

Form 3160-3  
(April 2004)

0168

RESUBMITTAL  
N.M. Oil & Gas Division  
1301 W. Grand Avenue  
Artesia, NM 88210

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM-89172	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator Pogo Producing Company		7. If Unit or CA Agreement, Name and No.	
3a. Address P.O. Box 10340, Midland, TX		8. Lease Name and Well No. Patton 17 Federal #8	
3b. Phone No. (include area code) 432-685-8100		9. API Well No. 30-015-33895	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1850' FSL & 990' FEL At proposed prod. zone		10. Field and Pool, or Exploratory Poker Lake Delaware	
14. Distance in miles and direction from nearest town or post office* Approximately 30 miles South Southeast of Carlsbad NM		11. Sec., T. R. M. or Blk and Survey or Area Sec 17, T24S, R31E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 990'		12. County or Parish Eddy County	
16. No. of acres in lease 640		13. State NM	
17. Spacing Unit dedicated to this well 40		20. BLM/BIA Bond No. on file 29771	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 650'		21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3530' GR	
22. Approximate date work will start* When Approved		23. Estimated duration JAN 10 2005	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature *Cathy Wright* Name (Printed/Typed) Cathy Wright Date 11/03/04

Title  
Sr. Eng. Tech

Approved by (Signature) /s/ Linda S. C. Rundell Name (Printed/Typed) Linda S. C. Rundell Date 22 DEC 2004

Title  
STATE DIRECTOR  
Office  
NM STATE OFFICE

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, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

\*(Instructions on page 2)

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED

CARLSBAD CONTROLLED WATER BASIN

PATTON 17 FEDERAL #8  
Drilling Plan

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cmt to surface w/ Redi-mix.
2. Drill 17-1/2" hole to 850'. Run & set 850' of 13-3/8" 48# H-40 ST&C csg. Cmt w/ 800 sks Cl "C" cmt + additives. Circ cmt to surface.
3. Drill 11" hole to 4250'. Run & set 4250' 8-5/8" 32# J-55 ST&C casing. Cmt w/ 1500 sks Cl "C" cmt + additives. Circ cmt to surface.
4. Drill 7-7/8" hole to 8500'. Run & set 8500' of 5-1/2" csg as follows: 2500' 17# J-55 LT&C, 5000' 15.5# J-55 LT&C, 1000' 17# J-55 LT&C. Cmt in 3 stages w/ DV tools at 6100' & 3700' ±. Cmt 1<sup>st</sup> stage w/ 650 sks Cl "H" + add. Cmt 2<sup>nd</sup> stage w/ 600 sks Cl "C" + add. Cmt 3<sup>rd</sup> stage w/ 400 sks Cl "C" + add. Circ cmt to surface.

DISTRICT I  
P.O. Box 1900, Hobbs, NM 88241-1902

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

DISTRICT III  
1000 Rio Brazos Rd., Artec, 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 50382	Pool Name POKER LAKE - DELAWARE
Property Code	Property Name PATTON 17 FEDERAL	Well Number 8
OGRID No. 17891	Operator Name POGO PRODUCING COMPANY	Elevation 3530'

