

9/28/99 | 10/18/99 | MS | MW | NSL

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -

Case 12273

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A]  Location - Spacing Unit - Directional Drilling
- NSL  NSP  DD  SD

SEP 28 1999

Check One Only for [B] or [C]

- [B]  Commingling - Storage - Measurement
- DHC  CTB  PLC  PC  OLS  OLM
- [C]  Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
- WFX  PMX  SWD  IPI  EOR  PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or  Does Not Apply

- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
- [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

JAMES BRUCE  
P.O. BOX 1056  
SANTA FE, NM 87504

Note: Statement must be completed by an individual with supervisory capacity.

*James Bruce*  
Signature

*Henry for Applicant*  
Title

9/27/99  
Date

Print or Type Name

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA  
SANTA FE, NEW MEXICO 87501

(505) 982-2043  
(505) 982-2151 (FAX)

September 27, 1999

**Hand Delivered**

Michael E. Stogner  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F.(2), Pogo Producing Company ("Pogo") applies for administrative approval of an unorthodox oil well location for the following well:

Red Tank "33" Fed. Well No. 1  
10 feet FNL & 10 feet FEL  
NE $\frac{1}{4}$ NE $\frac{1}{4}$  (Unit A) §33, Township 22 South, Range 32 East, NMPM  
Lea County, New Mexico

Attached as Exhibit A is an APD (BLM Form 3160-3) and a Form C-102 for the well. The well will be drilled to a depth sufficient to test the Bone Spring formation (Undesignated Red Tank-Bone Spring Pool), although the Delaware formation (Undesignated West Red Tank-Delaware Pool) is the primary zone of interest. Pogo requests unorthodox location approval for both zones. Both pools are governed by statewide rules, with 40 acre spacing and wells to be no closer than 330 feet to a quarter-quarter section line.

The proposed location is based upon geologic reasons. Attached as Exhibit B is a structure map of the Delaware Brushy Canyon "BC-4" reservoir, which is based on well control. The proposed well should penetrate the reservoir in a favorable structural position, and will be located on the edge of the known area of commercial production. This location will assist in optimal reservoir development, and will provide the best chance of encountering potential Brushy Canyon "BC-4" pay. Thus, it will reduce the risk involved in drilling the well, and prevent waste.

Submitted as Exhibit C is a land plat of the subject area, with the location of the proposed well marked thereon. Leasehold ownership

is as follows:

1. Section 33 (except the NW $\frac{1}{4}$ NW $\frac{1}{4}$ ) and Section 34 (except the SW $\frac{1}{4}$ SW $\frac{1}{4}$  and SE $\frac{1}{4}$ SE $\frac{1}{4}$ ) are subject to federal lease NM 77060. Exxon Corporation has the right (on a well-by-well basis) to elect to (a) participate with a 25% working interest, or (b) retain its currently reserved 7.5% overriding royalty interest. (Exxon has retained its overriding royalty in the two wells in the NW $\frac{1}{4}$  of Section 34.) Pogo is the operator of the lease.

2. The W $\frac{1}{2}$  of Section 27 is subject to federal lease NM 69376, and the E $\frac{1}{2}$  of Section 28 is subject to federal lease NM 69377. Pogo owns 100% of the working interest in each lease, and is the operator of both leases. CNG Producing Company owns an overriding royalty interest in each lease, equal to the difference between 20% and the federal royalty interest.

A copy of the notice letter sent to the overriding royalty interest owners is attached as Exhibit D.

This application is submitted in duplicate. Please call me if you need anything further on this matter.

Very truly yours,

  
James Bruce  
Attorney for Pogo Producing Company

cc: Terry Gant

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK  
DRILL  SEP - 7 1999 DEEPEN

D. TYPE OF WELL  
OIL WELL  GAS WELL  MIDLAND SINGLE ZONE  MULTIPLE ZONE

2. NAME OF OPERATOR  
POGO PRODUCING COMPANY (RICHARD WRIGHT 915-685-8140)

3. ADDRESS AND TELEPHONE NO.  
P.O. BOX 10340 MIDLAND, TEXAS 79702-7340 915-685-8100

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
At surface  
10' FNL & 10' FEL SEC. 33 T22S-R32E LEA CO. NM  
At proposed prod. zone SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
Approximately 30 miles East of Carlsbad New Mexico

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 10'

