

| | | | | | |
|-----------------|---------------------|----------------|-----------------|-------------|----------------------------|
| DATE 3/14/03 | SUBMITTER 4/3/03 | ENGINEER MS | LOGGED IN KV | TYPE NSL | APPROVAL PKRV0307630235 |
|-----------------|---------------------|----------------|-----------------|-------------|----------------------------|

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] Application - 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

jamesbruce@aol.com

e-mail Address

Date

3/14/03

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

March 14, 2003

Via Fax and U.S. Mail

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 oil well location for the following well:

| | |
|------------------|---|
| <u>Well:</u> | Covington A Federal Well No. 45 |
| <u>Location:</u> | 1170 feet FNL & 2620 feet FWL |
| <u>Unit:</u> | NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 25, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico |

The well will be drilled to test the Delaware formation (West Red Tank-Delaware Pool) and the Bone Spring formation (Red Tank Bone Spring Pool), which are developed on statewide rules. A Form C-102 for the well is attached as Exhibit A. The NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 25 will be simultaneously dedicated to the Covington A Federal Well Nos. 1 and 45 in the Delaware formation.

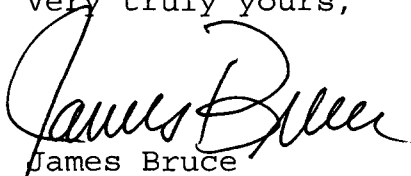
The application is based on geologic reasons. Attached as Exhibit B is a structure map of the Middle Cherry Canyon. The Middle Cherry Canyon is productive along the crest of a narrow northeast-southwest trending structure. Wells drilled on the flank of this structure are wet, indicating an oil/water contact at approximately -2463 feet subsea. The proposed location provides the best opportunity to encounter Middle Cherry Canyon pay, avoid the oil/water contact, and recover reserves not accessible at a standard location.

Attached as Exhibit C are land plats, highlighting the well's location. All of Section 25 is covered by United States Lease NM 2379, which has common royalty, overriding royalty, and working

interest ownership. Therefore, 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,

A handwritten signature in cursive script, appearing to read "James Bruce". The signature is written in black ink and is positioned above the printed name.

James Bruce

Attorney for Pogo Producing Company

EXHIBIT "A"

Form 3160-3
(July 1992)SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTOPERATOR RECEIVED
FEB 10 2003

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 (915-685-8100)

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

At surface

1170' FNL & 2620' 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)

1170'

16. NO. OF ACRES IN LEASE

960

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.

990'

19. PROPOSED DEPTH

9200'

20. ROTARY OR CABLE TOOLS

ROTARY

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

3758' GR.

22. APPROX. DATE WORK WILL START*

WHEN APPROVED

23.

Carlsbad Controlled Water Basin

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|-----------------------|-----------------|---------------|-----------------------------------|
| 25" | Conductor 20" | NA | 40' | Cement to surface with Redi-mix |
| 17½" | H-40 13 3/8 | 48 | 1000' | 1000 Sx. circulate cement to surf |
| 11" | HCK-55, J-55 8 5/8" | 32 | 4700' | 1800 Sx. " " " " |
| 7 7/8" | N-80, J-55 5½" | 17 | 9200' | 1450 Sx Tw0 Stage TOC EST. 3700' |

1. Drill 25" hole to 40". Set 40' of 20" conductor and cement to surface with Redi-mix.
2. Drill 17½" hole to 1000'. Run and set 1000' of 13 3/8" 48# H-40 ST&C casing. Cement with 800 Sx. of Class "C" 35:65:6 POZ/GEL Mix @ 12.4 # PPG, tail in with 200 Sx. of Class "C" Cement + 2% CaCl Mix @ 14.8 PPG. Circulate cement to surface.
3. Drill 11" hole to 4700'. Run and set 4700' of 8 5/8" casing as follows: 500' of 8 5/8" 32# HCK-55 ST&C, 4200' of 8 5/8" 32# J-55 ST&C. Cement with 1600 Sx of Class "C" LITE 35:65:6 POZ/GEL + 5% Salt Mix @ 12.8#/PPG, tail in with 200 Sx. of Class "C" + 2% CaCl, Mix @ 14.8# PPG, circulate cement to surface.
4. Drill 7 7/8" hole to 9200'. Run and set 9200' of 5½" casing as follows: 2200' of 5½" 17# N-80 LT&C, 6000' of 5½" 17# J-55 LT&C, 1000' of 5½" 17# N-80 LT&C. Cement in 2 Stages with DV Tool at 6000'±. Cement 1st stage with 650 Sx. of Class "H" cement + with free/ water & Water Loss Control, Mix @ 15.7 PPG, cement 2nd stage with 800 Sx. of Class "C" cement + 12 PPS Gilsonite, Mix at 14.09 PPG. Estimate top of cement 3700' from surface.