Surface Location

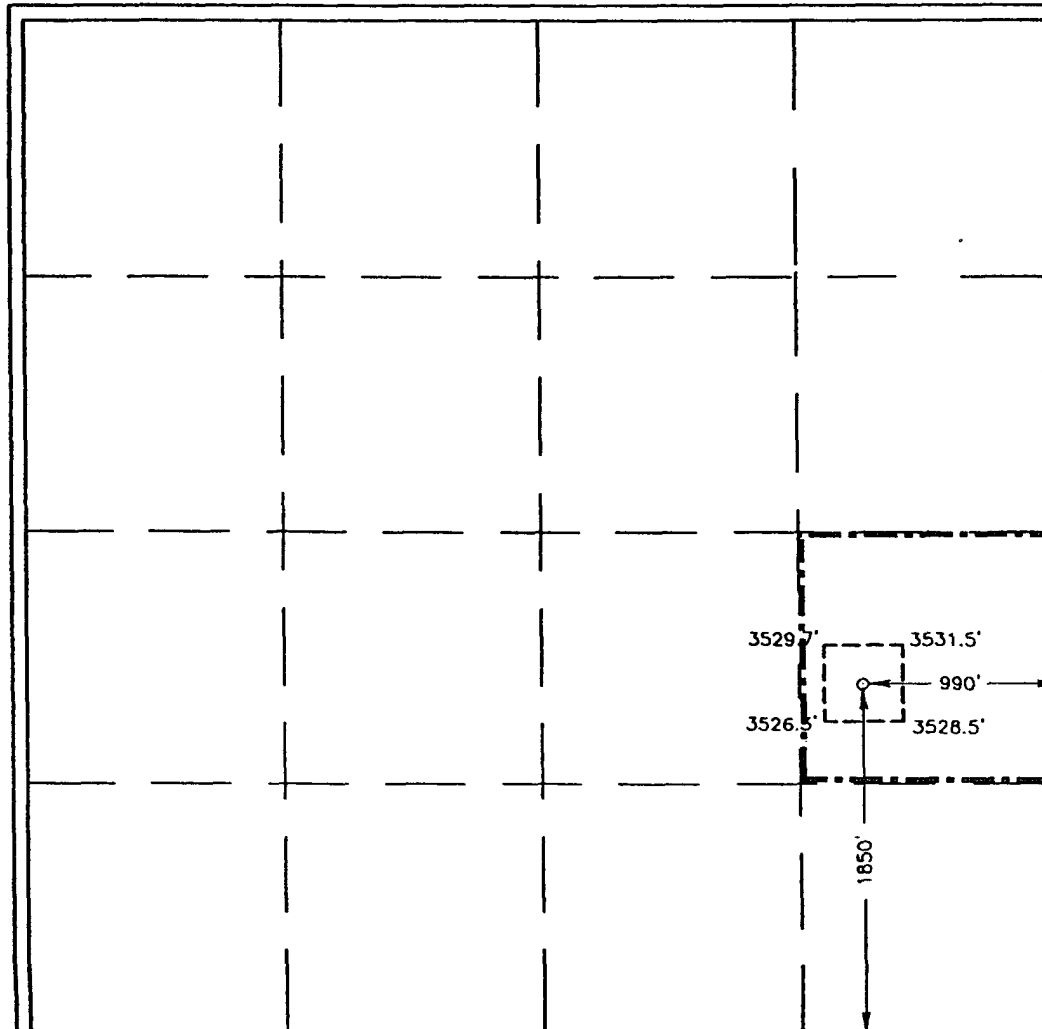
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	17	24-S	31-E		1850	SOUTH	990	EAST	EDDY

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 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  
07/19/02  
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 10, 2002

Date Surveyed  
Signature  
Professional Surveyor  
NEW MEXICO  
RONALD EIDSON  
Certification No. 3239  
12641

# APPLICATION TO DRILL

POGO PRODUCING COMPANY  
PATTON "17" FEDERAL # 8  
UNIT "I" SECTION 17  
T24S-R31E EDDY CO. NM

In response to questions asked under Section II of Bulletin NTL-6 the following information on the above well is provided for your consideration.

1. Location: 1850' FSL & 990' FEL SEC. 17 T24S-R31E EDDY CO. NM
2. Elevation above Sea Level: 3530' GR.
3. Geologic name of surface formation: Quaternary Aeolian Deposits.
4. Drilling tools and associated equipment: Conventional rotary drilling rig using drilling mud as a circulating medium for solids removal from hole.
5. Proposed drilling depth: 8500'
6. Estimated tops of geological markers:

Basal Anhydrite	3960'	Cherry Canyon	5184'
Delaware Lime	4274'	Brushy Canyon	6421'
Bell Canyon	4299'	Bone Spring	8104'
7. Possible mineral bearing formations:

Delaware Lime	Oil
Bone Spring	Oil
8. Casing program:

Hole size	Interval	OD of casing	Weight	Thread	Collar	Grade
25"	0-40'	20	NA	NA	NA	Conductor
17½"	0- <del>850'</del> 1934'-955'	13 3/8"	48	8-R	ST&C	H-40
11"	0-4250'	8 5/8"	32	8-R	ST&C	J-55
7 7/8"	0-8500'	5½"	17 & 15.5	8-R	LT&C	J-55

