

**Bureau of Land Management**  
 (July 1992) Received  
**MAY 23 2000**  
 Carlsbad Field Office  
 Carlsbad, N.M.

**SUBMIT IN TRIPLICATE\***  
 (Other Ins. forms on reverse)

FORM APPROVED  
 OMB NO. 1004-0136  
 Expires: February 28, 1995

UNITED STATES  
 DEPARTMENT OF THE INTERIOR  
 BUREAU OF LAND MANAGEMENT

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

5. LEASE DESIGNATION AND SERIAL NO.  
 NM-98191

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

7. UNIT AGREEMENT NAME  
 -----

8. FARM OR LEASE NAME, WELL NO.  
 ARACANGA FEDERAL # 1

9. API WELL NO.  
 30-025-31650

10. FIELD AND POOL, OR WILDCAT  
 SW Diamondtail  
 WILDCAT - DELAWARE

11. SEC., T., R., M., OR BLK.  
 AND SURVEY OR AREA  
 SEC. 4 T23S-R32E

12. COUNTY OR PARISH 13. STATE  
 LEA CO. NEW MEXICO

1a. TYPE OF WORK  
 DRILL  DEEPEN  RE-ENTER  XX

b. TYPE OF WELL  
 OIL WELL  GAS WELL  OTHER   
 SINGLE ZONE  MULTIPLE ZONE

2. NAME OF OPERATOR  
 POGO PRODUCING COMPANY (RICHARD WRIGHT)

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  
 330' FSL & 2310' FEL SEC. 4 T23S-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 Southeast of Carlsbad, New Mexico

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)  
 330'

16. NO. OF ACRES IN LEASE  
 678

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.  
 NA

19. PROPOSED DEPTH  
 9000'

20. ROTARY OR CABLE TOOLS  
 ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 3682' GR.

22. APPROX. DATE WORK WILL START\*  
 WHEN APPROVED

**PROPOSED CASING AND CEMENTING PROGRAM**

| SIZE OF HOLE       | GRADE SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT          |
|--------------------|----------------------|-----------------|---------------|-----------------------------|
| SEE ATTACHED SHEET |                      |                 |               |                             |
| 7 7/8"             | J-55 5 1/2"          | 17 & 15.5       | 9000'         | 2100 Sx. Cement in 2 Stages |

1. THIS IS A RE-ENTRY SEE ATTACHED SHEET.

OPER. OGRID NO. 17891  
 PROPERTY NO. 26399  
 POOL CODE 96916  
 EFF. DATE 7/31/00  
 API NO. 30-025-31650

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 05/19/00

(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 conduct operations thereon.  
 CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY [Signature] /S/LARRY D. BRAY TITLE Assistant Field Manager, Lands And Minerals DATE JUL 20 2000

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

BOARD OF LAND RIGHTS  
ROSWELL OFFICE

2000 MAY 22 A 10: 17

RECEIVED

# ARACANGA FEDERAL # 1

330 FSL & 2310 FEL, SEC 4, T23S, R32E

LEA COUNTY, NEW MEXICO

## RE ENTRY PROCEDURE

### STEPS DESCRIPTION

- 1 RESTORE LOCATION. DIG & LINE SMALL RESERVE PIT. DIG OUT WELL HEAD.  
REPLACE CELLAR. INSTALL 8 5/8" SOW X 11" 3000 PSI WELL HEAD.
- 2 MIRU ROTARY TOOLS. NIPPLE UP BOP'S. TEST TO 2000 PSI.
- 3 P/U 7 7/8" BIT. DRILL OUT SURFACE PLUG. P/U BHA. DRILL OUT PLUGS  
(310 - 410), (4465 - 4565), (4653 - 4753), (6638 - 6738) & (8664 - 8964)  
CONTINUE CLEANING OUT WELL BORE TO TOTAL DEPTH OF 9000', CIRC & CONDITION  
WELL - POH LAYING DOWN DRILL STRING TO RUN 5 1/2" CASING.
- 4 RIG UP & RUN 5 1/2" CASING AS SHOWN BELOW  
(0 - 1000') 5 1/2" 17# J-55 LT&C  
(1000' - 6000') 5 1/2" 15.5# J-55 LT&C  
(6000' - 9000') 5 1/2" 17# J-55 LT&C  
STAGE TOOL @ ± 6000'
- 5 CEMENT CASING W/ 1ST STAGE OF 1100 SKS "H" W/ 0 FREE WATER, FLUID LOSS OF 300 CC  
YIELD OF 1.16 CU FT / SK. CEMENT 2ND STAGE W/ 1000 SKS "C" W/ 12 PPS GILSONITE  
& 0 FREE WATER, FLUID LOSS OF ± 533 CC & YIELD OF 1.5 CU FT/ SK. ESTIMATED TOC  
3500 FT. FROM SURFACE
- 6 HANG CASING. CUT CASING & INSTALL WELL HEAD. RDMO ROTARY TOOLS.
- 7 MIRU WELL SERVICE UNIT. N/U BOP'S. GIH W/ 4 3/4" BIT P/U 2 7/8" PRODUCTION TUBING.  
CLEAN OUT CASING TO FLOAT COLLAR. TEST CASING TO 3000 PSI. POH
- 8 RUN CBL/GR/CCL FROM PBTD TO TOC. PERFORATE BC 3 (8596' TO 8615') 2SPF 120° SPIRAL  
PHASING W/ 3 5/8" CASING GUN.
- 9 TIH W/ PACKER. ACIDIZE BC 3 (8596' TO 8615') W/ 1000 GALS 7 1/2% NEFE HCL. SET PACKER &  
SWAB BACK LOAD. POH W/ PACKER
- 10 FRAC WELL DOWN CASING AS PER ELY & ASSOCIATES RECOMMENDATION. FLOW BACK  
FOR FORCED CLOSURE.
- 11 TIH W/ NOTCHED COLLAR. CLEAN OUT EXCESS FRAC SAND. R/U & SWAB TEST ZONE.
- 12 PUT ON ROD PUMP. PUMP TO TEST.

