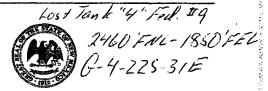
PMESO -APP NO. 4077578 ENGINEER LOGGED IN

ABOVE THIS LINE FOR DIVISION USE ONLY

# NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -1220 South St. Francis Drive, Santa Fe, NM 87505



		ADMINISTRATIVE APPLICATION CHECKLIST
TH	IS CHECKLIST IS MA	ANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE
Applica	ation Acronyms	· /
	[DHC-Down [PC-Po	idard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication] whole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] of Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Incipase] ified Enhanced Oil Recovery Certification] [PPR-Positive Bradustion Response]
1]	TYPE OF AP [A]	PLICATION - Check Those Which Apply for [A]  Location - Spacing Unit - Simultaneous Dedication  NSL NSP SD    NSL SD   SD   SD   SD   SD   SD   SD   SD
	Check [B]	One Only for [B] or [C]  Commingling - Storage - Measurement  DHC CTB PLC PC OLS OF Market Fe, NM 87505
	[C]	Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  WFX PMX SWD IPI EOR PPR
	[D]	Other: Specify
2]	NOTIFICATI [A]	ON REQUIRED TO: - Check Those Which Apply, or Does Not Apply  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]		CURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE TION INDICATED ABOVE.
4]		TION: I hereby certify that the information submitted with this application for administrative
		d complete to the best of my knowledge. I also understand that no action will be taken on this uired information and notifications are submitted to the Division.
	Note:	Statement must be completed by an individual with managerial and/or supervisory capacity.
	Bruce	Attorney for Applicant Applicant
Print or	Type Name	Signature Title Date
		jamesbruc@aol.com
		e-mail Address

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213 SANTA FE, NEW MEXICO 87501

(505) 982-2043 (PHONE) (505) 660-6612 (CELL) (505) 982-2151 (FAX)

jamesbruc@aol.com

February 19, 2004

## Hand Delivered

Michael E. Stogner Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F(2), Pogo Producing Company ("Pogo") applies for administrative approval of unorthodox oil well locations for the following <u>eight</u> wells:

Well: Lost Tank "3" Federal Well No. 14

<u>Location</u>: 1450 feet FSL & 1710 feet FEL

Well Unit: NW%SE% of Section 3, Township 22 South, Range

31 East, N.M.P.M., Eddy County, New Mexico

Well: Lost Tank "3" Federal Well No. 20

<u>Location</u>: 2500 feet FSL & 2250 feet FEL

Well Unit: NWWSEW of Section 3, Township 22 South, Range

31 East, N.M.P.M., Eddy County, New Mexico

Well: Lost Tank "3" Federal Well No. 21

<u>Location</u>: 2500 feet FNL & 450 feet FWL

Well Unit: SWANWA of Section 3, Township 22 South, Range

31 East, N.M.P.M., Eddy County, New Mexico

Well: Lost Tank "3" Federal Well No. 22

Location: 2500 feet FNL & 1850 feet FWL

Well Unit: SEYNWY of Section 3, Township 22 South, Range

31 East, N.M.P.M., Eddy County, New Mexico

Well: Lost Tank "4" Federal Well No. 8

Location: 2490 feet FNL & 500 feet FEL

Well Unit: SE¼NE¼ of Section 4, Township 22 South, Range 31 East, N.M.P.M., Eddy County, New Mexico

Well: Lost Tank "4" Federal Well No. 9
Location: 2610 feet FNL & 1850 feet FEL

Well Unit: SW%NE% of Section 4, Township 22 South, Range

31 East, N.M.P.M., Eddy County, New Mexico

Well: Lost Tank "4" Federal Well No. 10

Location: 2610 feet FNL & 2310 feet FWL

Well Unit: SE%NW% of Section 4, Township 22 South, Range

31 East, N.M.P.M., Eddy County, New Mexico

Well: Lost Tank "4" Federal Well No. 11

<u>Location</u>: 2410 feet FNL & 990 feet FWL

Well Unit: SWANWA of Section 4, Township 22 South, Range

31 East, N.M.P.M., Eddy County, New Mexico

The wells will be drilled to test the Delaware formation (Designated and Undesignated West Lost Tank-Delaware Pool), which is developed on statewide rules. Form C-102's for the eight wells are attached as Exhibit A

