

DATE IN 8/26	SUSPENSE 9/15	ENGINEER MS	LOGGED IN ms	TYPE NSL	APP NO. PMESO 323935568
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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.

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

James Bruce
 Print or Type Name

Signature

Attorney for Applicant

Title

jamesbruc@aol.com

e-mail Address

Date

RECEIVED
 AUG 26 2003
 Oil Conservation Division

8/23/03

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) 982-2151 (FAX)

jamesbruc@aol.com

August 23, 2003

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 administrative approval of an unorthodox gas well location for the following well:

<u>Well:</u>	McMillan "4" Fed. Com. Well No. 1
<u>Location:</u>	660 feet FNL & 2550 feet FWL
<u>Well Unit:</u>	Lots 1-4 and S½N½ (N½ equivalent) of Section 4, Township 20 South, Range 27 East, N.M.P.M., Eddy County, New Mexico

The well will be drilled to a depth sufficient to test the Morrow formation (Undesignated North McMillan-Morrow Gas Pool). However, applicant requests unorthodox location approval for all formations from the top of the Cisco/Canyon formation to the base of the Morrow formation. The APD for the well is attached as Exhibit A.

The application is based upon the geology in the Cisco/Canyon formation. Attached as Exhibit B is a structure map on top of the Cisco dolomite, with a geologic summary attached. Applicant needs to drill at the unorthodox location to penetrate the crest of the dolomite feature.

Attached as Exhibit C is a land plat. Lot 1 and the S½NE¼ of Section 4 is covered by Federal Lease NM 02295, and the remaining acreage in Section 4 is covered by Federal Lease NM 92756. Leasehold ownership is set forth on Exhibit D. All parties in the N½ of Section 4 will share in production from the well as to zones spaced on 320 acres. As to oil zones, the location is interior to Lease NM 92756, so no one is adversely affected. (Applicant does not request unorthodox location approval for any zones spaced on 160 acres.)

As a result, the well is not adversely affecting interest owners in the NE¼ of Section 4, so notice has not been given to anyone.

In addition, pursuant to Rule 104.D(2), applicant requests approval of a 324.40 acre non-standard gas spacing and proration unit for the well. The non-standard unit is based on variations in the government survey.

Please call me if you need anything further on this matter.

Very truly yours,

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

James Bruce

Attorney for Pogo Producing Company

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

MIDLAND

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒OTHER ☐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 (915-695-8100)

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

660' FNL & 2550' FWL SECTION 4 T20S-R27E EDDY CO. NM

At proposed prod. zone SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 12 miles North North East of Carlsbad New Mexico.

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

2250'

19. PROPOSED DEPTH

11,000'

20. ROTARY OR CABLE TOOLS

ROTARY

21. ELEVATIONS (Show whether DF, ET, GR, etc.)

3417' GR.

22. APPROX. DATE WORK WILL START*
WHEN APPROVED

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	Conductor	NA	40'	Cement to surface with Redi-mix.
17½"	H-40 13 3/8"	48	250'	250 Sx. Circulate cement to surface.
12½"	J-55 9 5/8"	40.5	3000'	1200 Sx. " " " "
*8½"	J-55 7"	26	9000'	750 Sx. Estimate TOC 2000' FS.
7 7/8"	L-80 5½"	17	11,000'	1200 Sx. " " " "
* 6 1/8"	L-80 5"	18	8800-11,000' (liner)	300 Sx. Top of cement liner hanger.

SEE ATTACHED SHEET FOR DRILLING & CEMENTING
PROGRAM.

POGO PRODUCING COMPANY accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land under this lease.
Lease # NM-92756

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 open directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED

Robert T. Janicek

Agent

DATE 07/30/03

(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

TITLE

DATE

*See Instructions On Reverse Side

The 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

Blumberg No. 5208

EXHIBIT

A

POGO PRODUCING COMPANY
McMILLAN "4" FEDERAL COM. # 1
LOT 3 UNIT "C" SECTION 4
T20S-R27E EDDY CO. NM

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 17½" hole to 250'. Run and set 250' of 13 3/8" 48# H-40 ST&C casing. Cement with 250 Sx. of Class "C" cement + 2% CaCl, + ¼# Flocele/Sx. circulate cement to surface.
3. Drill 12½" hole to 3000'. Run and set 3000' of 9 5/8" 40.5# J-55 ST&C casing. Cement with 1200 Sx. of Class "C" cement + 2% CaCl, + ¼# Flocele/Sx. circulate cement.
4. Drill 8½" hole to 9000'± (through the Cisco) if no lost circulation problems occur reduce the hole size to 7 7/8" and drill to total depth of 11,000'. Run and set 11,000' of 5½" 17# N-80 LT&C casing. Cement in 3 stages with DVtools set at 9100' & 6000' ±. Cement with 1200 Sx. of Class "H" cement + additives, estimate top of cement 2000' from surface.
5. If lost circulation presents a problem in the Cisco drill through the Cisco and set 7" 26# J-55 LT&C casing. Cement with 500 Sx. of Class "C" cement + additives, tail in with 250 Sx. of Class "H" cement + additives, estimate top of cement 2000' from surface. Drill out from under the 7" casing with a 6 1/8" bit to 11,000'. Run a 2200' 5" 18# ST&C L-80 liner from 11,000' back to 8800'. Cement with 300 Sx. of Class "H" Premium Plus cement + additives.

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 81280	Pool Name McMILLAN MORROW-NORTH
Property Code	Property Name McMILLAN "4" FEDERAL COM	Well Number 1
OGRID No. 17891	Operator Name POGO PRODUCING COMPANY	Elevation 3417'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 3	4	20 S	27 E		660	NORTH	2550	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

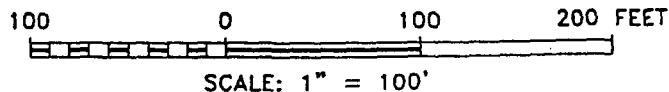
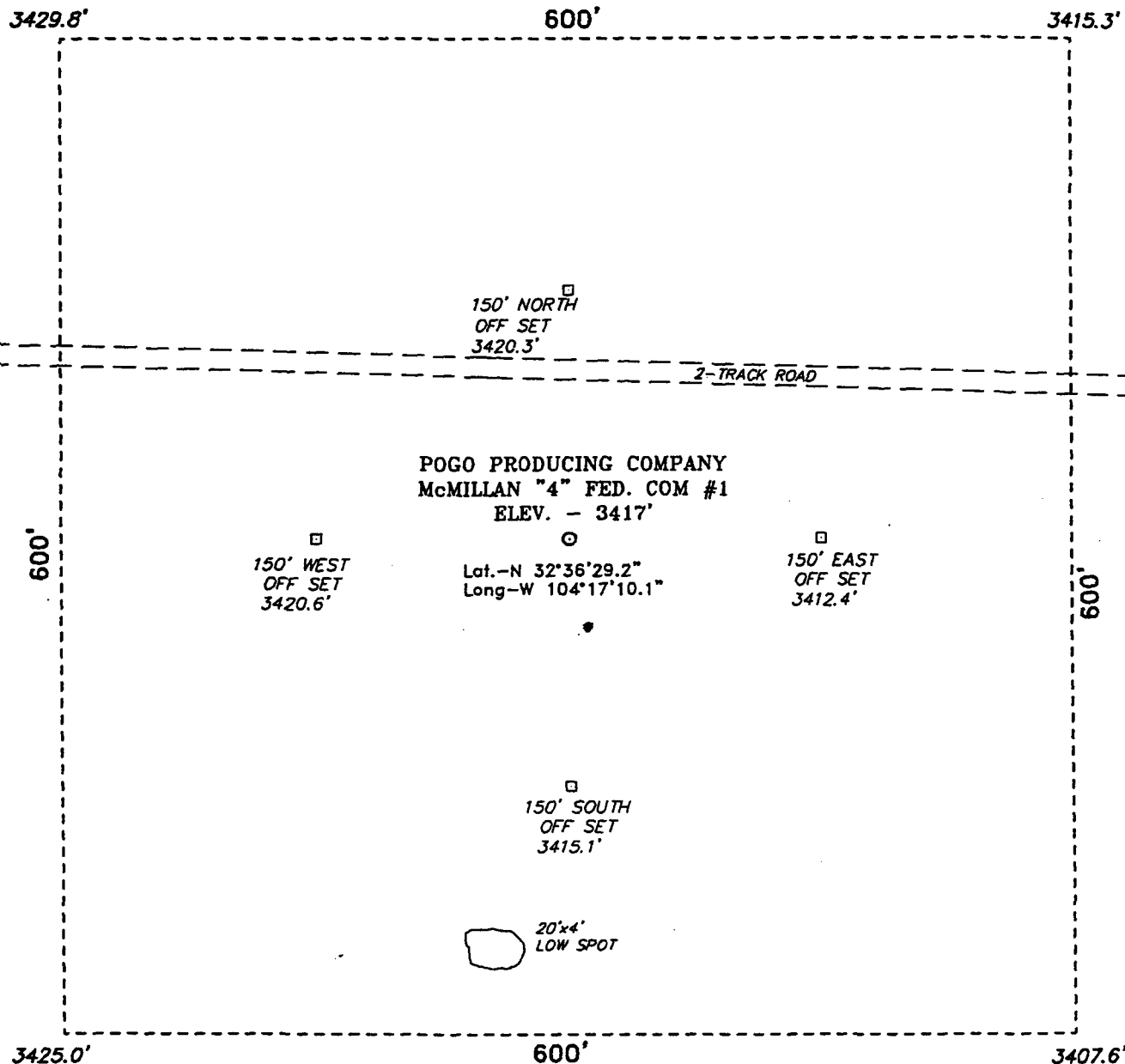
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <i>Joe T. Janica</i> Signature Joe T. Janica Printed Name Agent Title 07/30/03 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 supervision and that the same is true and correct to the best of my belief. JULY 14, 2003 Date L. JONES Signature Seal of Professional Surveyor W.O. No. 3434 Certificate No. Gary L. Jones 7977 BASIN SURVEYS

