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

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

		Partners		
WI OWNERS	WI%	AFE	JOA	Comments
Pogo Producing Company	65.79689	х	Х	
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	х	
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, Tr'ee 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

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

To: Working Interest Owners

(See Attached List)

Re:

MCMILLAN PROSPECT

Eddy County, New Mexico

McMillan 4 Federal Com № 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 № 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

Term Gam Land Manager

TG/dkr___

Attachments

OIL CONSERVATION DIVISION

CASE NUMBER 13216

POGO EXHIBIT NUMBER

_3

Ехнівіт "А"

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

OWNER	WORKING INTEREST
Pogo Producing Company Attn: Land Department P.O. Box 10370 Midland, Texas 79702-7340	62.74044
Harvey E. Yates Company	10.63482
Jalapeño Corporation	4.47005
Nortex Corporation Attn: Mr. Robert Kent 1415 Louisiana Street, Suite 3100 Houston, Texas 77002	3.72596
Sacramento Partners Limited Partnership	3.72596
Yates Energy Corporation	3.52490
EOG Resources, Inc. Attn: Mr. Pat Tower P.O. Box 2267 Midland Texas 79702	3.05645
The Estate of Lillie M. Yates	2.79447
Sharbro Oil Ltd. Co. P.O. Box 1344 (88210-1344) 105 South Fourth Street (88210) Artesia, New Mexico	2.79447
Robert Kent	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	0.19406
NationsBank, Trustee of the Tom P. Stephens Trust	0.13972
Grant M. Smith	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	0.06986
John R. Lucas	0.06986
Mary Ann Morrison	0.04657
TOTAL	100.00000

Certified Article Number

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SENDERS RECORD

Certified Article Number

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P004 Postage 누라크라 **Certified Fee** 0.550 Return Receipt Fee dorsement Required

Restricted Delivery Fee (Endorsement Required) Total Postage & Fees

Recipient's Name (Please Print Clearly) (To be completed by n Read & Stevens Street, Apt. No.; or PO Box No.

City, State, ZIP+ 4

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Certified Fee

Postmark Return Receipt Fee (Endorsement Required) Here

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 Instruction

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Domestic Return Receipt

PS Form 3811, July 1999

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of the	Stephens, Trustee Tom P. Stephens Tru		NDER: 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: Brant Smith 1112 Rancho Road Roswell, NM 88203-4344		2. Article Number (Copy from Service label) 3462 PS Form 3811, July 1999

DER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
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WRONG ADDRESS

7000 0520 0024 4232 3486 Glen David Miller

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

7160 3901 9844 0594 6167 SENDERS RECORD

Certified Article Number

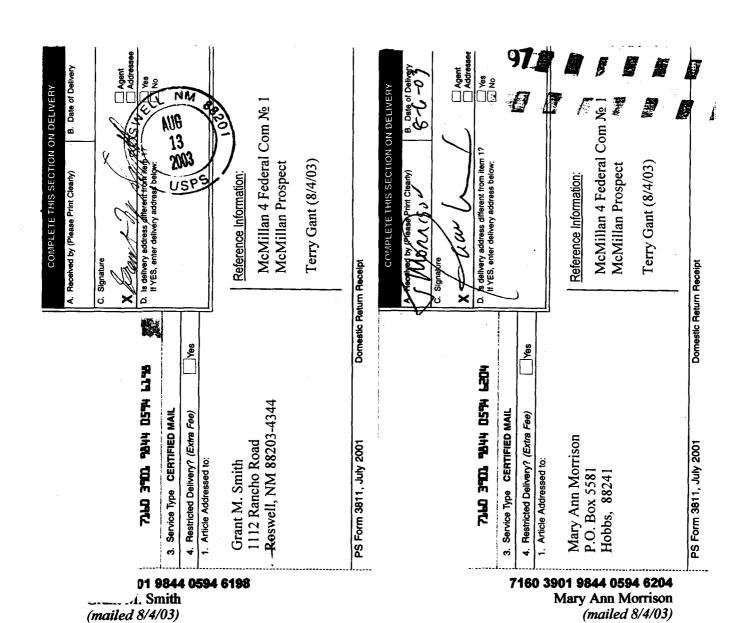
47.60 JPD JPB44 D594 63.47 Certified Article Number **Certified Article Number** SENDERS RECORD COMPLETE THIS SECTION ON DELIVERY C. Signature Agent
Addresse Yes 7160 3901 9844 0594 6167 3. Service Type CERTIFIED MAIL AUB Yes 4. Restricted Delivery? (Extra Fee) 13 1. Article Addressed to: Glen David Miller Referend P.O. Box 2412 McMillan 4 Federal Com™ 1 Roswell, NM 88202 McMillan Prospect Terry Gant (8/4/03) 透透 PS Form 3811, July 2001 Domestic Return Receipt S & Address 1 Date of Delive COMPLETE THIS SECTION ON DELIVERY COMPLETE THIS SECTION ON DELIVERY McMillan 4 Federal Com № 1 McMillan 4 Federal Com Ne Terry Gant (8/4/03) McMillan Prospect McMillan Prospect Terry Gant (8/4/03) Reference Information: Reference Information: Domestic Return Receipt Domestic Return Receipt Şe, % REDW Trust Company, Agent F160 3901 9844 0594 6174 7240 3701 7844 UST Tom P. Stephens, Trustee Albuquerque, NM 87119 CERTIFIED MAIL Service Type CERTIFIED MAIL Restricted Delivery? (Extra Fee) Restricted Delivery? (Extra Fee) Fort Worth, TX 76113 % Bank of America PS Form 3811, July 2001 PS Form 3811, July 2001 P.O. Box 93656 1. Article Addressed to: 1. Article Addressed to: P.O. Box 2546 John R. Lucas Service Type

Certified Article Number

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Certified Article Number

7160 3901 9844 0594 6204 SENDERS RECORD



(Revised 8/4/03)

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		78,000	78,000
727.445	LWE CASINGHEAD	3,000	2,500	5,500
727.446	LWE XMAS TREE	3,000	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 PRODU	CTION 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

RICHARD L.

DATE: JUNE 25, 2003

JC LAND EXPL MYK ENG

AUTHORIZATION:

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

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'

		ESTIMATED	ESTIMATED	
	DESCRIPTION	DRYHOLE	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		38,000	38,000
	10800' 2-7/8"		55,550	50,000
727.469	LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
TOTAL	EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODU	OCTION 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
	LWE PRODUCTION FACILITIES		108,300	108,300
*** TOTAL	TANGIBLES	67,575	246,300	313,875
	ESTIMATED COST - GROSS	855,275	400,800	1,256,075

APPROVAL: RICHARD L. WRIGHT TG-LAND J. EXPL	DATE: JUNE 25, 2003
AUTHORIZATION: MILA COOPER DERRY A. COOPER	DATE: JUNE 25, 2003
PARTICIPANT: Yates Energy Corporation	INTEREST: <u>5.21%</u> 3,52490
BY: NAME: TITLE: DATE:	

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

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1

WELL: 6122 MCMILLAN 4 FEDERAL COM #1

3000' 9-5/8"

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.

ESTIMATED ESTIMATED DESCRIPTION DRYHOLE COMPLETION TOTAL IDC EXPLORATORY DRILLING 725.471 IDC MOBILIZATION/DEMOB 30,000 30,000 IDC ROAD, LOC. PITS & KEYWAYS 725.472 20,000 20,000 20,000 20,000 725.473 IDC CEMENTING & CEMENTING SVS. 20,000 725.474 IDC MUD LOGGING 725.475 IDC MUD MATERIAL 23,800 23,800 IDC MUD MATERIALS & CHEMICALS 75,000 75,000 725.478 IDC LOGGING & SIDEWALL CORING 35,000 35,000 725.482 IDC FORMATION TESTING 725.488 IDC TOOLS & EQUIPMENT RENTAL 12,000 12,000 65,000 65,000 725.490 IDC DRILLING DAY RATE
725.491 IDC FLOAT EQUIPMENT
725.492 IDC BITS, CORE BARRELS, ETC.
725.494 IDC OTHER SPECIAL WELL SERV. 327,600 327,600 2,500 2,500 40,000 40,000 10,000 10,000 725.501 IDC COMPANY LABOR
725.510 IDC CONTRACT SERVICES & EQUIP. 27,300 27,300 10,000 10,000 725.528 IDC COMMUNICATION SERVICES 1,500 1,500 725.539 IDC FUEL & POWER 725.545 IDC AUTO & TRUCK EXPEN 35,000 35,000 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 40,000 5,500 ICC CEMENTING & CEMENTING SVS. 726.473 40,000 ICC MUD MATERIALS & CHEMICALS 726.475 5,500 726.478 ICC LOGGING & SIDEWALL CORING 2,500 2,500 726.479 ICC PERFORATING
726.480 ICC STIMULATION TREATMENT 18,000 10,000 18,000 10,000 2,500 726.484 ICC TESTING TUBULAR GOODS 2,500 5,000 16,000 726.488 ICC TOOL & EQUIPMENT RENTAL 5,000 726.490 ICC COMPLETION RIG 16,000 726.491 ICC FLOAT EQUIPMENT 7,500 7,500 ICC BITS, CORE BARRELS, ETC.
ICC OTHER SPECIAL WELL SERVICE 726.492 500 500 2,500 726.494 2,500 726.501 ICC COMPANY LABOR 6,500 2,500 3,000 10,000 133,000 2,500 ICC CONTRACT SERVICES & EQUIP. ICC AUTO & TRUCK 726.510 726.545 3,000 ICC MISCELLANEOUS COST & CONT. 726.599 10,000 TOTAL ICC EXPLORATORY COMPLETION 133,000 ICC PRODUCTION FACILITIES 745.472 ICC ROAD, LOC, PITS & KEYWAYS 1,000 1,000 ICC CONTRACT SERVICES & EQUIP. 745,510 12,000 12,000 ICC AUTO & TRUCK EXPENSE 1,000 745.545 1,000 ICC WELDING SERVICES 2,500 2,500 745.566 2,500 745.568 ICC PAINTING SERVICES 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 4,250 4,250 LWE CONDUCTOR PIPE 727,442 4,200 4,200 727.443 LWE INTERMEDIATE CASING 55,125 55,125

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

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.

