	Partners Executed		Comments
		AFE	JOA	
Pogo Producing Company	65.79689	x	x	
Harvey E. Yates Company	10.63482	x		AFE Via fax - original to follow
Jalapeno Corporation (includes Cibola)	4.47005	x	x	
Nortex Corporation	3.72596	x	x	
Sacramento Partners, LP	3.72596	x	x	
Yates Energy Corporation	3.52490			
Estate of Lillie M. Yates	2.79447	x	x	
Sharbro Oil Ltd.	2.79447	x	x	
Robert Kent	0.93149	x	x	
Read & Stevens, Inc.	0.43664	x	x	
EAKO, LLC	0.23919	x	x	
CALCO, LLC	0.19406	x	x	
Aston Partnership	0.19406	x	x	
Bank of America, Tree Tom P. Stephens Trust	0.13972	x		
Grant M. Smith	0.11644			
VALKO, LLC	0.09459	x	x	
Glen David Miller	0.06986	x	x	
Lucas Properties, LLC	0.06986	x	x	
Mary Ann Morrison	0.04657	x		
Total	100.00000			

OIL CONSERVATION DIVISION

CASE NUMBER 13216

POGO EXHIBIT NUMBER 2



**POGO PRODUCING COMPANY**

July 21, 2003

To: Working Interest Owners  
(See Attached List)

VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Re: MCMILLAN PROSPECT  
Eddy County, New Mexico  
MCMILLAN 4 FEDERAL COM No 1 WELL  
660' FNL and 2,550' FWL Section 4  
T-20-S, R-27-E, N.M.P.M.  
Pogo Lease L2382.000

Ladies and Gentlemen:

Please be advised that Pogo Producing Company has recently acquired all of Devon Energy Production Company, LP's right, title and interest in and to that certain Federal Oil and Gas Lease NM-92756, which covers Lots 2, 3, 4, and S½NW¼ of said Section 4, containing 203.53 acres, more or less.

According to our information, the parties listed on Exhibit "A" attached hereto are the owners of Federal Oil and Gas Lease NM-02295, insofar and only insofar as to Lot 1 and the S½NE¼ of said Section 4, limited to rights below 4,000', containing 120.87 acres, more or less. Note that it is also our understanding that there may exist an Operating Agreement dated February 7, 1964, Harvey E. Yates, Operator, Franklin, Aston & Fair, Inc., et al., Non-Operators, covering such lands, among other lands. Since the Operating Agreement is not of record, and we do not have a copy of same, please advise if the leasehold ownership is different than the contractual ownership per such Operating Agreement as to such lands.

In connection with the above, Pogo hereby proposes the drilling of the captioned well at the above location to a depth of 11,000' to test the Morrow formation. In connection therewith, please find attached hereto Pogo's AFE No 530207 which provides pertinent details and estimated costs of such operation.

In the event you desire to participate in such Test Well, please advise this office. In the event a party does not wish to participate, please note that Pogo is willing to acquire a term assignment or farmout of such party's interest. Further, upon our receipt of notifications from all parties to participate or not participate in this well/working interest unit proposal, Pogo will then send out its proposed Operating Agreement to cover the N½ of said Section 4, as to rights below 4,000', naming Pogo as the Operator, to the participating parties for their review and execution.

Note further that the subject well location is unorthodox, with Pogo sending an application in the near future to the NMOCD for their approval. Also, Pogo will be submitting a Communitization Agreement on the Federal form shortly covering said N½ of said Section 4.

Should you have any questions or wish to discuss this matter further, please do not hesitate to contact our office.

Very truly yours,

POGO PRODUCING COMPANY

Terry Gant  
Land Manager

TG/dkr

Attachments

OIL CONSERVATION DIVISION

CASE NUMBER 13216

POGO EXHIBIT NUMBER 3

**EXHIBIT "A"**

**WORKING INTEREST OWNERS**

N½ of Section 4  
T-20-S, R-27-E, N.M.P.M.  
Eddy County, New Mexico  
324.4 acres, more or less,  
as to depths below 4,000' subsurface

<b>OWNER</b>	<b>WORKING INTEREST</b>
Pogo Producing Company ..... Attn: Land Department P.O. Box 10370 Midland, Texas 79702-7340	62.74044
Harvey E. Yates Company ..... Attn: Mr. Vernon Dyer P.O. Box 1933 Roswell, New Mexico 88202-1933	10.63482
Jalapeño Corporation ..... Attn: Mr. Ann Riggs P.O. Box 1608 Albuquerque, New Mexico 87103-1608	4.47005
Nortex Corporation ..... Attn: Mr. Robert Kent 1415 Louisiana Street, Suite 3100 Houston, Texas 77002	3.72596
Sacramento Partners Limited Partnership ..... Attn: Mr. Chuck Moran P.O. Box 1344 (88210-1344) 105 South Fourth Street (88210) Artesia, New Mexico	3.72596
Yates Energy Corporation ..... Attn: Mr. Fred G. Yates P.O. Box 2323 Roswell, New Mexico 88202-2323	3.52490
EOG Resources, Inc. .... Attn: Mr. Pat Tower P.O. Box 2267 Midland, Texas 79702	3.05645
The Estate of Lillie M. Yates ..... P.O. Box 1344 (88210-1344) 105 South Fourth Street (88210) Artesia, New Mexico	2.79447
Sharbro Oil Ltd. Co. .... P.O. Box 1344 (88210-1344) 105 South Fourth Street (88210) Artesia, New Mexico	2.79447
Robert Kent ..... % Nortex Corporation 1415 Louisiana Street, Suit 3100 Houston, Texas 77002	0.93149

OWNER	WORKING INTEREST
Read & Stevens, Inc. .... Attn: Mr. Bob Watson P.O. Box 1518 Roswell, New Mexico 88202	0.43664
EAKO, LLC, a New Mexico limited liability company ..... % Deborah L. Goluska P.O. Box 1090 Roswell, New Mexico 88202-1090	0.23919
CALCO, LLC, a New Mexico Limited Liability Company ..... % Deborah L. Goluska P.O. Box 1090 Roswell, New Mexico 88202-1090	0.19406
FNB Chicago, Aston Partnership ..... % Deborah L. Goluska P.O. Box 1090 Roswell, New Mexico 88202-1090	0.19406
NationsBank, Trustee of the Tom P. Stephens Trust ..... under Trust Agreement dated 10/30/95 % Bank of America P.O. Box 2546 Fort Worth, Texas 76113	0.13972
Grant M. Smith ..... 1112 Rancho Road Roswell, New Mexico 88203-4344	0.11644
VALKO, LLC, a New Mexico limited liability company ..... % Deborah L. Goluska P.O. Box 1090 Roswell, New Mexico 88202-1090	0.09459
Glen David Miller ..... P.O. Box 2412 Roswell, New Mexico 88202	0.06986
John R. Lucas ..... % REDW Trust Company, Agent P.O. Box 93656 Albuquerque, New Mexico 87119	0.06986
Mary Ann Morrison ..... P.O. Box 5581 Hobbs, New Mexico 88241	0.04657
<b>TOTAL</b>	<b>100.00000</b>

Working Interest Owners  
McMillan 4 Federal Com № 1 Well  
July 21, 2003  
Page 4

Certified Article Number

7160 3901 9844 0594 6969

SENDERS RECORD

Certified Article Number

7160 3901 9844 0594 6983

SENDERS RECORD

Certified Article Number

7160 3901 9844 0594 6976

SENDERS RECORD

U.S. Postal Service

CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

U.S. Postal Service

CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

U.S. Postal Service

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(Domestic Mail Only; No Insurance Coverage Provided)

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(Domestic Mail Only; No Insurance Coverage Provided)

U.S. Postal Service

CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

Postage

\$

Certified Fee

Return Receipt Fee  
(Endorsement Required)

Restricted Delivery Fee  
(Endorsement Required)

Total Postage & Fees

\$

Recipient's Name (Please Print Clearly) (To be completed by mailer)

Read & Stevens

Street, Apt. No.; or PO Box No.

City, State, ZIP+ 4

PS Form 3800, February 2000

See Reverse for Instructions

Postage

\$

Certified Fee

Return Receipt Fee  
(Endorsement Required)

Restricted Delivery Fee  
(Endorsement Required)

Total Postage & Fees

\$

Recipient's Name (Please Print Clearly) (To be completed by mailer)

Mary Ann Morrison

Street, Apt. No.; or PO Box No.

City, State, ZIP+ 4

PS Form 3800, February 2000

See Reverse for Instructions

7-21-03

Postmark  
Here

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Harvey E. Yates Company  
Attn: Mr. Vernon Dyer  
P.O. Box 1933  
Roswell, NM 88202-1933

2. Article Number (Copy from service label)

7000 0520 0024 4232 3325

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

Amy Owens

B. Date of Delivery

7-22-03

C. Signature

X Amy Owens

☐ Agent

☐ Addressee

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☒ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

Harvey E. Yates Company

Attn: Mr. Vernon Dyer

P.O. Box 1933

Roswell, NM 88202-1933

7/21/03

X

☐ Agent

☐ Addressee

☐ Yes

☐ No

If YES, enter delivery address below:

☐ Yes

☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☒ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

☐ No

If YES, enter delivery address below:

☐ Yes

☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☒ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

☐ No

If YES, enter delivery address below:

☐ Yes

☐ No

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Yates Energy Corporation  
Attn: Mr. Fred G. Yates  
P.O. Box 2323  
Roswell, NM 88202-2323

2. Article Number (Copy from service label)

7000 0520 0024 4232 3349

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Nortex Corporation  
Attn: Mr. Robert Kent  
1415 Louisiana St, Ste. 3100  
Houston, TX 77002

2. Article Number (Copy from service label)

7000 0520 0024 4232 3349

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

Working Interest Owners  
McMillan 4 Federal Com No 1 Well  
July 21, 2003  
Page 6

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Sacramento Part. Ltd. Parts.  
Attn: Mr. Chuck Moran  
105 S. Fourth St.  
Artesia, NM 88210

2. Article Number (Copy from service label)

7000 0520 0024 4232 3363

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature D. Is delivery address different from item 1?

If YES, enter delivery address below.

3. Service Type

4. Restricted Delivery? (Extra Fee)

5. Certified Mail

6. Registered

7. Insured Mail

8. Express Mail

9. Return Receipt for Merchandise

10. C.O.D.

11. Yes

12. No

13. Yes

14. No

15. Yes

16. No

17. Yes

18. No

19. Yes

20. No

21. Yes

22. No

23. Yes

24. No

25. Yes

26. No

27. Yes

28. No

29. Yes

30. No

31. Yes

32. No

33. Yes

34. No

35. Yes

36. No

37. Yes

38. No

39. Yes

40. No

41. Yes

42. No

43. Yes

44. No

45. Yes

46. No

47. Yes

48. No

49. Yes

50. No

51. Yes

52. No

53. Yes

54. No

55. Yes

56. No

57. Yes

58. No

59. Yes

60. No

61. Yes

62. No

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"><li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li><li>Print your name and address on the reverse so that we can return the card to you.</li><li>Attach this card to the back of the mailpiece, or on the front if space permits.</li></ul>		<p>A. Received by (Please Print Clearly) <i>Kathy Donaghe</i> B. Date of Delivery <i>7-22-03</i></p> <p>C. Signature <i>Kathy Donaghe</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If YES, enter delivery address below:</p>	
1. Article Addressed to: Lillie M. Yates 105 S. Fourth St. Artesia, NM 88210		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
2. Article Number (Copy from service label) 7000 0520 0024 4232 3387		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

PS Form 3811, July 1999 Domestic Return Receipt 102595-99-M-1789

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"><li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li><li>Print your name and address on the reverse so that we can return the card to you.</li><li>Attach this card to the back of the mailpiece, or on the front if space permits.</li></ul>		<p>A. Received by (Please Print Clearly) <i>Susan M. Hinkle</i> B. Date of Delivery <i>7-22-03</i></p> <p>C. Signature <i>Susan M. Hinkle</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If YES, enter delivery address below:</p>	
1. Article Addressed to: Cibola Energy Corp Attn: Mr. Chuck Moran 105 S. Fourth St Artesia, NM 88210		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
2. Article Number (Copy from service label) 7000 0520 0024 4232 3387		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

PS Form 3811, July 1999 Domestic Return Receipt 102595-99-M-1789

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"><li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li><li>Print your name and address on the reverse so that we can return the card to you.</li><li>Attach this card to the back of the mailpiece, or on the front if space permits.</li></ul>		<p>A. Received by (Please Print Clearly) <i>Susan M. Hinkle</i> B. Date of Delivery <i>7-22-03</i></p> <p>C. Signature <i>Susan M. Hinkle</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If YES, enter delivery address below:</p>	
1. Article Addressed to: Read & Stevens Inc. Attn: Mr. Bob Watson P.O. Box 1518 Roswell, NM 88202		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
2. Article Number (Copy from service label) 7000 0520 0024 4232 3400		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

PS Form 3811, July 1999 Domestic Return Receipt 102595-99-M-1789



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Charles A Aston, Jr  
% Deborah L. Goluska  
P.O. Box 1090  
Roswell, NM 88202-1090

COMPLETE THIS SECTION ON DELIVERY

- A. Received by (Please Print Clearly) D. Goluska B. Date of Delivery 7-22-03
- C. Signature [Signature] ☐ Agent ☐ Addressee
- D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

3. Service Type

- ☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Copy from service label)

7000-0520-0024-4232-3424-1 MIDLAND/DESSA TX 75900

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

COMPLETE THIS SECTION ON DELIVERY

- A. Received by (Please Print Clearly) D. Goluska B. Date of Delivery 7-22-03
- C. Signature [Signature] ☐ Agent ☐ Addressee
- D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

3. Service Type

- ☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

7.21.03  
7000-0520-0024-4232-3424-1 MIDLAND/DESSA TX 75900

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

COMPLETE THIS SECTION ON DELIVERY

- A. Received by (Please Print Clearly) D. Goluska B. Date of Delivery 7-22-03
- C. Signature [Signature] ☐ Agent ☐ Addressee
- D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

3. Service Type

- ☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

7.21.03  
7000-0520-0024-4232-3431-1 MIDLAND/DESSA TX 75900

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

CALCO, LLC a New Mexico Limited Liability Company  
P.O. Box 1090  
Roswell, NM 88202-1090

2. Article Number (Copy from service label)

7000-0520-0024-4232-3424-1 MIDLAND/DESSA TX 75900

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

ALCO, LLC, a NM Ltd, Lia Com  
P.O. Box 1090  
Roswell, NM 88202-1090

2. Article Number (Copy from service label)

7000-0520-0024-4232-3431-1 MIDLAND/DESSA TX 75900

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
EAKO, LLC, a NM Ltd Liab Company  
P.O. Box 1090  
Roswell, NM 88202-1090

2. Article Number (Copy from service label)  
7900 0520 4232 3448

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) *D. Goluska* B. Date of Delivery *7-22-03*