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

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

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

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

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

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

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                                    |  |   |
|------------------------------------|--|---|
| API Number<br><b>30-025-316500</b> | Pool Code<br><b>96916</b>                      | Well Name<br><b>SW Diamond<br/>WILDCAT - DELAWARE</b> |
| Property Code<br><b>26399</b>      | Property Name<br><b>ARACONGA FED</b>           |   |
| OGRID No.<br><b>17891</b>          | Operator Name<br><b>POGO PRODUCING COMPANY</b> | Well Number<br><b>1</b>                               |
|                                    |  | Elevation<br><b>3682</b>                              |

**Surface Location**

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 0             | 4       | 23 S     | 32 E  |         | 330           | SOUTH            | 2310          | EAST           | LEA    |

**Bottom Hole Location If Different From Surface**

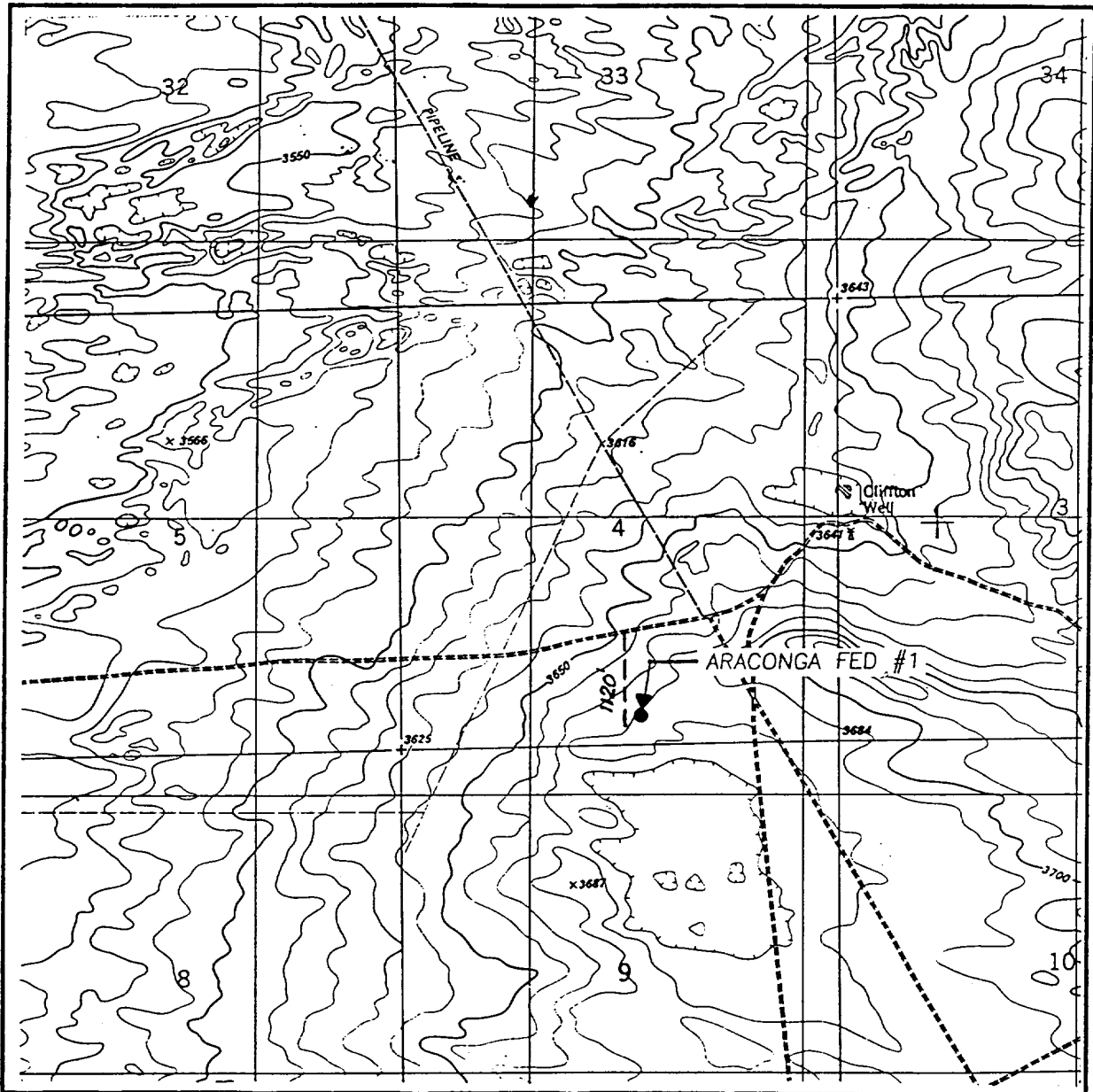
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
|               |         |          |       |         |               |                  |               |                |        |

|                              |                 |                    |           |
|------------------------------|-----------------|--------------------|-----------|
| Dedicated Acres<br><b>40</b> | Joint or Infill | Consolidation Code | Order No. |
|------------------------------|-----------------|--------------------|-----------|

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>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Joe T. Janica</i><br/>Signature</p> <p>Joe T. Janica<br/>Printed Name</p> <p>Agent<br/>Title</p> <p>05/19/00<br/>Date</p>  |
|  | <p><b>SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p>MAY 10, 2000<br/>Date Surveyed</p> <p>Signature &amp; Seal of Professional Surveyor<br/><i>Ronald F. Eidson</i><br/>5/19/00</p> <p>60-11-0658</p> |
|  | <p>Certificate No. RONALD F. EIDSON 3239<br/>GARY EIDSON 12641<br/>MAGNUS McDONALD 12185</p>  |

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
BOOTLEG RIDGE - 10'

