

DATE IN 6-27-05	SUSPENSE	ENGINEER STOENER	LOGGED IN 6-28-05	TYPE NSL	APP NO. Psemo517935682
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



*for Last Tank 3 Fed  
Dec 23  
w/2 equivalent Sec. 3*

**ADMINISTRATIVE APPLICATION CHECKLIST**

*T 225  
R 31E*

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication  
 NSL  NSP  SD

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

[D] Other: Specify \_\_\_\_\_

[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

2005 JUN 27 PM 1 49

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce  
Print or Type Name

*James Bruce*  
Signature

Attorney for Applicant  
Title

6/27/05  
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](mailto:jamesbruc@aol.com)

*P SEMO -  
517935652*

June 27, 2005

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 applies for approval of two unorthodox gas well locations, as follows:

Well: Lost Tank "3" Federal (Deep) Well No. 23  
Location: 1330 feet FNL & 630 feet FWL  
Well unit: Lots 3, 4, S $\frac{1}{2}$ NW $\frac{1}{4}$ , and SW $\frac{1}{4}$  (the W $\frac{1}{2}$ ) of Section 3, Township 22 South, Range 31 East, N.M.P.M., Eddy County, New Mexico (319.43 acres)

Well: Lost Tank "4" Federal (Deep) Well No. 20  
Location: 1330 feet FNL & 510 feet FWL  
Well unit: Lots 1, 2, S $\frac{1}{2}$ NE $\frac{1}{4}$ , and SE $\frac{1}{4}$  (the E $\frac{1}{2}$ ) of Section 4, Township 22 South, Range 31 East, N.M.P.M., Eddy County, New Mexico (319.38 acres)

The wells will be drilled to a depth sufficient to test the Wolfcamp formation (wildcat Wolfcamp). It is anticipated that the wells will be gas wells, spaced on 320 acres, with wells to be located no closer than 660 feet to a quarter section line nor closer than 330 feet to a quarter-quarter section line. Notices of Staking for the wells are attached as Exhibits A and B.

The acreage is in the oil-potash area, and the Bureau of Land Management has "requested" that the proposed wells be located within 150 feet of existing wells (the Lost Tank 3 Federal Well

No. 4, located 1330 feet FNL and 480 feet FWL of Section 3; and the Lost Tank 4 Federal Well No. 7, located 1330 feet FNL and 660 feet FEL of Section 4).

All of Sections 3 and 4 (except Lot 4 of Section 4) are subject to U.S. Lease NM 0417696. See Exhibit C. Leasehold ownership is common throughout the lease. Therefore, there is no adversely affected interest owner, and notice of this application has not been given to anyone.

Please contact me if you need any further information on this application.

Very truly yours,

  
James Bruce  
Attorney for Pogo Producing Company

APR-30-2005 11:45 AM TIERRA EXPLORATION

3918603

## NOTICE OF STAKING

(NOT TO BE USED IN PLACE OF

Application of Permit to Drill Form 3160-3)

6. Lease Number

NM-0417696

1. Oil Well  Gas Well  Other  
(Specify)7. If Indian, Aletta or  
Tribe Name2. Name of Operator  
POGO PRODUCING COMPANY 432-685-8100  
P.O. BOX 10340  
MIDLAND, TEXAS 79702-7340

8. Unit Agreement Name

3. Name of Specific Contact Person:  
TIERRA EXPLORATION, INC.  
P.O. BOX 2188  
HOBBES, NEW MEXICO 88241  
Joe T. Janica (505-391-8503)

9. Farm or Lease Name

LOST TANK "3" FEDERAL (DEEP)

4. Address & Phone No. of Operator or Agent  
POGO PRODUCING COMPANY  
P.O. BOX 10340  
MIDLAND, TEXAS 79702-7340  
RICHARD WRIGHT 432-685-8140

10. Well No.

23

5. Surface Location of Well

1330' ENL &amp; 630' FWL SECTION 3 T22S-R31E

11. Field or Wildcat Name

LOST TANK-WOLFCAMP WILDCAT

12. Sec., T., R., M., S1k  
and Survey or Area

SECTION 3 T22S-R31E

13. Formation Objective (s)

WOLFCAMP

17. Estimated Well Depth

12,900'

13. County, Parish

EDDY CO.