In addition, simultaneous dedication approval is requested for the following wells:

Wells: Lost Tank "3" Federal Well Nos. 14 and 20

Well\_Unit: NW\setminus Section 3

Wells: Lost Tank "3" Federal Well Nos. 4 and 21

Well Unit: SW4NW4 of Section 3

Wells: Lost Tank "3" Federal Well Nos. 3 and 22

Well Unit: SE¼NW¼ of Section 3

Wells: Lost Tank "4" Federal Well Nos. 7 and 8

Well Unit: SE%NE% of Section 4

Wells: Lost Tank "4" Federal Well Nos. 6 and 9

Well Unit: SW1/NE% of Section 4

Wells: Lost Tank "4" Federal Well Nos. 5 and 10

Well Unit: SE¼NW¼ of Section 4

The application is based on potash, geologic, and engineering reasons. Sections 3 and 4 are within the oil-potash area of southeastern New Mexico. Most of the existing wells in Sections 3 and 4 were drilled at unorthodox locations because they were the only locations which the Bureau of Land Management ("BLM") would approve at the time.

Pogo has now applied to the BLM for approval to drill the above wells. Due to the locations of the previously approved wells, the proposed locations are needed to place wells approximately equidistant from each other. In addition, the wells are located to

take advantage of favorable geology in the primary Delaware zones. Attached as Exhibit B is a geologic discussion, with appropriate plats, supporting the application. Finally, in the event of potential pressure maintenance operations, the locations will be appropriate to take advantage of injection operations.

Attached as Exhibit C is a land plat, highlighting the well locations. All of Sections 3 and 4 are covered by United States Oil and Gas Lease NM 0417696, which has common royalty, overriding royalty, and working interest ownership. Because all of the locations are interior to the lease, there are no offset operators to notify. As a result, applicant requests that the 20 day notice period be waived.

Please call me if you need any further information on this matter.

Very/truly yours,

James Bruce

Attorney for Pogo Producing Company

APPI	BUREAU O	F ' AND MANA	GEME		F POPAL		NM-0417	TION AND BERIAL RO.
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T NAME OF OPERATOR	MITT OTHER			ZONE AX	MIDL	AND-	S. FARMOR LEASTAN	FEDERAL # 9
POGO PRODUCI	NG COMPANY (RI	CHARD WRIGH	T 4	32-685-8	140)		9. AR WELFO.	+ FEDERAL W
3. ACORES NO TELEPHONEN							-	
	40 MIDLAND, TEX			•			10. FIELD AND PO	OF ASTOCYL
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	AND DIRECTION FROM NEA y 35 miles East					<del></del>	12. COUNTY OF PA	NEW MEXICO
13. DISTANCE PROM PRO			16. N	O. OF ACRES	N LEASE		OF ACRES ASSIGNED	
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18. DISTANCE PROM PRO	POSED LOCATION®		19. r	KUPOSED DEST	Ħ	20. 20-4	II OR CABLE TOULS	<del></del>
OR APPLIED FOR ON T	DRILLING. COMPLETED. BUS LEASE, FT.	1000		82501		RC	TARY	
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SILE OF ROLE	シベタン 30 至の 30ペンコ	WEIGHT PER F	70 <b>7</b>	SETT:NO	DEPTH		QUANTITY OF C	N EXT
25"	Conductor 20"	NA		40'		Cement	to surface	with Redi-mix
17½"	H-40 13 3/8"	48		800'			. circulate	to surface
11"	J-55 8 5/8"	32		4200'		1500 S	x. "	
7 7/8"	J-55 5½"	17 & 15.5		82501		1650 S	x. 3 Stage	TOC surface.
<ol> <li>Drill 17½' 950 Sx. of</li> <li>Drill 11" 1500 Sx. of</li> <li>Drill 7 7/ 17# J-55 I stages with cement + a cement 3rd surface.</li> </ol>	hole to 40'. Set hole to 800'. It Class "C" cemer hole to 4200'. It of Class "C" cemer 18" hole to 8250'. T&C, 5000' of 53 th DV Tools at 61 dditives, 2nd stage with 400	Run and set it + 2% CaCle Run and set ent + 2% CaCle Run and set in 15.5 July 15.5 Jul	800' L, ÷ 4200 Cl, ÷ set 8 55 LT '±. C with	of 13 3 3 ½ Floce of 8 5 5 ½ Floce 250' of 8 6 6 6 0 5 x. " cement	/8" 48# le/Sx. /8" 32# ele/Sx. 5½" cas ' of 5½ t stage of Cla ÷ 2% C	H-40 S Circula J-55 S Circul ing as " 17# J with 6 ss "C" aCl, ci	T&C casing.  Ite cement to  T&C casing.  Ite cement to  follows: 22:  -55 LT&C. Ce  50 Sx. of Cl  cement ÷ add  roulate ceme	Cement with o surface.  Cement with to surface.  50' of 5½" ement in 3 lass "H" ditives,
ABOVE SPACE DESCRIB	E PROPOSED PROGRAM: It poses to the state on substantiace location	reposal is to deepen, g s and measured and re	ive data ze vertica	on present prod I depths. Give's	uctive zone ar	nd proposed : ar program, il	new productive zone. ( Lany.	If proposal is to drill or
SIGNED CO	ot Jame	<u> </u>	.zA	gent			04751	1/17/03
(This space for Feder	ral or State office use)				=			•
PERMIT NO.				APPROVAL DATS	:	<u>.</u>		
	or warrant or cardify that the appl . IF ANY:	icant holds (egal or squ		chilit		se which was	id entide the applicant to	endua openilors benon
APPROVED BY		"See Instruct					. DATE	