SEC. 4 TWP. 23-S RGE. 32-E

SURVEY \_\_\_\_\_ N.M.P.M. \_\_\_\_\_

COUNTY \_\_\_\_\_ LEA \_\_\_\_\_

DESCRIPTION 330' FSL & 2310' FEL

ELEVATION \_\_\_\_\_ 3682 \_\_\_\_\_

OPERATOR POGO PRODUCING COMPANY

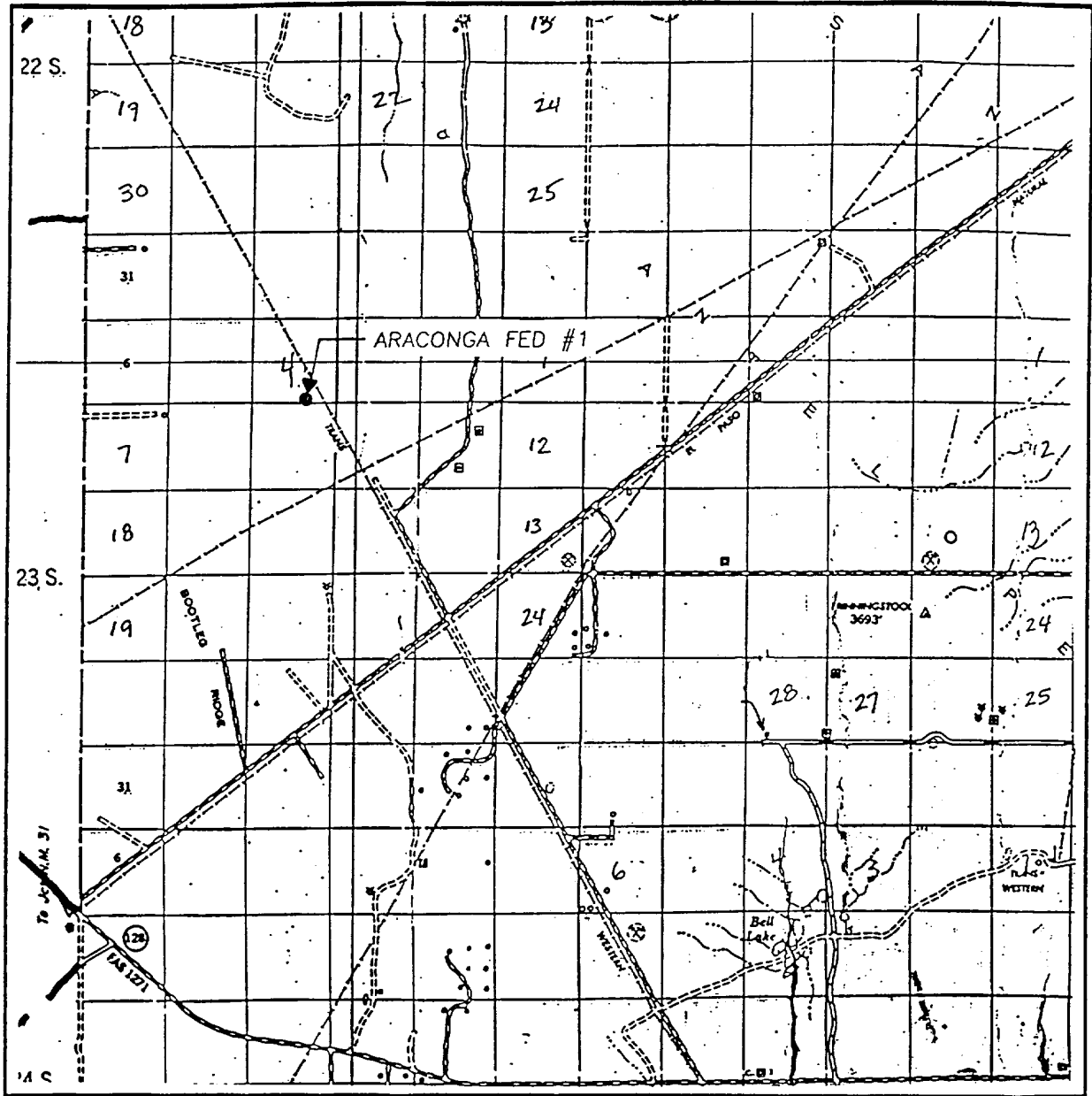
LEASE \_\_\_\_\_ ARACONGA FED \_\_\_\_\_

U.S.G.S. TOPOGRAPHIC MAP

BOOTLEG RIDGE, N.M. \_\_\_\_\_

**JOHN WEST SURVEYING**  
**HOBBS, NEW MEXICO**  
**(505 393-3117)**

# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 4 TWP. 23-S RGE. 32-E  
 SURVEY N.M.P.M.  
 COUNTY LEA  
 DESCRIPTION 330' FSL & 2310' FEL  
 ELEVATION 3682  
 OPERATOR POGO PRODUCING COMPANY  
 LEASE ARACONGA FED

**JOHN WEST SURVEYING**  
**HOBBS, NEW MEXICO**  
**(505 393-3117)**

APPLICATION TO DRILL

POGO PRODUCING COMPANY  
 ARACANGA FEDERAL # 1  
 UNIT "O" SECTION 4  
 T23S-R32E LEA CO. NM

In response to questions asked under Section II of Bulletin NTL-6 the following information on the above well is provided for your consideration.

