

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [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]

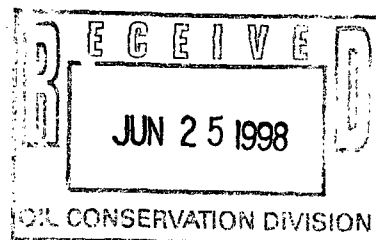
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling
☒ NSL ☐ NSP ☐ DD ☐ 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



[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] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

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

Note: Statement must be completed by an individual with supervisory capacity.

Print or Type Name

James Bruce
Signature

Attorney for Applicant
Title

6/26/98
Date

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

SUITE B
612 OLD SANTA FE TRAIL
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

June 26, 1998

Hand Delivered

Michael E. Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F.(2), Pogo Producing Company ("Pogo") applies for administrative approval of an unorthodox oil well location for the following well:

Covington "A" Fed. Well No. 36
2500 feet FSL & 2275 feet FWL
NE¼SW¼ §25, Township 22 South, Range 32 East, NMPM
Lea County, New Mexico

Attached as Exhibit A are a BLM Form 3160-3 and Division Form C-102 for the well.¹

The well will be drilled to a depth sufficient to test the Bone Spring formation (Red Tank-Bone Spring Pool). Pogo also requests approval of an unorthodox location in the Delaware formation (West Red Tank-Delaware Pool), which is the primary zone of interest. Both pools are governed by statewide rules, with 40 acre spacing and wells to be located no closer than 330 feet to a quarter-quarter section line.

The proposed location is based upon engineering and geologic reasons. Geology is based on well control. Attached as Exhibit B is a structure map on top of the basal Brushy Canyon BC-4 reservoir. It shows that the well will penetrate the reservoir in a favorable structural position, which will assist in optimal reservoir development. Attached as Exhibit C is a structure map of

¹The well is located on the same proration unit as the existing Covington "A" Fed. Well No. 5.

the middle Cherry Canyon. It also shows that the well will penetrate that reservoir in a favorable structural position. Pogo believes that the increased density will accelerate and increase the recovery of reserves from both zones, thus preventing waste. The increased density will reduce the final abandonment pressure of both reservoirs, thus increasing reserves. Finally, recovery of additional oil may be possible by using this wellbore and offset wellbores in a future pressure maintenance or waterflood project.

Submitted as Exhibit D is a land plat of the subject area, with the location of the proposed well and existing Delaware wells marked thereon. All of Section 25 is subject to federal lease NM 2379, and is operated by Pogo. Working, royalty, and overriding royalty ownership is common throughout Section 25 in the target formations. As to the working interest, Pogo owns 88.58322%, Burlington Resources Oil & Gas Company owns 10.49710%, and Yates Petroleum Corporation owns 0.91958%.

Since interest ownership is common in the proposed well unit and in offsetting acreage, notice is not required to be given to any offset owner. As a result, Pogo requests that the 20 day waiting period be waived.

This application is submitted in duplicate. Please call me if you need anything further on this matter.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce".

James Bruce

Attorney for Pogo
Producing Company

cc: T. Gant

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE
(Other instructions on reverse side)

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

RECEIVED

JUN - 5 1998

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) Ph 915-685-8140

3. ADDRESS AND TELEPHONE NO.

P.O. BOX 10340 MIDLAND, TEXAS 79702-7340 915-685-8140

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

At surface

2500' FSL & 2275' FWL SEC. 25 T22S-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 of Carlsbad, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

2275'

16. NO. OF ACRES IN LEASE

1280

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.