		ESTIMATED	ESTIMATED	
	DESCRIPTION	DRYHOLE	COMPLETION	TOTAL
727.444	LWE PRODUCTION CASING		78,000	78,000
	11000' 5-1/2"			·
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		38,000	38,000
	10800' 2-7/8"			
727.469	LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
TOTAL	EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODU	CTION 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

*** TOTAL TANGIBLES	67,575	246,300	313,875
*** TOTAL ESTIMATED COST - GROSS	855,275	400,800	1,256,075
APPROVAL: Khada. Lasif		DATE: JUNE	25, 2003
AUTHORIZATION: JUME A. COOPER	EXPL MVK ENG	DATE: JUNE	25, 2003
PARTICIPANT: NORTEX CORPORATION BY: ROMANTOUT NAME: TITLE: EXC. V. P. DATE: 2/7/C4	zV	INTEREST:	

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.

	·	ESTIMATED	ESTIMATED	
DE	SCRIPTION	DRYHOLE	COMPLETION	TOTAL
IDC EXPLORAT	CORY DRILLING			
	OC MOBILIZATION/DEMOB	30,000		30,000
	OC ROAD, LOC. PITS & KEYWAYS	20,000		20,000
	C CEMENTING & CEMENTING SVS.	20,000		20,000
	OC MUD LOGGING	23,800		23,800
725.475 II	C MUD MATERIALS & CHEMICALS	75,000		75,000
725.478 II	C LOGGING & SIDEWALL CORING	35,000		35,000
725.482 II	C FORMATION TESTING	12,000		12,000
725.488 II	OC TOOLS & EQUIPMENT RENTAL	65,000		65,000
725.490 II	OC DRILLING DAY RATE	327,600		327,600
	OC FLOAT EQUIPMENT	2,500		2,500
725.492 II	OC BITS, CORE BARRELS, ETC.	40,000		40,000
725.494 II	OC OTHER SPECIAL WELL SERV.	10,000		10,000
725.501 II	OC COMPANY LABOR	27,300		27,300
725.510 II	OC CONTRACT SERVICES & EQUIP.	10,000		10,000
725.528 II	OC COMMUNICATION SERVICES	1,500		1,500
725.539 II	OC FUEL & POWER	35,000		35,000
725.545 II	OC AUTO & TRUCK EXPENSE	3,000		3,000
725.599 II	DC MISCELLANEOUS	50,000		50,000
TOTAL I	OC EXPLORATORY DRILLING	787,700		787,700
ICC EXPLORA	TORY COMPLETION			
	CC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
	CC CEMENTING & CEMENTING SVS.	•	40,000	40,000
	CC MUD MATERIALS & CHEMICALS		5,500	5,500
	CC LOGGING & SIDEWALL CORING		2,500	2,500
	CC PERFORATING		18,000	18,000
	CC STIMULATION TREATMENT		10,000	10,000
	CC TESTING TUBULAR GOODS		2,500	2,500
	CC TOOL & EQUIPMENT RENTAL		5,000	5,000
	CC COMPLETION RIG		16,000	16,000
726.491 IC	CC FLOAT EQUIPMENT		7,500	7,500
726.492 IC	CC BITS, CORE BARRELS, ETC.		500	500
726.494 IC	CC OTHER SPECIAL WELL SERVICE		2,500	2,500
726.501 IC	CC COMPANY LABOR		6,500	6,500
726.510 IC	CC CONTRACT SERVICES & EQUIP.		2,500	2,500
726.545 IC	CC AUTO & TRUCK		3,000	3,000
726.599 IC	CC MISCELLANEOUS COST & CONT.		10,000	10,000
TOTAL I	CC EXPLORATORY COMPLETION		133,000	133,000
ICC PRODUCT	ION FACILITIES			
	CC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
	CC CONTRACT SERVICES & EQUIP.		12,000	12,000
745.545 I	CC AUTO & TRUCK EXPENSE		1,000	1,000
745.566 I	CC WELDING SERVICES		2,500	2,500
	CC PAINTING SERVICES		2,500	2,500
	CC MISC. COSTS & CONTINGEN.		2,500	2,500
TOTAL I	CC PRODUCTION FACILITIES		21,500	21,500
*** TOTAL I	NTANGIBLES	787,700	154,500	942,200
EXPLORATORY	LEASE & WELL			
727.441 L	WE SURFACE CASING	4,250		4,250
	50' 13-3/8" WE CONDUCTOR PIPE	4,200		4,200
727.443 L	WE INTERMEDIATE CASING 000' 9-5/8"	55,125		55,125

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

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

BY: NAME: TITLE: DATE: 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		38,000	38,000
727.469	10800" 2-7/8" LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
TOTAL	EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODU	CTION 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
*** TOTAI	TANGIBLES	67,575	246,300	313,87
*** TOTAI	_ ESTIMATED COST - GROSS	855,275	400,800	1,256,07

APPROVAL: RICHARD L. WRIGHT TG-LAND THE EXPL	DATE: JUNE 25, 2003
AUTHORIZATION: MYK ENG MYK ENG MYK ENG MYK ENG	DATE: JUNE 25, 2003
PARTICIPANT: ROBERT W. KENT	INTEREST:

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
		· DRINOLD	COMPLETION	TOTAL
	RATORY 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
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
	RATORY 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			10,000	10,000
TOTAL	ICC EXPLORATORY COMPLETION		133,000	133,000
	CTION FACILITIES			
745.472	ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
	ICC CONTRACT SERVICES & EQUIP.		12,000	12,000
	ICC AUTO & TRUCK EXPENSE		1,000	1,000
	ICC WELDING SERVICES		2,500	2,500
	ICC PAINTING SERVICES		2,500	2,500
745.599		•	2,500	2,500
TOTAL	ICC PRODUCTION FACILITIES		21,500	21,500
*** TOTAL	INTANGIBLES	787,700	154,500	942,200
EXPLORATO	RY LEASE & WELL			
727.441	LWE SURFACE CASING	4,250		4,250
	250' 13-3/8"	•		-, -, -
727.442	LWE CONDUCTOR PIPE	4,200		4,200
727.443		55,125		55,125
	3000' 9-5/8"			

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.

		ESTIMATED	ESTIMATED	
	DESCRIPTION	DRYHOLE	COMPLETION	TOTAL
727.444	LWE PRODUCTION CASING		78,000	78,000
	11000' 5-1/2"			
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		38,000	38,000
	10800' 2-7/8"			
727.469	LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
TOTAL	EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODU	CTION 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:	Kaha	المحا	18.0	he	Uf	_
		L.	WRIGHT	0	10	

DATE: JUNE 25, 2003

DATE: JUNE 25, 2003

EXPL

AUTHORIZATION:

PARTICIPANT: Nortex Corporation

INTEREST: 4.66% 3.72596 /

BY: NAME: TITLE:

ROBERT W KENT

DATE:

!;

Rubert Kent

Nortex Corporation: 3.72596% WI

Robert Kent:

0.93149 % WI

6.93149 6

RECEIVED

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

AUG 1 8 2003

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 CHIPLAND
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.

	OF SCRIPTION	ESTIMATED		попат
	DESCRIPTION	DRYHOLE	COMPLETION	TOTAL
	RATORY 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
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
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		50,000		50,000
TOTAL	IDC EXPLORATORY DRILLING	787,700		787,700
ICC EXPLO	RATORY 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 PRODU	CTION FACILITIES			
745.472	ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
	ICC CONTRACT SERVICES & EQUIP.		12,000	12,000
	ICC AUTO & TRUCK EXPENSE		1,000	1,000
	ICC WELDING SERVICES		2,500	2,500
	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
EXPLORATO	RY LEASE & WELL			
727.441	LWE SURFACE CASING	4,250		4,250
	250' 13-3/8"			
727.442		4,200		4,200
727.443	LWE INTERMEDIATE CASING 3000' 9-5/8"	55,125		55,125

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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'

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	i	2,500	2,500
727.448	LWE RETRIEVABLE PACKER		4,500	4,500
727.449	LWE TUBING		38,000	38,000
	10800' 2-7/8"		• • •	
727.469	LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
TOTAL	EXPLORATORY LEASE & WELL	67,575		205,575
WE PRODU	CTION 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: Khalls. Lnilf
RICHARD L. WRIGHT

DATE: JUNE 25, 2003

EXPL MVK ENG

AUTHORTZATTON:

GERRY A. COOPER

DATE: JUNE 25, 2003

SACRAMENTO PARTNERS LIMITED PARTNERSHIP

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

Date

ESTATE OF LILLIE M. YATES, DECEASED

SHARBRO OIL LTD. CO.

2.79447% \(\sigma \) 2.79447% \(\sigma \)

3.72596%

8-05-03

8-05-03

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.

Date

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

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.

	ESTIMATED	ESTIMATED	
DESCRIPTION	DRYHOLE	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 725.490 IDC DRILLING DAY RATE	65,000 327,600		65,000
725.490 IDC DRILLING DAT RATE 725.491 IDC FLOAT EQUIPMENT	2,500		327,600
725.491 IDC FLOAT EQUIPMENT 725.492 IDC BITS, CORE BARRELS, ETC.	40,000		2,500 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 726.491 ICC FLOAT EQUIPMENT		16,000	16,000
726.491 ICC FLOAT EQUIPMENT 726.492 ICC BITS, CORE BARRELS, ETC.		7,500 500	7,500
726.494 ICC OTHER SPECIAL WELL SERVICE		2,500	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	4,250		4,250
250' 13-3/8"			
727.442 LWE CONDUCTOR PIPE	4,200		4,200
727.443 LWE INTERMEDIATE CASING	55,125		55,125
3000' 9-5/8"			

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

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.