14. State

NEW MEXICO

17. Additional Information (as appropriate; shall include surface owner's name, address and, if known, telephone number. Surface and minerals are owned by The U.S. Department of Interior and is administered by The Bureau of Land Management. Surface is used for livestock grazing and oil and gas production.

12. Signed Joe T. Janica Title Agent Date 04/30/05

Note: Upon receipt of this Notice, the Bureau of Land Management (BLM) will schedule the date of the onsite predrill inspection and notify you accordingly. The location must be staked and access road must be flagged prior to the onsite.

Operators must consider the following prior to the onsite:

- 1) H<sub>2</sub>S Potential
- 2) Cultural Resources (Archeology)
- 3) Federal Right of Way or Special Use Permit



APR-30-2005 11:44 AM TIERRA EXPLORATION

3918603

P. 02

(NOT TO BE USED IN PLACE OF Application of Permit to Drill Form 318C-3)

a. Lease Number  
NM-0417696

1. Oil Well  Gas Well  Other (Specify)

7. If Indian, Alottee or Tribe Name

2. Name of Operator  
POGO PRODUCING COMPANY 432-685-8100  
P.O. BOX 10340  
MIDLAND, TEXAS 79702-7340

8. Unit Agreement Name

3. Name of Specific Contact Person:  
TIERRA EXPLORATION, INC.  
P.O. BOX 2188  
HOBSBS, NEW MEXICO 88241  
Joe T. Janica (505-391-8503)

9. Farm or Lease Name  
LOST TANK "4" FEDERAL (DEEP)

4. Address & Phone No. of Operator or Agent  
POGO PRODUCING COMPANY  
P.O. BOX 10340  
MIDLAND, TEXAS 79702-7340  
RICHARD WRIGHT 432-685-8140

10. Well No.  
20

11. Field or Wildcat Name  
LOST TANK-WOLFCAMP (WILDCAT)

5. Surface Location of Well  
1330' FNL & 510' FRI. SECTION 4 T22S-R31E

12. Sec., T., R., M., Elk and Survey or Area  
SECTION 4 T22S-R31E

13. Formation Objective (s) WOLFCAMP	17. Estimated Well Depth 12,900'	13. County, Parish EDDY CO.	14. State NEW MEXICO
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17. Additional information (as appropriate; shall include surface owner's name, address and, if known, telephone number. Surface and minerals are owned by The U.S. Department of Interior and is administered by The Bureau of Land Management. Surface is used for livestock grazing and oil and gas production.