725'

19. PROPOSED DEPTH

9100'

20. ROTARY OR CABLE TOOLS

ROTARY

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

3768' 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" | 20" | NA | 40' | Cement to surface with Redi-mix |
| 14 3/4" | H-40 10 3/4" | 32.75 | 800' | 800 Sx. Circulate to surface |
| 9 7/8" | J-55 7 5/8" | 26.4 | 4550' | 1100 Sx. Circulate to surface |
| 6 3/4" | J-55, N-80 4 1/2" | 11.6 | 9100' | 1000 Sx. Estimate top Cem 4000' |

1. Drill 25" hole to 40'. Set 40' of 20" Conductor pipe & cement to surface with Redi-mix.
2. Drill 14 3/4" hole to 800'. Run and set 800' of 10 3/4" 32.75# H-40 ST&C casing. Cement with 800 Sx of Class "C" cement + additives, circulate cement to surface.
3. Drill 9 7/8" hole to 4550'. Run and set 4550' of 7 5/8" 24.6# J-55 ST&C casing. Cement with 1100 Sx. of Class "C" cement + additives, circulate cement to surface.
4. Drill 6 3/4" hole to 9100'. Run and set 9100' of 4 1/2" casing as follows: 2100' of 4 1/2" 11.6# N-80 ST&C, 5500' of 4 1/2" 11.6# J-55 LT&C, 1500' of 4 1/2" 11.6# N-80 LT&C casing. Cement with 1000 Sx. of Class "H" Premium cement + additives, estimate top of cement 4000'.