		ESTIMATED	ESTIMATED	
	DESCRIPTION	DRYHOLE	COMPLETION	TOTAL
727.444	LWE PRODUCTION CASING		78,000	78,000
	11000' 5-1/2"			
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		38,000	38,000
	10800' 2-7/8"			
727.469	LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
TOTAL	EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODU	CTION 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	2,80
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	108,30
*** TOTAL	TANGIBLES	67,575	246,300	313,87

APPROVAL: RICHARD L. WRIGHT	DAT	re: June 25	, 2003
AUTHORIZATION: MAN (A. COOPER)	MVK ENG	re: JUNE 25	, 2003
PARTICIPANT: <u>FOG Resources, Inc.</u>	INT	rerest:	3.06%
BY: NAME: TITLE: DATE:			

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

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
TDC EVELOPATION PRILITING			
IDC EXPLORATORY DRILLING 725.471 IDC MOBILIZATION/DEMOB	20 000		
•	30,000		30,000
· · · · · · · · · · · · · · · · · · ·	20,000		20,000
725.473 IDC CEMENTING & CEMENTING SVS. 725.474 IDC MUD LOGGING	20,000		20,000
	23,800		23,800
	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	
ICC PRODUCTION FACILITIES			•
745.472 ICC ROAD, LOC, PITS & KEYWAYS		1 000	
745.472 ICC ROAD, LOC, PITS & REIWAYS 745.510 ICC CONTRACT SERVICES & EQUIP.		1,000	1,000
745.545 ICC AUTO & TRUCK EXPENSE		12,000	12,000
		1,000	1,000
		2,500	2,500
		2,500	2,500
	•	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	4,250		4,250
250' 13-3/8"	-,0		4,230
727.442 LWE CONDUCTOR PIPE	4,200		4,200
727.443 LWE INTERMEDIATE CASING	55,125		55,125
3000' 9-5/8"	•		00,120
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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/PARISK: 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, T205, R27E, EDDY COUNTY, NM.

_				
		ESTIMATED	ESTIMATED	
	DESCRIPTION	DRYHOLE	COMPLETION	TOTAL
727.444	LWE PRODUCTION CASING		78,000	78,000
	11000' 5-1/2"		707000	10,000
727-445	LWE CASINGHEAD	3,000	2,500	5,50
727.446	LWE XMAS TREE	2,000	10,000	70,000
727.447	LWE COMPLETION EQUIPMENT		2,500	2,500
727.448	LWE RETRIEVABLE FACKER		4,500	4,500
727.449	LWE TUBING		. 38,000	38,000
	10800' 2-7/8"		30,000	30,000
727.469	LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,50
	EXPLORATORY LEASE & WELL	67,575	138,000	205,57
LWE FRODUC	CTION FACILITIES	•		
746.153	LWE MISC. VALVES & FITTINGS		15,000	15,00
746.438	LWE CORROSION CONTROL SYSTEM		1,500	1,50
746.456	LWE FIELD LINES		5,000	5,000
746.457	LWE TANK, STAIR, WALK & MISC.		19,000	19,00
746.458	LWE SEPARATORS & FITTINGS		2,800	2,80
746.459	LWE HEATERS, TREATERS & CONN.		30,000	30,00
746.169	LWE OTHER MATERIALS & EQUIP.		35,000	35,00
TOTAL	LWE PRODUCTION FACILITIES		108,300	108,30
*** TOTAL	TANGIBLES	67,575	246,300	313,87
*** TOTAL	ESTIMATED COST - GROSS	855,275	400,800	1,256,07

DATE: JUNE 25, 2003

TELAND LIL EXPL MVK ENG

AUTHORIZATION

DATE: JUNE 25, 2003

peño Corporation

INTEREST: 4.47017.

BY: NAME: TITLE: DATE: vey E. Ye Yakes, Ir

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.

		ESTIMATED	ESTIMATED	
	DESCRIPTION	DRYHOLE	COMPLETION	TOTAL
דחר באפניט	RATORY DRILLING			
725.471	IDC MOBILIZATION/DEMOB	30,000		30 000
725.471	IDC ROAD, LOC. PITS & KEYWAYS	20,000		30,000 20,000
725.472	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
725.478 725.482	IDC LOGGING & SIDEWALL CORING	35,000		35,000
	IDC FORMATION TESTING IDC TOOLS & EQUIPMENT RENTAL	12,000		12,000
725.488		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 EXPLO	RATORY 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	
726.488	ICC TOOL & EQUIPMENT RENTAL			2,500
726.490	ICC COMPLETION RIG		5,000	5,000
726.491	ICC FLOAT EQUIPMENT		16,000	16,000
726.491	ICC BITS, CORE BARRELS, ETC.		7,500	7,500
			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			10,000	10,000
TOTAL	ICC EXPLORATORY COMPLETION		133,000	133,000
	CTION FACILITIES			
745.472	ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
745.510			12,000	12,000
745.545	ICC AUTO & TRUCK EXPENSE		1,000	1,000
745.566			2,500	2,500
745.568	ICC PAINTING SERVICES		2,500	2,500
745.599			2,500	2,500
	ICC PRODUCTION FACILITIES		21,500	21,500
*** TOTAL	INTANGIBLES	787,700	154,500	942,200
EXPLORATO	RY LEASE & WELL			
727.441	LWE SURFACE CASING	4,250		A 250
	250' 13-3/8"	4,250		4,250
727.442		4,200		4,200
727.443	LWE INTERMEDIATE CASING	55,125		55,125
	3000' 9-5/8"	55,125		33,123
	5 5 6/6			

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.

		ESTIMATED	ESTIMATED	
	DESCRIPTION	DRYHOLE	COMPLETION	TOTAL
727.444	LWE PRODUCTION CASING		78,000	78,000
	11000' 5-1/2"			
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		38,000	38,000
	10800' 2-7/8"			
727.469	LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
LATOT	EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODU	OCTION 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
IATOT	L LWE PRODUCTION FACILITIES		108,300	108,300
*** TOTAI	_ TANGIBLES	67,575	246,300	313,87
*** TOTAL	L ESTIMATED COST - GROSS	855,275	400,800	1,256,07

APPROVAL:

DATE: JUNE 25, 2003

AUTHORIZATION:

DATE: JUNE 25, 2003

INTEREST: 4.4701 %

TG-LAND EXPL MVK ENG

BY: NAME:

Yates. Jr. Harveu E

TITLE: DATE:

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.

С		m m + + + +		
	DESCRIPTION	DRYHOLE	COMPLETION	TOTAL
IDC EXPLORA	ATORY DRILLING			
	DC MOBILIZATION/DEMOB	30,000		30,000
	IDC ROAD, LOC. PITS & KEYWAYS	20,000		20,000
	DC CEMENTING & CEMENTING SVS.	20,000		20,000
	IDC MUD LOGGING	23,800	••	23,800
	IDC MUD MATERIALS & CHEMICALS	75,000		75,000
	IDC LOGGING & SIDEWALL CORING	35,000		35,000
	IDC FORMATION TESTING	12,000		12,000
	IDC TOOLS & EQUIPMENT RENTAL	65,000		65,000
	IDC DRILLING DAY RATE	327,600		327,600
	IDC FLOAT EQUIPMENT	2,500		2,500
	IDC BITS, CORE BARRELS, ETC.	40,000		40,000
	IDC OTHER SPECIAL WELL SERV.	10,000		10,000
	IDC COMPANY LABOR	27,300		27,300
	IDC CONTRACT SERVICES & EQUIP.	10,000		10,000
	IDC COMMUNICATION SERVICES	1,500		1,500
	IDC FUEL & POWER	35,000		35,000
	IDC AUTO & TRUCK EXPENSE	3,000		3,000
	IDC MISCELLANEOUS	50,000		50,000
TOTAL	IDC EXPLORATORY DRILLING	787,700		787,700
	ATORY COMPLETION			
	ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
	ICC CEMENTING & CEMENTING SVS.		40,000	40,000
	ICC MUD MATERIALS & CHEMICALS		5,500	5,500
	ICC LOGGING & SIDEWALL CORING		2,500	2,500
	ICC PERFORATING		18,000	18,000
	ICC STIMULATION TREATMENT		10,000	10,000
	ICC TESTING TUBULAR GOODS		2,500	2,500
	ICC TOOL & EQUIPMENT RENTAL		5,000	5,000
	ICC COMPLETION RIG		16,000	16,000
	ICC FLOAT EQUIPMENT		7,500	7,500
	ICC BITS, CORE BARRELS, ETC.		500	500
	ICC OTHER SPECIAL WELL SERVICE		2,500	2,500
	ICC COMPANY LABOR		6,500	6,500
	ICC CONTRACT SERVICES & EQUIP.		2,500	2,500
	ICC MISCELLANEOUS COST & CONT.		3,000	3,000
	ICC EXPLORATORY COMPLETION		133,000	10,000
			•	,
	TION FACILITIES		1 000	
	ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
	ICC CONTRACT SERVICES & EQUIP.		12,000	12,000
745.545	ICC AUTO & TRUCK EXPENSE		1,000	1,000
745.566	ICC WELDING SERVICES ICC PAINTING SERVICES		2,500	
	ICC PAINTING SERVICES ICC MISC. COSTS & CONTINGEN.		2,500 2,500	2,500
	ICC PRODUCTION FACILITIES	•	21,500	2,500 21,500
	INTANGIBLES	787,700	·	·
			,	, 200
	Y LEASE & WELL	4 000		
	LWE SURFACE CASING 2201 13-3/8"	4,250		4,250
	LWE CONDUCTOR PIPE	4,200		4,200
727.443	LWE INTERMEDIATE CASING 3000' 9-5/8"	55,125		55,125

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.