16. NO. OF ACRES IN LEASE 1160

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1000'

19. PROPOSED DEPTH 8900'

20. ROTARY OR CABLE TOOLS ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3606' GR.

22. APPROX. DATE WORK WILL START\* As soon as approved

5. LEASE DESIGNATION AND SERIAL NO.  
NM-77060

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
-----

7. UNIT AGREEMENT NAME  
-----

8. FARM OR LEASE NAME WELL NO.  
RED TANK "33" FEDERAL # 1

9. AP WELL NO.

10. FIELD AND POOL, OR WILDCAT  
RED TANK BONE SPRING

11. SEC., T., R. M., OR BLK. AND SURVEY OR AREA  
SEC. 33 T22S-R32E

12. COUNTY OR PARISH LEA CO.

13. STATE NM

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	CONDUCTOR 20"	NA	40'	Cement to surface with Redi-mix
14 3/4"	H-40 10 3/4"	32.75	800'	840 Sx. Circulate cement to surface
9 7/8"	J-55 7 5/8"	24.6	4500'	1000 Sx. " " " "
6 3/4"	J-55, N-80 4 1/2"	11.6	8900'	1000 Sx. (DV tool @ 6400' ± TOC 3000')

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix
2. Drill 14 3/4" hole to 800'. Run and set 800' of 10 3/4" H-40 32.75# ST&C casing. Cement with 840 Sx. of Class "C" cement + additives, circulate cement to surface.
3. Drill 9 7/8" hole to 4500'. Run and set 4500' of 7 5/8" J-55 24.6# ST&C casing. Cement with 1000 Sx. of cement + additives, circulate cement to surface.
4. Drill 6 3/4" hole to 8900'. Run and set 8900' of 4 1/2" casing as follows: 1400' of 4 1/2" N-80 11.6# ST&C casing, 5500' of 4 1/2" J-55 11.6# ST&C, 2000' of 4 1/2" N-80 11.6# LT&C. Cement in 2 stages, stage tool at 6400' ±. Cement with 1000 Sx. of cement estimate top of cement 3000'.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED [Signature] TITLE Agent DATE 09/03/99

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to a leasehold interest.

CONDITIONS OF APPROVAL, IF ANY:



APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

\*See Instructions On Reverse Side

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV  
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	51683	RED TANK BONE SPRING
Property Code	Property Name	Well Number
17271	RED TANK "33" FEDERAL	1
OGRID No.	Operator Name	Elevation
17891	POGO PRODUCING COMPANY	3606