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

Agent

DATE 01/09/03

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject land which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

TITLE

Acting FIELD MANAGER

DATE

2/7/03

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

Title 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 United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DISTRICT I
P.O. Box 1986, Hobbs, NM 88241-1986

DISTRICT II
P.O. Drawer 50, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised February 10, 1994
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 51683 | Pool Name RED TANK-BONE SPRING |
| Property Code | Property Name COVINGTON A FEDERAL | Well Number 45 |
| OGRID No. 17891 | Operator Name POGO PRODUCING COMPANY | Elevation 3758' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C | 25 | 22-S | 32-E | | 1170' | NORTH | 2620' | 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

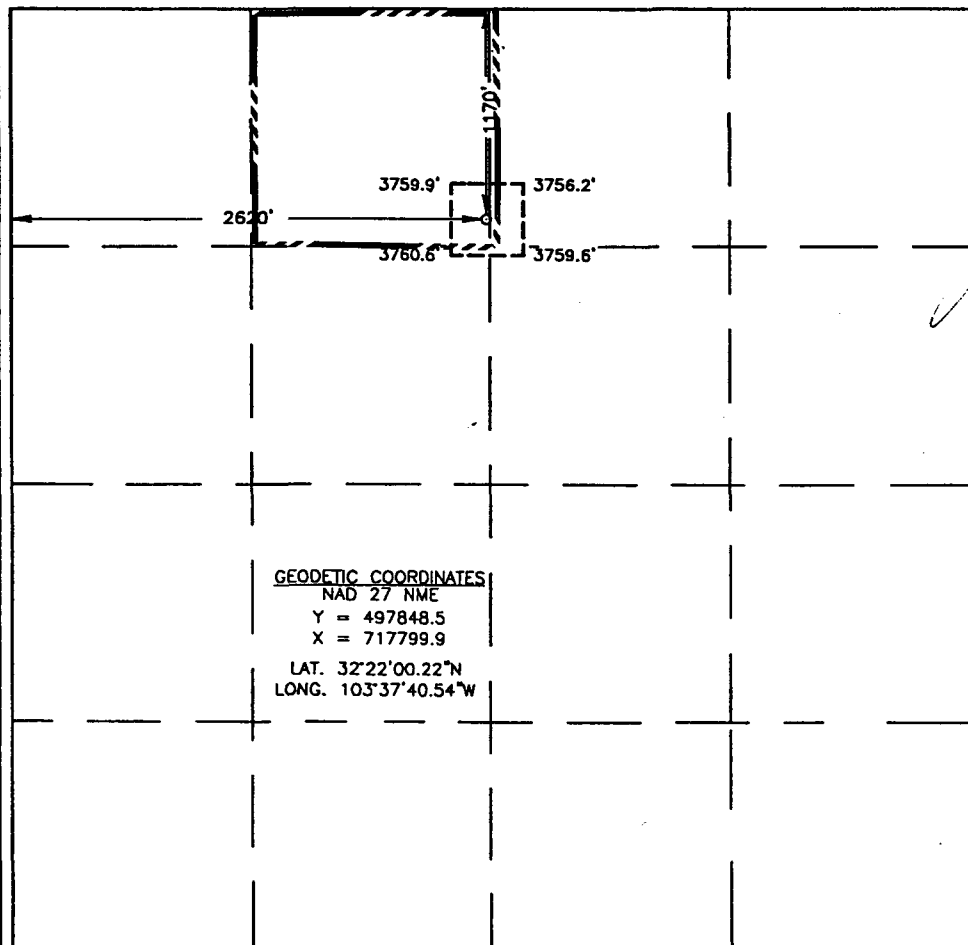
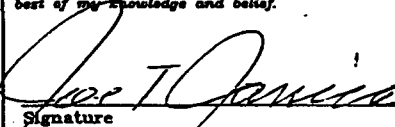
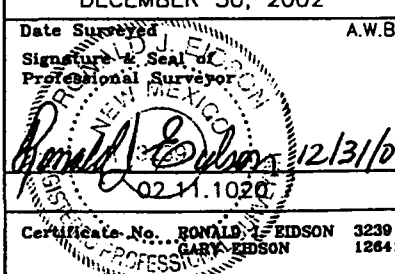
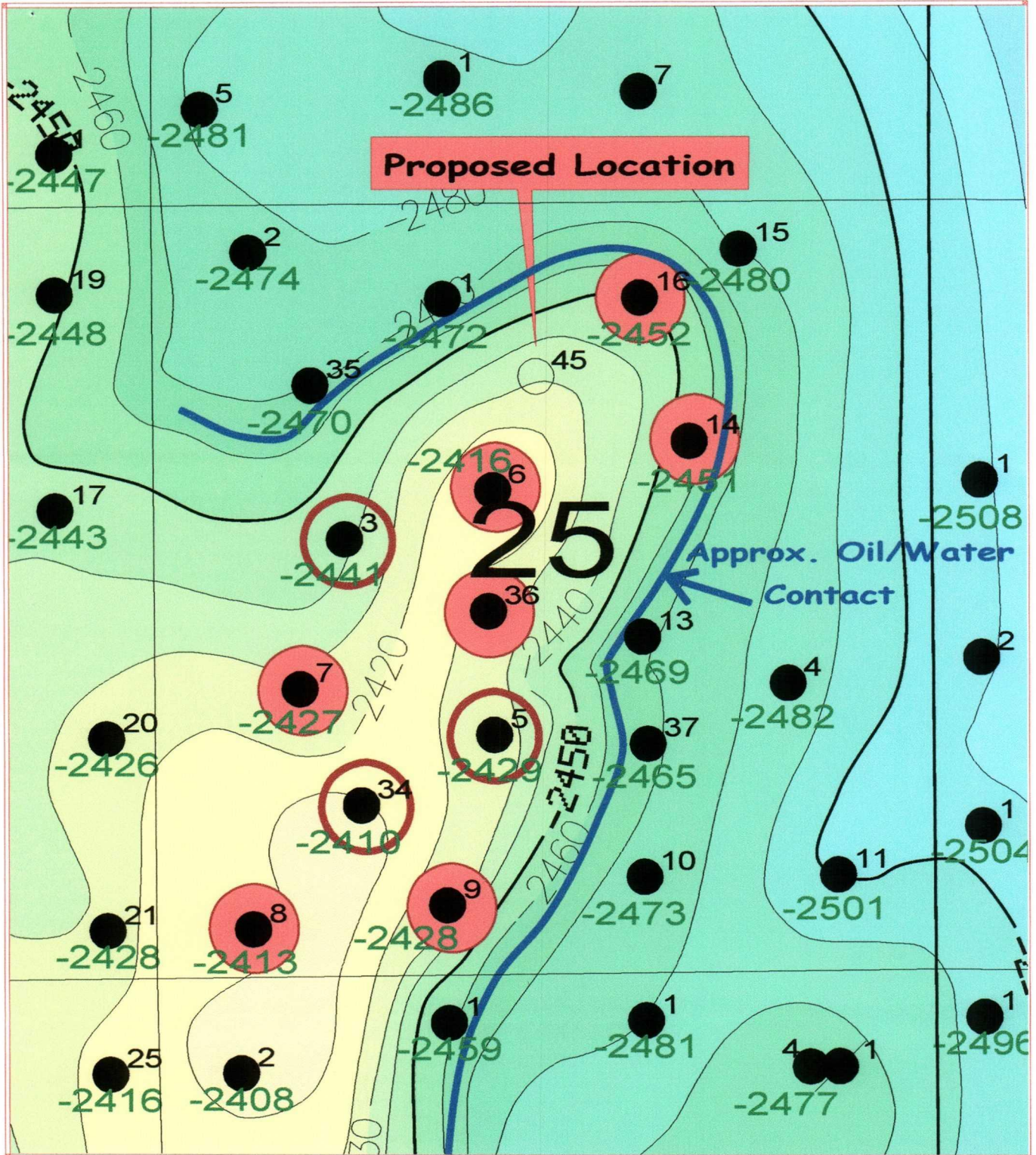
| | |
|---|--|
|  <p>GEODETIC COORDINATES NAD 27 NME Y = 497848.5 X = 717799.9 LAT. 32°22'00.22"N LONG. 103°37'40.54"W</p> | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p> Signature Joe T. Janica Printed Name Agent Title 01/09/03 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>DECEMBER 30, 2002</p> <p>Date Surveyed Signature & Seal of Professional Surveyor  Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641</p> |
|---|--|