		ESTIMATED	ESTIMATED	
	DESCRIPTION	DRYHOLE	COMPLETION	TOTAL
727.444	LWE PRODUCTION CASING		78,000	78,000
	11000' 5-1/2"		•	
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		38,000	38,000
	10800' 2-7/8"			
727.469	LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
TOTAL	EXPLORATORY LEASE & WELL	67,575	138,000	205,575
.WE PRODU	CTION FACILITIES			
746.153			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

DATE: JUNE 25, 2003

DATE: JUNE 25, 2003

!:

PARTICIPANT: Read & Stevens, Inc

INTEREST: _____0.44%

EXPL

BY: NAME:

TITLE: DATE:

CHARLES B. READ, PRESIDENT

RECEIVED

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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
	and the state of t	•		
	RATORY 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
	IDC EXPLORATORY DRILLING	787,700		787,700
TOTAL	The Balbolation Balbband	707,700		707,700
ICC EXPLO	RATORY 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
726.501	ICC CONTRACT SERVICES & EQUIP.		2,500	2,500
726.545	ICC AUTO & TRUCK			·
			3,000 10,000	3,000 10,000
726.599	ICC EXPLORATORY COMPLETION			
TOTAL	ICC EXPLORATORY COMPLETION		133,000	133,000
ICC PRODU	CTION FACILITIES			
745.472	ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
	ICC CONTRACT SERVICES & EQUIP.		12,000	12,000
	ICC AUTO & TRUCK EXPENSE		1,000	1,000
	ICC WELDING SERVICES		2,500	2,500
	ICC PAINTING SERVICES		2,500	2,500
	ICC MISC. COSTS & CONTINGEN.		2,500	2,500
	ICC PRODUCTION FACILITIES	•	21,500	21,500
IOIAD	TOO TROBOCTION TROTALLED		21,500	21,500
*** TOTAL	INTANGIBLES	787,700	154,500	942,200
EXPLORATO	RY LEASE & WELL			
727.441	LWE SURFACE CASING	4,250		4,250
	250' 13-3/8"	.,200		4,250
727.442		4,200		4,200
727.443	LWE INTERMEDIATE CASING	55,125		55,125
	3000' 9-5/8"	,		,0

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:

RECEIVED

FORMATION: MORROW

TOTAL DEPTH: 11,000'

SEP - 4 2003

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'

FWL, SECTION 4, T20S, R27E, EDDY COUNTY, NM.

MIDLAND

	· · · · · · · · · · · · · · · · · · ·	ESTIMATED	ESTIMATED	
	DESCRIPTION	DRYHOLE	COMPLETION	TOTAL
727.444	LWE PRODUCTION CASING		78,000	78,000
	11000' 5-1/2"			,
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		38,000	38,000
	10800' 2-7/8"			
727.469	LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
TOTAL	EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODU	CTION 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

DATE: JUNE 25, 2003

TC-LAND EXPL MVK ENG

AUTHORIZATION:

DATE: JUNE 25, 2003

INTEREST: _

0.20%

TITLE: A

8928/03

DATE:

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

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.

	Secretaria de la Companya del Companya de la Companya del Companya de la Companya	ESTIMATED	ESTIMATED	
* 20 - 10 - 10 - 10 - 10 - 10 - 10 - 10 -	DESCRIPTION	DRYHOLE	COMPLETION	TOTAL
יות בצפנים	RATORY DRILLING			
725.471	IDC MOBILIZATION/DEMOB	30,000		30,000
725.472		20,000		20,000
725.473	IDC CEMENTING & CEMENTING SVS.			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
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
725.501	IDC COMPANY LABOR	27,300		27,300
725.510	IDC CONTRACT SERVICES & EQUIP.			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		
725.599	IDC MISCELLANEOUS	50,000	,	3,000
	IDC EXPLORATORY DRILLING	787,700	•	50,000
IOIAL	THE EXPLORATORY DRILLING	767,700		787,700
CC EXPLO	RATORY 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
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	i .	16,000	16,000
726.491	ICC FLOAT EQUIPMENT		7,500	7,500
726.492			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
TOTAL	ICC EXPLORATORY COMPLETION		133,000	133,000
CC PRODIT	CTION FACILITIES			
			1.000	1,000
				12,000
745.545				1,000
				2,500
				2,500
				2,500
		•		21,500
	INTANGIBLES	787,700	·	
	· · · · · · · · · · · · · · · · · · ·			
	•	4 050		
		4,250		4,250
		4.200		4,200
	LWE INTERMEDIATE CASING	55,125		55,125
726.478 726.479 726.480 726.484 726.488 726.491 726.492 726.501 726.510 726.545 726.599 TOTAL ICC PRODUCT A STATE OF TOTAL TOTAL STATE OF TOTAL *** TOTAL TOTAL STATE OF TOTAL OF	ICC LOGGING & SIDEWALL CORING ICC PERFORATING ICC STIMULATION TREATMENT ICC TESTING TUBULAR GOODS ICC TOOL & EQUIPMENT RENTAL ICC COMPLETION RIG ICC FLOAT EQUIPMENT ICC BITS, CORE BARRELS, ETC. ICC OTHER SPECIAL WELL SERVICE ICC COMPANY LABOR ICC CONTRACT SERVICES & EQUIP. ICC AUTO & TRUCK ICC MISCELLANEOUS COST & CONT. ICC EXPLORATORY COMPLETION CTION FACILITIES ICC ROAD, LOC, PITS & KEYWAYS ICC CONTRACT SERVICES & EQUIP. ICC AUTO & TRUCK EXPENSE ICC WELDING SERVICES ICC PAINTING SERVICES ICC PAINTING SERVICES ICC PRODUCTION FACILITIES INTANGIBLES RY LEASE & WELL LWE SURFACE CASING 250' 13-3/8" LWE CONDUCTOR PIPE	787,700 4,250 4,200	2,500 18,000 10,000 2,500 5,000 16,000 7,500 500 2,500 6,500 2,500 3,000 10,000 133,000 1,000 2,500 2,500 2,500 2,500 2,500 2,500 2,500 2,500 2,500 2,500 2,500	2, 18, 10, 2, 5, 16, 7, 6, 2, 3, 10, 133, 12, 2, 2, 2, 21, 942

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

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' SEP - 4 2003

FWL, SECTION 4, T20S, R27E, EDDY COUNTY, NM.

	FWL, SECTION 4, T20S	, RZ/E, EDDI (COUNTY, NM.	MIDLAND
		ESTIMATED	ESTIMATED	344
	DESCRIPTION	DRYHOLE	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	3,000	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		38,000	38,000
	10800' 2-7/8"		,	
727.469	LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
TOTAL	EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODU	CTION 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

DATE: JUNE 25, 2003

MVK ENG

DATE: JUNE 25, 2003

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

hla Goluska

BY:

NAME: Debora TITLE: Agent DATE: 8-28-03

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PAGE: 1

OPERATOR: POGO PRODUCING COMPANY AFE TYPE: EXPLORATORY DRILLING

DATE: 06/25/03 WELL TYPE:

and the second s

FORMATION: MORROW TOTAL DEPTH: 11,000'

PROSPECT: MCMILLAN PROSPECT FIELD: MCMILLAN MORROW - C/O COUNTY/PARISH: EDDY

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1 WELL: 6122 MCMILLAN 4 FEDERAL COM #1

STATE: NM

•		ESTIMATED		
	DESCRIPTION	DRYHOLE	COMPLETION	TOTA
TOC EVELO	RATORY DRILLING			
725.471	IDC MOBILIZATION/DEMOB	30,000		30,000
	IDC ROAD, LOC. PITS & KEYWAYS	20,000		20,00
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		75,00
725.478	IDC LOGGING & SIDEWALL CORING	35,000		35,00
725.482	IDC FORMATION TESTING	12,000		12,000
725.488	IDC TOOLS & EQUIPMENT RENTAL	65,000		65,00
725.490	IDC DRILLING DAY RATE	327,600		327,60
725.491	IDC FLOAT EQUIPMENT	2,500		2,50
725.492	IDC BITS, CORE BARRELS, ETC.	40,000		40,00
725.494	IDC OTHER SPECIAL WELL SERV.	10,000		10,000
725.501	IDC COMPANY LABOR	27,300		27,30
725.501	IDC CONTRACT SERVICES & EQUIP.	10,000		10,000
725.528	IDC COMMUNICATION SERVICES	1,500		1,50
725.539	IDC FUEL & POWER	35,000		35,00
725.545	IDC AUTO & TRUCK EXPENSE	3,000		3,00
725.599	IDC MISCELLANEOUS	50,000		50,000
	IDC EXPLORATORY DRILLING	787,700		787,700
TOTAL	THE ENTHORMION BRIDGING	101,100		101,10
ICC EXPLO	RATORY COMPLETION			
726.472	ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,00
726.473		•	40,000	40,00
726.475	ICC MUD MATERIALS & CHEMICALS		5,500	5,50
726.478	ICC LOGGING & SIDEWALL CORING		2,500	2,50
726.479	ICC PERFORATING		18,000	18,00
726.480	ICC STIMULATION TREATMENT		10,000	10,00
726.484	ICC TESTING TUBULAR GOODS		2,500	2,50
726.488	ICC TOOL & EQUIPMENT RENTAL		5,000	5,00
726.490	ICC COMPLETION RIG	•	16,000	16,00
726.491	ICC FLOAT EQUIPMENT		7,500	7,50
726.492	ICC BITS, CORE BARRELS, ETC.		500	50
726.494	ICC OTHER SPECIAL WELL SERVICE		2,500	2,50
726.501	ICC COMPANY LABOR		6,500	6,50
726.510	ICC CONTRACT SERVICES & EQUIP.		2,500	2,500
726.545	ICC AUTO & TRUCK		3,000	3,000
	ICC MISCELLANEOUS COST & CONT.		10,000	10,00
TOTAL	ICC EXPLORATORY COMPLETION		133,000	
	007AV - D. 077 T. 777			
	CTION FACILITIES		1 000	4
	ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,00
/43.31U	ICC CONTRACT SERVICES & EQUIP. ICC AUTO & TRUCK EXPENSE		12,000	12,00
745.545	ICC WELDING SERVICES		1,000	1,00
			2,500	2,50
	ICC PAINTING SERVICES ICC MISC. COSTS & CONTINGEN.		2,500	2,50
	ICC PRODUCTION FACILITIES	•	2,500	2,50
TOTAL	ICC PRODUCTION FACILITIES		21,500	21,50
*** TOTAL	INTANGIBLES	787,700	154,500	942,20
℀ℙ℄ℛΩℷℸ℄℀	RY LEASE & WELL			
	LWE SURFACE CASING	4,250		4 25
	250' 13-3/8"	7,230		4,25
	LWE CONDUCTOR PIPE	4,200		4,20
		-,		7,40
	LWE INTERMEDIATE CASING	55,125		55,12

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

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 660' FNL & 2550'

FWL, SECTION 4, T20S, R27E, EDDY COUNTY, NM.