## 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

DISTRICT II P.O. Dawer DD, Artonia, NM 88211-0710

## OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT IV

DISTRICT III

P.O. BOX 2068, SANTA FE, N.M. 67504-2068

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name	
	96582	LOST TANK DELAWARE-WEST	
Property Code		erty Name "4" FEDERAL	Well Number 9
OGRID No. 17891	-	ator Name CING COMPANY	Elevation 3444'

### Surface Location

İ	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	G	4	22-S	31-E		2460	NORTH	1850	EAST	EDDY

## 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 o	r Infill C	onsolidation (	ode Ore	ler No.	<u> </u>	<u> </u>	<del></del>	
40		ļ							

# 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

LOT 4	LOT 3	LOT 2	.0	LOT 1	OPERATOR CERTIFICATION  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.
39.97 AC	39.85 AC  GEODETIC COORDINATES  NAD 27 NME  Y = 517292.7 N  X = 670813.0 E  LAT. 32'25'15.37"N  LONG. 103'46'47.19"W	3443.5' C	34.7.1	1850'	Joe T. Janica Printed Name  Agent Title  11/17/03 Date  SURVEYOR CERTIFICATION  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 supervison and that the same is true and correct to the best of my beliaf.  October 27, 2003  Date Surveyedminimum AW.B  Signature & Seal of Control of the control of the best of my beliaf.  October 27, 2003  Certificate No. Gary EDSON 12641

## Pogo Producing Company Application for Unorthodox Locations

Lost Tank West Delaware Field Eddy County, New Mexico

Proposed Unorthodox locations in section 3:

Lost Tank "3" Federal #14 (1450' fsl, 1710' fel, section 3, T22S, R31E) Lost Tank "3" Federal #20 (2500' fsl, 2250' fel, section 3, T22S, R31E) Lost Tank "3" Federal #21 (2500' fnl, 450' fwl, section 3, T22S, R31E) Lost Tank "3" Federal #22 (2500' fnl, 1850' fwl, section 3, T22S, R31E)

Proposed Unorthodox locations in section 4:

Lost Tank "4" Federal #8 (2490' fnl, 500' fel, section 4, T22S, R31E) Lost Tank "4" Federal #9 (2610' fnl, 1850' fel, section 4, T22S, R31E) Lost Tank "4" Federal #10 (2610' fnl, 2310' fwl, section 4, T22S, R31E) Lost Tank "4" Federal #11 (2410' fnl, 990' fwl, section 4, T22S, R31E)

### Summary

Pogo Producing Company is requesting permission to drill 8 Delaware Formation tests at unorthodox locations in its Lost Tank West Field. Granting of these locations will allow Pogo to develop its remaining acreage in section 3 and section 4 with optimal spacing between the proposed locations and existing locations.