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

Jose T. Garcia

TITLE

Agent

DATE 06/04/98

(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

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

TITLE

DATE

*See Instructions On Reverse Side



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

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT IV

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------|---|-------------------------------------|
| API Number | Pool Code 51683 | Pool Name RED TANK - BONE SPRING |
| Property Code 009316 | Property Name COVINGTON "A" FEDERAL | Well Number 36 |
| OGRID No. 17891 | Operator Name POGO PRODUCING COMPANY | Elevation 3768 |

Surface Location

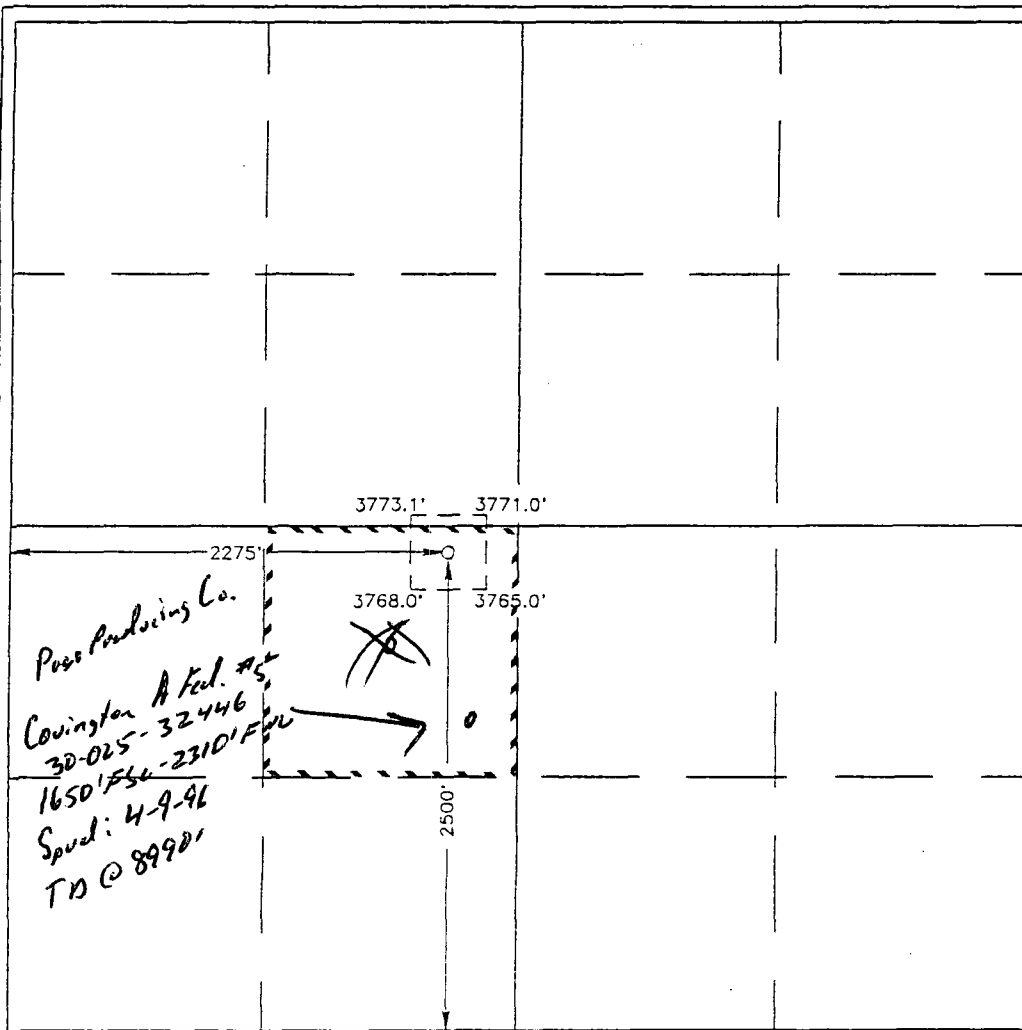
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| K | 25 | 22 S | 32 E | | 2500 | SOUTH | 2275 | WEST | 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 40 | 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