MIDLAND

		ESTIMATED	ESTIMATED	
	DESCRIPTION	DRYHOLE	COMPLETION	TOTAL
727.444	LWE PRODUCTION CASING		78,000	78,000
	11000' 5-1/2"			·
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		38,000	38,000
	10800' 2-7/8"			
727.469	LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
TOTAL	EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODU	CTION 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

DATE: JUNE 25, 2003

MÝK ENG

DATE: JUNE 25, 2003

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

Galusk

.0945990

INTEREST: 0.17%

BY: NAME: TITLE:

DATE:

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

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'

		ESTIMATED	ESTIMATED	
. 1	DESCRIPTION	DRYHOLE	COMPLETION	TOTAL
IDC EXPLOR	RATORY DRILLING			
		30,000		30,000
725.472	IDC MOBILIZATION/DEMOB IDC ROAD, LOC. PITS & KEYWAYS	20,000	•	30,000 20,000
725.473	IDC CEMENTING & CEMENTING SVS.	20,000		20,000
	IDC MUD LOGGING	23,800		23,800
	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
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		
	IDC COMMUNICATION SERVICES	1,500		10,000
725.528	TOC FUEL C DOMER	25 000		1,500
725.539	IDC FUEL & POWER IDC AUTO & TRUCK EXPENSE	35,000		35,000
725.545	IDC AUTO & TRUCK EXPENSE	3,000		3,000 50,000
725.599		3,000 50,000 787,700		50,000
TOTAL	IDC EXPLORATORY DRILLING	787,700		787,700
	RATORY COMPLETION			
726.472	ICC ROAD, LOC, PITS & KEYWAYS	•	1,000	1,000
726.473			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	300
726.494	ICC OTHER SPECIAL WELL SERVICE		500 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 STIMULATION TREATMENT ICC TESTING TUBULAR GOODS ICC TOOL & EQUIPMENT RENTAL ICC COMPLETION RIG ICC FLOAT EQUIPMENT ICC BITS, CORE BARRELS, ETC. ICC OTHER SPECIAL WELL SERVICE ICC COMPANY LABOR ICC CONTRACT SERVICES & EQUIP. ICC AUTO & TRUCK ICC MISCELLANEOUS COST & CONT.		10,000	10,000
TOTAL	ICC EXPLORATORY COMPLETION		133,000	
ICC PRODUC	CTION 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
	ICC WELDING SERVICES		2,500	2,500
	ICC PAINTING SERVICES		2,500	2,500
	ICC MISC. COSTS & CONTINGEN.		2,500	2,500
	ICC PRODUCTION FACILITIES	•	21,500	21,500
*** TOTAL	INTANGIBLES	787,700	154,500	942,200
EXPLORATO!	RY LEASE & WELL			
	LWE SURFACE CASING	4,250		4,250
	250' 13-3/8"	•		-, -30
	LWE CONDUCTOR PIPE	4,200		4,200
	LWE INTERMEDIATE CASING	55,125		55,125

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' SEP - 4 2003

FWL, SECTION 4, T20S, R27E, EDDY COUNTY, NM.

	,	•		MIDLAND
		ESTIMATED	ESTIMATED	
	DESCRIPTION	DRYHOLE	COMPLETION	TOTAL
727.444	LWE PRODUCTION CASING		78,000	78,000
	11000' 5-1/2"			
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		38,000	38,000
	10800' 2-7/8"			
727.469	LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
TOTAL	EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODU	CTION 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

DATE: JUNE 25, 2003

EXPL MVK ENG

DATE: JUNE 25, 2003

.2391990

PARTICIPANT: <u>EAKO, LLC, a NM Ltd Liability Co.</u>

INTEREST: 4.17%

NAME: TITLE:

1;

PAGE: 1

OPERATOR: POGO PRODUCING COMPANY AFE TYPE: EXPLORATORY DRILLING

DATE: 06/25/03

FORMATION: MORROW

TOTAL DEPTH: 11,000'

WELL TYPE:

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

COUNTY/PARISH: EDDY

		ESTIMATED		
	DESCRIPTION	DRYHOLE	COMPLETION	TOTAL
IDC EXPLOR	ATORY 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
	IDC MUD LOGGING	23,800		23,800
	IDC MUD MATERIALS & CHEMICALS	75,000		75,000
725.478	IDC LOGGING & SIDEWALL CORING	35,000		35,000
	IDC FORMATION TESTING	12,000		12,000
	IDC TOOLS & EQUIPMENT RENTAL	65,000		65,000
	IDC DRILLING DAY RATE	327,600		327,600
	IDC FLOAT EQUIPMENT	2,500		2,500
	IDC BITS, CORE BARRELS, ETC.	40,000		40,000
	IDC OTHER SPECIAL WELL SERV.	10,000		10,000
	IDC COMPANY LABOR	27 , 300		27,300
	IDC CONTRACT SERVICES & EQUIP.	10,000		10,000
	IDC COMMUNICATION SERVICES	1,500		1,500
	IDC FUEL & POWER	35,000		35,000
	IDC AUTO & TRUCK EXPENSE	3,000		3,000
	IDC MISCELLANEOUS	50,000		50,000
TOTAL	IDC EXPLORATORY DRILLING	787,700		787,700
ICC EXPLOR	ATORY COMPLETION			
	ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
	ICC CEMENTING & CEMENTING SVS.	•	40,000	40,000
	ICC MUD MATERIALS & CHEMICALS		5,500	5,500
	ICC LOGGING & SIDEWALL CORING		2,500	2,500
	ICC PERFORATING		18,000	18,000
	ICC STIMULATION TREATMENT		10,000	10,000
	ICC TESTING TUBULAR GOODS		2,500	2,500
	ICC TOOL & EQUIPMENT RENTAL		5,000	5,000
	ICC COMPLETION RIG	•	16,000	16,000
	ICC FLOAT EQUIPMENT		7,500	7,500
	ICC BITS, CORE BARRELS, ETC.		500	500
	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
	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 PRODUC	TION FACILITIES			
	ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
	ICC CONTRACT SERVICES & EQUIP.		12,000	12,000
	ICC AUTO & TRUCK EXPENSE		1,000	1,000
	ICC WELDING SERVICES		2,500	2,500
	ICC PAINTING SERVICES		2,500	2,500
	ICC MISC. COSTS & CONTINGEN.		2,500	2,500
	ICC PRODUCTION FACILITIES		21,500	21,500
*** TOTAL	INTANGIBLES	787,700	154,500	942,200
EXPLORATOR	Y LEASE & WELL			
727.441	LWE SURFACE CASING	4,250		4,250
	250' 13-3/8"	•		
	LWE CONDUCTOR PIPE	4,200		4,200
	LWE INTERMEDIATE CASING 3000' 9-5/8"	55,125		55,125

POGO PRODUCING COMPANY

AUTHORITY FOR EXPENDITURE FOR \$1,256,075 STEER OF THE SHOP MIT GROSS AFE - DETAILED

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

PAGE: 2

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.

		ESTIMATED	ESTIMATED	
	DESCRIPTION	DRYHOLE	COMPLETION	TOTAL
727.444	LWE PRODUCTION CASING		78,000	78,000
	11000' 5-1/2"			
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		38,000	38,000
	10800' 2-7/8"			
727.469	LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
TOTAL	EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODU	CTION 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

DATE: JUNE 25, 2003 C-LAND EXPL MVK ENG

AUTHORIZATION:

DATE: JUNE 25, 2003

Tom P. Stephens, Trustee

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

INTEREST: 0.14%

BANK OF AMERICA, N.A IN ITS FIDUCIARY CAPACITY BY: NAME: TITLE: DATE:

ACCOUNT(S)

OPERATOR: POGO PRODUCING COMPANY AFE TYPE: EXPLORATORY DRILLING DATE: 06/25/03 WELL TYPE: 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

PAGE: 1

FORMATION: MORROW TOTAL DEPTH: 11,000'

8	ESTIMATED	ESTIMATED	
DESCRIPTION	DRYHOLE	COMPLETION	TOTAL
IDC EXPLORATORY DRILLING 725.471 IDC MOBILIZATION/DEMOB	30,000		30 000
725.472 IDC ROAD, LOC. PITS & KEY			30,000 20,000
725.473 IDC CEMENTING & CEMENTING			20,000
725.474 IDC MUD LOGGING	23,800		23,800
725.475 IDC MUD MATERIALS & CHEMIC			75,000
725.478 IDC LOGGING & SIDEWALL CO			35,000
725.482 IDC FORMATION TESTING	12,000		12,000
725.488 IDC TOOLS & EQUIPMENT REN			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, E			40,000
725.494 IDC OTHER SPECIAL WELL SE			10,000
725.501 IDC COMPANY LABOR	27,300		27,300
725.510 IDC CONTRACT SERVICES & E			10,000
725.528 IDC COMMUNICATION SERVICES			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 & KEY		1,000	1,000
726.473 ICC CEMENTING & CEMENTING	svs.	40,000	40,000
726.475 ICC MUD MATERIALS & CHEMIC		5,500	5,500
726.478 ICC LOGGING & SIDEWALL CO.	RING	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 RENT.	AL	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, E		500	500
726.494 ICC OTHER SPECIAL WELL SE	RVICE	2,500	2,500
726.501 ICC COMPANY LABOR	~	6,500	6,500
726.510 ICC CONTRACT SERVICES & E	ZOIP.	2,500	2,500
726.545 ICC AUTO & TRUCK	201m	3,000	3,000
726.599 ICC MISCELLANEOUS COST &		10,000	10,000
TOTAL ICC EXPLORATORY COMPLETION	N	133,000	133,000
ICC PRODUCTION FACILITIES			
745.472 ICC ROAD, LOC, PITS & KEY	WAYS	1,000	1,000
745.510 ICC CONTRACT SERVICES & E		12,000	
745.545 ICC AUTO & TRUCK EXPENSE	<u> </u>	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 & CONTING	EN.	2,500	2,500
TOTAL ICC PRODUCTION FACILITIES		21,500	
10112 100 11000011011 11101211111		22,000	22,000
*** TOTAL INTANGIBLES	787,700	154,500	942,200
EXPLORATORY LEASE & WELL			
727.441 LWE SURFACE CASING	4,250		4,250
250' 13-3/8"	4,230		4,230
727.442 LWE CONDUCTOR PIPE	4,200		4,200
727.442 LWE CONDUCTOR TITE 727.443 LWE INTERMEDIATE CASING	55,125		55,125
3000' 9-5/8"			,

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

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.