## APPLICATION TO DRILL

POGO PRODUCING COMPANY  
 PATTON "17" FEDERAL # 8  
 UNIT "I" SECTION 17  
 T24S-R31E EDDY CO. NM

9. CASING CEMENTING & SETTING DEPT.

WITNESS	20"	Conductor	Set 40' of 20" conductor and cement to surface with Redi-mix.
	13 3/8"	Surface	Set 850' of 8 5/8" 48# H-40 ST&C casing. Cement with 800 Sx. of Class "C" cement + additives, circulate cement to surface.
	8 5/8"	Intermediate	Set 4250' of 8 5/8" 32# J-55 ST&C casing. Cement with 1500 Sx. of Class "C" cement + 2% CaCl <sub>2</sub> , + 1/4# Floccul Sx., circulate cement to surface.
	5 1/2"	Production	Set 8500' of 5 1/2" casing as follows: 2500' of 5 1/2" 17# J-55 LT&C, 5000' of 5 1/2" 15.5# J-55 LT&C, 1000' of 5 1/2" 17# J-55 LT&C. Cement in 3 stages with DV Tools at 6100' & 3700'±. 1st stage cement with 650 Sx. of Class "H", 2nd stage cement with 600 Sx. of Class "C" cement + additives, 3rd stage cement with 400 Sx. of Class "C" cement + additives, circulate cement to surface.

10. PRESSURE CONTROL EQUIPMENT: Exhibit "E" shows a 900 Series 3000 PSI working pressure B.O.P. consisting of an annular bag type preventor, middle blind rams and bottom pipe rams. The B.O.P. will be nipples up on the 13 3/8" casing and tested to API specifications. The B.O.P. will be operated at least once in each 24 hour period and the blind rams will be operated when drill pipe is out of hole on trips. Full opening stabbing valve and upper kelly cock will be utilized. Exhibit "E-1" shows a hydraulically operated closing unit and a 2" 3000 PSI choke manifold with dual adjustable chokes. No abnormal pressures or temperatures are expected.

11. PROPOSED MUD CIRCULATING SYSTEM:

DEPTH	MUD WT.	VISC.	FLUID LOSS	TYPE MUD SYSTEM
40-850'	8.4-8.8	29-34	NC	Fresh water spud mud paper to control seep
850-4250'	10.0-10.3	29-38	NC	Brine water add paper control seepage, use viscosity sweeps to clean hole.
4250-8000'	8.4-8.6	29-36	NC	Fresh water use high viscosity sweeps to clean hole.
8000-8500'	8.4-8.6	29-36	10 cc or less	Fresh water Dris-pac system for water loss control and high viscosity sweeps to clean hole

Sufficient mud materials will be kept on location at all times in order to combat lost circulation, or unexpected kicks. In order to run DST's, open hole logs, and casing, viscosity and/or water loss may have to be adjusted to meet these needs.

APPLICATION TO DRILL

POGO PRODUCING COMPANY  
PATTON "17" FEDERAL # 8  
UNIT "I" SECTION 17  
T24S-R31E EDDY CO. NM

12. LOGGING, CORING, & TESTING PROGRAM:

- A. Open hole logs: Dual Induction, LDT, SNP, Gamma ray, Caliper from TD to 4250'.
- B. Cased hole logs: Run Gamma Ray, Neutron from 4250' to surface.
- C. No cores or DST's are planned at this time.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. There is no known presence of H<sup>2</sup>S in this area. If H<sup>2</sup>S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 4500 PSI, and Estimated BHT 175°.

14. ANTICIPATED STARTING DATE AND DURATION OF OPERATION:

Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon after BLM approval and as soon as a rig will be available. Move in operation and drilling is expected to take 30 days. If production casing is run then an additional 30 days will be needed to complete well and construct surface facilities and/or lay flowlines in order to place well on production.

15. OTHER FACETS OF OPERATIONS:

After running casing, cased hole Gamma Ray, Neutron Collar logs will be run from TD back to all possible productive zones. The Bone Spring formation will be perforated and stimulated in order to establish production. The well will be swab tested and potentialized as an oil well.

## HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

1. All Company and Contract personnel admitted on location must be trained by a qualified H<sub>2</sub>S safety instructor to the following:
  - A. Characteristics of H<sub>2</sub>S
  - B. Physical effects and hazards
  - C. Proper use of safety equipment and life support systems.
  - D. Principle and operation of H<sub>2</sub>S detectors, warning system and briefing areas.
  - E. Evacuation procedure, routes and first aid.
  - F. Proper use of 30 minute pressure demand air pack.
2. H<sub>2</sub>S Detection and Alarm Systems
  - A. H<sub>2</sub>S detectors and audio alarm system to be located at bell nipple, end of blooie line (mud pit) and on derrick floor or doghouse.
3. Windsock and/or wind streamers
  - A. Windsock at mudpit area should be high enough to be visible.
  - B. Windsock at briefing area should be high enough to be visible.
  - C. There should be a windsock at entrance to location.
4. Condition Flags and Signs
  - A. Warning sign on access road to location.
  - B. Flags to be displayed on sign at entrance to location. Green flag, normal safe condition. Yellow flag indicates potential pressure and danger. Red flag, danger, H<sub>2</sub>S present in dangerous concentration. Only emergency personnel admitted to location.
5. Well control equipment
  - A. See exhibit "E"
6. Communication
  - A. While working under masks chalkboards will be used for communication.
  - B. Hand signals will be used where chalk board is inappropriate.
  - C. Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephoned will be available at most drilling foreman's trailer or living quarters.
7. Drillstem Testing
  - A. Exhausts will be watered.
  - B. Flare line will be equipped with an electric ignitor or a propane pilot light in case gas reaches the surface.
  - C. If location is near any dwelling a closed D.S.T. will be performed.

## HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

8. Drilling contractor supervisor will be required to be familiar with the effects  $H_2S$  has on tubular goods and other mechanical equipment.
9. If  $H_2S$  is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with  $H_2S$  scavengers if necessary.



## SURFACE USE PLAN

POGO PRODUCING COMPANY  
PATTON "17" FEDERAL # 8  
UNIT "I" SECTION 17  
T24S-R31E EDDY CO. NM

1. EXISTING ROADS: Area maps, Exhibit "B" is a reproduction of a County General Highway Map. Exhibit "C" is a reproduction of a USGS Topographic Map, showing existing roads and proposed roads. All existing roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications.
  - A. Exhibit "A" shows the proposed well site as staked.
  - B. From Hobbs New Mexico take U.S. Hi-way 62-180 West toward Carlsbad NM, go approximately 40 miles to WIPP road turn Left go 13 miles to CR 802 turn Left follow road to State Hi-way 128. Turn Left go 9.4 miles to Buck Jackson Road turn Right go 3 miles turn Right go 2.3 miles to Patton lease and follow roads to location.
  - C. Flow lines will be laid on the surface of the ground to existing tank battery. See Exhibit "F"
2. PLANNED ACCESS ROADS: Approximately 500' of new road will be constructed.
  - A. The access road will be crowned and dirched to a 12'00" wide travel surface with a 40' right-of-way.
  - B. Gradient on all roads will be less than 5.00%.
  - C. If required turnouts will be constructed where necessary.
  - D. If needed, road will be surfaced with a minimum of 4" of caliche. This material will be obtained from a local source.
  - E. Centerline for the new access road has been flagged. Earthwork will be as required by field conditions.
  - F. Culverts in the access road will not be used. The road will be constructed to utilize low water crossings for drainage as required by the Topography.
3. LOCATION OF EXISTING WELLS IN A ONE-MILE RADIUS EXHIBIT "A-1"

A. Water wells	-	One approximately $\frac{1}{2}$ Mile Northwest.
B. Disposal wells	-	None known
C. Drilling wells	-	None Known
D. Producing wells	-	As shown on Exhibit "A-1"
E. Abandoned wells	-	As shown on Exhibit "A-1"

## SURFACE USE PLAN

POGO PRODUCING COMPANY  
PATTON "17" FEDERAL # 8  
UNIT "I" SECTION 17  
T24S-R31E EDDY CO. NM

4. If on completion this well is a producer the operator will lay pipelines and construct powerlines along existing road R-O-W's or other existing R-O-W's. Possible routes of pipelines, flowlines and powerlines are shown on Exhibit "F".