C. Signature *[Signature]* ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

RETURN POSTAGE GUARANTEED

**POGO PRODUCING COMPANY**

300 NORTH MARINEFIELD, SUITE 600 POST OFFICE BOX 10340  
MIDLAND, TEXAS 79702-7340

Tom P. Stephens, Trustee of the Tom P. Stephens Trust under Trust Agreement dated 10/30/95  
P.O. Box 698  
Roswell, New Mexico 88202-0698

ADDRESSEE UNKNOWN  
INITIALS

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) *[Signature]* B. Date of Delivery *7-24-03*

C. Signature *[Signature]* ☒ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☒ No

3. Service Type  
☒ Certified Mail ☐ Express Mail  
☐ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

SENDER: COMPLETE THIS SECTION

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Brant Smith  
1112 Rancho Road  
Roswell, NM 88203-4344

2. Article Number (Copy from service label)  
7900 0520 0024 4232 3462

Working Interest Owners  
McMillan 4 Federal Com No 1 Well  
July 21, 2003  
Page 10

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece or on the front if space permits.</p> <p>1. Article Addressed to: John R. Lucas % Fran Lackey 2424 Cague NE Albuquerque, NM 87110</p>		<p>A. Received by (Please Print Clearly) _____</p> <p>B. Date of Delivery <b>7-25-03</b></p> <p>C. Signature <b>X</b> <i>[Signature]</i> <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>D. Is delivery address different from item 1? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If YES enter delivery address below: <b>2424 CAGUE NE</b></p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	
2. Article Number (Copy from service label) <b>7000 0520 0024 4232 3479</b>			

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

*WRONG ADDRESS*

**7000 0520 0024 4232 3486**  
Glen David Miller

*WRONG ADDRESS*

**7000 0520 0024 4232 3493**  
Mary Ann Morrison

Working Interest Owners  
McMillan 4 Federal Com No 1 Well  
July 21, 2003  
P

COMPLETE THIS SECTION ON DELIVERY	
A. Received by (Please Print Clearly)	B. Date of Delivery
C. Signature <i>Kathy Donaghe</i> X	Agent Addressee <input type="checkbox"/> Yes <input type="checkbox"/> No
D. Is delivery address different from item 1? If YES, enter delivery address below: KATHY DONAGHE	
3. Service Type <b>CERTIFIED MAIL</b>	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
1. Article Addressed to:  Sharbro Oil Ltd. Co. 105 South Fourth Street Artesia, NM 88210	
Reference Information:  McMillan 4 Federal Com No 1 McMillan Prospect  Terry Gant (07/23/03)	

PS Form 3811, July 2001 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY	
A. Received by (Please Print Clearly)	B. Date of Delivery
C. Signature <i>Kathy Donaghe</i> X	Agent Addressee <input type="checkbox"/> Yes <input type="checkbox"/> No
D. Is delivery address different from item 1? If YES, enter delivery address below:	
3. Service Type <b>CERTIFIED MAIL</b>	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
1. Article Addressed to:  The Estate of Lillie M. Yates 105 South Fourth Street Artesia, NM 88210	
Reference Information:  McMillan 4 Federal Com No 1 McMillan Prospect  Terry Gant (07/23/03)	

PS Form 3811, July 2001 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY	
A. Received by (Please Print Clearly)	B. Date of Delivery
C. Signature <i>A. Riggs</i> X	Agent Addressee <input type="checkbox"/> Yes <input type="checkbox"/> No
D. Is delivery address different from item 1? If YES, enter delivery address below:	
3. Service Type <b>CERTIFIED MAIL</b>	
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
1. Article Addressed to:  Cibola Energy Corporation Attn: Mr. Harvey Yates, Jr. P.O. Box 1668 Albuquerque, NM 87103	
Reference Information:  McMillan 4 Federal Com No 1 McMillan Prospect  Terry Gant (07/23/03)	

PS Form 3811, July 2001 Domestic Return Receipt

Working Interest Owners  
McMillan 4 Federal Com No 1 Well  
July 21, 2003  
Page 12

Certified Article Number

7160 3901 9844 0594 6167

SENDERS RECORD

Certified Article Number

7160 3901 9844 0594 6174

SENDERS RECORD

Certified Article Number

7160 3901 9844 0594 6161

SENDERS RECORD

7160 3901 9844 0594 6167

3. Service Type **CERTIFIED MAIL**

4. Restricted Delivery? (Extra Fee) ☐ Yes

1. Article Addressed to:

Glen David Miller  
P.O. Box 2412  
Roswell, NM 88202

Reference Information:  
McMillan 4 Federal Com No 1  
McMillan Prospect  
Terry Gant (8/4/03)

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly)

B. Date of Delivery

C. Signature

D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

PS Form 3811, July 2001 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

Received by (Please Print Clearly) *B. Rascon* Date of Delivery *AUG 12 2003*

Signature *B. Rascon*

D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

3. Service Type **CERTIFIED MAIL**

4. Restricted Delivery? (Extra Fee) ☐ Yes

1. Article Addressed to:

Tom P. Stephens, Trustee  
% Bank of America  
P.O. Box 2546  
Fort Worth, TX 76113

Reference Information:  
McMillan 4 Federal Com No 1  
McMillan Prospect  
Terry Gant (8/4/03)

PS Form 3811, July 2001 Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

Received by (Please Print Clearly) *John R. Lucas* Date of Delivery *8-7-03*

Signature *John R. Lucas*

D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below:

3. Service Type **CERTIFIED MAIL**

4. Restricted Delivery? (Extra Fee) ☐ Yes

1. Article Addressed to:

John R. Lucas  
% REDW Trust Company, Agent  
P.O. Box 93656  
Albuquerque, NM 87119

Reference Information:  
McMillan 4 Federal Com No 1  
McMillan Prospect  
Terry Gant (8/4/03)

PS Form 3811, July 2001 Domestic Return Receipt

**Certified Article Number**

**7160 3901 9844 0594 6198**

**SENDER'S RECORD**

**Certified Article Number**

**7160 3901 9844 0594 6204**

**SENDER'S RECORD**

COMPLETE THIS SECTION ON DELIVERY	
A. Received by (Please Print Clearly)	B. Date of Delivery
C. Signature <i>X Grant M. Smith</i>	Agent <input type="checkbox"/> Addressee <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>
D. Is delivery address different from item 1? If YES, enter delivery address below:	
USPS AUG 13 2003 NM 88201	

Reference Information:  
McMillan 4 Federal Com No 1  
McMillan Prospect  
Terry Gant (8/4/03)

**7160 3901 9844 0594 6198**

**3. Service Type CERTIFIED MAIL**

4. Restricted Delivery? (Extra Fee) ☐ Yes

1. Article Addressed to:

Grant M. Smith  
1112 Rancho Road  
Roswell, NM 88203-4344

**01 9844 0594 6198**

**Grant M. Smith**  
(mailed 8/4/03)

Domestic Return Receipt

PS Form 3811, July 2001

COMPLETE THIS SECTION ON DELIVERY	
A. Received by (Please Print Clearly)	B. Date of Delivery
C. Signature <i>X Mary Ann Morrison</i>	Agent <input type="checkbox"/> Addressee <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>
D. Is delivery address different from item 1? If YES, enter delivery address below:	
97 NM 88201	

Reference Information:  
McMillan 4 Federal Com No 1  
McMillan Prospect  
Terry Gant (8/4/03)

**7160 3901 9844 0594 6204**

**3. Service Type CERTIFIED MAIL**

4. Restricted Delivery? (Extra Fee) ☐ Yes

1. Article Addressed to:

Mary Ann Morrison  
P.O. Box 5581  
Hobbs, 88241

**7160 3901 9844 0594 6204**

**Mary Ann Morrison**  
(mailed 8/4/03)

Domestic Return Receipt

PS Form 3811, July 2001

POGO PRODUCING COMPANY  
AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
GROSS AFE - DETAILED

PAGE: 2

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
WELL: 6122 MCMILLAN 4 FEDERAL COM #1  
PROSPECT: MCMILLAN PROSPECT  
FIELD: MCMILLAN MORROW - C/O  
COUNTY/PARISH: EDDY  
STATE: NM

OPERATOR: POGO PRODUCING COMPANY  
AFE TYPE: EXPLORATORY DRILLING  
DATE: 06/25/03  
WELL TYPE:  
FORMATION: MORROW  
TOTAL DEPTH: 11,000'

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'  
FWL, SECTION 4, T20S, R27E, EDDY COUNTY, NM.

DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
727.444 LWE PRODUCTION CASING 11000' 5-1/2"		78,000	78,000
727.445 LWE CASINGHEAD	3,000	2,500	5,500
727.446 LWE XMAS TREE		10,000	10,000
727.447 LWE COMPLETION EQUIPMENT		2,500	2,500
727.448 LWE RETRIEVABLE PACKER		4,500	4,500
727.449 LWE TUBING 10800' 2-7/8"		38,000	38,000
727.469 LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
TOTAL EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODUCTION FACILITIES			
746.153 LWE MISC. VALVES & FITTINGS		15,000	15,000
746.438 LWE CORROSION CONTROL SYSTEM		1,500	1,500
746.456 LWE FIELD LINES		5,000	5,000
746.457 LWE TANK, STAIR, WALK & MISC.		19,000	19,000
746.458 LWE SEPARATORS & FITTINGS		2,800	2,800
746.459 LWE HEATERS, TREATERS & CONN.		30,000	30,000
746.469 LWE OTHER MATERIALS & EQUIP.		35,000	35,000
TOTAL LWE PRODUCTION FACILITIES		108,300	108,300
*** TOTAL TANGIBLES	67,575	246,300	313,875
*** TOTAL ESTIMATED COST - GROSS	855,275	400,800	1,256,075

APPROVAL:

RICHARD L. WRIGHT

DATE: JUNE 25, 2003



AUTHORIZATION:

JERRY A. COOPER

DATE: JUNE 25, 2003

PARTICIPANT:

HARVEY E. YATES COMPANY

INTEREST: 10.64%

BY:

NAME:

TITLE:

DATE:

George M. Yates

President

February 17, 2004

POGO PRODUCING COMPANY  
AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
GROSS AFE - DETAILED

PAGE: 2

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
WELL: 6122 MCMILLAN 4 FEDERAL COM #1  
PROSPECT: MCMILLAN PROSPECT  
FIELD: MCMILLAN MORROW - C/O  
COUNTY/PARISH: EDDY  
STATE: NM

OPERATOR: POGO PRODUCING COMPANY  
AFE TYPE: EXPLORATORY DRILLING  
DATE: 06/25/03  
WELL TYPE:  
FORMATION: MORROW  
TOTAL DEPTH: 11,000'

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'  
FWL, SECTION 4, T20S, R27E, EDDY COUNTY, NM.

DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
727.444 LWE PRODUCTION CASING 11000' 5-1/2"		78,000	78,000
727.445 LWE CASINGHEAD	3,000	2,500	5,500
727.446 LWE XMAS TREE		10,000	10,000
727.447 LWE COMPLETION EQUIPMENT		2,500	2,500
727.448 LWE RETRIEVABLE PACKER		4,500	4,500
727.449 LWE TUBING 10800' 2-7/8"		38,000	38,000
727.469 LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
TOTAL EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODUCTION FACILITIES			
746.153 LWE MISC. VALVES & FITTINGS		15,000	15,000
746.438 LWE CORROSION CONTROL SYSTEM		1,500	1,500
746.456 LWE FIELD LINES		5,000	5,000
746.457 LWE TANK, STAIR, WALK & MISC.		19,000	19,000
746.458 LWE SEPARATORS & FITTINGS		2,800	2,800
746.459 LWE HEATERS, TREATERS & CONN.		30,000	30,000
746.469 LWE OTHER MATERIALS & EQUIP.		35,000	35,000
TOTAL LWE PRODUCTION FACILITIES		108,300	108,300
*** TOTAL TANGIBLES	67,575	246,300	313,875
*** TOTAL ESTIMATED COST - GROSS	855,275	400,800	1,256,075

APPROVAL: Richard L. Wright  
RICHARD L. WRIGHT

DATE: JUNE 25, 2003



AUTHORIZATION: Jerry A. Cooper  
JERRY A. COOPER

DATE: JUNE 25, 2003

PARTICIPANT: Yates Energy Corporation

INTEREST: 5.21%  
3.52490

BY: \_\_\_\_\_  
NAME: \_\_\_\_\_  
TITLE: \_\_\_\_\_  
DATE: \_\_\_\_\_



POGO PRODUCING COMPANY  
 AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
 GROSS AFE - DETAILED

PAGE: 1

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
 WELL: 6122 MCMILLAN 4 FEDERAL COM #1  
 PROSPECT: MCMILLAN PROSPECT  
 FIELD: MCMILLAN MORROW - C/O  
 COUNTY/PARISH: EDDY  
 STATE: NM

OPERATOR: POGO PRODUCING COMPANY  
 AFE TYPE: EXPLORATORY DRILLING  
 DATE: 06/25/03  
 WELL TYPE:  
 FORMATION: MORROW  
 TOTAL DEPTH: 11,000'

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'  
 FWL, SECTION 4, T20S, R27E, EDDY COUNTY, NM.

DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
IDC EXPLORATORY DRILLING			
725.471 IDC MOBILIZATION/DEMOB	30,000		30,000
725.472 IDC ROAD, LOC. PITS & KEYWAYS	20,000		20,000
725.473 IDC CEMENTING & CEMENTING SVS.	20,000		20,000
725.474 IDC MUD LOGGING	23,800		23,800
725.475 IDC MUD MATERIALS & CHEMICALS	75,000		75,000
725.478 IDC LOGGING & SIDEWALL CORING	35,000		35,000
725.482 IDC FORMATION TESTING	12,000		12,000
725.488 IDC TOOLS' & EQUIPMENT RENTAL	65,000		65,000
725.490 IDC DRILLING DAY RATE	327,600		327,600
725.491 IDC FLOAT EQUIPMENT	2,500		2,500
725.492 IDC BITS, CORE BARRELS, ETC.	40,000		40,000
725.494 IDC OTHER SPECIAL WELL SERV.	10,000		10,000
725.501 IDC COMPANY LABOR	27,300		27,300
725.510 IDC CONTRACT SERVICES & EQUIP.	10,000		10,000
725.528 IDC COMMUNICATION SERVICES	1,500		1,500
725.539 IDC FUEL & POWER	35,000		35,000
725.545 IDC AUTO & TRUCK EXPENSE	3,000		3,000
725.599 IDC MISCELLANEOUS	50,000		50,000
TOTAL IDC EXPLORATORY DRILLING	787,700		787,700
ICC EXPLORATORY COMPLETION			
726.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
726.473 ICC CEMENTING & CEMENTING SVS.		40,000	40,000
726.475 ICC MUD MATERIALS & CHEMICALS		5,500	5,500
726.478 ICC LOGGING & SIDEWALL CORING		2,500	2,500
726.479 ICC PERFORATING		18,000	18,000
726.480 ICC STIMULATION TREATMENT		10,000	10,000
726.484 ICC TESTING TUBULAR GOODS		2,500	2,500
726.488 ICC TOOL & EQUIPMENT RENTAL		5,000	5,000
726.490 ICC COMPLETION RIG		16,000	16,000
726.491 ICC FLOAT EQUIPMENT		7,500	7,500
726.492 ICC BITS, CORE BARRELS, ETC.		500	500
726.494 ICC OTHER SPECIAL WELL SERVICE		2,500	2,500
726.501 ICC COMPANY LABOR		6,500	6,500
726.510 ICC CONTRACT SERVICES & EQUIP.		2,500	2,500
726.545 ICC AUTO & TRUCK		3,000	3,000
726.599 ICC MISCELLANEOUS COST & CONT.		10,000	10,000
TOTAL ICC EXPLORATORY COMPLETION		133,000	133,000
ICC PRODUCTION FACILITIES			
745.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
745.510 ICC CONTRACT SERVICES & EQUIP.		12,000	12,000
745.545 ICC AUTO & TRUCK EXPENSE		1,000	1,000
745.566 ICC WELDING SERVICES		2,500	2,500
745.568 ICC PAINTING SERVICES		2,500	2,500
745.599 ICC MISC. COSTS & CONTINGEN.		2,500	2,500
TOTAL ICC PRODUCTION FACILITIES		21,500	21,500
*** TOTAL INTANGIBLES	787,700	154,500	942,200
EXPLORATORY LEASE & WELL			
727.441 LWE SURFACE CASING 250' 13-3/8"	4,250		4,250
727.442 LWE CONDUCTOR PIPE	4,200		4,200
727.443 LWE INTERMEDIATE CASING 3000' 9-5/8"	55,125		55,125

POGO PRODUCING COMPANY  
AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
GROSS AFE - DETAILED

PAGE: 2

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
WELL: 6122 MCMILLAN 4 FEDERAL COM #1  
PROSPECT: MCMILLAN PROSPECT  
FIELD: MCMILLAN MORROW - C/O  
COUNTY/PARISH: EDDY  
STATE: NM

OPERATOR: POGO PRODUCING COMPANY  
AFE TYPE: EXPLORATORY DRILLING  
DATE: 06/25/03  
WELL TYPE:  
FORMATION: MORROW  
TOTAL DEPTH: 11,000'

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'  
FWL, SECTION 4, T20S, R27E, EDDY COUNTY, NM.

	DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
727.444	LWE PRODUCTION CASING 11000' 5-1/2"		78,000	78,000
727.445	LWE CASINGHEAD	3,000	2,500	5,500
727.446	LWE XMAS TREE		10,000	10,000
727.447	LWE COMPLETION EQUIPMENT		2,500	2,500
727.448	LWE RETRIEVABLE PACKER		4,500	4,500
727.449	LWE TUBING 10800' 2-7/8"		38,000	38,000
727.469	LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
	TOTAL EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODUCTION FACILITIES				
746.153	LWE MISC. VALVES & FITTINGS		15,000	15,000
746.438	LWE CORROSION CONTROL SYSTEM		1,500	1,500
746.456	LWE FIELD LINES		5,000	5,000
746.457	LWE TANK, STAIR, WALK & MISC.		19,000	19,000
746.458	LWE SEPARATORS & FITTINGS		2,800	2,800
746.459	LWE HEATERS, TREATERS & CONN.		30,000	30,000
746.469	LWE OTHER MATERIALS & EQUIP.		35,000	35,000
	TOTAL LWE PRODUCTION FACILITIES		108,300	108,300
***	TOTAL TANGIBLES	67,575	246,300	313,875
***	TOTAL ESTIMATED COST - GROSS	855,275	400,800	1,256,075

APPROVAL:

Richard L. Wright  
RICHARD L. WRIGHT

DATE: JUNE 25, 2003



AUTHORIZATION:

Jerry A. Cooper  
JERRY A. COOPER

DATE: JUNE 25, 2003

PARTICIPANT:

Nortex Corporation

INTEREST: \_\_\_\_\_

BY:

NAME:

TITLE:

DATE:

Robert W. Hout  
Exec. V.P.  
2/1/04

POGO PRODUCING COMPANY  
 AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
 GROSS AFE - DETAILED

PAGE: 1

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
 WELL: 6122 MCMILLAN 4 FEDERAL COM #1  
 PROSPECT: MCMILLAN PROSPECT  
 FIELD: MCMILLAN MORROW - C/O  
 COUNTY/PARISH: EDDY  
 STATE: NM

OPERATOR: POGO PRODUCING COMPANY  
 AFE TYPE: EXPLORATORY DRILLING  
 DATE: 06/25/03  
 WELL TYPE:  
 FORMATION: MORROW  
 TOTAL DEPTH: 11,000'

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'  
 FWL, SECTION 4, T20S, R27E, EDDY COUNTY, NM.

DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
IDC EXPLORATORY DRILLING			
725.471 IDC MOBILIZATION/DEMOB	30,000		30,000
725.472 IDC ROAD, LOC. PITS & KEYWAYS	20,000		20,000
725.473 IDC CEMENTING & CEMENTING SVS.	20,000		20,000
725.474 IDC MUD LOGGING	23,800		23,800
725.475 IDC MUD MATERIALS & CHEMICALS	75,000		75,000
725.478 IDC LOGGING & SIDEWALL CORING	35,000		35,000
725.482 IDC FORMATION TESTING	12,000		12,000
725.488 IDC TOOLS & EQUIPMENT RENTAL	65,000		65,000
725.490 IDC DRILLING DAY RATE	327,600		327,600
725.491 IDC FLOAT EQUIPMENT	2,500		2,500
725.492 IDC BITS, CORE BARRELS, ETC.	40,000		40,000
725.494 IDC OTHER SPECIAL WELL SERV.	10,000		10,000
725.501 IDC COMPANY LABOR	27,300		27,300
725.510 IDC CONTRACT SERVICES & EQUIP.	10,000		10,000
725.528 IDC COMMUNICATION SERVICES	1,500		1,500
725.539 IDC FUEL & POWER	35,000		35,000
725.545 IDC AUTO & TRUCK EXPENSE	3,000		3,000
725.599 IDC MISCELLANEOUS	50,000		50,000
TOTAL IDC EXPLORATORY DRILLING	787,700		787,700
ICC EXPLORATORY COMPLETION			
726.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
726.473 ICC CEMENTING & CEMENTING SVS.		40,000	40,000
726.475 ICC MUD MATERIALS & CHEMICALS		5,500	5,500
726.478 ICC LOGGING & SIDEWALL CORING		2,500	2,500
726.479 ICC PERFORATING		18,000	18,000
726.480 ICC STIMULATION TREATMENT		10,000	10,000
726.484 ICC TESTING TUBULAR GOODS		2,500	2,500
726.488 ICC TOOL & EQUIPMENT RENTAL		5,000	5,000
726.490 ICC COMPLETION RIG		16,000	16,000
726.491 ICC FLOAT EQUIPMENT		7,500	7,500
726.492 ICC BITS, CORE BARRELS, ETC.		500	500
726.494 ICC OTHER SPECIAL WELL SERVICE		2,500	2,500
726.501 ICC COMPANY LABOR		6,500	6,500
726.510 ICC CONTRACT SERVICES & EQUIP.		2,500	2,500
726.545 ICC AUTO & TRUCK		3,000	3,000
726.599 ICC MISCELLANEOUS COST & CONT.		10,000	10,000
TOTAL ICC EXPLORATORY COMPLETION		133,000	133,000
ICC PRODUCTION FACILITIES			
745.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
745.510 ICC CONTRACT SERVICES & EQUIP.		12,000	12,000
745.545 ICC AUTO & TRUCK EXPENSE		1,000	1,000
745.566 ICC WELDING SERVICES		2,500	2,500
745.568 ICC PAINTING SERVICES		2,500	2,500
745.599 ICC MISC. COSTS & CONTINGEN.		2,500	2,500
TOTAL ICC PRODUCTION FACILITIES		21,500	21,500
*** TOTAL INTANGIBLES	787,700	154,500	942,200
EXPLORATORY LEASE & WELL			
727.441 LWE SURFACE CASING 250' 13-3/8"	4,250		4,250
727.442 LWE CONDUCTOR PIPE	4,200		4,200
727.443 LWE INTERMEDIATE CASING 3000' 9-5/8"	55,125		55,125

POGO PRODUCING COMPANY  
AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
GROSS AFE - DETAILED

PAGE: 2

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
WELL: 6122 MCMILLAN 4 FEDERAL COM #1  
PROSPECT: MCMILLAN PROSPECT  
FIELD: MCMILLAN MORROW - C/O  
COUNTY/PARISH: EDDY  
STATE: NM

OPERATOR: POGO PRODUCING COMPANY  
AFE TYPE: EXPLORATORY DRILLING  
DATE: 06/25/03  
WELL TYPE:  
FORMATION: MORROW  
TOTAL DEPTH: 11,000'

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'  
FWL, SECTION 4, T20S, R27E, EDDY COUNTY, NM.

DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
727.444   LWE PRODUCTION CASING 11000' 5-1/2"		78,000	78,000
727.445   LWE CASINGHEAD	3,000	2,500	5,500
727.446   LWE XMAS TREE		10,000	10,000
727.447   LWE COMPLETION EQUIPMENT		2,500	2,500
727.448   LWE RETRIEVABLE PACKER		4,500	4,500
727.449   LWE TUBING 10800' 2-7/8"		38,000	38,000
727.469   LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
TOTAL EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODUCTION FACILITIES			
746.153   LWE MISC. VALVES & FITTINGS		15,000	15,000
746.438   LWE CORROSION CONTROL SYSTEM		1,500	1,500
746.456   LWE FIELD LINES		5,000	5,000
746.457   LWE TANK, STAIR, WALK & MISC.		19,000	19,000
746.458   LWE SEPARATORS & FITTINGS		2,800	2,800
746.459   LWE HEATERS, TREATERS & CONN.		30,000	30,000
746.469   LWE OTHER MATERIALS & EQUIP.		35,000	35,000
TOTAL LWE PRODUCTION FACILITIES		108,300	108,300
*** TOTAL TANGIBLES	67,575	246,300	313,875
*** TOTAL ESTIMATED COST - GROSS	855,275	400,800	1,256,075

APPROVAL:

Richard L. Wright  
RICHARD L. WRIGHT

DATE: JUNE 25, 2003



AUTHORIZATION:

Jerry A. Cooper  
JERRY A. COOPER

DATE: JUNE 25, 2003

PARTICIPANT:

ROBERT W. KENT

INTEREST: \_\_\_\_\_

BY:

NAME:

TITLE:

DATE:

Robert W. Kent  
2/2/04

**POGO PRODUCING COMPANY**  
**AUTHORITY FOR EXPENDITURE FOR \$1,256,075**  
**GROSS AFE - DETAILED**

PAGE: 1

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
WELL: 6122 MCMILLAN 4 FEDERAL COM #1  
PROSPECT: MCMILLAN PROSPECT  
FIELD: MCMILLAN MORROW - C/O  
COUNTY/PARISH: EDDY  
STATE: NM

OPERATOR: POGO PRODUCING COMPANY  
AFE TYPE: EXPLORATORY DRILLING  
DATE: 06/25/03  
WELL TYPE:  
FORMATION: MORROW  
TOTAL DEPTH: 11,000'

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'  
FWL, SECTION 4, T20S, R27E, EDDY COUNTY, NM.

DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
<b>IDC EXPLORATORY DRILLING</b>			
725.471 IDC MOBILIZATION/DEMOB	30,000		30,000
725.472 IDC ROAD, LOC. PITS & KEYWAYS	20,000		20,000
725.473 IDC CEMENTING & CEMENTING SVS.	20,000		20,000
725.474 IDC MUD LOGGING	23,800		23,800
725.475 IDC MUD MATERIALS & CHEMICALS	75,000		75,000
725.478 IDC LOGGING & SIDEWALL CORING	35,000		35,000
725.482 IDC FORMATION TESTING	12,000		12,000
725.488 IDC TOOLS & EQUIPMENT RENTAL	65,000		65,000
725.490 IDC DRILLING DAY RATE	327,600		327,600
725.491 IDC FLOAT EQUIPMENT	2,500		2,500
725.492 IDC BITS, CORE BARRELS, ETC.	40,000		40,000
725.494 IDC OTHER SPECIAL WELL SERV.	10,000		10,000
725.501 IDC COMPANY LABOR	27,300		27,300
725.510 IDC CONTRACT SERVICES & EQUIP.	10,000		10,000
725.528 IDC COMMUNICATION SERVICES	1,500		1,500
725.539 IDC FUEL & POWER	35,000		35,000
725.545 IDC AUTO & TRUCK EXPENSE	3,000		3,000
725.599 IDC MISCELLANEOUS	50,000		50,000
TOTAL IDC EXPLORATORY DRILLING	787,700		787,700
<b>ICC EXPLORATORY COMPLETION</b>			
726.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
726.473 ICC CEMENTING & CEMENTING SVS.		40,000	40,000
726.475 ICC MUD MATERIALS & CHEMICALS		5,500	5,500
726.478 ICC LOGGING & SIDEWALL CORING		2,500	2,500
726.479 ICC PERFORATING		18,000	18,000
726.480 ICC STIMULATION TREATMENT		10,000	10,000
726.484 ICC TESTING TUBULAR GOODS		2,500	2,500
726.488 ICC TOOL & EQUIPMENT RENTAL		5,000	5,000
726.490 ICC COMPLETION RIG		16,000	16,000
726.491 ICC FLOAT EQUIPMENT		7,500	7,500
726.492 ICC BITS, CORE BARRELS, ETC.		500	500
726.494 ICC OTHER SPECIAL WELL SERVICE		2,500	2,500
726.501 ICC COMPANY LABOR		6,500	6,500
726.510 ICC CONTRACT SERVICES & EQUIP.		2,500	2,500
726.545 ICC AUTO & TRUCK		3,000	3,000
726.599 ICC MISCELLANEOUS COST & CONT.		10,000	10,000
TOTAL ICC EXPLORATORY COMPLETION		133,000	133,000
<b>ICC PRODUCTION FACILITIES</b>			
745.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
745.510 ICC CONTRACT SERVICES & EQUIP.		12,000	12,000
745.545 ICC AUTO & TRUCK EXPENSE		1,000	1,000
745.566 ICC WELDING SERVICES		2,500	2,500
745.568 ICC PAINTING SERVICES		2,500	2,500
745.599 ICC MISC. COSTS & CONTINGEN.		2,500	2,500
TOTAL ICC PRODUCTION FACILITIES		21,500	21,500
*** TOTAL INTANGIBLES	787,700	154,500	942,200
<b>EXPLORATORY LEASE &amp; WELL</b>			
727.441 LWE SURFACE CASING 250' 13-3/8"	4,250		4,250
727.442 LWE CONDUCTOR PIPE	4,200		4,200
727.443 LWE INTERMEDIATE CASING 3000' 9-5/8"	55,125		55,125