Surface Location

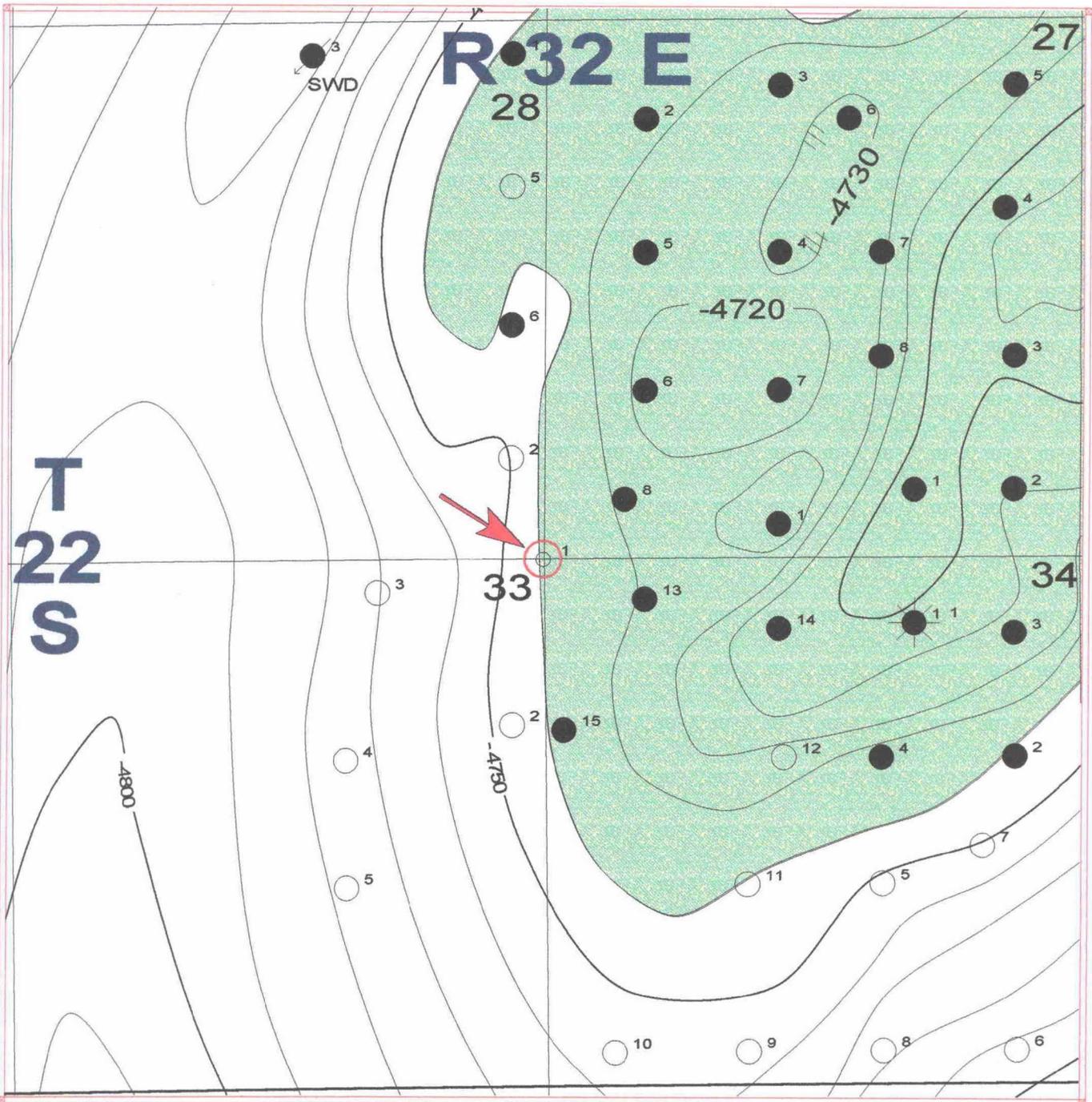
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	33	22 S	32 E		10	NORTH	10	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
40									

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

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Joe T. Janica</i> Signature</p> <p>Joe T. Janica Printed Name</p> <p>Agent Title</p> <p>09/03/99 Date</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>SEPTEMBER 1, 1999 Date Surveyed</p> <p><i>Ronald J. Eidson</i> Signature &amp; Seal of Professional Surveyor</p> <p>Q. Num. 99-11-0705</p>
	<p>Certificate No. RONALD J. EIDSON, 3239 PROFES GARY G. EIDSON, 12641 RACON McDONALD, 12185</p>
	<p>EXHIBIT "A"</p>



