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DATE IN 5/24/06	SUSPENSE	ENGINEER M. KESTNER	LOGGED IN 5/25/06	TYPE NSL	APP NO. PTD50614459711
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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



**ADMINISTRATIVE APPLICATION CHECKLIST**

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

[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.

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

*James Bruce*  
 \_\_\_\_\_  
 Signature

*Attorney for Applicant* 5/24/06  
 \_\_\_\_\_  
 Title Date

*jamesbruce@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)

31  
1405  
- 1330  
75

May 24, 2006

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 an unorthodox oil well location for the following well:

<u>Well:</u>	Lost Tank "3" Fed. Deep Well No. 23
<u>Location:</u>	1405 feet FNL & 630 feet FWL
<u>Well unit:</u>	SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 3, Township 22 South, Range 31 East, N.M.P.M., Lea County, New Mexico

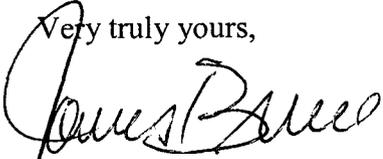
The well will be drilled to a depth sufficient to test the Wolfcamp formation (wildcat Wolfcamp). It is anticipated that the Wolfcamp in this area will be an oil zone, spaced on 40 acres under the Division's statewide rules, with wells to be located no closer than 330 feet to a quarter-quarter section line. An APD for the well, with a Form C-102, is attached as Exhibit A.

The well location is based on topographic reasons. The proposed well will use the wellpad for the existing Lost Tank "3" Fed. Well No. 4, located 1330 feet FNL & 480 feet FWL of Section 3, which is a Delaware well (its unorthodox location was previously approved by the Division). See Exhibit B. This is done to comply with Bureau of Land Management requests to minimize surface disturbance.

All of Section 3 is subject to United States 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,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above the printed name.

James Bruce

Attorney for Pogo Producing Company

DEPARTMENT OF THE INTERIOR RECEIVED BUREAU OF LAND MANAGEMENT OPERATOR'S COPY

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK: DRILL [X] DEEPEN [ ] MIDLAND
2. NAME OF OPERATOR: POGO PRODUCING COMPANY (RICHARD WRIGHT 432-685-8140)
3. ADDRESS AND TELEPHONE NO.: P.O. BOX 10340 MIDLAND, TEXAS 79702-7340 (432-685-8100)
4. LOCATION OF WELL: 1405' FNL & 630' FWL SECTION 3 T22S-R31E EDDY CO. NM
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 35 miles East of Carlsbad New Mexico
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.: 630'
16. NO. OF ACRES IN LEASE: 1240
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.: 175'
19. PROPOSED DEPTH: 12,800'
20. ROTARY OR CABLE TOOLS: ROTARY
21. ELEVATIONS: 3477' GR. Carlsbad Controlled Water Basin
22. APPROX. DATE WORK WILL START WHEN APPROVED

Table with 5 columns: SIZE OF HOLE, GRADE SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Rows include 26" Conductor, 17 1/2" H-40 13 3/8", 12 1/4" N-80 9 5/8", 8 1/2" P-110 7", 6 1/8" P-110 5".

SEE ATTACHED SHEET.

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

Exhibit A

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.

SIGNED: [Signature] TITLE: Agent DATE: 05/24/05

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

APPROVED BY: [Signature] TITLE: STATE DIRECTOR DATE: 3/10/06

\*See Instructions On Reverse Side APPROVAL FOR 1 YEAR

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I

1625 N. FRENCH DR., HOBBES, NM 88240

DISTRICT II

1361 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102  
Revised JUNE 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
		WILDCAT-WOLFCAMP
Property Code	Property Name	Well Number
	LOST TANK "3" FEDERAL (DEEP)	23
OGRID No.	Operator Name	Elevation
17891	POGO PRODUCING COMPANY	3477'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	3	22-S	31-E		1405	NORTH	630	WEST	EDDY