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Joe T. Janica
Signature

Joe T. Janica
Printed Name

Agent
Title

06/04/98
Date

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.

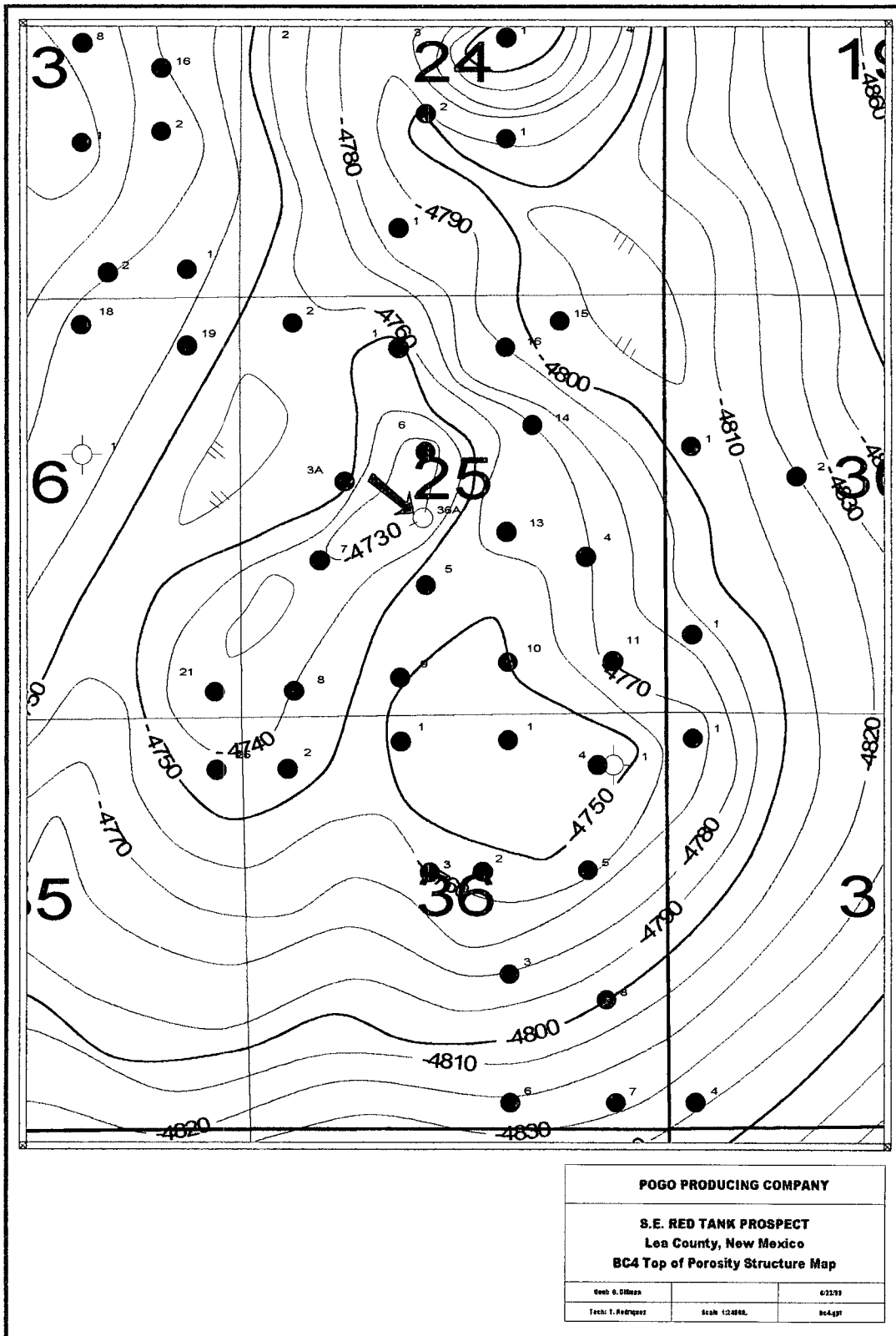
MAY 20, 1998

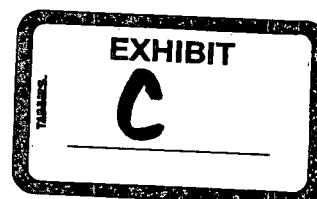
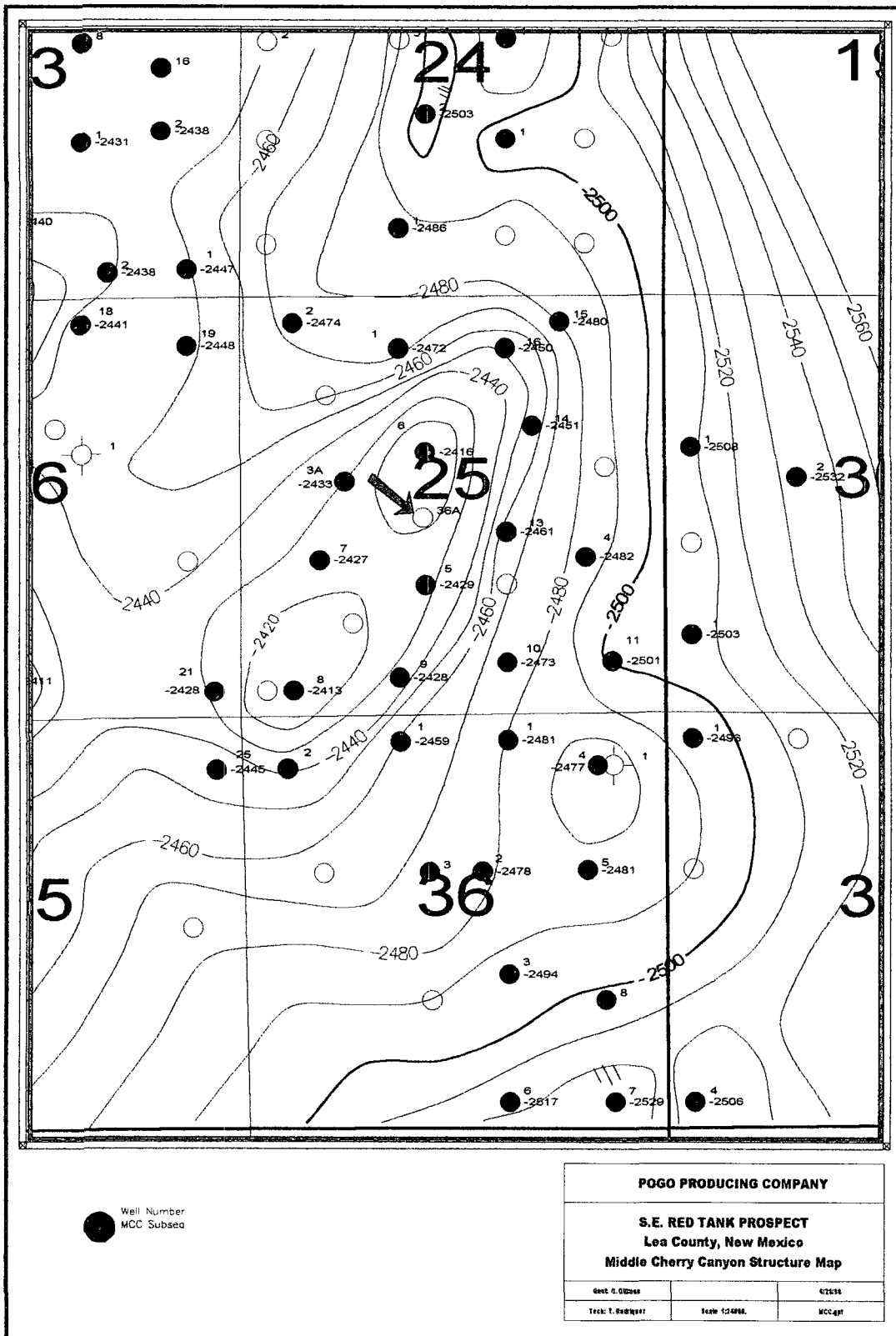
Date Surveyed _____ DMCC