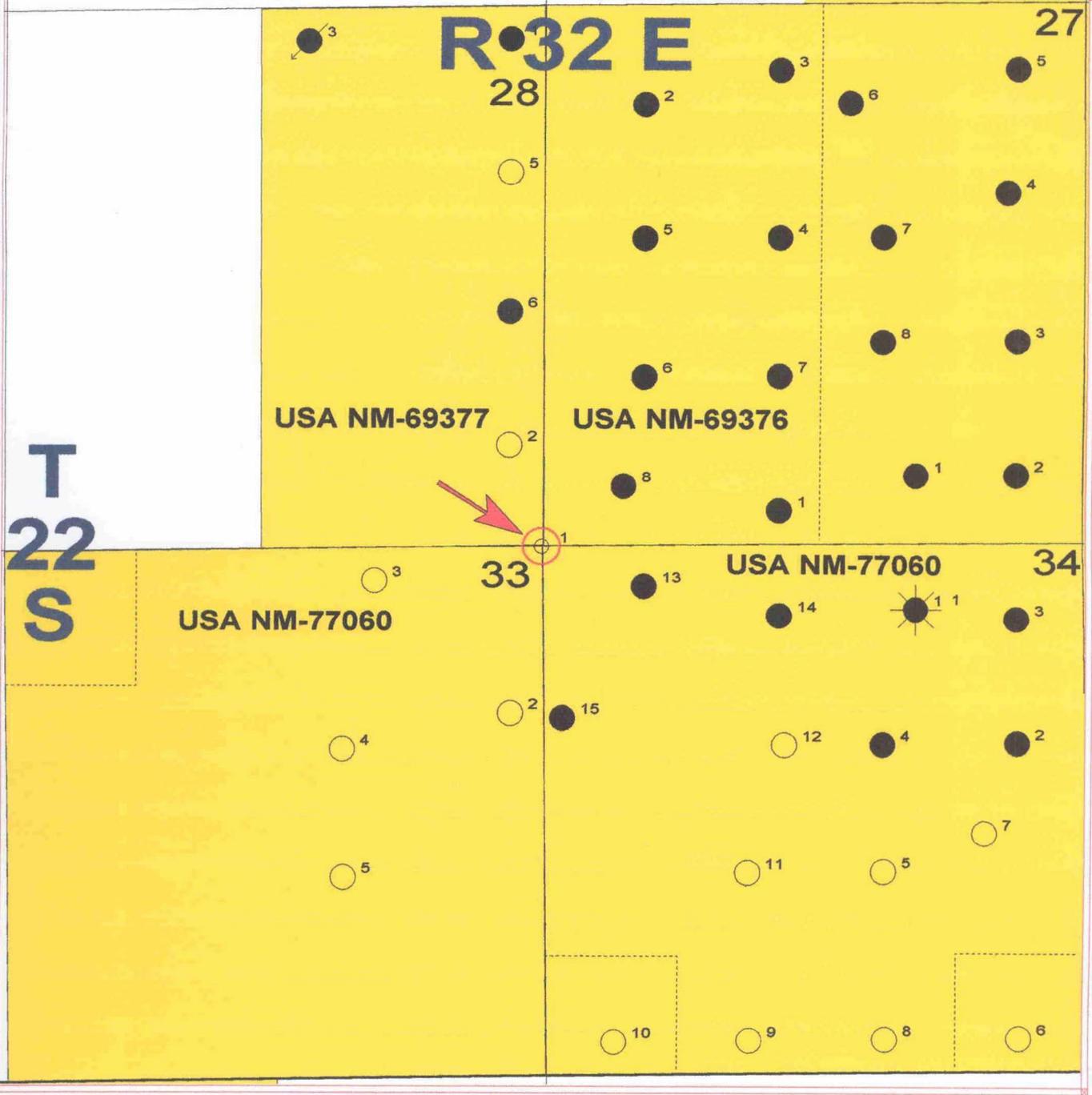
 Known Commercial Oil Production  
(-4740 Lowest)

 Unorthodox Location  
10' FNL & 10' FEL  
Sec. 33, T 22 S, R 32 E

## EXHIBIT "B"

 POGO PRODUCING COMPANY		
S.E. RED TANK PROSPECT Lea County, New Mexico Brushy Canyon 4 Structure Map		
Geol: G. Dillman	Cl: 10	09/23/1999
Tech: T. Rodriguez	Scale: 1:16000	br_4a.gpf





### EXHIBIT "C"

 Pogo Operated Leasehold

 Unorthodox Location  
10' FNL & 10' FEL  
Sec. 33, T 22 S, R 32 E

 POGO PRODUCING COMPANY		
S.E. RED TANK PROSPECT Lea County, New Mexico		
LDH: T. GANT		09/23/1999
Tech: T. Rodriguez	Scale 1:18000	bc_dland.pdf



**JAMES BRUCE**  
ATTORNEY AT LAW

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SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA  
SANTA FE, NEW MEXICO 87501

(505) 982-2043  
(505) 982-2151 (FAX)

September 27, 1999

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Bob Matthew  
Exxon Corporation  
P.O. Box 4697  
Houston, Texas 77210-4697

Loyd Martin  
CNG Producing Company  
Four Greenspoint Plaza  
Suite 1750  
16945 North Chase Drive  
Houston, Texas 77060-2137

Gentlemen:

Enclosed is a copy of an administrative application for an unorthodox oil well location, filed with the New Mexico Oil Conservation Division by Pogo Producing Company, regarding a well in the NE~~1/4~~<sup>1/4</sup> of Section 33, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico. If you object to the location, you must notify the Division in writing no later than Monday, October 18, 1999 (2040 South Pacheco Street, Santa Fe, New Mexico 87505 (Attention: Michael E. Stogner)). Failure to object will preclude you from contesting the location at a later date.

Very truly yours,



James Bruce

Attorney for Pogo Producing Company