Bottom Hole Location If Different From Surface

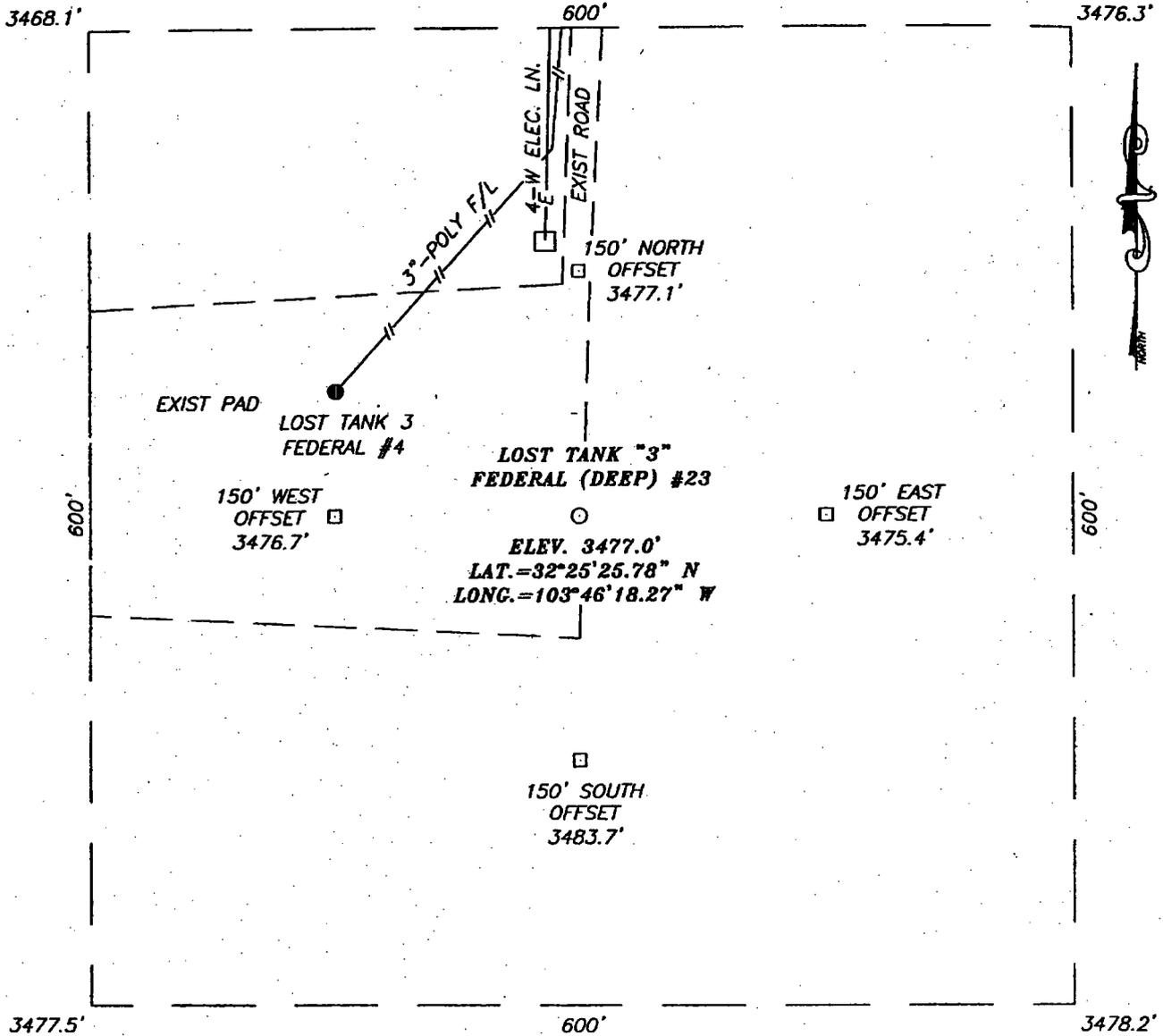
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint 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

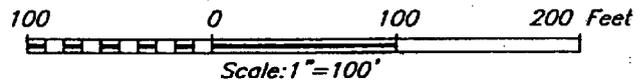
	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Joe T. Janica</i> Signature</p> <p>Joe T. Janica Printed Name</p> <p>Agent</p> <p>Title</p> <p>05/24/05 Date</p>	
	<p>SURVEYOR CERTIFICATION</p> <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>MAY 20, 2005</p> <p>Date Surveyed _____ JR</p> <p>Signature &amp; Seal Professional Surveyor <i>Gary Edson</i> GARY EDSON NEW MEXICO 05.11.0684 05/24/05</p> <p>Certificate No. GARY EDSON 12841</p>	
<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=518357.9 N X=673286.4 E</p> <p>LAT.=32°25'25.78" N LONG.=103°46'18.27" W</p>		

# SECTION 3, TOWNSHIP 22 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO



### DIRECTIONS TO LOCATION

AT MILE MARKER #3 FROM LOUIS WHITLOCK RD. (WHIPP RD.) GO SE ON WHIPP RD. FOR APPROX. 0.4 MILES TO A CALICHE ROAD ON THE LEFT. TURN LEFT (NORTH) AND GO APPROX. 0.8 MILES. TURN RIGHT (EAST) AND GO APPROX. 0.5 MILES. TURN LEFT (NORTH) AND GO APPROX. 0.9 MILES. TURN RIGHT (EAST) AND GO APPROX. 0.7 MILES TO A CALICHE ROAD ON THE RIGHT. TURN RIGHT AND GO APPROX. 0.1 MILES TO THIS LOCATION.