#### Discussion

The unusual spacing of the existing wells in Pogo's acreage in the north half of section 3 and the north half of section 4 is a result of its proximity to potential potash reserves. Discussions between Pogo Producing Company and the BLM have resulted in Pogo being granted permission to continue developing the south halves of sections 3 and 4. In order to optimize well spacing in the remaining undeveloped portions of these sections, it is necessary to drill 8 of the remaining 21 development wells at unorthodox locations.

The Lost Tank West Delaware Field produces from several of the Delaware Sands. Two of the more prolific sands in this field are the Lower Brushy "A" Sand, and the Middle Brushy "F" Sand. The proposed unorthodox locations will optimize well spacing, thus providing an opportunity for better oil and gas recovery from these two productive sands.

### Brushy "A" Geology

Exhibit 1 shows the structural elevation on the top of the Brushy "A" zone (gray contours). Structure dips regionally to the southeast at an average rate of 100' per mile. The colorfilled contours show the net sand thickness of main pay sand within the Brushy "A" zone (BC4 Sand). This Brushy "A" interval is interpreted as a submarine sand channel that trends in a northeast-southwest direction through sections 3 and 4, with net pay thickness ranging from 15' to 85'. The 8 proposed unorthodox locations are highlighted with green arrows.

## Brushy "F" Geology

Exhibit 2 shows the structural elevation on the top of the Brushy "F" zone (gray contours). Structure dips regionally to the southeast at an average rate of 80' per mile. The color-filled contours show the net sand thickness of the main pay sand within the Brushy "F" zone. The Brushy "F" sand consists of a series of northeast-southwest-trending over-bank splays that originate from a large channel located 2 ½ miles east of section 3. Pogo expects to encounter up to 30 feet of productive net sand in the eastern locations, with pay thickness diminishing in locations toward the west.