EXHIBIT "A"



- Middle Cherry Behind Pipe Pay
- Middle Cherry Producer

| | | |
|--|--------------------------|-------------|
|  POGO PRODUCING COMPANY Western Division Midland, Texas | | |
| Red Tank Field Structure Map Top Middle Cherry Canyon Marker | | |
| WEH/GJD | Struc. Contour Int.: 10' | |
| 12/18/02 | | MCC_OCD.gpf |

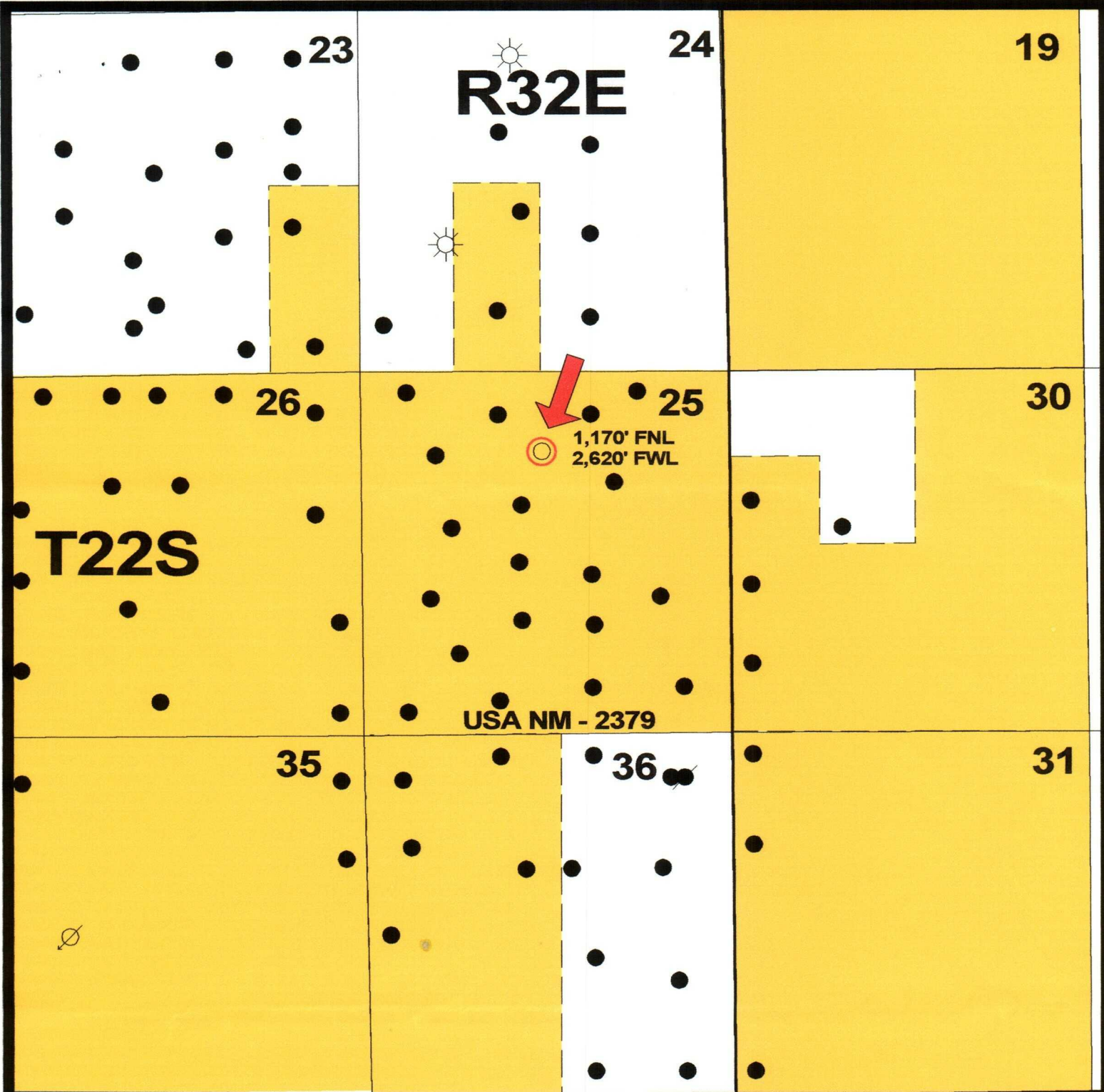




EXHIBIT "C"

 Pogo Operated Leasehold

 Proposed Unorthodox Location
Covington "A" Federal #45

 **POGO PRODUCING COMPANY**

SE RED TANK PROSPECT
Lea County, New Mexico

LNDMN: T. GANT

2/12/2003

TECH: T. Rodriguez

Scale 1:24000.