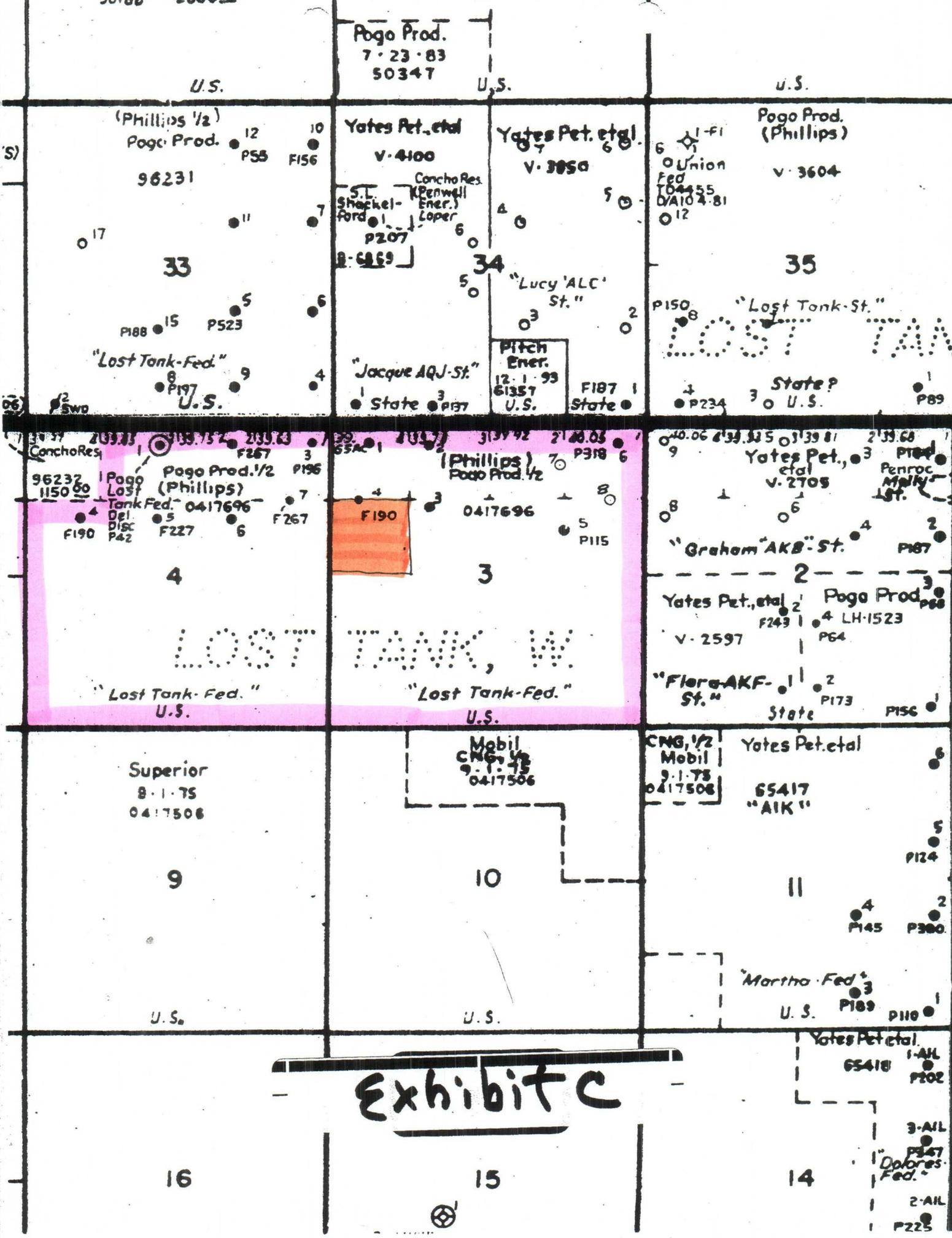
PROVIDING SURVEYING SERVICES SINCE 1948

**JOHN WEST SURVEYING COMPANY**

412 N. DAL PASO  
HOBBS, N.M. 88240  
(505) 383-3117

<b>POGO PRODUCING COMPANY</b>			
LOST TANK "3" FEDERAL (DEEP) #23 WELL LOCATED 1405 FEET FROM THE NORTH LINE AND 630 FEET FROM THE WEST LINE OF SECTION 3, TOWNSHIP 22 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.			
Survey Date: 05/20/05	Sheet 1 of 1 Sheets		
W.O. Number: 05.11.0684	Dr By: J.R.	Rev 1:N/A	
Date: 05/23/05	Disk: CD#5	05110684	Scale: 1"=100'

# Exhibit B



# Exhibit C

16

15

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3-AIL  
P147  
Dalores Fed.  
2-AIL  
P225