POGO PRODUCING COMPANY  
AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
GROSS AFE - DETAILED

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WELL: 6122 MCMILLAN 4 FEDERAL COM #1  
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FIELD: MCMILLAN MORROW - C/O  
COUNTY/PARISH: EDDY  
STATE: NM

OPERATOR: POGO PRODUCING COMPANY  
AFE TYPE: EXPLORATORY DRILLING  
DATE: 06/25/03  
WELL TYPE:  
FORMATION: MORROW  
TOTAL DEPTH: 11,000'

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'  
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DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
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727.445   LWE CASINGHEAD	3,000	2,500	5,500
727.446   LWE XMAS TREE		10,000	10,000
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TOTAL EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODUCTION FACILITIES			
746.153   LWE MISC. VALVES & FITTINGS		15,000	15,000
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746.456   LWE FIELD LINES		5,000	5,000
746.457   LWE TANK, STAIR, WALK & MISC.		19,000	19,000
746.458   LWE SEPARATORS & FITTINGS		2,800	2,800
746.459   LWE HEATERS, TREATERS & CONN.		30,000	30,000
746.469   LWE OTHER MATERIALS & EQUIP.		35,000	35,000
TOTAL LWE PRODUCTION FACILITIES		108,300	108,300
*** TOTAL TANGIBLES	67,575	246,300	313,875
*** TOTAL ESTIMATED COST - GROSS	855,275	400,800	1,256,075

APPROVAL: Richard L. Wright  
RICHARD L. WRIGHT

DATE: JUNE 25, 2003



AUTHORIZATION: Jerry A. Cooper  
JERRY A. COOPER

DATE: JUNE 25, 2003

PARTICIPANT: Nortex Corporation

INTEREST: 4.66% 3.72596 %

BY: Robert Kent  
NAME: ROBERT W. KENT  
TITLE: Exec - J.P.  
DATE: 6/13/03

Robert Kent      0.93149 %

Nortex Corporation: 3.72596 % WI

Robert Kent: 0.93149 % WI

POGO PRODUCING COMPANY  
 AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
 GROSS AFE - DETAILED

**RECEIVED**  
 PAGE: 1  
 AUG 18 2003

**MIDLAND**

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 DATE: 06/25/03  
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 FORMATION: MORROW  
 TOTAL DEPTH: 11,000'

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725.472 IDC ROAD, LOC. PITS & KEYWAYS	20,000		20,000
725.473 IDC CEMENTING & CEMENTING SVS.	20,000		20,000
725.474 IDC MUD LOGGING	23,800		23,800
725.475 IDC MUD MATERIALS & CHEMICALS	75,000		75,000
725.478 IDC LOGGING & SIDEWALL CORING	35,000		35,000
725.482 IDC FORMATION TESTING	12,000		12,000
725.488 IDC TOOLS & EQUIPMENT RENTAL	65,000		65,000
725.490 IDC DRILLING DAY RATE	327,600		327,600
725.491 IDC FLOAT EQUIPMENT	2,500		2,500
725.492 IDC BITS, CORE BARRELS, ETC.	40,000		40,000
725.494 IDC OTHER SPECIAL WELL SERV.	10,000		10,000
725.501 IDC COMPANY LABOR	27,300		27,300
725.510 IDC CONTRACT SERVICES & EQUIP.	10,000		10,000
725.528 IDC COMMUNICATION SERVICES	1,500		1,500
725.539 IDC FUEL & POWER	35,000		35,000
725.545 IDC AUTO & TRUCK EXPENSE	3,000		3,000
725.599 IDC MISCELLANEOUS	50,000		50,000
TOTAL IDC EXPLORATORY DRILLING	787,700		787,700
ICC EXPLORATORY COMPLETION			
726.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
726.473 ICC CEMENTING & CEMENTING SVS.		40,000	40,000
726.475 ICC MUD MATERIALS & CHEMICALS		5,500	5,500
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726.490 ICC COMPLETION RIG		16,000	16,000
726.491 ICC FLOAT EQUIPMENT		7,500	7,500
726.492 ICC BITS, CORE BARRELS, ETC.		500	500
726.494 ICC OTHER SPECIAL WELL SERVICE		2,500	2,500
726.501 ICC COMPANY LABOR		6,500	6,500
726.510 ICC CONTRACT SERVICES & EQUIP.		2,500	2,500
726.545 ICC AUTO & TRUCK		3,000	3,000
726.599 ICC MISCELLANEOUS COST & CONT.		10,000	10,000
TOTAL ICC EXPLORATORY COMPLETION		133,000	133,000
ICC PRODUCTION FACILITIES			
745.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
745.510 ICC CONTRACT SERVICES & EQUIP.		12,000	12,000
745.545 ICC AUTO & TRUCK EXPENSE		1,000	1,000
745.566 ICC WELDING SERVICES		2,500	2,500
745.568 ICC PAINTING SERVICES		2,500	2,500
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*** TOTAL INTANGIBLES	787,700	154,500	942,200
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POGO PRODUCING COMPANY  
AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
GROSS AFE - DETAILED

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AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
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STATE: NM

OPERATOR: POGO PRODUCING COMPANY  
AFE TYPE: EXPLORATORY DRILLING  
DATE: 06/25/03  
WELL TYPE:  
FORMATION: MORROW  
TOTAL DEPTH: 11,000'

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'  
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DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
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TOTAL EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODUCTION FACILITIES			
746.153 LWE MISC. VALVES & FITTINGS		15,000	15,000
746.438 LWE CORROSION CONTROL SYSTEM		1,500	1,500
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*** TOTAL TANGIBLES	67,575	246,300	313,875
*** TOTAL ESTIMATED COST - GROSS	855,275	400,800	1,256,075

APPROVAL:

Richard L. Wright  
RICHARD L. WRIGHT

DATE: JUNE 25, 2003



AUTHORIZATION:

Jerry A. Cooper  
JERRY A. COOPER

DATE: JUNE 25, 2003

SACRAMENTO PARTNERS LIMITED PARTNERSHIP

3.72596% ✓

Peyton Yates  
Peyton Yates, Manager of Weed Oil & Gas Company, L.C.,  
General Partner of Sacramento Partners Limited Partnership

8-05-03

Date

ESTATE OF LILLIE M. YATES, DECEASED  
SHARBRO OIL LTD. CO.

2.79447% ✓

2.79447% ✓

Frank Yates, Jr.  
Frank Yates, Jr., Attorney-in-Fact for S.P. Yates, B.W. Harper  
and Frank Yates, Jr., Personal Representatives of the Estate of  
Lillie M. Yates, Dec. and as Manager for Sharbro Oil Ltd. Co.

8-05-03

Date



POGO PRODUCING COMPANY  
 AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
 GROSS AFE - DETAILED

PAGE: 1

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
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OPERATOR: POGO PRODUCING COMPANY  
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725.475 IDC MUD MATERIALS & CHEMICALS	75,000		75,000
725.478 IDC LOGGING & SIDEWALL CORING	35,000		35,000
725.482 IDC FORMATION TESTING	12,000		12,000
725.488 IDC TOOLS & EQUIPMENT RENTAL	65,000		65,000
725.490 IDC DRILLING DAY RATE	327,600		327,600
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APPROVAL: *Richard L. Wright*  
RICHARD L. WRIGHT

DATE: JUNE 25, 2003



AUTHORIZATION: *Jerry A. Cooper*  
JERRY A. COOPER

DATE: JUNE 25, 2003

PARTICIPANT: EOG Resources, Inc.

INTEREST: 3.05645  
3.06%

BY: \_\_\_\_\_  
NAME: \_\_\_\_\_  
TITLE: \_\_\_\_\_  
DATE: \_\_\_\_\_

POGO PRODUCING COMPANY  
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725.488 IDC TOOLS' & EQUIPMENT RENTAL	65,000		65,000
725.490 IDC DRILLING DAY RATE	327,600		327,600
725.491 IDC FLOAT EQUIPMENT	2,500		2,500
725.492 IDC BITS, CORE BARRELS, ETC.	40,000		40,000
725.494 IDC OTHER SPECIAL WELL SERV.	10,000		10,000
725.501 IDC COMPANY LABOR	27,300		27,300
725.510 IDC CONTRACT SERVICES & EQUIP.	10,000		10,000
725.528 IDC COMMUNICATION SERVICES	1,500		1,500
725.539 IDC FUEL & POWER	35,000		35,000
725.545 IDC AUTO & TRUCK EXPENSE	3,000		3,000
725.599 IDC MISCELLANEOUS	50,000		50,000
TOTAL IDC EXPLORATORY DRILLING	787,700		787,700
ICC EXPLORATORY COMPLETION			
726.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
726.473 ICC CEMENTING & CEMENTING SVS.		40,000	40,000
726.475 ICC MUD MATERIALS & CHEMICALS		5,500	5,500
726.478 ICC LOGGING & SIDEWALL CORING		2,500	2,500
726.479 ICC PERFORATING		18,000	18,000
726.480 ICC STIMULATION TREATMENT		10,000	10,000
726.484 ICC TESTING TUBULAR GOODS		2,500	2,500
726.488 ICC TOOL & EQUIPMENT RENTAL		5,000	5,000
726.490 ICC COMPLETION RIG		16,000	16,000
726.491 ICC FLOAT EQUIPMENT		7,500	7,500
726.492 ICC BITS, CORE BARRELS, ETC.		500	500
726.494 ICC OTHER SPECIAL WELL SERVICE		2,500	2,500
726.501 ICC COMPANY LABOR		6,500	6,500
726.510 ICC CONTRACT SERVICES & EQUIP.		2,500	2,500
726.545 ICC AUTO & TRUCK		3,000	3,000
726.599 ICC MISCELLANEOUS COST & CONT.		10,000	10,000
TOTAL ICC EXPLORATORY COMPLETION		133,000	133,000
ICC PRODUCTION FACILITIES			
745.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
745.510 ICC CONTRACT SERVICES & EQUIP.		12,000	12,000
745.545 ICC AUTO & TRUCK EXPENSE		1,000	1,000
745.566 ICC WELDING SERVICES		2,500	2,500
745.568 ICC PAINTING SERVICES		2,500	2,500
745.599 ICC MISC. COSTS & CONTINGEN.		2,500	2,500
TOTAL ICC PRODUCTION FACILITIES		21,500	21,500
*** TOTAL INTANGIBLES	787,700	154,500	942,200
EXPLORATORY LEASE & WELL			
727.441 LWE SURFACE CASING 250' 13-3/8"	4,250		4,250
727.442 LWE CONDUCTOR PIPE	4,200		4,200
727.443 LWE INTERMEDIATE CASING 3000' 9-5/8"	55,125		55,125

POGO PRODUCING COMPANY  
 AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
 GROSS AFE - DETAILED

PAGE: 2


AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
 WELL: 6122 MCMILLAN 4 FEDERAL COM #1  
 PROSPECT: MCMILLAN PROSPECT  
 FIELD: MCMILLAN MORROW - C/O  
 COUNTY/PARISH: EDDY  
 STATE: NM

OPERATOR: POGO PRODUCING COMPANY  
 AFE TYPE: EXPLORATORY DRILLING  
 DATE: 06/25/03  
 WELL TYPE:  
 FORMATION: MORROW  
 TOTAL DEPTH: 11,000'

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'  
 FWL, SECTION 4, T20S, R27E, EDDY COUNTY, NM.

DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
727.444 LWE PRODUCTION CASING 11000' 5-1/2"		78,000	78,000
727.445 LWE CASINGHEAD	3,000	2,500	5,500
727.446 LWE XMAS TREE		10,000	10,000
727.447 LWE COMPLETION EQUIPMENT		2,500	2,500
727.448 LWE RETRIEVABLE PACKER		4,500	4,500
727.449 LWE TUBING 10800' 2-7/8"		38,000	38,000
727.469 LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
TOTAL EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODUCTION FACILITIES			
746.153 LWE MISC. VALVES & FITTINGS		15,000	15,000
746.438 LWE CORROSION CONTROL SYSTEM		1,500	1,500
746.456 LWE FIELD LINES		5,000	5,000
746.457 LWE TANK, STAIR, WALK & MISC.		19,000	19,000
746.458 LWE SEPARATORS & FITTINGS		2,800	2,800
746.459 LWE HEATERS, TREATERS & CONN.		30,000	30,000
746.469 LWE OTHER MATERIALS & EQUIP.		35,000	35,000
TOTAL LWE PRODUCTION FACILITIES		108,300	108,300
*** TOTAL TANGIBLES	67,575	246,300	313,875
*** TOTAL ESTIMATED COST - GROSS	855,275	400,800	1,256,075

APPROVAL:

  
 RICHARD L. WRIGHT

DATE: JUNE 25, 2003



AUTHORIZATION:

  
 JERRY A. COOPER

DATE: JUNE 25, 2003

PARTICIPANT:

  
 Jalapeno Corporation

INTEREST:

4.4701%

BY:

NAME:

TITLE:

DATE:

Harvey E. Yates, Jr.

President

2/11/04

**POGO PRODUCING COMPANY**  
**AUTHORITY FOR EXPENDITURE FOR \$1,256,075**  
**GROSS AFE - DETAILED**

PAGE: 1

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
WELL: 6122 MCMILLAN 4 FEDERAL COM #1  
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COUNTY/PARISH: EDDY  
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OPERATOR: POGO PRODUCING COMPANY  
AFE TYPE: EXPLORATORY DRILLING  
DATE: 06/25/03  
WELL TYPE:  
FORMATION: MORROW  
TOTAL DEPTH: 11,000'

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'  
FWL, SECTION 4, T20S, R27E, EDDY COUNTY, NM.

DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
<b>IDC EXPLORATORY DRILLING</b>			
725.471 IDC MOBILIZATION/DEMOB	30,000		30,000
725.472 IDC ROAD, LOC. PITS & KEYWAYS	20,000		20,000
725.473 IDC CEMENTING & CEMENTING SVS.	20,000		20,000
725.474 IDC MUD LOGGING	23,800		23,800
725.475 IDC MUD MATERIALS & CHEMICALS	75,000		75,000
725.478 IDC LOGGING & SIDEWALL CORING	35,000		35,000
725.482 IDC FORMATION TESTING	12,000		12,000
725.488 IDC TOOLS' & EQUIPMENT RENTAL	65,000		65,000
725.490 IDC DRILLING DAY RATE	327,600		327,600
725.491 IDC FLOAT EQUIPMENT	2,500		2,500
725.492 IDC BITS, CORE BARRELS, ETC.	40,000		40,000
725.494 IDC OTHER SPECIAL WELL SERV.	10,000		10,000
725.501 IDC COMPANY LABOR	27,300		27,300
725.510 IDC CONTRACT SERVICES & EQUIP.	10,000		10,000
725.528 IDC COMMUNICATION SERVICES	1,500		1,500
725.539 IDC FUEL & POWER	35,000		35,000
725.545 IDC AUTO & TRUCK EXPENSE	3,000		3,000
725.599 IDC MISCELLANEOUS	50,000		50,000
TOTAL IDC EXPLORATORY DRILLING	787,700		787,700
<b>ICC EXPLORATORY COMPLETION</b>			
726.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
726.473 ICC CEMENTING & CEMENTING SVS.		40,000	40,000
726.475 ICC MUD MATERIALS & CHEMICALS		5,500	5,500
726.478 ICC LOGGING & SIDEWALL CORING		2,500	2,500
726.479 ICC PERFORATING		18,000	18,000
726.480 ICC STIMULATION TREATMENT		10,000	10,000
726.484 ICC TESTING TUBULAR GOODS		2,500	2,500
726.488 ICC TOOL & EQUIPMENT RENTAL		5,000	5,000
726.490 ICC COMPLETION RIG		16,000	16,000
726.491 ICC FLOAT EQUIPMENT		7,500	7,500
726.492 ICC BITS, CORE BARRELS, ETC.		500	500
726.494 ICC OTHER SPECIAL WELL SERVICE		2,500	2,500
726.501 ICC COMPANY LABOR		6,500	6,500
726.510 ICC CONTRACT SERVICES & EQUIP.		2,500	2,500
726.545 ICC AUTO & TRUCK		3,000	3,000
726.599 ICC MISCELLANEOUS COST & CONT.		10,000	10,000
TOTAL ICC EXPLORATORY COMPLETION		133,000	133,000
<b>ICC PRODUCTION FACILITIES</b>			
745.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
745.510 ICC CONTRACT SERVICES & EQUIP.		12,000	12,000
745.545 ICC AUTO & TRUCK EXPENSE		1,000	1,000
745.566 ICC WELDING SERVICES		2,500	2,500
745.568 ICC PAINTING SERVICES		2,500	2,500
745.599 ICC MISC. COSTS & CONTINGEN.		2,500	2,500
TOTAL ICC PRODUCTION FACILITIES		21,500	21,500
*** TOTAL INTANGIBLES	787,700	154,500	942,200
<b>EXPLORATORY LEASE &amp; WELL</b>			
727.441 LWE SURFACE CASING 250' 13-3/8"	4,250		4,250
727.442 LWE CONDUCTOR PIPE	4,200		4,200
727.443 LWE INTERMEDIATE CASING 3000' 9-5/8"	55,125		55,125

POGO PRODUCING COMPANY  
AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
GROSS AFE - DETAILED

PAGE: 2

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
WELL: 6122 MCMILLAN 4 FEDERAL COM #1  
PROSPECT: MCMILLAN PROSPECT  
FIELD: MCMILLAN MORROW - C/O  
COUNTY/PARISH: EDDY  
STATE: NM

OPERATOR: POGO PRODUCING COMPANY  
AFE TYPE: EXPLORATORY DRILLING  
DATE: 06/25/03  
WELL TYPE:  
FORMATION: MORROW  
TOTAL DEPTH: 11,000'

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'  
FWL, SECTION 4, T20S, R27E, EDDY COUNTY, NM.

DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
727.444   LWE PRODUCTION CASING 11000' 5-1/2"		78,000	78,000
727.445   LWE CASINGHEAD	3,000	2,500	5,500
727.446   LWE XMAS TREE		10,000	10,000
727.447   LWE COMPLETION EQUIPMENT		2,500	2,500
727.448   LWE RETRIEVABLE PACKER		4,500	4,500
727.449   LWE TUBING 10800' 2-7/8"		38,000	38,000
727.469   LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
TOTAL EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODUCTION FACILITIES			
746.153   LWE MISC. VALVES & FITTINGS		15,000	15,000
746.438   LWE CORROSION CONTROL SYSTEM		1,500	1,500
746.456   LWE FIELD LINES		5,000	5,000
746.457   LWE TANK, STAIR, WALK & MISC.		19,000	19,000
746.458   LWE SEPARATORS & FITTINGS		2,800	2,800
746.459   LWE HEATERS, TREATERS & CONN.		30,000	30,000
746.469   LWE OTHER MATERIALS & EQUIP.		35,000	35,000
TOTAL LWE PRODUCTION FACILITIES		108,300	108,300
*** TOTAL TANGIBLES	67,575	246,300	313,875
*** TOTAL ESTIMATED COST - GROSS	855,275	400,800	1,256,075

APPROVAL: Richard L. Wright  
RICHARD L. WRIGHT

DATE: JUNE 25, 2003



AUTHORIZATION: Jerry A. Cooper  
JERRY A. COOPER

DATE: JUNE 25, 2003

PARTICIPANT: Jalapeno Corporation

INTEREST: 4.4701%

BY: Harvey E. Yates, Jr.  
NAME: Harvey E. Yates, Jr.  
TITLE: President  
DATE: 2/11/04

POGO PRODUCING COMPANY  
 AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
 GROSS AFE - DETAILED

PAGE: 1

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
 WELL: 6122 MCMILLAN 4 FEDERAL COM #1  
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 FIELD: MCMILLAN MORROW - C/O  
 COUNTY/PARISH: EDDY  
 STATE: NM

OPERATOR: POGO PRODUCING COMPANY  
 AFE TYPE: EXPLORATORY DRILLING  
 DATE: 06/25/03  
 WELL TYPE:  
 FORMATION: MORROW  
 TOTAL DEPTH: 11,000'

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'  
 FWL, SECTION 4, T20S, R27E, EDDY COUNTY, NM.

DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
IDC EXPLORATORY DRILLING			
725.471 IDC MOBILIZATION/DEMOB	30,000		30,000
725.472 IDC ROAD, LOC. PITS & KEYWAYS	20,000		20,000
725.473 IDC CEMENTING & CEMENTING SVS.	20,000		20,000
725.474 IDC MUD LOGGING	23,800		23,800
725.475 IDC MUD MATERIALS & CHEMICALS	75,000		75,000
725.478 IDC LOGGING & SIDEWALL CORING	35,000		35,000
725.482 IDC FORMATION TESTING	12,000		12,000
725.488 IDC TOOLS & EQUIPMENT RENTAL	65,000		65,000
725.490 IDC DRILLING DAY RATE	327,600		327,600
725.491 IDC FLOAT EQUIPMENT	2,500		2,500
725.492 IDC BITS, CORE BARRELS, ETC.	40,000		40,000
725.494 IDC OTHER SPECIAL WELL SERV.	10,000		10,000
725.501 IDC COMPANY LABOR	27,300		27,300
725.510 IDC CONTRACT SERVICES & EQUIP.	10,000		10,000
725.528 IDC COMMUNICATION SERVICES	1,500		1,500
725.539 IDC FUEL & POWER	35,000		35,000
725.545 IDC AUTO & TRUCK EXPENSE	3,000		3,000
725.599 IDC MISCELLANEOUS	50,000		50,000
TOTAL IDC EXPLORATORY DRILLING	787,700		787,700
ICC EXPLORATORY COMPLETION			
726.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
726.473 ICC CEMENTING & CEMENTING SVS.		40,000	40,000
726.475 ICC MUD MATERIALS & CHEMICALS		5,500	5,500
726.478 ICC LOGGING & SIDEWALL CORING		2,500	2,500
726.479 ICC PERFORATING		18,000	18,000
726.480 ICC STIMULATION TREATMENT		10,000	10,000
726.484 ICC TESTING TUBULAR GOODS		2,500	2,500
726.488 ICC TOOL & EQUIPMENT RENTAL		5,000	5,000
726.490 ICC COMPLETION RIG		16,000	16,000
726.491 ICC FLOAT EQUIPMENT		7,500	7,500
726.492 ICC BITS, CORE BARRELS, ETC.		500	500
726.494 ICC OTHER SPECIAL WELL SERVICE		2,500	2,500
726.501 ICC COMPANY LABOR		6,500	6,500
726.510 ICC CONTRACT SERVICES & EQUIP.		2,500	2,500
726.545 ICC AUTO & TRUCK		3,000	3,000
726.599 ICC MISCELLANEOUS COST & CONT.		10,000	10,000
TOTAL ICC EXPLORATORY COMPLETION		133,000	133,000
ICC PRODUCTION FACILITIES			
745.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
745.510 ICC CONTRACT SERVICES & EQUIP.		12,000	12,000
745.545 ICC AUTO & TRUCK EXPENSE		1,000	1,000
745.566 ICC WELDING SERVICES		2,500	2,500
745.568 ICC PAINTING SERVICES		2,500	2,500
745.599 ICC MISC. COSTS & CONTINGEN.		2,500	2,500
TOTAL ICC PRODUCTION FACILITIES		21,500	21,500
*** TOTAL INTANGIBLES	787,700	154,500	942,200
EXPLORATORY LEASE & WELL			
727.441 LWE SURFACE CASING 250' 13-3/8"	4,250		4,250
727.442 LWE CONDUCTOR PIPE	4,200		4,200
727.443 LWE INTERMEDIATE CASING 3000' 9-5/8"	55,125		55,125

POGO PRODUCING COMPANY  
AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
GROSS AFE - DETAILED

PAGE: 2

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
WELL: 6122 MCMILLAN 4 FEDERAL COM #1  
PROSPECT: MCMILLAN PROSPECT  
FIELD: MCMILLAN MORROW - C/O  
COUNTY/PARISH: EDDY  
STATE: NM

OPERATOR: POGO PRODUCING COMPANY  
AFE TYPE: EXPLORATORY DRILLING  
DATE: 06/25/03  
WELL TYPE:  
FORMATION: MORROW  
TOTAL DEPTH: 11,000'

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'  
FWL, SECTION 4, T20S, R27E, EDDY COUNTY, NM.

DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
727.444 LWE PRODUCTION CASING 11000' 5-1/2"		78,000	78,000
727.445 LWE CASINGHEAD	3,000	2,500	5,500
727.446 LWE XMAS TREE		10,000	10,000
727.447 LWE COMPLETION EQUIPMENT		2,500	2,500
727.448 LWE RETRIEVABLE PACKER		4,500	4,500
727.449 LWE TUBING 10800' 2-7/8"		38,000	38,000
727.469 LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
TOTAL EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODUCTION FACILITIES			
746.153 LWE MISC. VALVES & FITTINGS		15,000	15,000
746.438 LWE CORROSION CONTROL SYSTEM		1,500	1,500
746.456 LWE FIELD LINES		5,000	5,000
746.457 LWE TANK, STAIR, WALK & MISC.		19,000	19,000
746.458 LWE SEPARATORS & FITTINGS		2,800	2,800
746.459 LWE HEATERS, TREATERS & CONN.		30,000	30,000
746.469 LWE OTHER MATERIALS & EQUIP.		35,000	35,000
TOTAL LWE PRODUCTION FACILITIES		108,300	108,300
*** TOTAL TANGIBLES	67,575	246,300	313,875
*** TOTAL ESTIMATED COST - GROSS	855,275	400,800	1,256,075

APPROVAL:

Richard L. Wright  
RICHARD L. WRIGHT

DATE: JUNE 25, 2003



AUTHORIZATION:

Jerry A. Cooper  
JERRY A. COOPER

DATE: JUNE 25, 2003

PARTICIPANT:

Read & Stevens, Inc.

INTEREST: 0.44%

BY:

NAME:

TITLE:

DATE:

Charles B. Read  
CHARLES B. READ, PRESIDENT

7/30/03

RECEIVED

AUG 4 2003

MIDLAND



POGO PRODUCING COMPANY  
AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
GROSS AFE - DETAILED

PAGE: 1

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
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TOTAL DEPTH: 11,000'

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DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
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725.471 IDC MOBILIZATION/DEMOB	30,000		30,000
725.472 IDC ROAD, LOC. PITS & KEYWAYS	20,000		20,000
725.473 IDC CEMENTING & CEMENTING SVS.	20,000		20,000
725.474 IDC MUD LOGGING	23,800		23,800
725.475 IDC MUD MATERIALS & CHEMICALS	75,000		75,000
725.478 IDC LOGGING & SIDEWALL CORING	35,000		35,000
725.482 IDC FORMATION TESTING	12,000		12,000
725.488 IDC TOOLS & EQUIPMENT RENTAL	65,000		65,000
725.490 IDC DRILLING DAY RATE	327,600		327,600
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TOTAL IDC EXPLORATORY DRILLING	787,700		787,700
ICC EXPLORATORY COMPLETION			
726.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
726.473 ICC CEMENTING & CEMENTING SVS.		40,000	40,000
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726.484 ICC TESTING TUBULAR GOODS		2,500	2,500
726.488 ICC TOOL & EQUIPMENT RENTAL		5,000	5,000
726.490 ICC COMPLETION RIG		16,000	16,000
726.491 ICC FLOAT EQUIPMENT		7,500	7,500
726.492 ICC BITS, CORE BARRELS, ETC.		500	500
726.494 ICC OTHER SPECIAL WELL SERVICE		2,500	2,500
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726.510 ICC CONTRACT SERVICES & EQUIP.		2,500	2,500
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726.599 ICC MISCELLANEOUS COST & CONT.		10,000	10,000
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ICC PRODUCTION FACILITIES			
745.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
745.510 ICC CONTRACT SERVICES & EQUIP.		12,000	12,000
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745.566 ICC WELDING SERVICES		2,500	2,500
745.568 ICC PAINTING SERVICES		2,500	2,500
745.599 ICC MISC. COSTS & CONTINGEN.		2,500	2,500
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727.441 LWE SURFACE CASING 250' 13-3/8"	4,250		4,250
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727.443 LWE INTERMEDIATE CASING 3000' 9-5/8"	55,125		55,125

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FIELD: MCMILLAN MORROW - C/O  
COUNTY/PARISH: EDDY  
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OPERATOR: POGO PRODUCING COMPANY  
AFE TYPE: EXPLORATORY DRILLING  
DATE: 06/25/03  
WELL TYPE:  
FORMATION: MORROW  
TOTAL DEPTH: 11,000'

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SEP - 4 2003

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'  
FWL, SECTION 4, T20S, R27E, EDDY COUNTY, NM.

MIDLAND

DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
727.444 LWE PRODUCTION CASING 11000' 5-1/2"		78,000	78,000
727.445 LWE CASINGHEAD	3,000	2,500	5,500
727.446 LWE XMAS TREE		10,000	10,000
727.447 LWE COMPLETION EQUIPMENT		2,500	2,500
727.448 LWE RETRIEVABLE PACKER		4,500	4,500
727.449 LWE TUBING 10800' 2-7/8"		38,000	38,000
727.469 LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
TOTAL EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODUCTION FACILITIES			
746.153 LWE MISC. VALVES & FITTINGS		15,000	15,000
746.438 LWE CORROSION CONTROL SYSTEM		1,500	1,500
746.456 LWE FIELD LINES		5,000	5,000
746.457 LWE TANK, STAIR, WALK & MISC.		19,000	19,000
746.458 LWE SEPARATORS & FITTINGS		2,800	2,800
746.459 LWE HEATERS, TREATERS & CONN.		30,000	30,000
746.469 LWE OTHER MATERIALS & EQUIP.		35,000	35,000
TOTAL LWE PRODUCTION FACILITIES		108,300	108,300
*** TOTAL TANGIBLES	67,575	246,300	313,875
*** TOTAL ESTIMATED COST - GROSS	855,275	400,800	1,256,075

APPROVAL:

Richard L. Wright  
RICHARD L. WRIGHT

DATE: JUNE 25, 2003



AUTHORIZATION:

Jerry A. Cooper  
JERRY A. COOPER

DATE: JUNE 25, 2003

PARTICIPANT:

Aston Partnership  
Charles A. Aston, Jr.