LAND_LOC.gpf

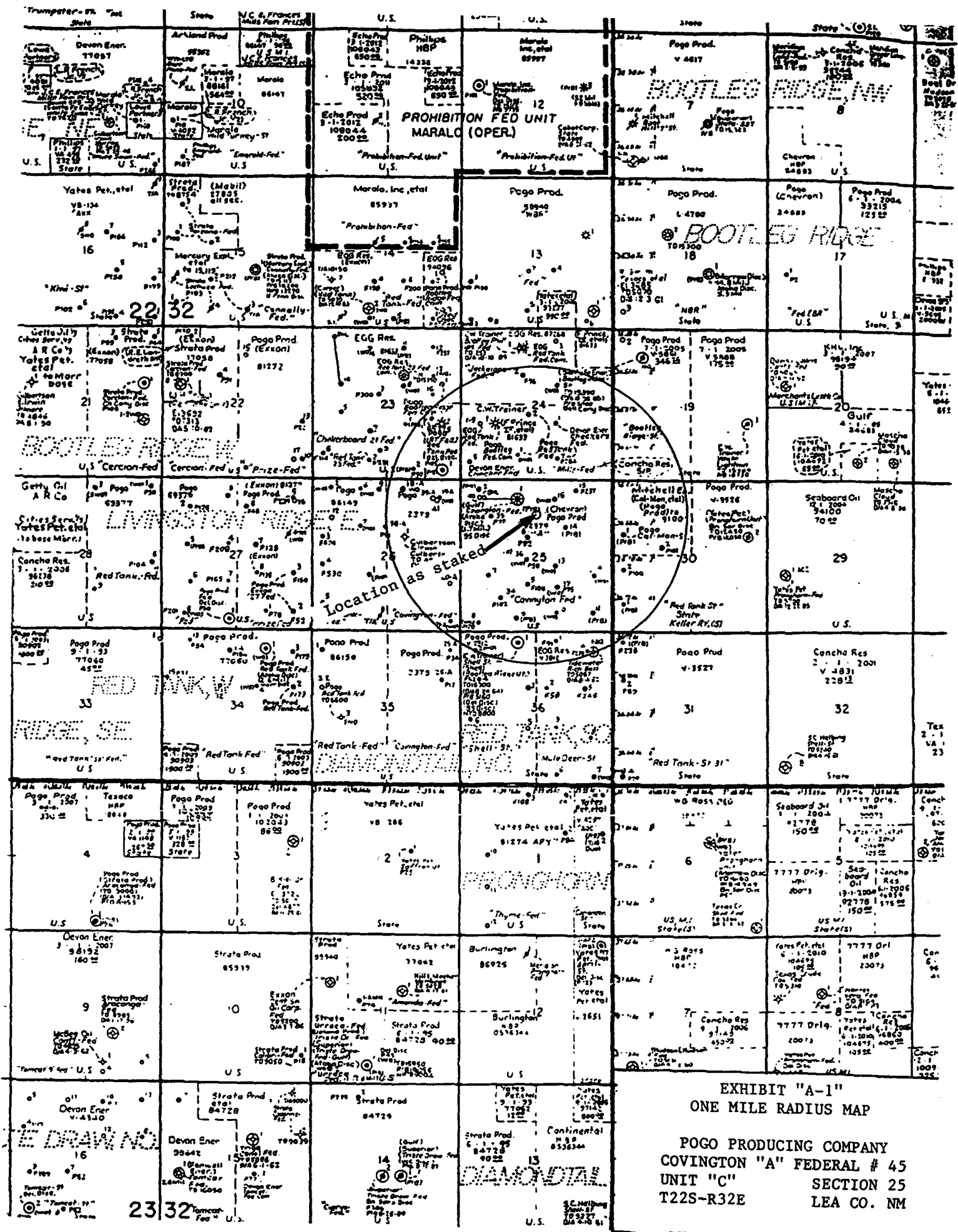


EXHIBIT "A-1"
ONE MILE RADIUS MAP

POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL # 45
UNIT "C" SECTION 25
T22S-R32E LEA CO. NM