### 5. LOCATION AND TYPE OF WATER SUPPLY:

Water will be purchased locally from a commercial source and trucked over the access roads or piped to location in flexible lines laid on top of the ground.

### 6. SOURCE OF CONSTRUCTION MATERIAL:

If possible construction material will be obtained from the excavation of drill site. If additional material is needed it will be obtained from a local source and transported over the access roads as shown on Exhibit "C".

### 7. METHODS OF HANDLING WASTE MATERIAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. All trash, junk and other waste material will be contained in trash cages or trash bins to prevent scattering. When the job is completed all contents will be removed and disposed of in a approved sanitary land fill.
- C. Salts remaining after completion of well will be picked up by the supplier, including broken sacks.
- D. Waste water from living quarters will be drained into holes with a minimum of 10'. These holes will be covered during drilling and will be back filled when the well is completed. A Porto-John will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- E. Remaining drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry enough to be broken out for further drying. If the drilling fluids do not evaporate in a reasonable time they will be hauled off by transport to a state approved disposal site. Later pits will be broken out to speed drying. Water produced during completion will be put in reserve pits. Oil and condensate produced will be put in storage tanks and sold.

### 8. ANCILLARY FACILITIES:

- A. No camps or air strips will be constructed on location.

## SURFACE USE PLAN

POGO PRODUCING COMPANY  
PATTON "17" FEDERAL # 8  
UNIT "I" SECTION 17  
T24S-R31E EDDY CO. NM

### 9. WELL SITE LAYOUT

- A. Exhibit "D" shows the proposed well site layout.
- B. This exhibit indicated proposed location of reserve and sump pits and living facilities.
- C. Mud pits in the active circulating system will be steel pits & the reserve pit is proposed to be unlined unless subsurface condition encountered during pit construction indicate that lining is needed for lateral containment of fluids.
- D. If needed, the reserve pit is to be lined with polyethelene. The pit liner will be 6 mils thick. Pit liner will extend a minimum 2'00" over the reserve pits dikes where the liner will be anchored down.
- E. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. The fourth side will be fenced after all drilling operations have ceased. If the well is a producer, the reserve pit fence will be torn down. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

### 10. PLANS FOR RESTORATION OF SURFACE

Rehabilitation of the location and reserve pit will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole.

However, in either event, the reserve pit will be allowed to dry properly, and fluid removed and disposed of in accordance with Article 7.B as previously noted. The pit area will then be leveled and contoured to conform to the original and surrounding area. Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

If the well is a dry hole, the pad and road area will be contoured to match the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

Should the well be a producer, the previously noted procedures will apply to those areas which are not required for production facilities.

SURFACE USE PLAN

POGO PRODUCING COMPANY  
PATTON "17" FEDERAL # 8  
UNIT "I" SECTION 17  
T24S-R31E EDDY CO. NM

11. OTHER INFORMATION:

- A. Topography consists of sand dunes with a slight dip to the West. Deep sandy soil supports shinnery oak, native grasses, and an occasional mesquite tree.
- B. Surface is owned by the U.S. Government and is administered by the Bureau of Land Management. The surface is used for grazing livestock and the production of oil and gas.
- C. An archaeological survey will be conducted on the location and access roads. This report will be filed with The Bureau of Land Management in the Carlsbad field office.
- D. Ranch House located approximately ½ mile from location.

12. OPERATORS REPRESENTIVES:

Before construction:

TIERRA EXPLORATION, INC  
P.O. BOX 2188  
HOBBS, NEW MEXICO 88241  
OFFICE Ph. 505-391-8503  
JOE T. JANICA

During and after construction:

POGO PRODUCING COMPANY  
P.O. BOX 10340  
MIDLAND, TEXAS 79702-7340  
OFFICE Ph. 915-685-8100  
Mr. RICHARD WRIGHT 915-685-8140

13. CERTIFICATION: I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access roads, and that I am familiar with the conditions which currently exist, that the statements made in this plan are to the best of my knowledge true and correct, and that the work associated with the operations proposed herein will be performed by POGO PRODUCING COMPANY, its contractors/subcontractors is in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for the filing of a false report.