EXHIBIT "A"

SECTION 4, TOWNSHIP 20 SOUTH, RANGE 27 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF CO. RD. 236 AND CO. RD. 206, GO WEST AND SOUTHWEST ON CO. RD. 206 FOR APPROX. 6.5 MILES TO A LEASE ROAD; THENCE EAST ON LEASE ROAD FOR APPROX. 0.9 MILE TO A POINT ON THE PROPOSED WELL PAD.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 3433 Drawn By: K. GOAD

Date: 07-15-2003 Disk: KJG CD#4 - 3433A.DWG

POGO PRODUCING CO.

REF: McMILLAN "4" FED. COM #1 / Well Pad Topo

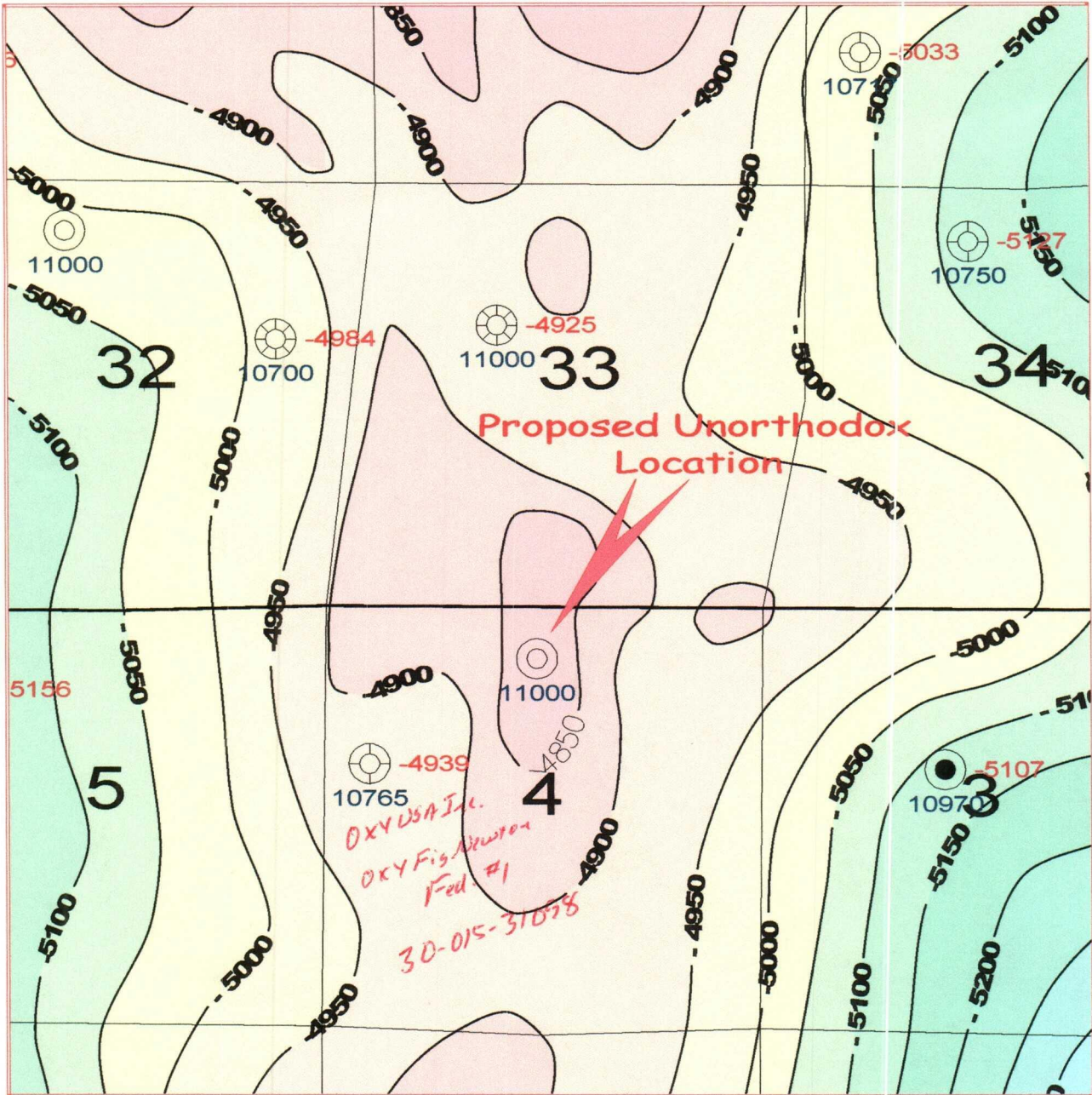
THE McMILLAN "4" FED. COM No. 1 LOCATED 660' FROM THE NORTH LINE AND 2550' FROM THE WEST LINE OF SECTION 4, TOWNSHIP 20 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 07-14-2003 Sheet 1 of 1 Sheets