1. Location: 330' FSL & 2310' FEL SEC. 4 T23S-R32E LEA CO. NM
2. Elevation above Sea Level: 3682' GR.
3. Geologic name of surface formation: Quaternary Aeolian Deposits.
4. Drilling tools and associated equipment: Conventional rotary drilling rig using drilling mud as a circulating medium for solids removal from hole.
5. Proposed drilling depth: 9000'
6. Estimated tops of geological markers:

|                   |       |               |       |
|-------------------|-------|---------------|-------|
| Rustler Anhydrite | 1140' | Cherry Canyon | 5720' |
| Castile           | 3480' | Brushy Canyon | 6760' |
| Bell Canyon       | 4780' | Bone Spring   | 8700' |
7. Possible mineral bearing formations:

|               |     |
|---------------|-----|
| Cherry Canyon | Oil |
| Brushy Canyon | Oil |
| Bone Spring   | Oil |
8. Casing program:

| Hole size   | Interval | OD of casing | Weight    | Thread | Collar | Grade |
|---|----------|--------------|-----------|--------|--------|-------|
| 17½"  | 0-365'   | 13 3/8"      | 48        | 8-R    | ST&C   | H-40  |
| 12½"  | 0-4532'  | 8 5/8"       | 24 & 32   | 8-R    | ST&C   | J-55  |
| THE ABOVE CASING STRINGS ARE SET AND<br>AND CEMENTED TO SURFACE. THIS IS A RE-ENTRY |          |              |           |        |        |       |
| Clean out:<br>7 7/8"  | 0-9000'  | 5½"          | 17 & 15.5 | 8-R    | LT&C   | J-55  |

POGO PRODUCING COMPANY  
 ARACANCA FEDERAL # 1  
 UNIT "O" SECTION 4  
 T23S-R32E LEA CO. NM

9. Cementing and Setting Depth:

THIS IS A RE-ENTRY AND THE SURFACE AND INTERMEDIATE CASINGS ARE SET AND CEMENTED IN PLACE WITH BOTH STRINGS CIRCULATED.

5½" Production Set 9000' of 5½" casing as follows: 3000' of 5½" 17# J-55 LT&C, 5000' of 5½" 15.5# J-55 LT&C, 1000' of 5½" 17# J-55 LT&C. Cement with in two stages, DV Tool at 6000'±, 1st stage use 1100 Sx. of Class "H" + additives, 2nd stage 1000 Sx. of Class "C" + 12# Gilsonite/Sx. Estimate top of cement 3500' from surface.

10. Pressure Control Equipment: Exhibit "E". A 900 Series 3000 PSI working pressure B.O.P. consisting of a double ram type preventor with a bag type annular preventor. BOP unit will be hydraulically operated. Exhibit "E-1". Choke manifold and closing unit. BOP will be nipped up on 13 3/8" casing and will be operated at least once each 24 Hr. period while drilling and blind rams will be operated when out of hole during trips. Flow sensor, PVT, full opening stabbing valve and upper kelly cock will be utilized. No abnormal pressure or temperature is expected while drilling.

11. Proposed Mud Circulating System:

| Depth  | Mud Wt. | Visc, | Fluid Loss | Type Mud   |
|--------|---------|-------|------------|--|
| 0-9000 | 10-10.5 | 29-32 | NC         | Clean out hole to TD, with brine adjust viscosity as necessary to keep hole clean. |

THIS IS A RE-ENTRY

Sufficient mud materials to maintain mud properties, meet lost circulation and weight increase requirements will be kept at well site at all times. In order to log well and run casing the viscosity may have to be raised and the water loss lowered in order to do so.



POGO PRODUCING COMPANY  
ARACANGA FEDERAL # 1  
UNIT "O" SECTION 4  
T23S-R32E LEA CO. NM

12. Testing, Logging and Coring Program:

After running casing rig up and run Cement Bond log, rom TD to top of Cement, Run Gamma Ray/ CCL from TD to surface.

13. Potential Hazards:

No abnormal pressures or temperatures are expected. Hydrogen Sulfide gas may be encountered, H<sub>2</sub>S detectors will be in place to detect any presence. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used. Estimated BHP 3800 PSI, estimated BHT 145° .

14. Anticipated Starting Date and Duration of Operation:

Road and location construction will begin after BLM approval of APD. Anticipated spud date as soon as approved. Drilling expected to take 10 days. If production casing is run an additional 30 days will be required to complete and construct surface facilities.

15. Other Facets of Operations:

After running casing, cased hole gamma ray neutron collar logs will be run from total depth over possible pay intervals.. The Delaware pay will be perforated and stimulated. The well will be swab tested and potentialied as an Oil well.

## HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

1. All Company and Contract personnel admitted on location must be trained by a qualified H<sub>2</sub>S safety instructor to the following:
  - A. Characteristics of H<sub>2</sub>S
  - B. Physical effects and hazards
  - C. Proper use of safety equipment and life support systems.
  - D. Principle and operation of H<sub>2</sub>S detectors, warning system and briefing areas.
  - E. Evacuation procedure, routes and first aid.
  - F. Proper use of 30 minute pressure demand air pack.
2. H<sub>2</sub>S Detection and Alarm Systems
  - A. H<sub>2</sub>S detectors and audio alarm system to be located at bell nipple, end of blowie line (mud pit) and on derrick floor or doghouse.
3. Windsock and/or wind streamers
  - A. Windsock at mudpit area should be high enough to be visible.
  - B. Windsock at briefing area should be high enough to be visible.
  - C. There should be a windsock at entrance to location.
4. Condition Flags and Signs
  - A. Warning sign on access road to location.
  - B. Flags to be displayed on sign at entrance to location. Green flag, normal safe condition. Yellow flag indicates potential pressure and danger. Red flag, danger, H<sub>2</sub>S present in dangerous concentration. Only emergency personnel admitted to location.
5. Well control equipment
  - A. See exhibit "E"
6. Communication
  - A. While working under masks chalkboards will be used for communication.
  - B. Hand signals will be used where chalk board is inappropriate.
  - C. Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephoned will be available at most drilling foreman's trailer or living quarters.
7. Drillstem Testing
  - A. Exhausts will be watered.
  - B. Flare line will be equipped with an electric ignitor or a propane pilot light in case gas reaches the surface.
  - C. If location is near any dwelling a closed D.S.T. will be performed.

## HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

8. Drilling contractor supervisor will be required to be familiar with the effects H<sub>2</sub>S has on tubular goods and other mechanical equipment.
9. If H<sub>2</sub>S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with H<sub>2</sub>S scavengers if necessary.