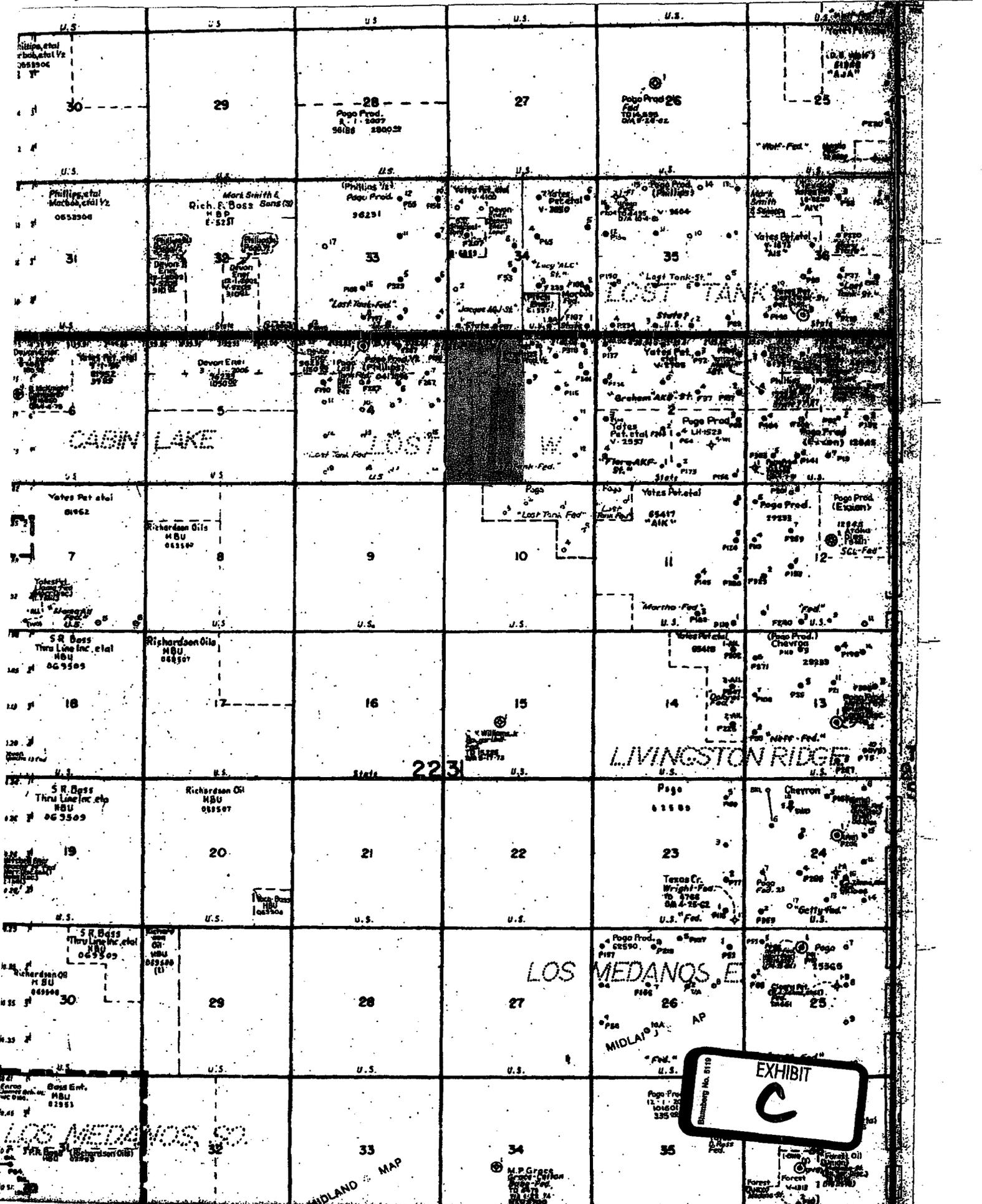
18. Signed Joe T. Janica Title Agent Date 04/30/05

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CABIN LAKE

LOST

LOST TANK

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2231

LIVINGSTON RIDGE

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LOS MEDANOS E

MIDLAND

LOS MEDANOS CO

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MIDLAND MAP

EXHIBIT  
C  
Shelburne No. 8119

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

07/13/05 09:20:27

Sec : 03 Twp : 22S Rng : 31E Section Type : NORMAL

OGOMES -TQNJ  
PAGE NO: 1

4 39.65 Federal owned R A	3 39.78 Federal owned R A	2 39.92 Federal owned R A A	1 40.05 Federal owned R A
E 40.00 Federal owned R A	F 40.00 Federal owned R A	G 40.00 Federal owned R A	H 40.00 Federal owned R A A
L 40.00 Federal owned R	<b>319.43</b>		
M 40.00 Federal owned R	N 40.00 Federal owned R	O 40.00 Federal owned R	P 40.00 Federal owned R A