NAME :

DATE :

TITLE :

07/19/02

Agent

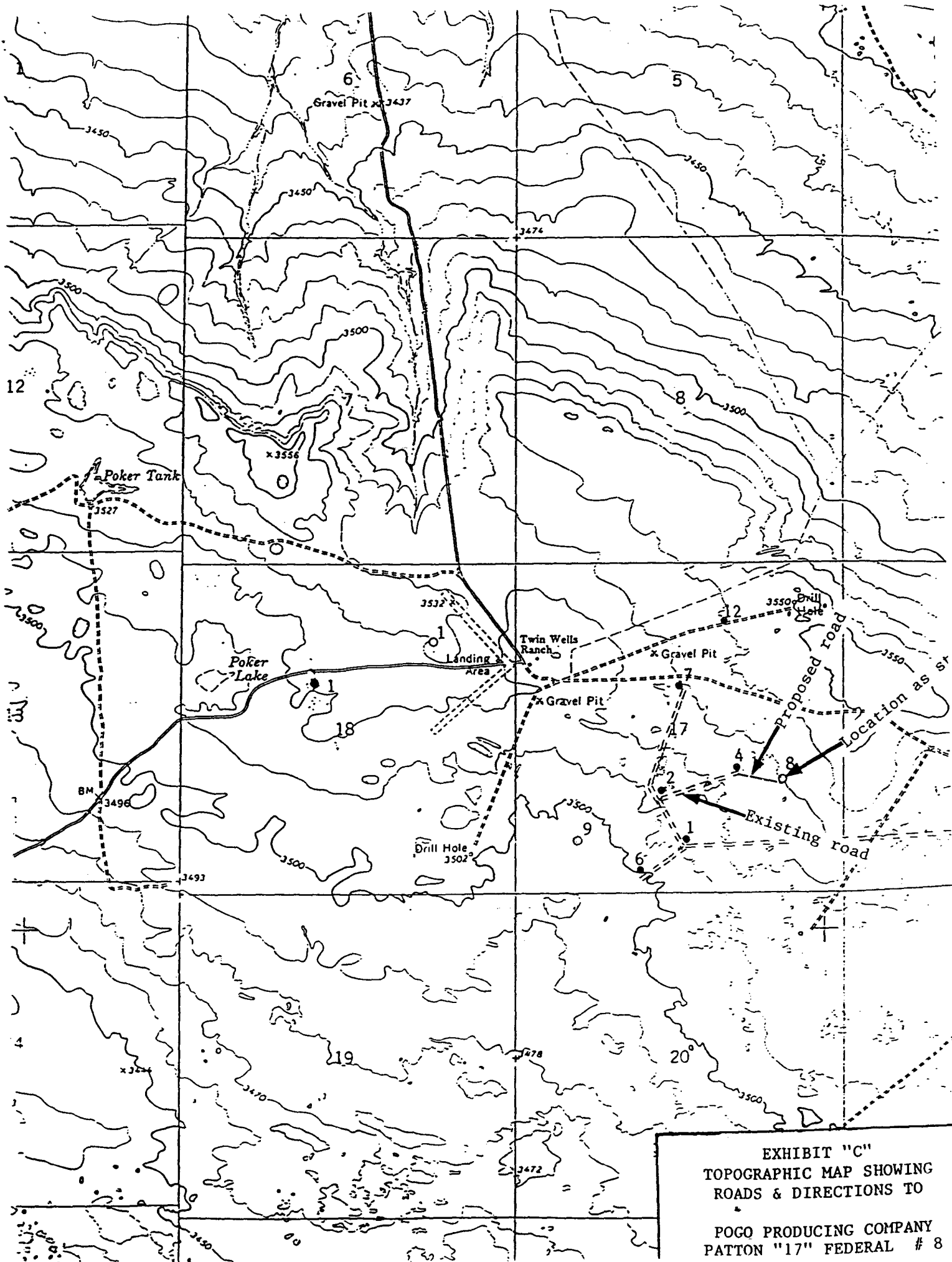