SURFACE USE PLAN

POGO PRODUCING COMPANY  
ARACANGA FEDERAL # 1  
UNIT "O" SECTION 4  
T23S-R32E LEA CO. NM

1. EXISTING ROADS. Area map, Exhibit "B" is a reproduction of the New Mexico General Hi-way Co. Map. Exhibit "C" is a reproduction of a topographic map. Existing roads and proposed roads are shown on each exhibit. All roads will be maintained in a condition equal to or better than existed prior to start of construction.
  - A. Exhibit "A" shows the proposed development well as staked.
  - B. From Hobbs New Mexico take U.S. Highway 62-180 West toward Carlsbad NM, go 38 miles to mile post 67. Turn South on C-29 go 16.3 miles, turn East go 1.2 miles to Y in the road bear Left go 2.6 miles turn Right (South) follow lease road to location.
  
2. PLANNED ACCESS ROADS: Upgrade existing roads no new roads are necessary.
  - A. The access road will be crowned and ditched to a 12'00" wide travel surface with 40' right-of-way.
  - B. Gradient on all roads will be less than 5.00%.
  - C. No turnouts will be necessary.
  - D. If needed, road will be surfaced with a minimum of 4" of caliche. This material will be obtained from a local source.
  - E. Centerline for the new access road has been flagged. Earthwork will be as required by field conditions.
  - F. Culverts in the access road will not be used. The road will be constructed to utilize low water crossings for drainage as required by the topography.
  
3. LOCATION OF EXISTING WELLS IN A ONE-MILE RADIUS EXHIBIT "A-1"
  - A. Water wells - One water well approximately 3/4 mile Northeast.
  - B. Disposal wells - None known
  - C. Drilling wells - None known
  - D. Producing wells - As shown on Exhibit "A-1"
  - E. Abandoned wells - As shown on Exhibit "A-1"

POGO PRODUCING COMPANY  
ARACANGA FEDERAL # 1  
UNIT "O" SECTION 4  
T23S-R32E LEA CO. NM

4. If, upon completion this well is a producer Pogo Producing Company will furnish maps and/or plats showing on site facilities or off site facilities if needed. This will be accompanied with a Sundry Notice.
5. LOCATION AND TYPE OF WATER SUPPLY:  
Water will be purchased locally from a commercial source and trucked over the access roads or piped in flexible lines laid on top of the ground.
6. SOURCE OF CONSTRUCTION MATERIAL:  
If possible construction will be obtained from the excavation of drill site, if additional material is needed it will be purchased from a local source and transported over the access route as shown on Exhibit "C".
7. METHODS OF HANDLING WASTE MATERIAL:
  - A. Drill cuttings will be disposed of in the reserve pit.
  - B. All trash, junk and other waste material will be contained in trash cages or bins to prevent scattering. When the job is completed all contents will be removed and disposed of in a approved sanitary land fill.
  - C. Salts remaining after completion of well will be picked up by supplier including broken sacks.
  - D. Sewage from living quarters will drain into holes with a minium depth of 10'. These holes will be covered during drilling and will be back filled upon completion. A Porta-John will be provided for the rig crews. This equipment will be properly maintained during the drilling operations and removed upon completion of the well.
  - E. Remaining drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for breaking out. In the event that drilling fluids do not evaporate in a reasonable time they will be hauled off by transports and be disposed of at a state approved disposal facility. Later pits will be broken out to speed drying. Water produced during testing will be put in reserve pits. Any oil or condensate produced will be stored in test tanks until sold and hauled from the site.
8. ANCILLARY FACILITIES:
  - A. No camps or airstrips to be constructed.

POGO PRODUCING COMPANY  
ARACANGA FEDERAL # 1  
UNIT "O" SECTION 4  
T23S-R32E LEA CO. NM

9. WELL SITE LAYOUT

- A. Exhibit "D" shows the proposed well site layout.
- B. This exhibit indicated proposed location of reserve and sump pits and living facilities.
- C. Mud pits in the active circulating system will be steel pits & the reserve pit is proposed to be unlined unless subsurface condition encountered during pit construction indicate that lining is needed for lateral containment of fluids.
- D. If needed, the reserve pit is to be lined with polyethelene. The pit liner will be 6 mils thick. Pit liner will extend a minimum 2'00" over the reserve pits dikes where the liner will be anchored down.
- E. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. The fourth side will be fenced after all drilling operations have ceased. If the well is a producer, the reserve pit fence will be torn down. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

10. PLANS FOR RESTORATION OF SURFACE

Rehabilitation of the location and reserve pit will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole.

However, in either event, the reserve pit will be allowed to dry properly, and fluid removed and disposed of in accordance with Article 7.B as previously noted. The pit area will then be leveled and contoured to conform to the original and surrounding area. Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

If the well is a dry hole, the pad and road area will be contoured to match the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

Should the well be a producer, the previously noted procedures will apply to those areas which are not required for production facilities.

POGO PRODUCING COMPANY  
 ARACANGA FEDERAL # 1  
 UNIT "O" SECTION 4  
 T23S-R32E LEA CO. NM

11. OTHER INFORMATION:

- A. Topography consists of sand dunes with a slight dip toward the West. Deep sandy soil supports native grasses, mesquite, and shinnery Oak.
- B. Surface is owned by the Bureau of Land Management U.S. Department of Interior. Surface is used for grazing of livestock and is leased to ranchers for this purpose.
- C. An archaeological survey will be conducted and copies of the survey will be filed in the Carlsbad Office of The Bureau of Land Management. This well was drilled in 1992-1993 there may be an archaeological report filed with the BLM.
- D. There are no dwellings or habitation within three miles of this location.