R27E

T19S

T20S



POGO PRODUCING COMPANY

Western Division

Midland, Texas

North McMillan Prospect

Top Cisco Dolomite

Eddy County, New Mexico

WEH

7/28/03

Contour Interval: 50'

03_OCD1.gpf

Blumberg No. 5208

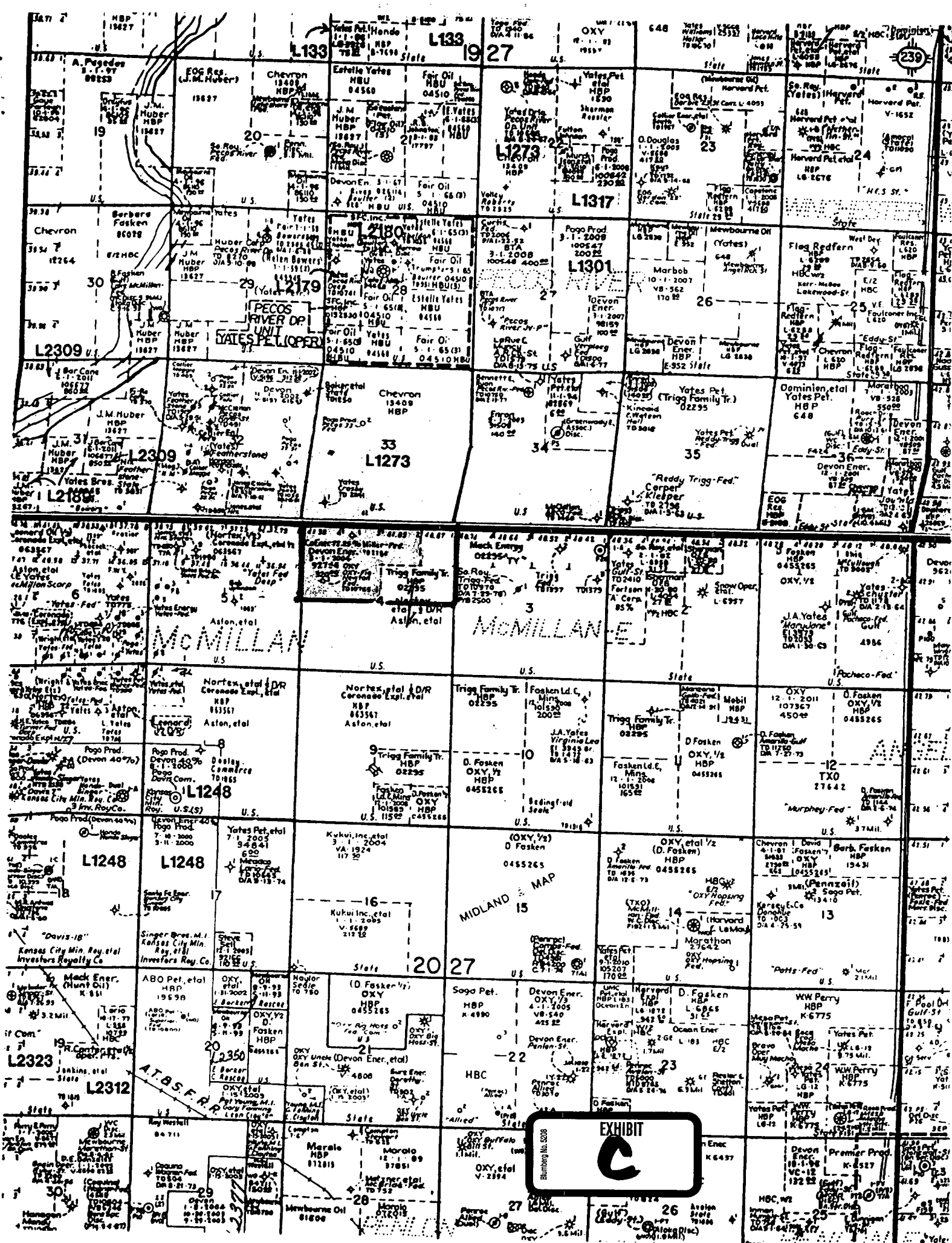
EXHIBIT

B

**Pogo Producing Company
McMillan "4" Fed Com #1**

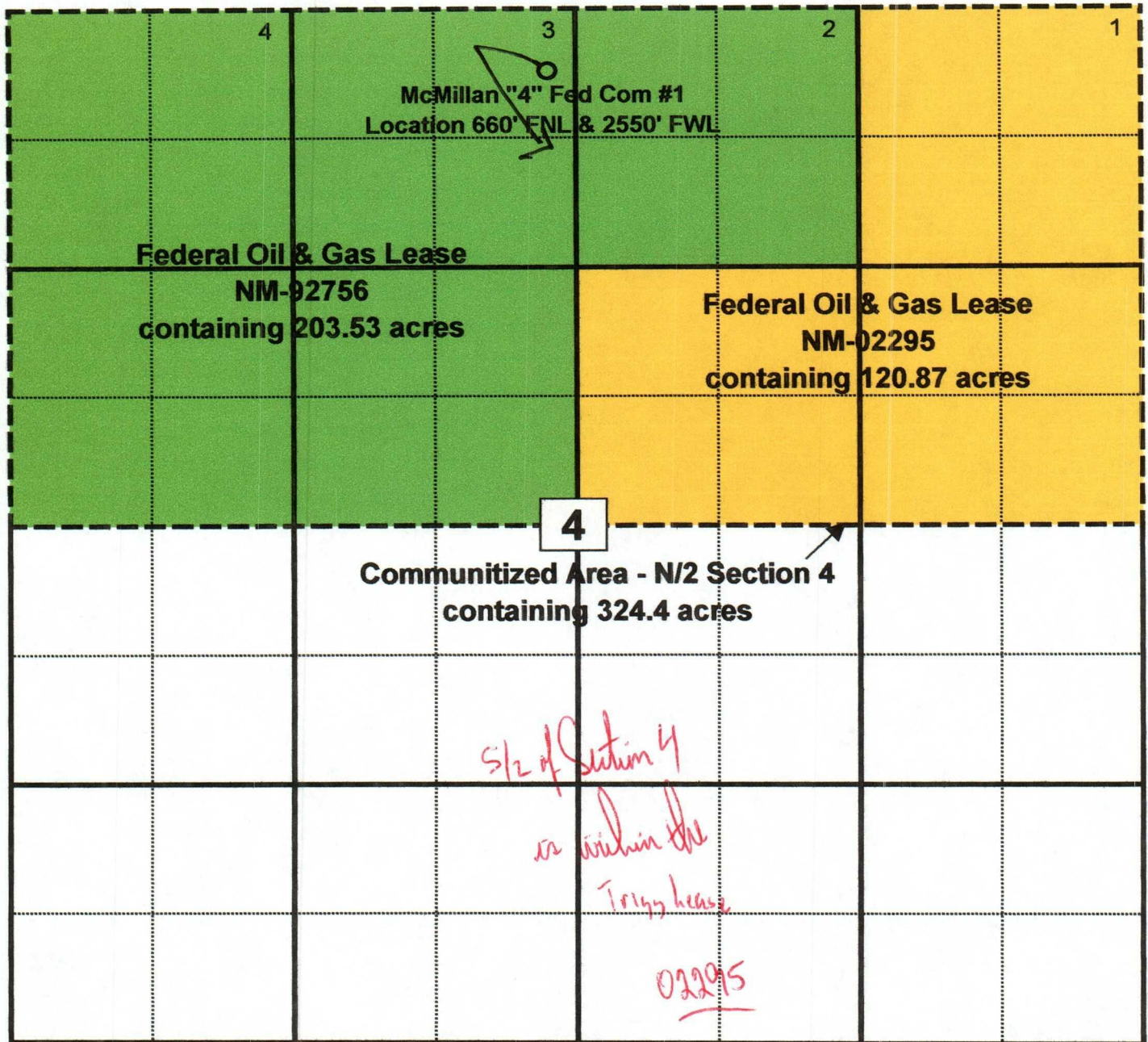
Application for Unorthodox Location due to Geologic Reasons