		ESTIMATED	ESTIMATED	
	DESCRIPTION	DRYHOLE	COMPLETION	TOTAL
727.444	LWE PRODUCTION CASING		78,000	78,000
	11000' 5-1/2"		•	, , , , , ,
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		38,000	38,000
	10800' 2-7/8"		•	•
727.469	LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
TOTAL	EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODUC	CTION 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: AND DATE: JUNE 25, 2003

RICHARD L. WRIGHT

AUTHORIZATION: AND DATE: JUNE 25, 2003

PARTICIPANT: Grant M. Smith

BY:
NAME:
TITLE:
DATE:
DATE: JUNE 25, 2003

INTEREST: 0.12%

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

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'

		ESTIMATED	ESTIMATED	
	DESCRIPTION	DRYHOLE	COMPLETION	TOTAL
IDC EXPLO	RATORY 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
	IDC EXPLORATORY DRILLING	787,700		787,700
1011111	The ampointment bridging	707,700		707,700
	RATORY 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
TCC PRODITION	CTION FACILITIES			
745.472	ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
	ICC CONTRACT SERVICES & EQUIP.		12,000	12,000
	ICC AUTO & TRUCK EXPENSE		1,000	1,000
	ICC WELDING SERVICES		2,500	2,500
	ICC PAINTING SERVICES		2,500	
745.500			2,500	2,500 2,500
	ICC PRODUCTION FACILITIES	•	21,500	•
IOIAL	ICC PRODUCTION PACIFITIES		21,500	21,500
*** TOTAL	INTANGIBLES	787,700	154,500	942,200
EXPLORATO	RY LEASE & WELL			
727.441	LWE SURFACE CASING	4,250		4,250
	250' 13-3/8"	*		,
727.442		4,200		4,200
727.443	LWE INTERMEDIATE CASING	55,125		55,125
	3000' 9-5/8"			

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

CPERATOR: 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
	DESCRIPTION	DKIHOLE	COMPLETION	IOIAL
727.444	LWE PRODUCTION CASING		78,000	78,000
•	11000' 5-1/2"		•	,
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		38,000	38,000
	10800' 2-7/8"			
727.469	LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
TOTAL	EXPLORATORY LEASE & WELL	67,575	138,000	205,575
TWF PPONT	OCTION FACILITIES			
746.153	· · · · · · · · · · · · · · · · · · ·		15,000	15,000
	2,		20,000	
746.438	LWE CORROSION CONTROL SYSTEM		1.500	
746.438 746.456	LWE CORROSION CONTROL SYSTEM LWE FIELD LINES		1,500 5.000	1,500
746.456	LWE FIELD LINES		5,000	1,500 5,000
			5,000 19,000	1,500 5,000 19,000
746.456 746.457	LWE FIELD LINES LWE TANK, STAIR, WALK & MISC.		5,000 19,000 2,800	1,500 5,000 19,000 2,800
746.456 746.457 746.458	LWE FIELD LINES LWE TANK, STAIR, WALK & MISC. LWE SEPARATORS & FITTINGS		5,000 19,000 2,800 30,000	1,500 5,000 19,000 2,800 30,000
746.456 746.457 746.458 746.459 746.469	LWE FIELD LINES LWE TANK, STAIR, WALK & MISC. LWE SEPARATORS & FITTINGS LWE HEATERS, TREATERS & CONN.		5,000 19,000 2,800	1,500 5,000 19,000 2,800
746.456 746.457 746.458 746.459 746.469	LWE FIELD LINES LWE TANK, STAIR, WALK & MISC. LWE SEPARATORS & FITTINGS LWE HEATERS, TREATERS & CONN. LWE OTHER MATERIALS & EQUIP.		5,000 19,000 2,800 30,000 35,000	1,500 5,000 19,000 2,800 30,000 35,000
746.456 746.457 746.458 746.459 746.469 TOTAL	LWE FIELD LINES LWE TANK, STAIR, WALK & MISC. LWE SEPARATORS & FITTINGS LWE HEATERS, TREATERS & CONN. LWE OTHER MATERIALS & EQUIP.	67,575	5,000 19,000 2,800 30,000 35,000	1,500 5,000 19,000 2,800 30,000 35,000

DATE: JUNE 25, 2003

EXPL MVK ENG

AUTHORIZATION:

DATE: JUNE 25, 2003

INTEREST: 0.06986

BY: NAME: TITLE:

Managu

DATE:

-04

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'

		ESTIMATED	ESTIMATED	
	DESCRIPTION	DRYHOLE		TOTAL
TDC EXPLO	RATORY 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
	IDC EXPLORATORY DRILLING	787,700		787,700
101112		, , , , , , , ,		707,700
ICC EXPLO	RATORY 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
זרר פפטריי	CTION FACILITIES			
745.472	ICC ROAD, LOC, PITS & KEYWAYS		1,000	1 000
	ICC CONTRACT SERVICES & EQUIP.		12,000	1,000
	ICC AUTO & TRUCK EXPENSE		1,000	12,000
	ICC WELDING SERVICES		2,500	2,500
	ICC PAINTING SERVICES		2,500	2,500
745.599			2,500	2,500
	ICC PRODUCTION FACILITIES	•	21,500	21,500
		707 700		
*** TOTAL	INTANGIBLES	787,700	154,500	942,200
EXPLORATO	RY LEASE & WELL			
727.441	LWE SURFACE CASING	4,250		4,250
	250' 13-3/8"	•		-, -, -
727.442		4,200	i	4,200
727.443	LWE INTERMEDIATE CASING 3000' 9-5/8"	55,125		55,125
	3000 3 3/0			

RECEIVED

AUTHORITY FOR EXPENDITURE FOR \$1,256,07 FEB 0 5 2005 GROSS AFF - DETAILED GROSS AFE - DETAILED

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

MIDLAND

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.

		ESTIMATED	ESTIMATED	
	DESCRIPTION	DRYHOLE	COMPLETION	TOTAL
27.444	LWE PRODUCTION CASING		78,000	78,000
	11000' 5-1/2"			
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		38,000	38,000
	10800' 2-7/8"			
727.469	LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
TOTAL	EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODU	CTION 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
*** TOTAI	TANGIBLES	67,575	246,300	313,875
*** ጥርጥአ፣	. ESTIMATED COST - GROSS	855,275	400,800	1,256,07

APPROVAL: Rhad S. Wilt	DATE: JUNE 25, 2003
AUTHORIZATION: AUTHORIZATION: WRIGHT O TGLAND Lif Expl MVK ENG	DATE: JUNE 25, 2003
PARTICIPANT: Sien David Miller	INTEREST: 0.06986
BY: NAME: TITLE: DATE:	

AFE#: 530207 DC MCMILLAN 4 FEDERAL COM #1

OPERATOR: POGO PRODUCING COMPANY AFE TYPE: EXPLORATORY DRILLING DATE: 06/25/03 WELL: 6122 MCMILLAN 4 FEDERAL COM #1

WELL TYPE:

FORMATION: MORROW TOTAL DEPTH: 11,000'