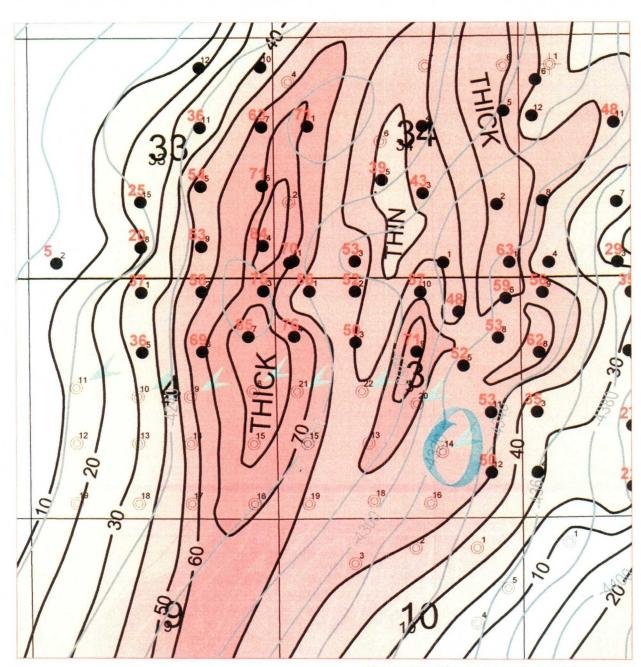


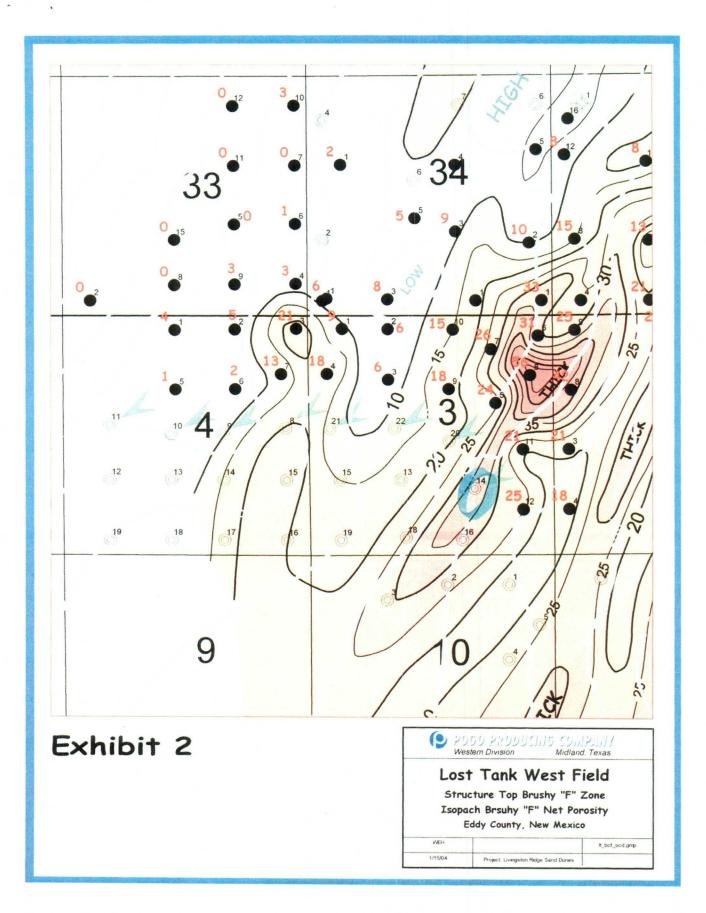
Exhibit 1



# Lost Tank West Field

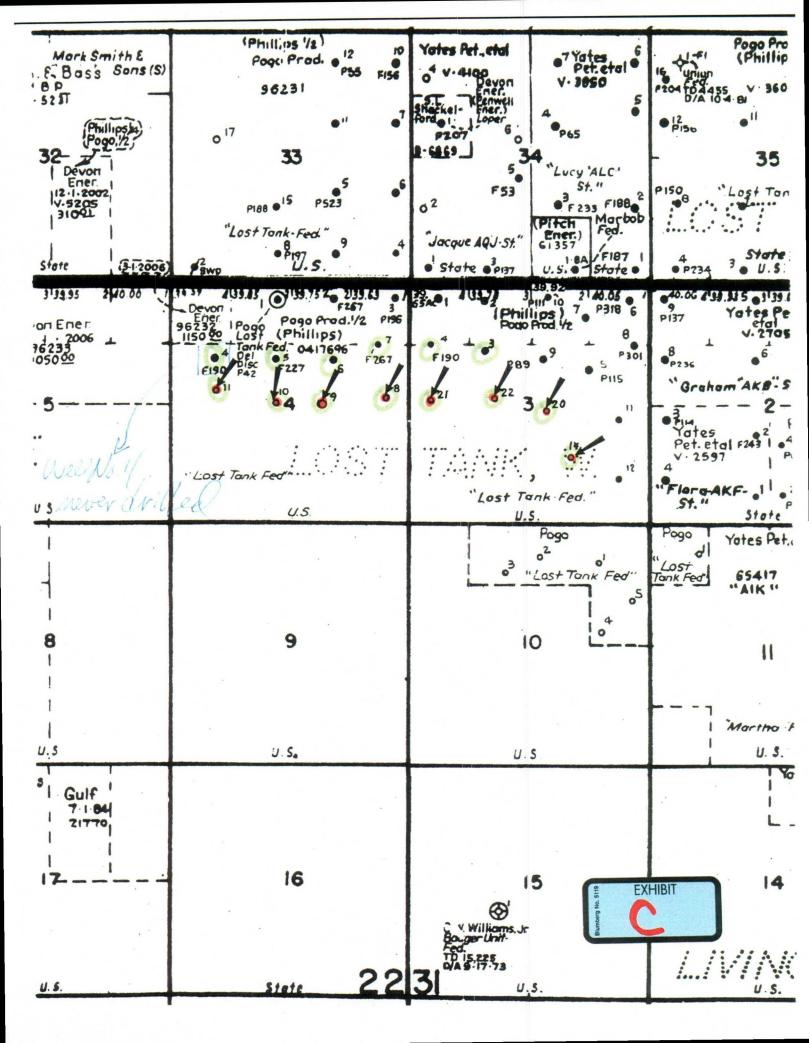
Structure Top Brushy "A" Zone Isopach BC4 Net Porosity Eddy County, New Mexico