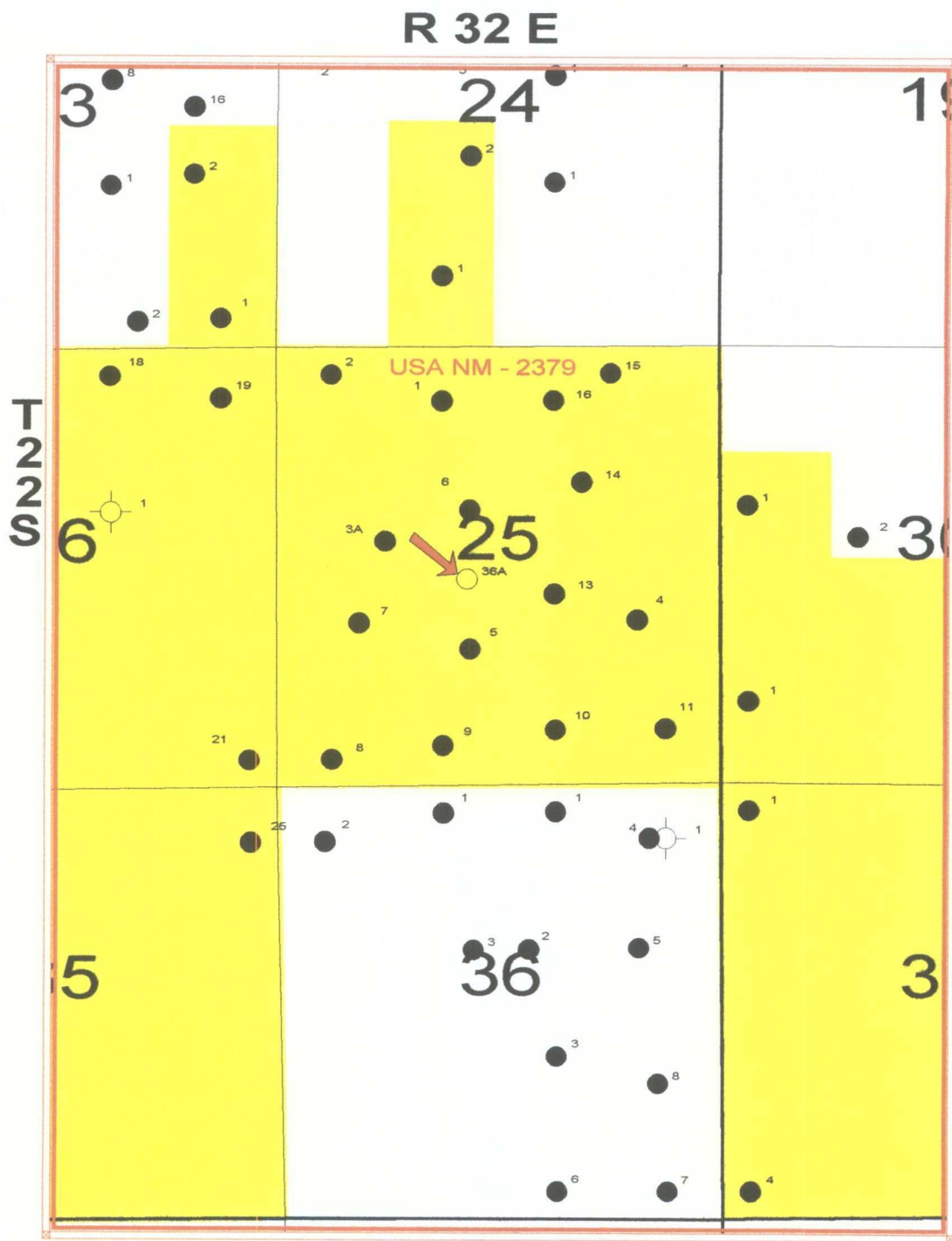
Signature _____
Professional Surveyor

Ronald E. Edson
NEW MEXICO
3239
98-11-0769
5-22-98

Certificate No. RONALD E. EDSON 3239
CARY EDSON 12641
PROFESSOR McDONALD 12185







LEGEND

- Pogo Operated Leasehold**
- Proposed Unorthodox Location**



POGO PRODUCING COMPANY

S.E. RED TANK PROSPECT
Lea County, New Mexico

Exhibit "D"