INTEREST: 0.20%

BY:

NAME:

TITLE:

DATE:

Deborah K. Gofuska  
Agent  
8/28/03

POGO PRODUCING COMPANY  
 AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
 GROSS AFE - DETAILED

PAGE: 1

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
 WELL: 6122 MCMILLAN 4 FEDERAL COM #1  
 PROSPECT: MCMILLAN PROSPECT  
 FIELD: MCMILLAN MORROW - C/O  
 COUNTY/PARISH: EDDY  
 STATE: NM

OPERATOR: POGO PRODUCING COMPANY  
 AFE TYPE: EXPLORATORY DRILLING  
 DATE: 06/25/03  
 WELL TYPE:  
 FORMATION: MORROW  
 TOTAL DEPTH: 11,000'

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'  
 FWL, SECTION 4, T20S, R27E, EDDY COUNTY, NM.

DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
IDC EXPLORATORY DRILLING			
725.471 IDC MOBILIZATION/DEMOB	30,000		30,000
725.472 IDC ROAD, LOC, PITS & KEYWAYS	20,000		20,000
725.473 IDC CEMENTING & CEMENTING SVS.	20,000		20,000
725.474 IDC MUD LOGGING	23,800		23,800
725.475 IDC MUD MATERIALS & CHEMICALS	75,000		75,000
725.478 IDC LOGGING & SIDEWALL CORING	35,000		35,000
725.482 IDC FORMATION TESTING	12,000		12,000
725.488 IDC TOOLS & EQUIPMENT RENTAL	65,000		65,000
725.490 IDC DRILLING DAY RATE	327,600		327,600
725.491 IDC FLOAT EQUIPMENT	2,500		2,500
725.492 IDC BITS, CORE BARRELS, ETC.	40,000		40,000
725.494 IDC OTHER SPECIAL WELL SERV.	10,000		10,000
725.501 IDC COMPANY LABOR	27,300		27,300
725.510 IDC CONTRACT SERVICES & EQUIP.	10,000		10,000
725.528 IDC COMMUNICATION SERVICES	1,500		1,500
725.539 IDC FUEL & POWER	35,000		35,000
725.545 IDC AUTO & TRUCK EXPENSE	3,000		3,000
725.599 IDC MISCELLANEOUS	50,000		50,000
TOTAL IDC EXPLORATORY DRILLING	787,700		787,700
ICC EXPLORATORY COMPLETION			
726.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
726.473 ICC CEMENTING & CEMENTING SVS.		40,000	40,000
726.475 ICC MUD MATERIALS & CHEMICALS		5,500	5,500
726.478 ICC LOGGING & SIDEWALL CORING		2,500	2,500
726.479 ICC PERFORATING		18,000	18,000
726.480 ICC STIMULATION TREATMENT		10,000	10,000
726.484 ICC TESTING TUBULAR GOODS		2,500	2,500
726.488 ICC TOOL & EQUIPMENT RENTAL		5,000	5,000
726.490 ICC COMPLETION RIG		16,000	16,000
726.491 ICC FLOAT EQUIPMENT		7,500	7,500
726.492 ICC BITS, CORE BARRELS, ETC.		500	500
726.494 ICC OTHER SPECIAL WELL SERVICE		2,500	2,500
726.501 ICC COMPANY LABOR		6,500	6,500
726.510 ICC CONTRACT SERVICES & EQUIP.		2,500	2,500
726.545 ICC AUTO & TRUCK		3,000	3,000
726.599 ICC MISCELLANEOUS COST & CONT.		10,000	10,000
TOTAL ICC EXPLORATORY COMPLETION		133,000	133,000
ICC PRODUCTION FACILITIES			
745.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
745.510 ICC CONTRACT SERVICES & EQUIP.		12,000	12,000
745.545 ICC AUTO & TRUCK EXPENSE		1,000	1,000
745.566 ICC WELDING SERVICES		2,500	2,500
745.568 ICC PAINTING SERVICES		2,500	2,500
745.599 ICC MISC. COSTS & CONTINGEN.		2,500	2,500
TOTAL ICC PRODUCTION FACILITIES		21,500	21,500
*** TOTAL INTANGIBLES	787,700	154,500	942,200
EXPLORATORY LEASE & WELL			
727.441 LWE SURFACE CASING 250' 13-3/8"	4,250		4,250
727.442 LWE CONDUCTOR PIPE	4,200		4,200
727.443 LWE INTERMEDIATE CASING 3000' 9-5/8"	55,125		55,125

POGO PRODUCING COMPANY  
AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
GROSS AFE - DETAILED

PAGE: 2

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
WELL: 6122 MCMILLAN 4 FEDERAL COM #1  
PROSPECT: MCMILLAN PROSPECT  
FIELD: MCMILLAN MORROW - C/O  
COUNTY/PARISH: EDDY  
STATE: NM

OPERATOR: POGO PRODUCING COMPANY  
AFE TYPE: EXPLORATORY DRILLING  
DATE: 06/25/03  
WELL TYPE:  
FORMATION: MORROW  
TOTAL DEPTH: 11,000'

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'  
FWL, SECTION 4, T20S, R27E, EDDY COUNTY, NM.

RECEIVED  
SEP - 4 2003

MIDLAND

DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
727.444 LWE PRODUCTION CASING 11000' 5-1/2"		78,000	78,000
727.445 LWE CASINGHEAD	3,000	2,500	5,500
727.446 LWE XMAS TREE		10,000	10,000
727.447 LWE COMPLETION EQUIPMENT		2,500	2,500
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727.449 LWE TUBING 10800' 2-7/8"		38,000	38,000
727.469 LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
TOTAL EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODUCTION FACILITIES			
746.153 LWE MISC. VALVES & FITTINGS		15,000	15,000
746.438 LWE CORROSION CONTROL SYSTEM		1,500	1,500
746.456 LWE FIELD LINES		5,000	5,000
746.457 LWE TANK, STAIR, WALK & MISC.		19,000	19,000
746.458 LWE SEPARATORS & FITTINGS		2,800	2,800
746.459 LWE HEATERS, TREATERS & CONN.		30,000	30,000
746.469 LWE OTHER MATERIALS & EQUIP.		35,000	35,000
TOTAL LWE PRODUCTION FACILITIES		108,300	108,300
*** TOTAL TANGIBLES	67,575	246,300	313,875
*** TOTAL ESTIMATED COST - GROSS	855,275	400,800	1,256,075

APPROVAL:

Richard L. Wright  
RICHARD L. WRIGHT

DATE: JUNE 25, 2003



AUTHORIZATION:

Jerry A. Cooper  
JERRY A. COOPER

DATE: JUNE 25, 2003

PARTICIPANT: CALCO, LLC, a NM Ltd Liability Co.

INTEREST: 0.20%

BY:

NAME: Deborah L. Gustafson  
TITLE: Agent  
DATE: 8-28-03

POGO PRODUCING COMPANY  
 AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
 GROSS AFE - DETAILED

PAGE: 1

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
 WELL: 6122 MCMILLAN 4 FEDERAL COM #1  
 PROSPECT: MCMILLAN PROSPECT  
 FIELD: MCMILLAN MORROW - C/O  
 COUNTY/PARISH: EDDY  
 STATE: NM

OPERATOR: POGO PRODUCING COMPANY  
 AFE TYPE: EXPLORATORY DRILLING  
 DATE: 06/25/03  
 WELL TYPE:  
 FORMATION: MORROW  
 TOTAL DEPTH: 11,000'

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'  
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DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
IDC EXPLORATORY DRILLING			
725.471 IDC MOBILIZATION/DEMOB	30,000		30,000
725.472 IDC ROAD, LOC. PITS & KEYWAYS	20,000		20,000
725.473 IDC CEMENTING & CEMENTING SVS.	20,000		20,000
725.474 IDC MUD LOGGING	23,800		23,800
725.475 IDC MUD MATERIALS & CHEMICALS	75,000		75,000
725.478 IDC LOGGING & SIDEWALL CORING	35,000		35,000
725.482 IDC FORMATION TESTING	12,000		12,000
725.488 IDC TOOLS & EQUIPMENT RENTAL	65,000		65,000
725.490 IDC DRILLING DAY RATE	327,600		327,600
725.491 IDC FLOAT EQUIPMENT	2,500		2,500
725.492 IDC BITS, CORE BARRELS, ETC.	40,000		40,000
725.494 IDC OTHER SPECIAL WELL SERV.	10,000		10,000
725.501 IDC COMPANY LABOR	27,300		27,300
725.510 IDC CONTRACT SERVICES & EQUIP.	10,000		10,000
725.528 IDC COMMUNICATION SERVICES	1,500		1,500
725.539 IDC FUEL & POWER	35,000		35,000
725.545 IDC AUTO & TRUCK EXPENSE	3,000		3,000
725.599 IDC MISCELLANEOUS	50,000		50,000
TOTAL IDC EXPLORATORY DRILLING	787,700		787,700
ICC EXPLORATORY COMPLETION			
726.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
726.473 ICC CEMENTING & CEMENTING SVS.		40,000	40,000
726.475 ICC MUD MATERIALS & CHEMICALS		5,500	5,500
726.478 ICC LOGGING & SIDEWALL CORING		2,500	2,500
726.479 ICC PERFORATING		18,000	18,000
726.480 ICC STIMULATION TREATMENT		10,000	10,000
726.484 ICC TESTING TUBULAR GOODS		2,500	2,500
726.488 ICC TOOL & EQUIPMENT RENTAL		5,000	5,000
726.490 ICC COMPLETION RIG		16,000	16,000
726.491 ICC FLOAT EQUIPMENT		7,500	7,500
726.492 ICC BITS, CORE BARRELS, ETC.		500	500
726.494 ICC OTHER SPECIAL WELL SERVICE		2,500	2,500
726.501 ICC COMPANY LABOR		6,500	6,500
726.510 ICC CONTRACT SERVICES & EQUIP.		2,500	2,500
726.545 ICC AUTO & TRUCK		3,000	3,000
726.599 ICC MISCELLANEOUS COST & CONT.		10,000	10,000
TOTAL ICC EXPLORATORY COMPLETION		133,000	133,000
ICC PRODUCTION FACILITIES			
745.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
745.510 ICC CONTRACT SERVICES & EQUIP.		12,000	12,000
745.545 ICC AUTO & TRUCK EXPENSE		1,000	1,000
745.566 ICC WELDING SERVICES		2,500	2,500
745.568 ICC PAINTING SERVICES		2,500	2,500
745.599 ICC MISC. COSTS & CONTINGEN.		2,500	2,500
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*** TOTAL INTANGIBLES	787,700	154,500	942,200
EXPLORATORY LEASE & WELL			
727.441 LWE SURFACE CASING 250' 13-3/8"	4,250		4,250
727.442 LWE CONDUCTOR PIPE	4,200		4,200
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POGO PRODUCING COMPANY  
AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
GROSS AFE - DETAILED

PAGE: 2

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
WELL: 6122 MCMILLAN 4 FEDERAL COM #1  
PROSPECT: MCMILLAN PROSPECT  
FIELD: MCMILLAN MORROW - C/O  
COUNTY/PARISH: EDDY  
STATE: NM

OPERATOR: POGO PRODUCING COMPANY  
AFE TYPE: EXPLORATORY DRILLING  
DATE: 06/25/03  
WELL TYPE:  
FORMATION: MORROW  
TOTAL DEPTH: 11,000'

RECEIVED

SEP - 4 2003

MIDLAND

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'  
FWL, SECTION 4, T20S, R27E, EDDY COUNTY, NM.

DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
727.444   LWE PRODUCTION CASING 11000' 5-1/2"		78,000	78,000
727.445   LWE CASINGHEAD	3,000	2,500	5,500
727.446   LWE XMAS TREE		10,000	10,000
727.447   LWE COMPLETION EQUIPMENT		2,500	2,500
727.448   LWE RETRIEVABLE PACKER		4,500	4,500
727.449   LWE TUBING 10800' 2-7/8"		38,000	38,000
727.469   LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
TOTAL EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODUCTION FACILITIES			
746.153   LWE MISC. VALVES & FITTINGS		15,000	15,000
746.438   LWE CORROSION CONTROL SYSTEM		1,500	1,500
746.456   LWE FIELD LINES		5,000	5,000
746.457   LWE TANK, STAIR, WALK & MISC.		19,000	19,000
746.458   LWE SEPARATORS & FITTINGS		2,800	2,800
746.459   LWE HEATERS, TREATERS & CONN.		30,000	30,000
746.469   LWE OTHER MATERIALS & EQUIP.		35,000	35,000
TOTAL LWE PRODUCTION FACILITIES		108,300	108,300
*** TOTAL TANGIBLES	67,575	246,300	313,875
*** TOTAL ESTIMATED COST - GROSS	855,275	400,800	1,256,075

APPROVAL:

Richard L. Wright  
RICHARD L. WRIGHT

DATE: JUNE 25, 2003



AUTHORIZATION:

Jerry A. Cooper  
JERRY A. COOPER

DATE: JUNE 25, 2003

PARTICIPANT: VALCO, LLC, a NM Ltd Liability Co.