PAGE: 1

PROSPECT: MCMILLAN PROSPECT FIELD: MCMILLAN MORROW - C/O

COUNTY/PARISH: EDDY

STATE: NM

IDC EXPLORATORY DRILLING 725.471 IDC MOBILIZATION/DEMOB 30 725.472 IDC ROAD, LOC. PITS & KEYWAYS 20 725.473 IDC CEMENTING & CEMENTING SVS. 20 725.474 IDC MUD LOGGING 23 725.475 IDC MUD MATERIALS & CHEMICALS 75 725.478 IDC LOGGING & SIDEWALL CORING 35 725.482 IDC FORMATION TESTING 12 725.488 IDC TOOLS & EQUIPMENT RENTAL 65 725.490 IDC DRILLING DAY RATE 327 725.491 IDC FLOAT EQUIPMENT 2 725.492 IDC BITS, CORE BARRELS, ETC. 40 725.501 IDC COMPANY LABOR 27 725.510 IDC CONTRACT SERVICES & EQUIP. 10 725.528 IDC COMMUNICATION SERVICES 1 725.539 IDC FUEL & POWER 35 725.545 IDC AUTO & TRUCK EXPENSE 3 725.599 IDC MISCELLANEOUS 50	ONPLETION COMPLETION COMPLET	30,000 20,000 20,000 23,800 75,000 35,000 12,000 65,000 327,600 2,500 40,000 10,000 27,300 10,000 35,000 35,000 35,000 787,700
725.471 IDC MOBILIZATION/DEMOB 30 725.472 IDC ROAD, LOC. PITS & KEYWAYS 20 725.473 IDC CEMENTING & CEMENTING SVS. 20 725.474 IDC MUD LOGGING 23 725.475 IDC MUD MATERIALS & CHEMICALS 75 725.478 IDC LOGGING & SIDEWALL CORING 35 725.482 IDC FORMATION TESTING 12 725.488 IDC TOOLS & EQUIPMENT RENTAL 65 725.490 IDC DRILLING DAY RATE 327 725.491 IDC FLOAT EQUIPMENT 2 725.492 IDC BITS, CORE BARRELS, ETC. 40 725.494 IDC OTHER SPECIAL WELL SERV. 10 725.501 IDC COMPANY LABOR 27 725.510 IDC COMPANY LABOR 27 725.528 IDC COMMUNICATION SERVICES 1 725.539 IDC FUEL & POWER 35 725.545 IDC AUTO & TRUCK EXPENSE 35 725.599 IDC MISCELLANEOUS 50 TOTAL IDC EXPLORATORY DRILLING 787 ICC EXPLORATORY COMPLETION 726.472 ICC ROAD, LOC, PITS & KEYWAYS 726.473 ICC CEMENTING & CEMENTING SVS. 726.473 ICC CEMENTING & CEMENTING SVS. 726.474 ICC CEMENTING & CEMENTING SVS. 726.475 ICC MUD MATERIALS & CHEMICALS 726.480 ICC STIMULATION TREATMENT 726.480 ICC STIMULATION TREATMENT 726.480 ICC STIMULATION TREATMENT 726.480 ICC TOOL & EQUIPMENT RENTAL 726.480 ICC TOOL & EQUIPMENT RENTAL 726.490 ICC COMPLETION RIG 726.491 ICC FLOAT EQUIPMENT 726.492 ICC BITS, CORE BARRELS, ETC. 726.494 ICC COMPLETION RIG 726.491 ICC FLOAT EQUIPMENT 726.492 ICC BITS, CORE BARRELS, ETC. 726.494 ICC COMPLETION RIG 726.545 ICC COMPANY LABOR 726.510 ICC COMPANY LABOR 726.545 ICC AUTO & TRUCK 726.555 ICC AUTO &	,000 ,000 ,800 ,000 ,000 ,000 ,000 ,500 ,000 ,300 ,000 ,500 ,000 ,0	20,000 20,000 23,800 75,000 35,000 12,000 65,000 327,600 2,500 40,000 10,000 27,300 10,000 35,000 35,000 30,000 787,700
725.471 IDC MOBILIZATION/DEMOB 725.472 IDC ROAD, LOC. PITS & KEYWAYS 725.473 IDC CEMENTING & CEMENTING SVS. 725.474 IDC MUD LOGGING 725.475 IDC MUD MATERIALS & CHEMICALS 725.478 IDC LOGGING & SIDEWALL CORING 725.480 IDC FORMATION TESTING 725.481 IDC DRILLING DAY RATE 725.491 IDC FLOAT EQUIPMENT 725.492 IDC BITS, CORE BARRELS, ETC. 725.494 IDC OTHER SPECIAL WELL SERV. 725.501 IDC COMPANY LABOR 725.528 IDC COMMUNICATION SERVICES 725.539 IDC FUEL & POWER 725.545 IDC AUTO & TRUCK EXPENSE 725.559 IDC MISCELLANEOUS TOTAL IDC EXPLORATORY DRILLING 787 1CC EXPLORATORY COMPLETION 726.472 ICC ROAD, LOC, PITS & KEYWAYS 726.473 ICC CEMENTING & CEMENTING SVS. 726.474 ICC ROAD, LOC, PITS & KEYWAYS 726.475 ICC MUD MATERIALS & CHEMICALS 726.476 ICC EMENTING 726.480 ICC STIMULATION TREATMENT 726.481 ICC TOOL & EQUIPMENT 726.482 ICC TOOL & EQUIPMENT 726.483 ICC TOOL & EQUIPMENT 726.484 ICC TESTING TUBULAR GOODS 726.485 ICC COMPLETION RIG 726.491 ICC FLOAT EQUIPMENT 726.491 ICC FLOAT EQUIPMENT 726.491 ICC COMPLETION RIG 726.491 ICC COMPARY LABOR 726.491 ICC COMPART SERVICES & EQUIP. 726.599 ICC MISCELLANEOUS COST & CONT.	,000 ,000 ,800 ,000 ,000 ,000 ,000 ,500 ,000 ,300 ,000 ,500 ,000 ,0	20,000 20,000 23,800 75,000 35,000 12,000 65,000 327,600 2,500 40,000 10,000 27,300 10,000 35,000 35,000 30,000 787,700
725.472 IDC ROAD, LOC. PITS & KEYWAYS 725.473 IDC CEMENTING & CEMENTING SVS. 20 725.474 IDC MUD LOGGING 23 725.475 IDC MUD MATERIALS & CHEMICALS 75 725.478 IDC LOGGING & SIDEWALL CORING 35 725.482 IDC FORMATION TESTING 12 725.488 IDC TOOLS & EQUIPMENT RENTAL 65 725.490 IDC DRILLING DAY RATE 327 725.491 IDC FLOAT EQUIPMENT 2 725.492 IDC BITS, CORE BARRELS, ETC. 40 725.494 IDC OTHER SPECIAL WELL SERV. 10 725.501 IDC COMPANY LABOR 27 725.510 IDC COMPANY LABOR 27 725.539 IDC FUEL & POWER 35 725.539 IDC FUEL & POWER 35 725.545 IDC AUTO & TRUCK EXPENSE 3 725.599 IDC MISCELLANEOUS 50 TOTAL IDC EXPLORATORY DRILLING 787 ICC EXPLORATORY COMPLETION 726.472 ICC ROAD, LOC, PITS & KEYWAYS 726.473 ICC CEMENTING & CEMENTING SVS. 726.475 ICC MUD MATERIALS & CHEMICALS 726.476 ICC LOGGING & SIDEWALL CORING 726.479 ICC PERFORATING 726.480 ICC STIMULATION TREATMENT 726.481 ICC TOOL & EQUIPMENT RENTAL 726.481 ICC TOOL & EQUIPMENT RENTAL 726.480 ICC TOOL & EQUIPMENT RENTAL 726.480 ICC TOOL & EQUIPMENT RENTAL 726.480 ICC TOOL & EQUIPMENT RENTAL 726.490 ICC COMPLETION RIG 726.491 ICC FLOAT EQUIPMENT 726.492 ICC BITS, CORE BARRELS, ETC. 726.494 ICC COMPLETION RIG 726.491 ICC COMPLETION RIG 726.491 ICC COMPLETION RIG 726.492 ICC BITS, CORE BARRELS, ETC. 726.494 ICC COMPLETION RIG 726.494 ICC COMPLETION RIG 726.495 ICC COMPLETION RIG 726.595 ICC MISCELLANEOUS COST & CONT.	,000 ,000 ,800 ,000 ,000 ,000 ,000 ,500 ,000 ,300 ,000 ,500 ,000 ,0	20,000 20,000 23,800 75,000 35,000 12,000 65,000 327,600 2,500 40,000 10,000 27,300 10,000 35,000 35,000 30,000 787,700
725.473 IDC CEMENTING & CEMENTING SVS. 725.474 IDC MUD LOGGING 725.475 IDC MUD MATERIALS & CHEMICALS 75 725.478 IDC LOGGING & SIDEWALL CORING 35 725.482 IDC FORMATION TESTING 725.488 IDC TOOLS & EQUIPMENT RENTAL 725.490 IDC DRILLING DAY RATE 725.491 IDC FLOAT EQUIPMENT 725.492 IDC BITS, CORE BARRELS, ETC. 725.494 IDC COMPANY LABOR 725.501 IDC COMPANY LABOR 725.510 IDC COMMUNICATION SERVICES 1725.528 IDC COMMUNICATION SERVICES 1725.539 IDC FUEL & POWER 1725.545 IDC AUTO & TRUCK EXPENSE 1725.599 IDC MISCELLANEOUS 1726.472 ICC ROAD, LOC, PITS & KEYWAYS 1726.473 ICC CEMENTING & CEMENTING SVS. 1726.475 ICC MUD MATERIALS & CHEMICALS 1726.476 ICC EXPLORATORY DRILLING 1726.477 ICC EMENTING & SIDEWALL CORING 1726.478 ICC LOGGING & SIDEWALL CORING 1726.480 ICC STIMULATION TREATMENT 1726.480 ICC STIMULATION TREATMENT 1726.481 ICC TESTING TUBULAR GOODS 1726.482 ICC TOOL & EQUIPMENT 1726.490 ICC COMPLETION RIG 1726.491 ICC FLOAT EQUIPMENT 1726.492 ICC BITS, CORE BARRELS, ETC. 1726.494 ICC OTHER SPECIAL WELL SERVICE 1726.495 ICC COMPLETION RIG 1726.491 ICC COMPLETION RIG 1726.492 ICC BITS, CORE BARRELS, ETC. 1726.494 ICC COMPANY LABOR 1726.595 ICC MISCELLANEOUS COST & CONT.	,000 ,800 ,000 ,000 ,000 ,000 ,500 ,000 ,300 ,000 ,500 ,000 ,0	20,000 23,800 75,000 35,000 12,000 65,000 2,500 40,000 10,000 27,300 10,000 35,000 35,000 50,000 787,700
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726.473 ICC CEMENTING & CEMENTING SVS. 726.475 ICC MUD MATERIALS & CHEMICALS 726.478 ICC LOGGING & SIDEWALL CORING 726.479 ICC PERFORATING 726.480 ICC STIMULATION TREATMENT 726.484 ICC TESTING TUBULAR GOODS 726.488 ICC TOOL & EQUIPMENT RENTAL 726.490 ICC COMPLETION RIG 726.491 ICC FLOAT EQUIPMENT 726.492 ICC BITS, CORE BARRELS, ETC. 726.494 ICC OTHER SPECIAL WELL SERVICE 726.501 ICC COMPANY LABOR 726.510 ICC CONTRACT SERVICES & EQUIP. 726.545 ICC AUTO & TRUCK 726.599 ICC MISCELLANEOUS COST & CONT.	-,	•
726.475 ICC MUD MATERIALS & CHEMICALS 726.478 ICC LOGGING & SIDEWALL CORING 726.479 ICC PERFORATING 726.480 ICC STIMULATION TREATMENT 726.484 ICC TESTING TUBULAR GOODS 726.488 ICC TOOL & EQUIPMENT RENTAL 726.490 ICC COMPLETION RIG 726.491 ICC FLOAT EQUIPMENT 726.492 ICC BITS, CORE BARRELS, ETC. 726.494 ICC OTHER SPECIAL WELL SERVICE 726.501 ICC COMPANY LABOR 726.510 ICC CONTRACT SERVICES & EQUIP. 726.545 ICC AUTO & TRUCK 726.599 ICC MISCELLANEOUS COST & CONT.	40,000	
726.478 ICC LOGGING & SIDEWALL CORING 726.479 ICC PERFORATING 726.480 ICC STIMULATION TREATMENT 726.484 ICC TESTING TUBULAR GOODS 726.488 ICC TOOL & EQUIPMENT RENTAL 726.490 ICC COMPLETION RIG 726.491 ICC FLOAT EQUIPMENT 726.492 ICC BITS, CORE BARRELS, ETC. 726.494 ICC OTHER SPECIAL WELL SERVICE 726.501 ICC COMPANY LABOR 726.510 ICC CONTRACT SERVICES & EQUIP. 726.545 ICC AUTO & TRUCK 726.599 ICC MISCELLANEOUS COST & CONT.	5,500	•
726.479 ICC PERFORATING 726.480 ICC STIMULATION TREATMENT 726.484 ICC TESTING TUBULAR GOODS 726.488 ICC TOOL & EQUIPMENT RENTAL 726.490 ICC COMPLETION RIG 726.491 ICC FLOAT EQUIPMENT 726.492 ICC BITS, CORE BARRELS, ETC. 726.494 ICC OTHER SPECIAL WELL SERVICE 726.501 ICC COMPANY LABOR 726.510 ICC CONTRACT SERVICES & EQUIP. 726.545 ICC AUTO & TRUCK 726.599 ICC MISCELLANEOUS COST & CONT.	2,500	
726.480 ICC STIMULATION TREATMENT 726.484 ICC TESTING TUBULAR GOODS 726.488 ICC TOOL & EQUIPMENT RENTAL 726.490 ICC COMPLETION RIG 726.491 ICC FLOAT EQUIPMENT 726.492 ICC BITS, CORE BARRELS, ETC. 726.494 ICC OTHER SPECIAL WELL SERVICE 726.501 ICC COMPANY LABOR 726.510 ICC CONTRACT SERVICES & EQUIP. 726.545 ICC AUTO & TRUCK 726.599 ICC MISCELLANEOUS COST & CONT.	18,000	
726.484 ICC TESTING TUBULAR GOODS 726.488 ICC TOOL & EQUIPMENT RENTAL 726.490 ICC COMPLETION RIG 726.491 ICC FLOAT EQUIPMENT 726.492 ICC BITS, CORE BARRELS, ETC. 726.494 ICC OTHER SPECIAL WELL SERVICE 726.501 ICC COMPANY LABOR 726.510 ICC CONTRACT SERVICES & EQUIP. 726.545 ICC AUTO & TRUCK 726.599 ICC MISCELLANEOUS COST & CONT.	10,000	
726.488 ICC TOOL & EQUIPMENT RENTAL 726.490 ICC COMPLETION RIG 726.491 ICC FLOAT EQUIPMENT 726.492 ICC BITS, CORE BARRELS, ETC. 726.494 ICC OTHER SPECIAL WELL SERVICE 726.501 ICC COMPANY LABOR 726.510 ICC CONTRACT SERVICES & EQUIP. 726.545 ICC AUTO & TRUCK 726.599 ICC MISCELLANEOUS COST & CONT.	2,500	
726.490 ICC COMPLETION RIG 726.491 ICC FLOAT EQUIPMENT 726.492 ICC BITS, CORE BARRELS, ETC. 726.494 ICC OTHER SPECIAL WELL SERVICE 726.501 ICC COMPANY LABOR 726.510 ICC CONTRACT SERVICES & EQUIP. 726.545 ICC AUTO & TRUCK 726.599 ICC MISCELLANEOUS COST & CONT.	5,000	
726.491 ICC FLOAT EQUIPMENT 726.492 ICC BITS, CORE BARRELS, ETC. 726.494 ICC OTHER SPECIAL WELL SERVICE 726.501 ICC COMPANY LABOR 726.510 ICC CONTRACT SERVICES & EQUIP. 726.545 ICC AUTO & TRUCK 726.599 ICC MISCELLANEOUS COST & CONT.	16,000	•
726.492 ICC BITS, CORE BARRELS, ETC. 726.494 ICC OTHER SPECIAL WELL SERVICE 726.501 ICC COMPANY LABOR 726.510 ICC CONTRACT SERVICES & EQUIP. 726.545 ICC AUTO & TRUCK 726.599 ICC MISCELLANEOUS COST & CONT.	7,500	·
726.494 ICC OTHER SPECIAL WELL SERVICE 726.501 ICC COMPANY LABOR 726.510 ICC CONTRACT SERVICES & EQUIP. 726.545 ICC AUTO & TRUCK 726.599 ICC MISCELLANEOUS COST & CONT.	500	
726.501 ICC COMPANY LABOR 726.510 ICC CONTRACT SERVICES & EQUIP. 726.545 ICC AUTO & TRUCK 726.599 ICC MISCELLANEOUS COST & CONT.	2,500	
726.510 ICC CONTRACT SERVICES & EQUIP. 726.545 ICC AUTO & TRUCK 726.599 ICC MISCELLANEOUS COST & CONT.	6,500	
726.545 ICC AUTO & TRUCK 726.599 ICC MISCELLANEOUS COST & CONT.	2,500	·
726.599 ICC MISCELLANEOUS COST & CONT.	3,000	
	10,000	
TOTAL TEC BARBONATORY COMPBETION	133,000	•
	133,000	133,000
ICC PRODUCTION FACILITIES		_
745.472 ICC ROAD, LOC, PITS & KEYWAYS	1,000	
745.510 ICC CONTRACT SERVICES & EQUIP.	12,000	•
745.545 ICC AUTO & TRUCK EXPENSE	1,000	
745.566 ICC WELDING SERVICES	2,500	
745.568 ICC PAINTING SERVICES	2,500	
745.599 ICC MISC. COSTS & CONTINGEN.	2,500	
TOTAL ICC PRODUCTION FACILITIES	21,500	21,500
*** TOTAL INTANGIBLES 787	,700 154,500	942,200
EXPLORATORY LEASE & WELL		
		4,250
250' 13-3/8"	. 250	4,200
	,250	4,200
		55,125
3000' 9-5/8"	,250 ,200 ,125	,