LeeMan: T. Hart

6/22/04

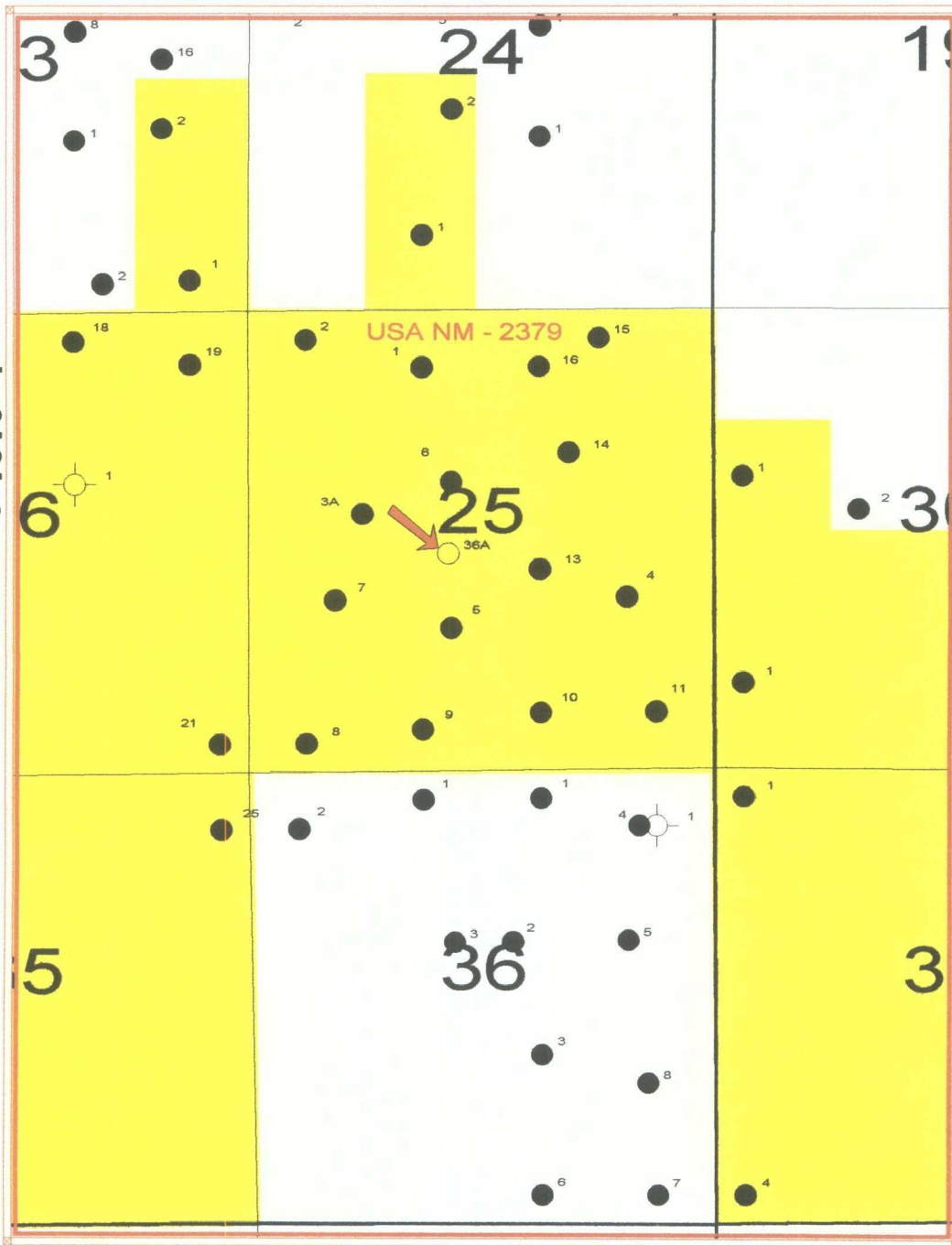
Tech: T. Rodriguez

Scale: 1:24000

unorthodox.gpt

R 32 E

T 22 S



LEGEND



Pogo Operated Leasehold



Proposed Unorthodox Location



POGO PRODUCING COMPANY

S.E. RED TANK PROSPECT
Lea County, New Mexico
Exhibit "D"