INTEREST:

.09459%  
~~0.17%~~

BY:

Deborah E. Galuska

TITLE: Agent

DATE: 8/28/03

POGO PRODUCING COMPANY  
 AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
 GROSS AFE - DETAILED

PAGE: 1

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
 WELL: 6122 MCMILLAN 4 FEDERAL COM #1  
 PROSPECT: MCMILLAN PROSPECT  
 FIELD: MCMILLAN MORROW - C/O  
 COUNTY/PARISH: EDDY  
 STATE: NM

OPERATOR: POGO PRODUCING COMPANY  
 AFE TYPE: EXPLORATORY DRILLING  
 DATE: 06/25/03  
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 FORMATION: MORROW  
 TOTAL DEPTH: 11,000'

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DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
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725.471 IDC MOBILIZATION/DEMOB	30,000		30,000
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725.474 IDC MUD LOGGING	23,800		23,800
725.475 IDC MUD MATERIALS & CHEMICALS	75,000		75,000
725.478 IDC LOGGING & SIDEWALL CORING	35,000		35,000
725.482 IDC FORMATION TESTING	12,000		12,000
725.488 IDC TOOLS & EQUIPMENT RENTAL	65,000		65,000
725.490 IDC DRILLING DAY RATE	327,600		327,600
725.491 IDC FLOAT EQUIPMENT	2,500		2,500
725.492 IDC BITS, CORE BARRELS, ETC.	40,000		40,000
725.494 IDC OTHER SPECIAL WELL SERV.	10,000		10,000
725.501 IDC COMPANY LABOR	27,300		27,300
725.510 IDC CONTRACT SERVICES & EQUIP.	10,000		10,000
725.528 IDC COMMUNICATION SERVICES	1,500		1,500
725.539 IDC FUEL & POWER	35,000		35,000
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725.599 IDC MISCELLANEOUS	50,000		50,000
TOTAL IDC EXPLORATORY DRILLING	787,700		787,700
ICC EXPLORATORY COMPLETION			
726.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
726.473 ICC CEMENTING & CEMENTING SVS.		40,000	40,000
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ICC PRODUCTION FACILITIES			
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POGO PRODUCING COMPANY  
AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
GROSS AFE - DETAILED

PAGE: 2

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
WELL: 6122 MCMILLAN 4 FEDERAL COM #1  
PROSPECT: MCMILLAN PROSPECT  
FIELD: MCMILLAN MORROW - C/O  
COUNTY/PARISH: EDDY  
STATE: NM

OPERATOR: POGO PRODUCING COMPANY  
AFE TYPE: EXPLORATORY DRILLING  
DATE: 06/25/03  
WELL TYPE:  
FORMATION: MORROW  
TOTAL DEPTH: 11,000'

RECEIVED

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550' FWL, SECTION 4, T20S, R27E, EDDY COUNTY, NM.

MIDLAND

DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
727.444 LWE PRODUCTION CASING 11000' 5-1/2"		78,000	78,000
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*** TOTAL ESTIMATED COST - GROSS	855,275	400,800	1,256,075

APPROVAL:

RICHARD L. WRIGHT

DATE: JUNE 25, 2003



AUTHORIZATION:

JERRY A. COOPER

DATE: JUNE 25, 2003

PARTICIPANT: EAKO, LLC, a NM Ltd Liability Co.

INTEREST: .23919%  
~~0.17%~~

BY:

NAME:

TITLE:

DATE:

8/28/03



POGO PRODUCING COMPANY  
 AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
 GROSS AFE - DETAILED

PAGE: 1

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
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ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'  
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725.482 IDC FORMATION TESTING	12,000		12,000
725.488 IDC TOOLS & EQUIPMENT RENTAL	65,000		65,000
725.490 IDC DRILLING DAY RATE	327,600		327,600
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TOTAL IDC EXPLORATORY DRILLING	787,700		787,700
ICC EXPLORATORY COMPLETION			
726.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
726.473 ICC CEMENTING & CEMENTING SVS.		40,000	40,000
726.475 ICC MUD MATERIALS & CHEMICALS		5,500	5,500
726.478 ICC LOGGING & SIDEWALL CORING		2,500	2,500
726.479 ICC PERFORATING		18,000	18,000
726.480 ICC STIMULATION TREATMENT		10,000	10,000
726.484 ICC TESTING TUBULAR GOODS		2,500	2,500
726.488 ICC TOOL & EQUIPMENT RENTAL		5,000	5,000
726.490 ICC COMPLETION RIG		16,000	16,000
726.491 ICC FLOAT EQUIPMENT		7,500	7,500
726.492 ICC BITS, CORE BARRELS, ETC.		500	500
726.494 ICC OTHER SPECIAL WELL SERVICE		2,500	2,500
726.501 ICC COMPANY LABOR		6,500	6,500
726.510 ICC CONTRACT SERVICES & EQUIP.		2,500	2,500
726.545 ICC AUTO & TRUCK		3,000	3,000
726.599 ICC MISCELLANEOUS COST & CONT.		10,000	10,000
TOTAL ICC EXPLORATORY COMPLETION		133,000	133,000
ICC PRODUCTION FACILITIES			
745.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
745.510 ICC CONTRACT SERVICES & EQUIP.		12,000	12,000
745.545 ICC AUTO & TRUCK EXPENSE		1,000	1,000
745.566 ICC WELDING SERVICES		2,500	2,500
745.568 ICC PAINTING SERVICES		2,500	2,500
745.599 ICC MISC. COSTS & CONTINGEN.		2,500	2,500
TOTAL ICC PRODUCTION FACILITIES		21,500	21,500
*** TOTAL INTANGIBLES	787,700	154,500	942,200
EXPLORATORY LEASE & WELL			
727.441 LWE SURFACE CASING 250' 13-3/8"	4,250		4,250
727.442 LWE CONDUCTOR PIPE	4,200		4,200
727.443 LWE INTERMEDIATE CASING 3000' 9-5/8"	55,125		55,125

POGO PRODUCING COMPANY  
 AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
 GROSS AFE - DETAILED

PAGE: 2

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
 WELL: 6122 MCMILLAN 4 FEDERAL COM #1  
 PROSPECT: MCMILLAN PROSPECT  
 FIELD: MCMILLAN MORROW - C/O  
 COUNTY/PARISH: EDDY  
 STATE: NM

OPERATOR: POGO PRODUCING COMPANY  
 AFE TYPE: EXPLORATORY DRILLING  
 DATE: 06/25/03  
 WELL TYPE:  
 FORMATION: MORROW  
 TOTAL DEPTH: 11,000'

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'  
 FWL, SECTION 4, T20S, R27E, EDDY COUNTY, NM.

	DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
727.444	LWE PRODUCTION CASING 11000' 5-1/2"		78,000	78,000
727.445	LWE CASINGHEAD	3,000	2,500	5,500
727.446	LWE XMAS TREE		10,000	10,000
727.447	LWE COMPLETION EQUIPMENT		2,500	2,500
727.448	LWE RETRIEVABLE PACKER		4,500	4,500
727.449	LWE TUBING 10800' 2-7/8"		38,000	38,000
727.469	LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
	TOTAL EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODUCTION FACILITIES				
746.153	LWE MISC. VALVES & FITTINGS		15,000	15,000
746.438	LWE CORROSION CONTROL SYSTEM		1,500	1,500
746.456	LWE FIELD LINES		5,000	5,000
746.457	LWE TANK, STAIR, WALK & MISC.		19,000	19,000
746.458	LWE SEPARATORS & FITTINGS		2,800	2,800
746.459	LWE HEATERS, TREATERS & CONN.		30,000	30,000
746.469	LWE OTHER MATERIALS & EQUIP.		35,000	35,000
	TOTAL LWE PRODUCTION FACILITIES		108,300	108,300
***	TOTAL TANGIBLES	67,575	246,300	313,875
***	TOTAL ESTIMATED COST - GROSS	855,275	400,800	1,256,075

APPROVAL: *Richard L. Wright*  
 RICHARD L. WRIGHT

DATE: JUNE 25, 2003



AUTHORIZATION: *Jerry A. Cooper*  
 JERRY A. COOPER

DATE: JUNE 25, 2003

PARTICIPANT: Tom P. Stephens, Trustee  
of the Tom P. Stephens Trust  
under Trust Agreement dated 10/30/95

INTEREST: 0.14%

BY: BANK OF AMERICA, N.A.  
 NAME: IN ITS FIDUCIARY CAPACITY  
 TITLE: BY *Bill Blodson*  
 DATE: Vice President

Date 8/14/03

ACCOUNT(S) \_\_\_\_\_

POGO PRODUCING COMPANY  
 AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
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OPERATOR: POGO PRODUCING COMPANY  
 AFE TYPE: EXPLORATORY DRILLING  
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 FORMATION: MORROW  
 TOTAL DEPTH: 11,000'

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IDC EXPLORATORY DRILLING			
725.471 IDC MOBILIZATION/DEMOB	30,000		30,000
725.472 IDC ROAD, LOC. PITS & KEYWAYS	20,000		20,000
725.473 IDC CEMENTING & CEMENTING SVS.	20,000		20,000
725.474 IDC MUD LOGGING	23,800		23,800
725.475 IDC MUD MATERIALS & CHEMICALS	75,000		75,000
725.478 IDC LOGGING & SIDEWALL CORING	35,000		35,000
725.482 IDC FORMATION TESTING	12,000		12,000
725.488 IDC TOOLS & EQUIPMENT RENTAL	65,000		65,000
725.490 IDC DRILLING DAY RATE	327,600		327,600
725.491 IDC FLOAT EQUIPMENT	2,500		2,500
725.492 IDC BITS, CORE BARRELS, ETC.	40,000		40,000
725.494 IDC OTHER SPECIAL WELL SERV.	10,000		10,000
725.501 IDC COMPANY LABOR	27,300		27,300
725.510 IDC CONTRACT SERVICES & EQUIP.	10,000		10,000
725.528 IDC COMMUNICATION SERVICES	1,500		1,500
725.539 IDC FUEL & POWER	35,000		35,000
725.545 IDC AUTO & TRUCK EXPENSE	3,000		3,000
725.599 IDC MISCELLANEOUS	50,000		50,000
TOTAL IDC EXPLORATORY DRILLING	787,700		787,700
ICC EXPLORATORY COMPLETION			
726.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
726.473 ICC CEMENTING & CEMENTING SVS.		40,000	40,000
726.475 ICC MUD MATERIALS & CHEMICALS		5,500	5,500
726.478 ICC LOGGING & SIDEWALL CORING		2,500	2,500
726.479 ICC PERFORATING		18,000	18,000
726.480 ICC STIMULATION TREATMENT		10,000	10,000
726.484 ICC TESTING TUBULAR GOODS		2,500	2,500
726.488 ICC TOOL & EQUIPMENT RENTAL		5,000	5,000
726.490 ICC COMPLETION RIG		16,000	16,000
726.491 ICC FLOAT EQUIPMENT		7,500	7,500
726.492 ICC BITS, CORE BARRELS, ETC.		500	500
726.494 ICC OTHER SPECIAL WELL SERVICE		2,500	2,500
726.501 ICC COMPANY LABOR		6,500	6,500
726.510 ICC CONTRACT SERVICES & EQUIP.		2,500	2,500
726.545 ICC AUTO & TRUCK		3,000	3,000
726.599 ICC MISCELLANEOUS COST & CONT.		10,000	10,000
TOTAL ICC EXPLORATORY COMPLETION		133,000	133,000
ICC PRODUCTION FACILITIES			
745.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
745.510 ICC CONTRACT SERVICES & EQUIP.		12,000	12,000
745.545 ICC AUTO & TRUCK EXPENSE		1,000	1,000
745.566 ICC WELDING SERVICES		2,500	2,500
745.568 ICC PAINTING SERVICES		2,500	2,500
745.599 ICC MISC. COSTS & CONTINGEN.		2,500	2,500
TOTAL ICC PRODUCTION FACILITIES		21,500	21,500
*** TOTAL INTANGIBLES	787,700	154,500	942,200
EXPLORATORY LEASE & WELL			
727.441 LWE SURFACE CASING 250' 13-3/8"	4,250		4,250
727.442 LWE CONDUCTOR PIPE	4,200		4,200
727.443 LWE INTERMEDIATE CASING 3000' 9-5/8"	55,125		55,125

POGO PRODUCING COMPANY  
AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
GROSS AFE - DETAILED

PAGE: 2

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
WELL: 6122 MCMILLAN 4 FEDERAL COM #1  
PROSPECT: MCMILLAN PROSPECT  
FIELD: MCMILLAN MORROW - C/O  
COUNTY/PARISH: EDDY  
STATE: NM

OPERATOR: POGO PRODUCING COMPANY  
AFE TYPE: EXPLORATORY DRILLING  
DATE: 06/25/03  
WELL TYPE:  
FORMATION: MORROW  
TOTAL DEPTH: 11,000'

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'  
FWL, SECTION 4, T20S, R27E, EDDY COUNTY, NM.

DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
727.444 LWE PRODUCTION CASING 11000' 5-1/2"		78,000	78,000
727.445 LWE CASINGHEAD	3,000	2,500	5,500
727.446 LWE XMAS TREE		10,000	10,000
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727.449 LWE TUBING 10800' 2-7/8"		38,000	38,000
727.469 LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
TOTAL EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODUCTION FACILITIES			
746.153 LWE MISC. VALVES & FITTINGS		15,000	15,000
746.438 LWE CORROSION CONTROL SYSTEM		1,500	1,500
746.456 LWE FIELD LINES		5,000	5,000
746.457 LWE TANK, STAIR, WALK & MISC.		19,000	19,000
746.458 LWE SEPARATORS & FITTINGS		2,800	2,800
746.459 LWE HEATERS, TREATERS & CONN.		30,000	30,000
746.469 LWE OTHER MATERIALS & EQUIP.		35,000	35,000
TOTAL LWE PRODUCTION FACILITIES		108,300	108,300
*** TOTAL TANGIBLES	67,575	246,300	313,875
*** TOTAL ESTIMATED COST - GROSS	855,275	400,800	1,256,075

APPROVAL:

Richard L. Wright  
RICHARD L. WRIGHT

DATE: JUNE 25, 2003



AUTHORIZATION:

Gerry A. Cooper  
GERRY A. COOPER

DATE: JUNE 25, 2003

PARTICIPANT:

Grant M. Smith

INTEREST:

0.12%

BY:

NAME:

TITLE:

DATE:

POGO PRODUCING COMPANY  
 AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
 GROSS AFE - DETAILED

PAGE: 1

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
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OPERATOR: POGO PRODUCING COMPANY  
 AFE TYPE: EXPLORATORY DRILLING  
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 WELL TYPE:  
 FORMATION: MORROW  
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DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
IDC EXPLORATORY DRILLING			
725.471 IDC MOBILIZATION/DEMOB	30,000		30,000
725.472 IDC ROAD, LOC. PITS & KEYWAYS	20,000		20,000
725.473 IDC CEMENTING & CEMENTING SVS.	20,000		20,000
725.474 IDC MUD LOGGING	23,800		23,800
725.475 IDC MUD MATERIALS & CHEMICALS	75,000		75,000
725.478 IDC LOGGING & SIDEWALL CORING	35,000		35,000
725.482 IDC FORMATION TESTING	12,000		12,000
725.488 IDC TOOLS & EQUIPMENT RENTAL	65,000		65,000
725.490 IDC DRILLING DAY RATE	327,600		327,600
725.491 IDC FLOAT EQUIPMENT	2,500		2,500
725.492 IDC BITS, CORE BARRELS, ETC.	40,000		40,000
725.494 IDC OTHER SPECIAL WELL SERV.	10,000		10,000
725.501 IDC COMPANY LABOR	27,300		27,300
725.510 IDC CONTRACT SERVICES & EQUIP.	10,000		10,000
725.528 IDC COMMUNICATION SERVICES	1,500		1,500
725.539 IDC FUEL & POWER	35,000		35,000
725.545 IDC AUTO & TRUCK EXPENSE	3,000		3,000
725.599 IDC MISCELLANEOUS	50,000		50,000
TOTAL IDC EXPLORATORY DRILLING	787,700		787,700
ICC EXPLORATORY COMPLETION			
726.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
726.473 ICC CEMENTING & CEMENTING SVS.		40,000	40,000
726.475 ICC MUD MATERIALS & CHEMICALS		5,500	5,500
726.478 ICC LOGGING & SIDEWALL CORING		2,500	2,500
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726.488 ICC TOOL & EQUIPMENT RENTAL		5,000	5,000
726.490 ICC COMPLETION RIG		16,000	16,000
726.491 ICC FLOAT EQUIPMENT		7,500	7,500
726.492 ICC BITS, CORE BARRELS, ETC.		500	500
726.494 ICC OTHER SPECIAL WELL SERVICE		2,500	2,500
726.501 ICC COMPANY LABOR		6,500	6,500
726.510 ICC CONTRACT SERVICES & EQUIP.		2,500	2,500
726.545 ICC AUTO & TRUCK		3,000	3,000
726.599 ICC MISCELLANEOUS COST & CONT.		10,000	10,000
TOTAL ICC EXPLORATORY COMPLETION		133,000	133,000
ICC PRODUCTION FACILITIES			
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745.510 ICC CONTRACT SERVICES & EQUIP.		12,000	12,000
745.545 ICC AUTO & TRUCK EXPENSE		1,000	1,000
745.566 ICC WELDING SERVICES		2,500	2,500
745.568 ICC PAINTING SERVICES		2,500	2,500
745.599 ICC MISC. COSTS & CONTINGEN.		2,500	2,500
TOTAL ICC PRODUCTION FACILITIES		21,500	21,500
*** TOTAL INTANGIBLES	787,700	154,500	942,200
EXPLORATORY LEASE & WELL			
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POGO PRODUCING COMPANY  
 AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
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PAGE: 2