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

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.

		ESTIMATED	ESTIMATED	
	DESCRIPTION	DRYHOLE	COMPLETION	TOTAL
727.444	LWE PRODUCTION CASING		78,000	78,000
	11000' 5-1/2"			
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		38,000	38,000
	10800' 2-7/8"			
727.469	LWE OTHER MATERIALS & EQUIP.	1,000	2,500	3,500
TOTAL	EXPLORATORY LEASE & WELL	67,575	138,000	205,575
LWE PRODU	CTION 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

DATE: JUNE 25, 2003

EXPL

AUTHORIZATION:

DATE: JUNE 25, 2003

PARTICIPANT: Mary Ann Morrison

INTEREST: 0.01%

BY:

NAME: Mary ann O

DATE:

9-27-03

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'

	ESTIMATED	ESTIMATED	
DESCRIPTION	DRYHOLE	COMPLETION	TOTAL
IDC EXPLORATORY DRILLING			
725.471 IDC MOBILIZATION/DEMOB	30,000		30,000
725.472 IDC ROAD, LOC. PITS & K	EYWAYS 20,000		20,000
725.473 IDC CEMENTING & CEMENTI			20,000
725.474 IDC MUD LOGGING	23,800		23,800
725.475 IDC MUD MATERIALS & CHE	· · · · · · · · · · · · · · · · · · ·		75,000
725.478 IDC LOGGING & SIDEWALL			35,000
725.482 IDC FORMATION TESTING	12,000		12,000
725.488 IDC TOOLS & EQUIPMENT R			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,			40,000
725.494 IDC OTHER SPECIAL WELL			10,000
725.501 IDC COMPANY LABOR	27,300	,	27,300
725.510 IDC CONTRACT SERVICES &			10,000
725.528 IDC COMMUNICATION SERVI			1,500
725.539 IDC FUEL & POWER	35,000		
725.545 IDC AUTO & TRUCK EXPENS			35,000
			3,000
725.599 IDC MISCELLANEOUS	50,000		50,000
TOTAL IDC EXPLORATORY DRILLIN	3 787,700		787,700
ICC EXPLORATORY COMPLETION			
726.472 ICC ROAD, LOC, PITS & K	EYWAYS	1,000	1,000
726.473 ICC CEMENTING & CEMENTI	NG SVS.	40,000	40,000
726.475 ICC MUD MATERIALS & CHE		5,500	5,500
726.478 ICC LOGGING & SIDEWALL		2,500	2,500
726.479 ICC PERFORATING		18,000	18,000
726.480 ICC STIMULATION TREATME	NT	10,000	10,000
726.484 ICC TESTING TUBULAR GOO		2,500	2,500
726.488 ICC TOOL & EQUIPMENT RE		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		2,500	2,500
726.501 ICC COMPANY LABOR	22202	6,500	6,500
726.510 ICC CONTRACT SERVICES &	FOUTP	2,500	2,500
726.545 ICC AUTO & TRUCK	BQUII.	3,000	3,000
	E CONT	10,000	
726.599 ICC MISCELLANEOUS COST TOTAL ICC EXPLORATORY COMPLET		133,000	10,000 133,000
TOTAL ICC EXPLORATORY COMPLET	ION	133,000	133,000
ICC PRODUCTION FACILITIES			
745.472 ICC ROAD, LOC, PITS & K		1,000	1,000
745.510 ICC CONTRACT SERVICES &	EQUIP.	12,000	12,000
745.545 ICC AUTO & TRUCK EXPENS		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 & CONTI	NGEN.	2,500	2,500
TOTAL ICC PRODUCTION FACILITI		21,500	21,500
*** TOTAL INTANGIBLES	787,700	154,500	942,200
EVDIODATION I FACE (MEII			•
EXPLORATORY LEASE & WELL 727.441 LWE SURFACE CASING	4,250		4,250
			3,230
250' 13-3/8"	4,250		
250' 13-3/8" 727.442 LWE CONDUCTOR PIPE	4,200		4,200
	4,200		4,200 55,125