Location: T. 22S

4/22/01

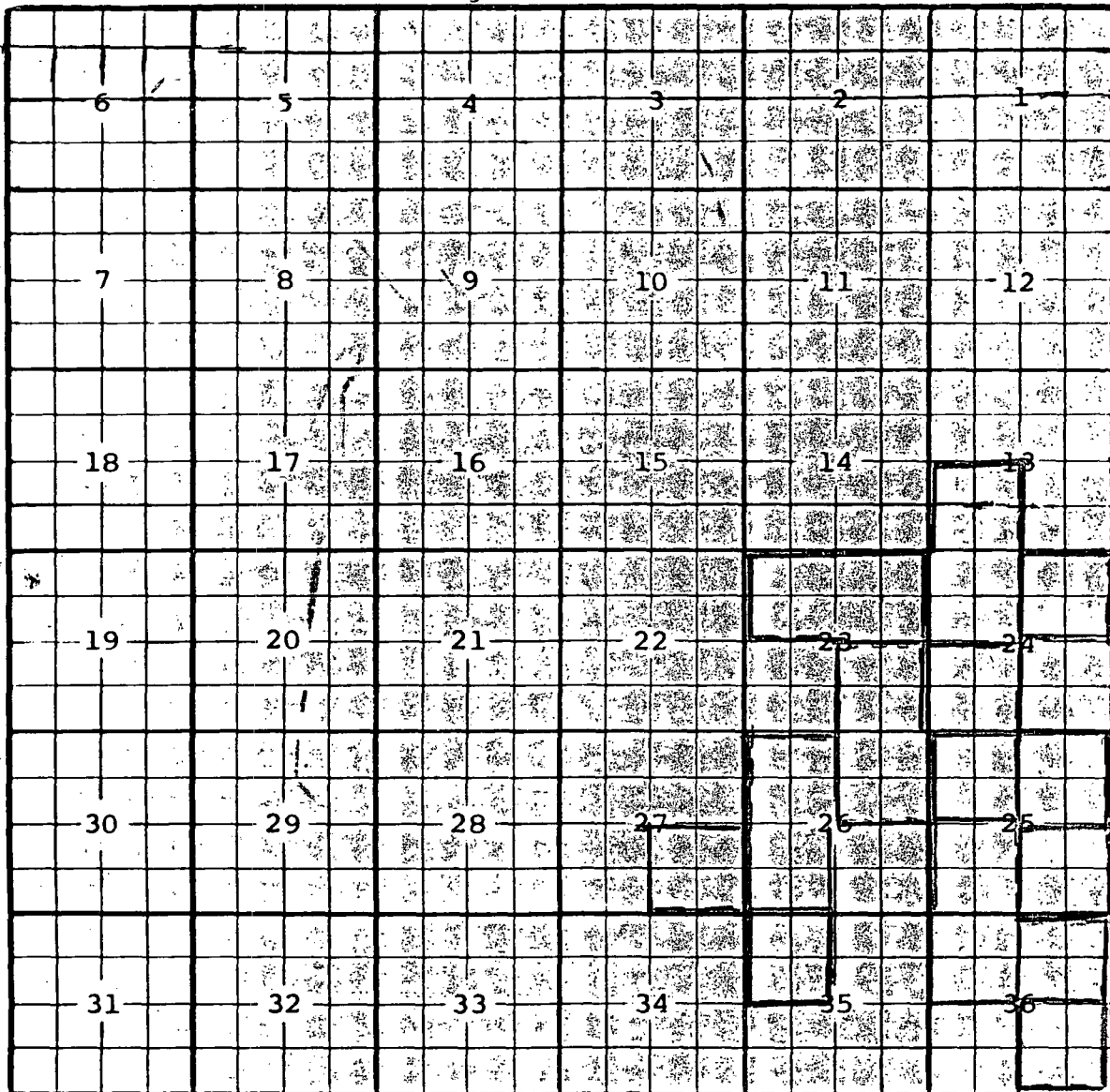
Technician: T. Rodriguez

Scale: 1:24000

unobase.gpt

County LEAPool RED TANK - BONE SPRINGTOWNSHIP 22 SOUTHRange 32 EAST

NMPM



DESC: NW/4 Sec 25 (R-9447, 3-1-91) Ext: SE/4 Sec 23, NE/4 Sec 26 (R-9843, 2-8-93)

Ext: SW/4 Sec 25, W/2 Sec 26, NW/4 Sec 36 (R-9937, 8-12-93)

Ext: SE/4 Sec 27, NW/4 Sec 35 (R-10091, 3-28-94)

Ext: N/2 Sec 23 (R-10177, 8-30-94) Ext: SW/4 Sec 24 (R-10342, 4-24-95)

Ext: NE/4 Sec 36 (R-10419, 7-12-95) Ext: SW/4 Sec 13, NW/4 Sec 24, SE/4 Sec 25 (R-10488, 10-13-95)

Ext: SE/4 Sec 36 (R-10556, 3-11-96) Ext: NE/4 Sec 25 (R-10641, 8-19-96)

Ext: NE/4 Sec 24 (R-10972, 4-13-98)