12. OPERATORS REPRESENTATIVE:

Before construction:

TIERRA EXPLORATION INC.  
 P.O. BOX 2188  
 HOBBS, NEW MEXICO 88241  
 OFFICE PHONE 505-392-2112  
 JOE T. JANICA

During and after construction:

POGO PRODUCING COMPANY  
 P.O. BOX 10340  
 MIDLAND, TEXAS 79702-7340  
 OFFICE PHONE 915-685-8100  
 MR. RICHARD WRIGHT 915-685-8140

13. CERTIFICATION: - I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Pogo Producing company, its contractors/subcontractors in the conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for the filing of a false statement.

NAME : Joe T Janica  
 DATE : 05/19/00  
 TITLE : Agent







EXHIBIT "B"  
 LOCATION & ACCESS ROAD MAP

POGO PRODUCING COMPANY  
 ARACANGA FEDERAL # 1  
 UNIT "O" SECTION 4  
 T23S-R32E LEA CO. NM

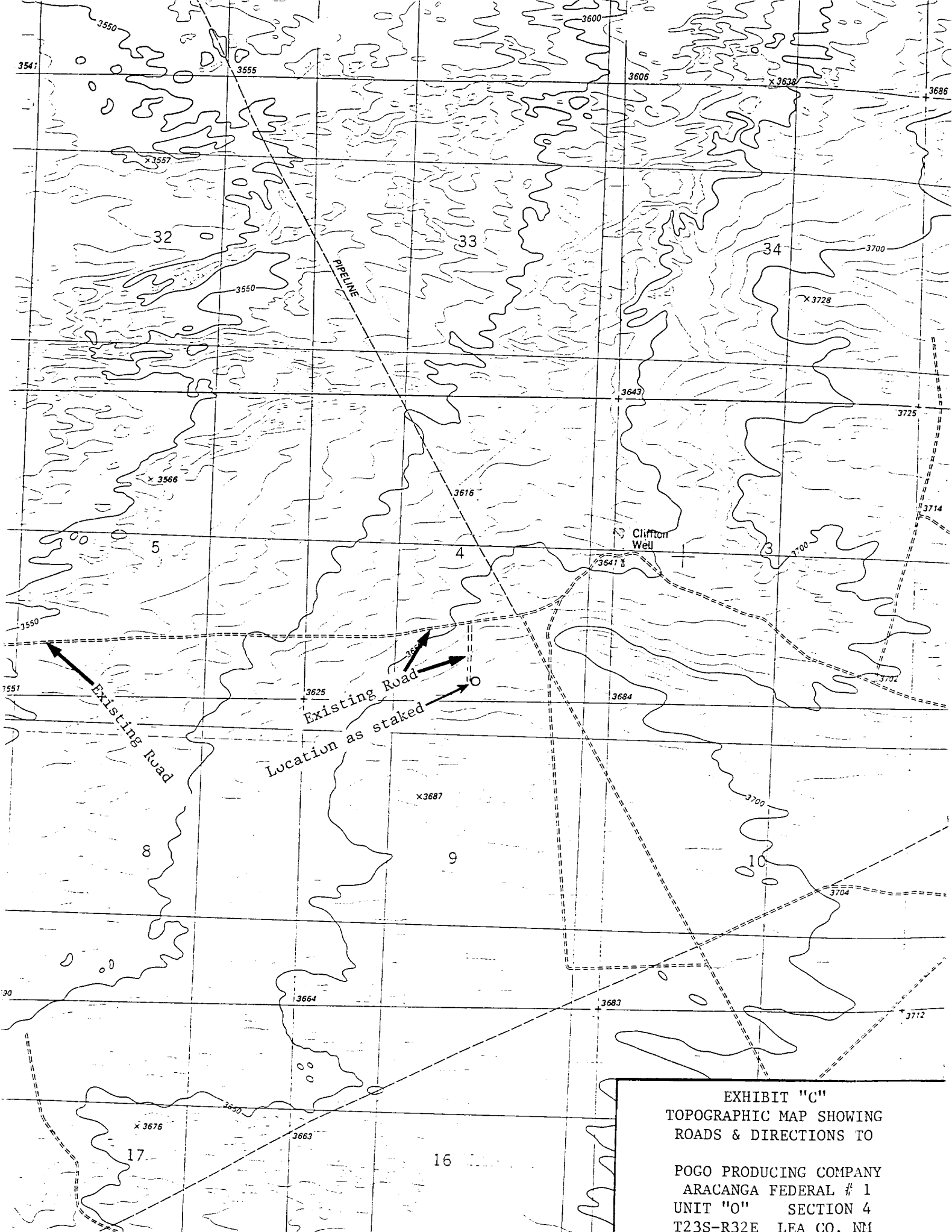
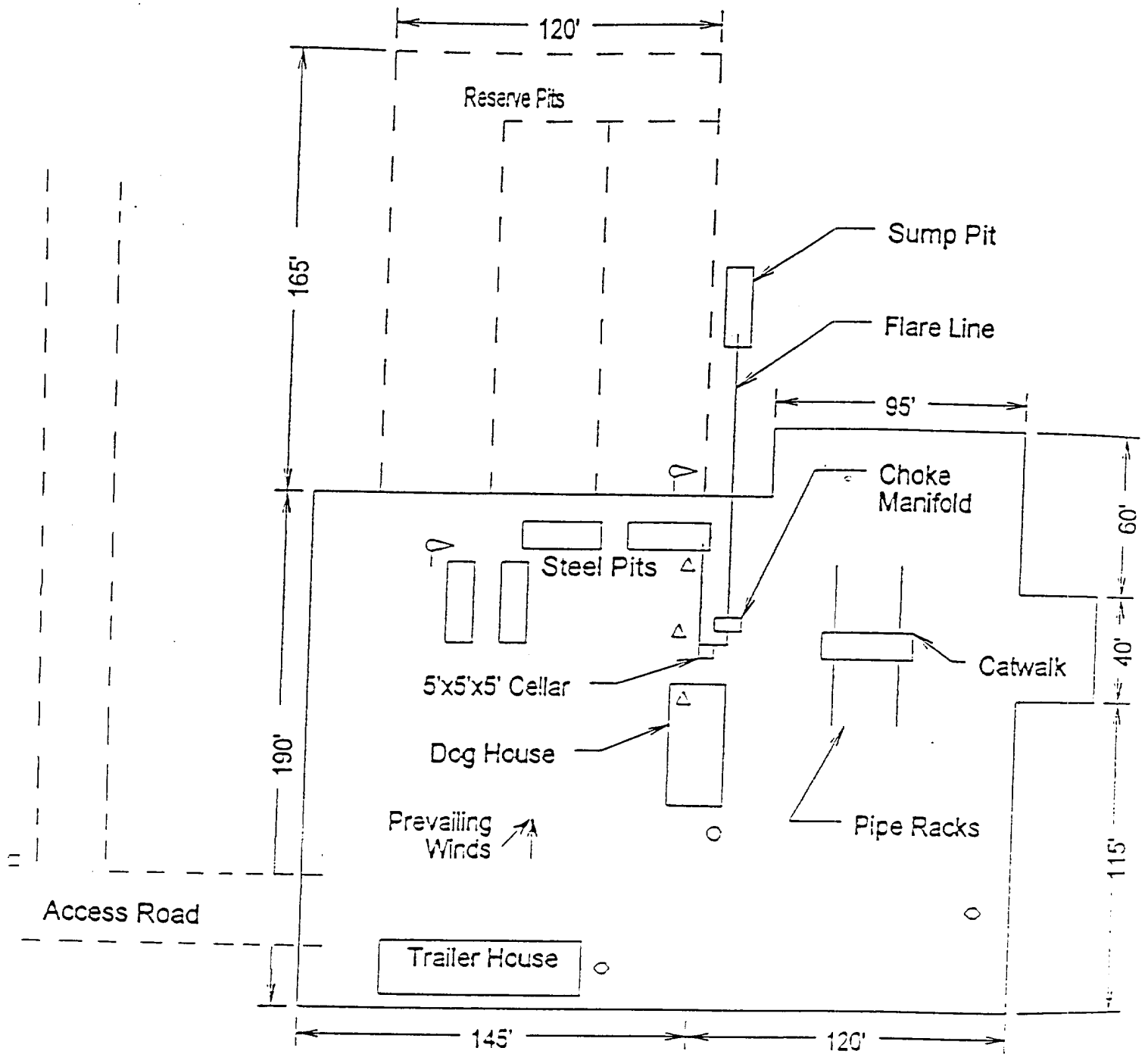