1. Pogo requests approval for the proposed McMillan "4" Fed Com #1 well at an unorthodox location due to geological considerations.
2. The proposed well has a planned total depth of 11,000', which will test prospective gas producing targets in the Morrow Sands and the Cisco/Canyon Dolomite.
3. The proposed well is located at the crest of an algal bioherm, developed in the Cisco/Canyon. Evaluation of 3D seismic data indicates that the crest of the bioherm coincides with a structural closure, mapped at the top of the Cisco (**see attached exhibit**).
4. Due to its small size, it is not possible to penetrate the crest of the structural closure at an orthodox location.
5. The proposed location allows Pogo to test the Morrow Sands, while also testing the Cisco Dolomite with a single well bore.



Township 20 South, Range 27 East

Eddy County, New Mexico



NM-92756	Royalty:	
Below 4000'	USA	0.125000
	WI:	
	Pogo Producing Company	1.000000

NM-02295	Royalty:	
Below 4000'	USA	0.125000
	WI:	
	Harvey E. Yates Company, et al	1.000000



✓ Angel Ranch-Atoka-Morrow Gas 320
 Artesia-Queen-Grayburg-San Andres 40
 ✗ Four Mile Draw-Atoka Gas 320
 ✗ East Lake-Morrow Gas 320
 East Lake McMillan-Wolfcamp Gas 320
 ✗ McMillan-Atoka Gas 320
 ✗ Southwest McMillan-Atoka Gas 320
 ✗ North McMillan-Grayburg 40
 ✓ North McMillan-Morrow Gas 320
 ✗ McMillan-Upper Pennsylvanian Gas 320
 McMillan-Seven Rivers-Queen 40
 East McMillan-Seven Rivers-Queen 40
 Millman-Grayburg 40
 West Millman-Grayburg 40
 ✗ Millman-Strawn Gas 320

✓ Angel Ranch-Atoka-Morrow Gas 320
 ✗ Northeast Avalon-Atoka Gas 320
 Avalon-Bone Spring 40
 Avalon-Bone Spring Gas 160
 East Avalon-Bone Spring Gas 160
 North Avalon-Bone Spring 40
 Avalon-Delaware 40
 ✗ Avalon-Morrow Gas 320
 ✗ Avalon-Strawn Gas 320
 ✗ Northeast Avalon-Strawn Gas 320
 Avalon-Wolfcamp 40
 ✗ Burton Flat-Morrow Gas 320
 ✗ West Burton Flat-Strawn Gas 160
 West Burton Flat-Wolfcamp Gas 320
 Combs-Delaware Gas 160
 ✗ South Hardy-Strawn 40
 ✗ McMillan-Morrow Gas 640
 McMillan-Seven Rivers-Queen 40
 East McMillan-Seven Rivers-Queen 40
 McMillan-Wolfcamp 40

Penlon-Bone Spring 40
 East Penlon-Bone Spring 40
 Penlon-Delaware Gas 160
 ✗ Saladar-Upper Pennsylvanian Gas 320
 Southwest Avalon-Wolfcamp 40

Sec : 04 Twp : 20S Rng : 27E Section Type : NORMAL

4 41.33 Federal owned	3 41.17 Federal owned	2 41.03 Federal owned	1 40.87 Federal owned
E 40.00 Federal owned A	F 40.00 Federal owned	324.40 G 40.00 Federal owned	H 40.00 Federal owned
L 40.00 Federal owned	K 40.00 Federal owned	J 40.00 Federal owned	I 40.00 Federal owned
M 40.00 Federal owned	N 40.00 Federal owned	O 40.00 Federal owned	P 40.00 Federal owned