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
 WELL: 6122 MCMILLAN 4 FEDERAL COM #1  
 PROSPECT: MCMILLAN PROSPECT  
 FIELD: MCMILLAN MORROW - C/O  
 COUNTY/PARISH: EDDY  
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 FORMATION: MORROW  
 TOTAL DEPTH: 11,000'

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'  
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	DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
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727.469	LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
	TOTAL EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODUCTION FACILITIES				
746.153	LWE MISC. VALVES & FITTINGS		15,000	15,000
746.438	LWE CORROSION CONTROL SYSTEM		1,500	1,500
746.456	LWE FIELD LINES		5,000	5,000
746.457	LWE TANK, STAIR, WALK & MISC.		19,000	19,000
746.458	LWE SEPARATORS & FITTINGS		2,800	2,800
746.459	LWE HEATERS, TREATERS & CONN.		30,000	30,000
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	TOTAL LWE PRODUCTION FACILITIES		108,300	108,300
***	TOTAL TANGIBLES	67,575	246,300	313,875
***	TOTAL ESTIMATED COST - GROSS	855,275	400,800	1,256,075

APPROVAL: Richard L. Wright  
 RICHARD L. WRIGHT

DATE: JUNE 25, 2003



AUTHORIZATION: Jerry A. Cooper  
 JERRY A. COOPER

DATE: JUNE 25, 2003

PARTICIPANT: Lucas Properties, LLC

INTEREST: 0.06986

BY: Mary Frances Lackey  
 NAME: MARY Frances Lackey  
 TITLE: Manager  
 DATE: 2-09-04

POGO PRODUCING COMPANY  
AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
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725.475 IDC MUD MATERIALS & CHEMICALS	75,000		75,000
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725.488 IDC TOOLS & EQUIPMENT RENTAL	65,000		65,000
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RECEIVED

POGO PRODUCING COMPANY  
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 GROSS AFE - DETAILED

PAGE: 2

MIDLAND

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746.457 LWE TANK, STAIR, WALK & MISC.		19,000	19,000
746.458 LWE SEPARATORS & FITTINGS		2,800	2,800
746.459 LWE HEATERS, TREATERS & CONN.		30,000	30,000
746.469 LWE OTHER MATERIALS & EQUIP.		35,000	35,000
TOTAL LWE PRODUCTION FACILITIES		108,300	108,300
*** TOTAL TANGIBLES	67,575	246,300	313,875
*** TOTAL ESTIMATED COST - GROSS	855,275	400,800	1,256,075

APPROVAL: Richard L. Wright  
 RICHARD L. WRIGHT

DATE: JUNE 25, 2003



AUTHORIZATION: Gerry A. Cooper  
 GERRY A. COOPER

DATE: JUNE 25, 2003

PARTICIPANT: Glen David Miller  
 Glen David Miller

INTEREST: 0.06986

BY: \_\_\_\_\_  
 NAME: \_\_\_\_\_  
 TITLE: \_\_\_\_\_  
 DATE: \_\_\_\_\_



POGO PRODUCING COMPANY  
 AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
 GROSS AFE - DETAILED

PAGE: 1

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
 WELL: 6122 MCMILLAN 4 FEDERAL COM #1  
 PROSPECT: MCMILLAN PROSPECT  
 FIELD: MCMILLAN MORROW - C/O  
 COUNTY/PARISH: EDDY  
 STATE: NM

OPERATOR: POGO PRODUCING COMPANY  
 AFE TYPE: EXPLORATORY DRILLING  
 DATE: 06/25/03  
 WELL TYPE:  
 FORMATION: MORROW  
 TOTAL DEPTH: 11,000'

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'  
 FWL, SECTION 4, T20S, R27E, EDDY COUNTY, NM.

DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
IDC EXPLORATORY DRILLING			
725.471 IDC MOBILIZATION/DEMOB	30,000		30,000
725.472 IDC ROAD, LOC. PITS & KEYWAYS	20,000		20,000
725.473 IDC CEMENTING & CEMENTING SVS.	20,000		20,000
725.474 IDC MUD LOGGING	23,800		23,800
725.475 IDC MUD MATERIALS & CHEMICALS	75,000		75,000
725.478 IDC LOGGING & SIDEWALL CORING	35,000		35,000
725.482 IDC FORMATION TESTING	12,000		12,000
725.488 IDC TOOLS & EQUIPMENT RENTAL	65,000		65,000
725.490 IDC DRILLING DAY RATE	327,600		327,600
725.491 IDC FLOAT EQUIPMENT	2,500		2,500
725.492 IDC BITS, CORE BARRELS, ETC.	40,000		40,000
725.494 IDC OTHER SPECIAL WELL SERV.	10,000		10,000
725.501 IDC COMPANY LABOR	27,300		27,300
725.510 IDC CONTRACT SERVICES & EQUIP.	10,000		10,000
725.528 IDC COMMUNICATION SERVICES	1,500		1,500
725.539 IDC FUEL & POWER	35,000		35,000
725.545 IDC AUTO & TRUCK EXPENSE	3,000		3,000
725.599 IDC MISCELLANEOUS	50,000		50,000
TOTAL IDC EXPLORATORY DRILLING	787,700		787,700
ICC EXPLORATORY COMPLETION			
726.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
726.473 ICC CEMENTING & CEMENTING SVS.		40,000	40,000
726.475 ICC MUD MATERIALS & CHEMICALS		5,500	5,500
726.478 ICC LOGGING & SIDEWALL CORING		2,500	2,500
726.479 ICC PERFORATING		18,000	18,000
726.480 ICC STIMULATION TREATMENT		10,000	10,000
726.484 ICC TESTING TUBULAR GOODS		2,500	2,500
726.488 ICC TOOL & EQUIPMENT RENTAL		5,000	5,000
726.490 ICC COMPLETION RIG		16,000	16,000
726.491 ICC FLOAT EQUIPMENT		7,500	7,500
726.492 ICC BITS, CORE BARRELS, ETC.		500	500
726.494 ICC OTHER SPECIAL WELL SERVICE		2,500	2,500
726.501 ICC COMPANY LABOR		6,500	6,500
726.510 ICC CONTRACT SERVICES & EQUIP.		2,500	2,500
726.545 ICC AUTO & TRUCK		3,000	3,000
726.599 ICC MISCELLANEOUS COST & CONT.		10,000	10,000
TOTAL ICC EXPLORATORY COMPLETION		133,000	133,000
ICC PRODUCTION FACILITIES			
745.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
745.510 ICC CONTRACT SERVICES & EQUIP.		12,000	12,000
745.545 ICC AUTO & TRUCK EXPENSE		1,000	1,000
745.566 ICC WELDING SERVICES		2,500	2,500
745.568 ICC PAINTING SERVICES		2,500	2,500
745.599 ICC MISC. COSTS & CONTINGEN.		2,500	2,500
TOTAL ICC PRODUCTION FACILITIES		21,500	21,500
*** TOTAL INTANGIBLES	787,700	154,500	942,200
EXPLORATORY LEASE & WELL			
727.441 LWE SURFACE CASING 250' 13-3/8"	4,250		4,250
727.442 LWE CONDUCTOR PIPE	4,200		4,200
727.443 LWE INTERMEDIATE CASING 3000' 9-5/8"	55,125		55,125

POGO PRODUCING COMPANY  
AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
GROSS AFE - DETAILED

PAGE: 2

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
WELL: 6122 MCMILLAN 4 FEDERAL COM #1  
PROSPECT: MCMILLAN PROSPECT  
FIELD: MCMILLAN MORROW - C/O  
COUNTY/PARISH: EDDY  
STATE: NM

OPERATOR: POGO PRODUCING COMPANY  
AFE TYPE: EXPLORATORY DRILLING  
DATE: 06/25/03  
WELL TYPE:  
FORMATION: MORROW  
TOTAL DEPTH: 11,000'

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'  
FWL, SECTION 4, T20S, R27E, EDDY COUNTY, NM.

	DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
727.444	LWE PRODUCTION CASING 11000' 5-1/2"		78,000	78,000
727.445	LWE CASINGHEAD	3,000	2,500	5,500
727.446	LWE XMAS TREE		10,000	10,000
727.447	LWE COMPLETION EQUIPMENT		2,500	2,500
727.448	LWE RETRIEVABLE PACKER		4,500	4,500
727.449	LWE TUBING 10800' 2-7/8"		38,000	38,000
727.469	LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
	TOTAL EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODUCTION FACILITIES				
746.153	LWE MISC. VALVES & FITTINGS		15,000	15,000
746.438	LWE CORROSION CONTROL SYSTEM		1,500	1,500
746.456	LWE FIELD LINES		5,000	5,000
746.457	LWE TANK, STAIR, WALK & MISC.		19,000	19,000
746.458	LWE SEPARATORS & FITTINGS		2,800	2,800
746.459	LWE HEATERS, TREATERS & CONN.		30,000	30,000
746.469	LWE OTHER MATERIALS & EQUIP.		35,000	35,000
	TOTAL LWE PRODUCTION FACILITIES		108,300	108,300
***	TOTAL TANGIBLES	67,575	246,300	313,875
***	TOTAL ESTIMATED COST - GROSS	855,275	400,800	1,256,075

APPROVAL: *Richard L. Wright*  
RICHARD L. WRIGHT

DATE: JUNE 25, 2003



AUTHORIZATION: *Jerry A. Cooper*  
JERRY A. COOPER

DATE: JUNE 25, 2003

PARTICIPANT: Mary Ann Morrison

INTEREST: 0.01%

BY:  
NAME: *Mary Ann Morrison*  
TITLE: \_\_\_\_\_  
DATE: 9-27-03

POGO PRODUCING COMPANY  
 AUTHORITY FOR EXPENDITURE FOR \$1,256,075  
 GROSS AFE, - DETAILED

PAGE: 1

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1  
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ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'  
 FWL, SECTION 4, T20S, R27E, EDDY COUNTY, NM.

DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
IDC EXPLORATORY DRILLING			
725.471 IDC MOBILIZATION/DEMOB	30,000		30,000
725.472 IDC ROAD, LOC. PITS & KEYWAYS	20,000		20,000
725.473 IDC CEMENTING & CEMENTING SVS.	20,000		20,000
725.474 IDC MUD LOGGING	23,800		23,800
725.475 IDC MUD MATERIALS & CHEMICALS	75,000		75,000
725.478 IDC LOGGING & SIDEWALL CORING	35,000		35,000
725.482 IDC FORMATION TESTING	12,000		12,000
725.488 IDC TOOLS & EQUIPMENT RENTAL	65,000		65,000
725.490 IDC DRILLING DAY RATE	327,600		327,600
725.491 IDC FLOAT EQUIPMENT	2,500		2,500
725.492 IDC BITS, CORE BARRELS, ETC.	40,000		40,000
725.494 IDC OTHER SPECIAL WELL SERV.	10,000		10,000
725.501 IDC COMPANY LABOR	27,300		27,300
725.510 IDC CONTRACT SERVICES & EQUIP.	10,000		10,000
725.528 IDC COMMUNICATION SERVICES	1,500		1,500
725.539 IDC FUEL & POWER	35,000		35,000
725.545 IDC AUTO & TRUCK EXPENSE	3,000		3,000
725.599 IDC MISCELLANEOUS	50,000		50,000
TOTAL IDC EXPLORATORY DRILLING	787,700		787,700
ICC EXPLORATORY COMPLETION			
726.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
726.473 ICC CEMENTING & CEMENTING SVS.		40,000	40,000
726.475 ICC MUD MATERIALS & CHEMICALS		5,500	5,500
726.478 ICC LOGGING & SIDEWALL CORING		2,500	2,500
726.479 ICC PERFORATING		18,000	18,000
726.480 ICC STIMULATION TREATMENT		10,000	10,000
726.484 ICC TESTING TUBULAR GOODS		2,500	2,500
726.488 ICC TOOL & EQUIPMENT RENTAL		5,000	5,000
726.490 ICC COMPLETION RIG		16,000	16,000
726.491 ICC FLOAT EQUIPMENT		7,500	7,500
726.492 ICC BITS, CORE BARRELS, ETC.		500	500
726.494 ICC OTHER SPECIAL WELL SERVICE		2,500	2,500
726.501 ICC COMPANY LABOR		6,500	6,500
726.510 ICC CONTRACT SERVICES & EQUIP.		2,500	2,500
726.545 ICC AUTO & TRUCK		3,000	3,000
726.599 ICC MISCELLANEOUS COST & CONT.		10,000	10,000
TOTAL ICC EXPLORATORY COMPLETION		133,000	133,000
ICC PRODUCTION FACILITIES			
745.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
745.510 ICC CONTRACT SERVICES & EQUIP.		12,000	12,000
745.545 ICC AUTO & TRUCK EXPENSE		1,000	1,000
745.566 ICC WELDING SERVICES		2,500	2,500
745.568 ICC PAINTING SERVICES		2,500	2,500
745.599 ICC MISC. COSTS & CONTINGEN.		2,500	2,500
TOTAL ICC PRODUCTION FACILITIES		21,500	21,500
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EXPLORATORY LEASE & WELL			
727.441 LWE SURFACE CASING 250' 13-3/8"	4,250		4,250
727.442 LWE CONDUCTOR PIPE	4,200		4,200
727.443 LWE INTERMEDIATE CASING 3000' 9-5/8"	55,125		55,125