EXHIBIT "C"  
TOPOGRAPHIC MAP SHOWING  
ROADS & DIRECTIONS TO  
POGO PRODUCING COMPANY  
ARACANGA FEDERAL # 1  
UNIT "O" SECTION 4  
T23S-R32E LEA CO. NM



- ☞ Wind Direction Indicators  
(wind sock or streamers)
- △ H2S Monitors  
(alarms at well nipple and shale shaker)
- Briefing Areas
- Remote SOP Closing Unit
- Sign and Condition Flags

EXHIBIT "D"  
RIG LAYOUT PLAT

POGO PRODUCING COMPANY  
ARACANGA FEDERAL # 1  
UNIT "O" SECTION 4  
T23S-R32E LEA CO. NM

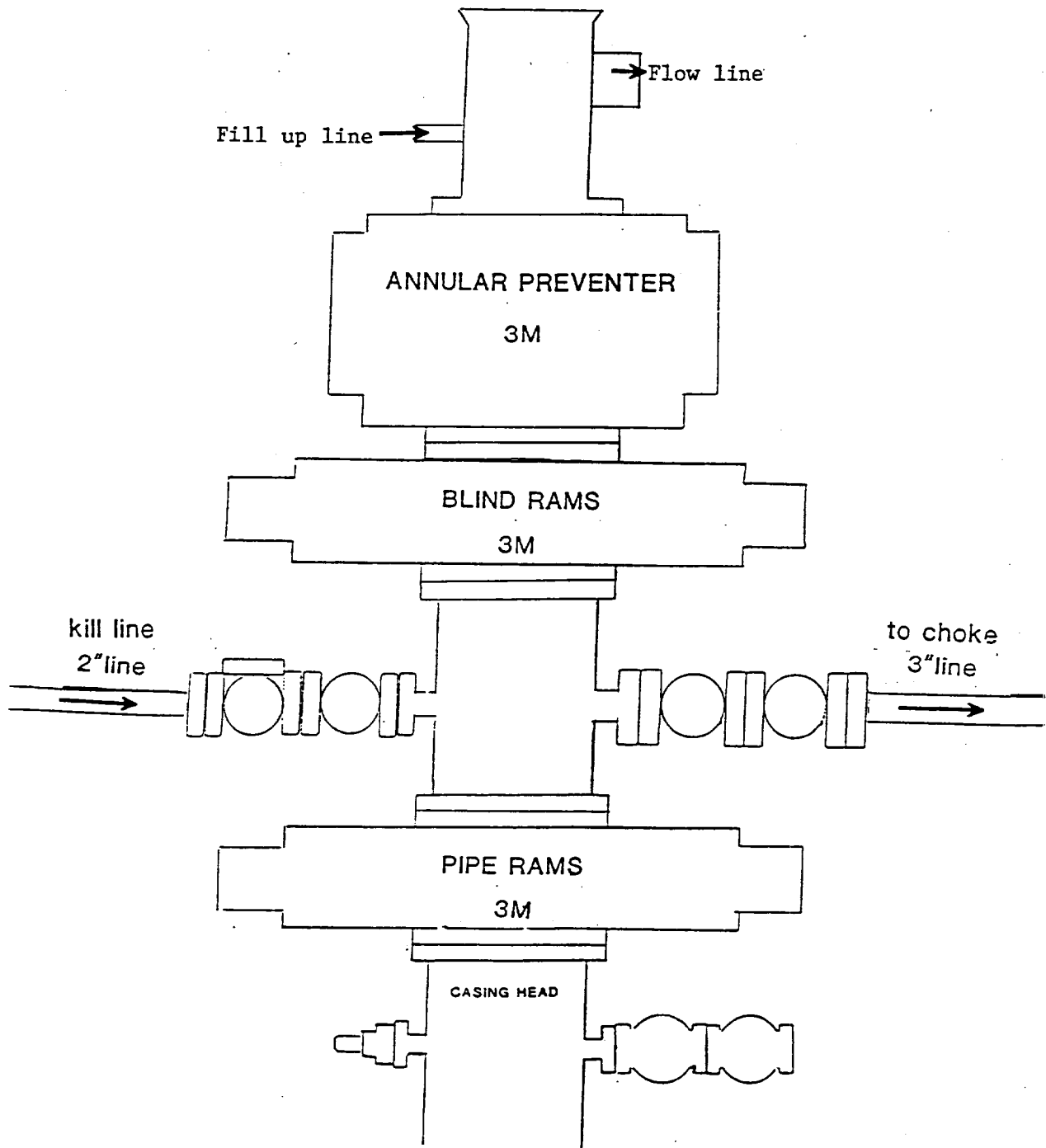
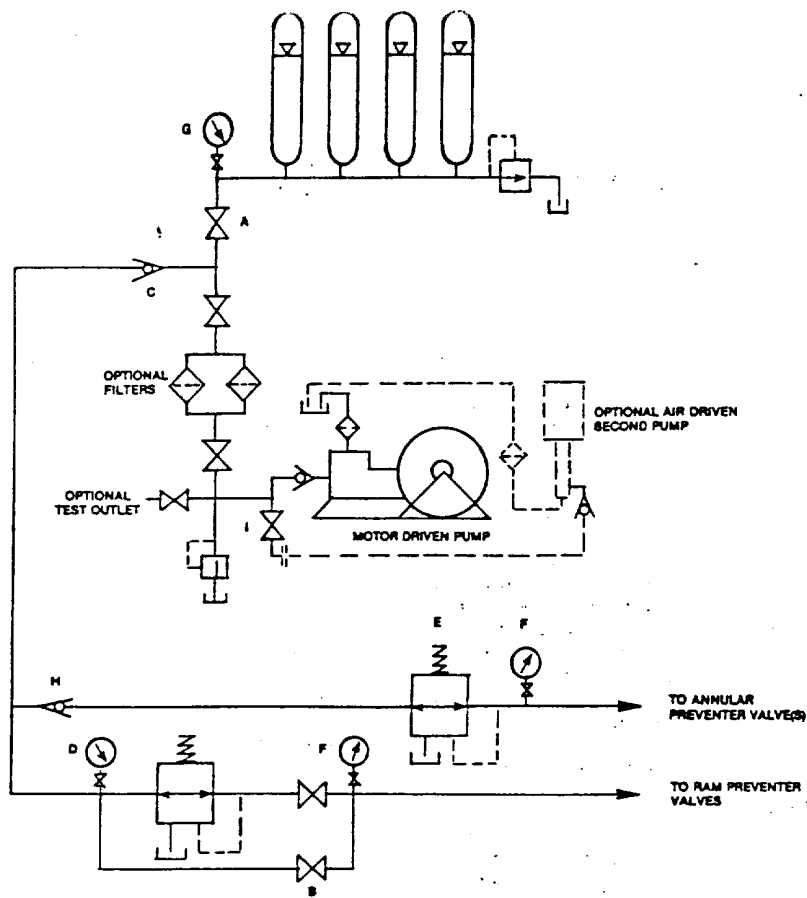
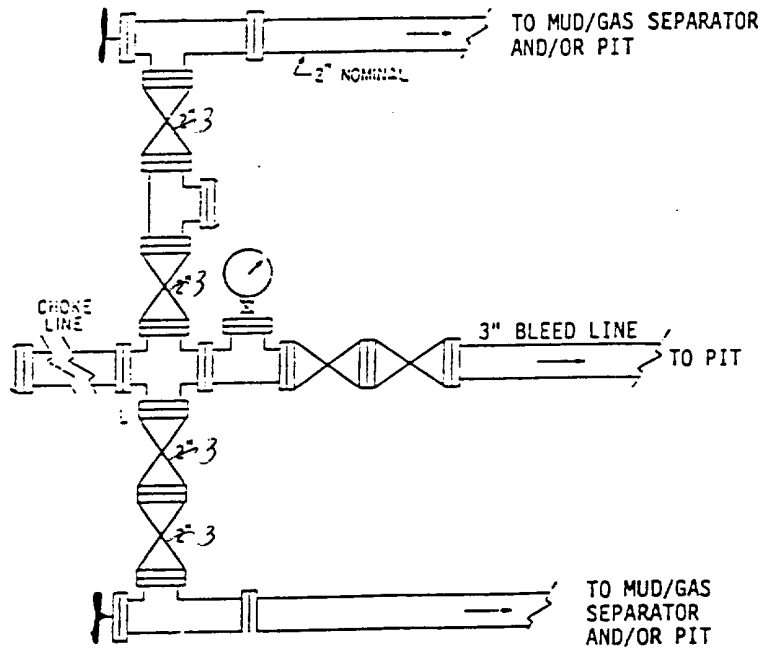


EXHIBIT "E"  
 SKETCH OF B.O.P. TO BE USED ON

POGO PRODUCING COMPANY  
 ARACANGA FEDERAL # 1  
 UNIT "O" SECTION 4  
 T23S-R32E LEA CO. NM



HAND AJUSTABLE CHOKE



HAND AJUSTABLE CHOKE

POGO PRODUCING CO  
3M CHOKE MANIFOLD

EXHIBIT "E-1"  
CHOKE MANIFOLD & CLOSING UNIT

POGO PRODUCING COMPANY  
ARACANDA FEDERAL # 1  
UNIT "O" SECTION 4  
T23S-R32E LEA CO, NM