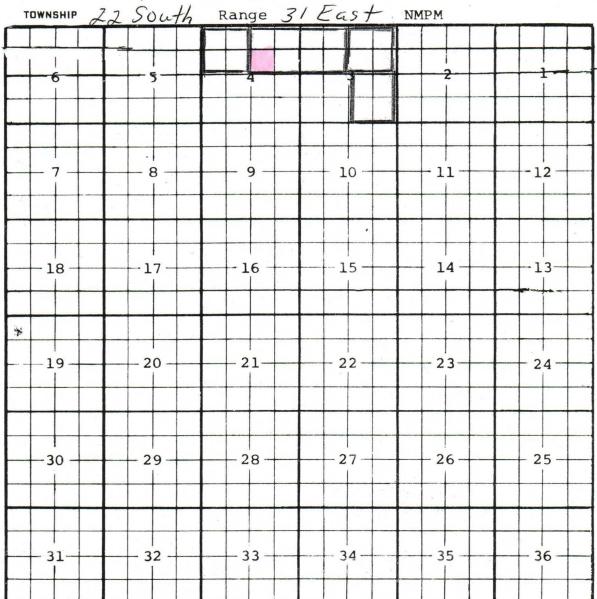
WEH	Т	it_bc4_ocd_gmp	
1/15/04	Project Livingston Ridge Sand Dunes	1" = 2000"	



county Eddy pool West Lost Tank-Delaware TOWNSHIP 22 South Range 31 East NMPM 10 -- 11 -- 18 -- 16 -20 --19 -21-22 23-24 -30 -28 -31-32 - 33 -Description: NW4 Sec. 4 (R-10787, 4-9-97)

Ext: NW4 Sec.3, NE4 Sec. 4 (R-10951, 2-4-98) Ext: NE4 Sec. 3 (1-11384, 5-25-00) Ext. 5845ec. 3 (A-12002, 8-11-03)





Description: NW/4 Sec. 4 (R-10787, 4-9-97)

Ext: NW/4 Sec. 3, NF/4 Sec. 4 (R-10951, 2-4-98) Ext: NF/4 Sec. 3 (A-11384, 5-25-40)

Ext: 5E/4 Sec. 3 (A-12002, 8-11-03)

Page: 1 Document Name: untitled

CMD:

OG6 I WCM INQUIRE WELL COMPLETIONS ONGARD

03/23/04 11:35:27 OGOMES -TPVQ

API Well No : 30 15 29733 Eff Date : 08-31-1997 WC Status : A

Pool Idn 96582 LOST TANK; DELAWARE, WEST

OGRID Idn 17891 POGO PRODUCING CO

Prop Idn 17955 LOST TANK 4 FEDERAL

Well No 900

GL Elevation: 3450

U/L Sec Township Range North/South East/West Prop/Act (P/A)

B.H. Locn Lot Identifier: 22S 31E FTG 1650 F N FTG 1650 F E Ъ

Dedicated Acre: 40.00

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O): Lease Type

M0025: Enter PF keys to scroll

PF01 PF07 PF02 PF08 PF09 PF03 EXIT PF10 NEXT-WC PF11 HISTORY PF12 NXTREC PF04 GoTo PF05 PF06

OG6IPRD CMD : INQUIRE PRODUCTION BY POOL/WELL ONGARD 03/23/04 11:36:12 Page No: 1 OGOMES -TPVQ

OGRID Identifier : : 17891 POGO PRODUCING CO : 96582 LOST TANK; DELAWARE, WEST

Pool Identifier

API Well No : 30 15 29733 Report Period - From : 01 2003 To : 01 2004

PF01 PF07		30	30	30	30	30	30	30	API
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keys to scr PF03 EXIT PF09	Period Total (Gas, Oil)	FEDERAL	me						
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	Page No: 2	OGOMES -TPVQ	03/23/04 11:36:15

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	Name	! ! ! ! ! ! !	15 29733 R	96582 LOST TANK; DELAWARE, WEST
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Prod	Days	 	riod -	ARE, WE
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Stat	Well	1 	<b>4</b> 4	

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д	586		524	1500	31	03	10	4 FEDERAL	TANK	LOST	29733	15
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