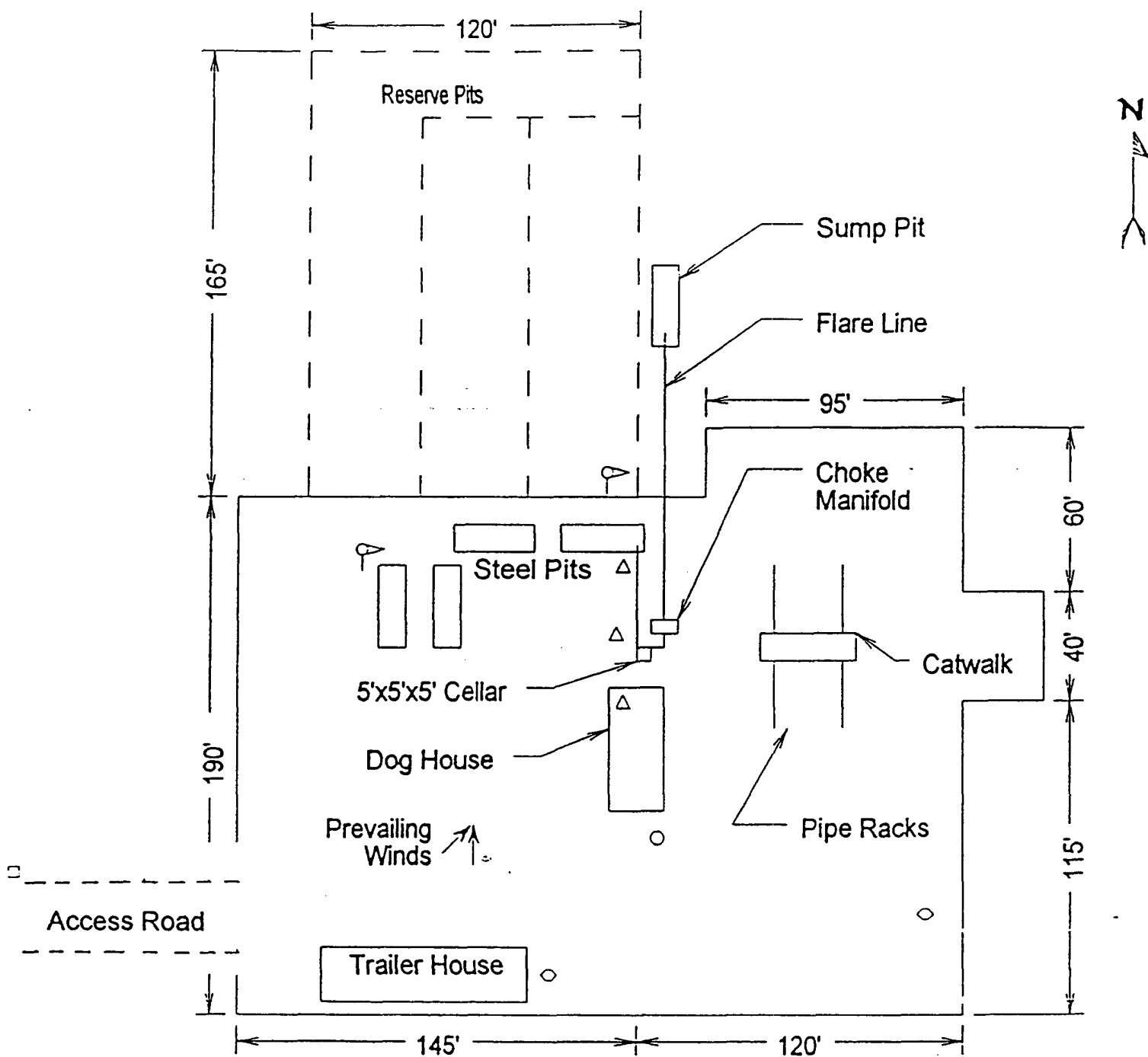


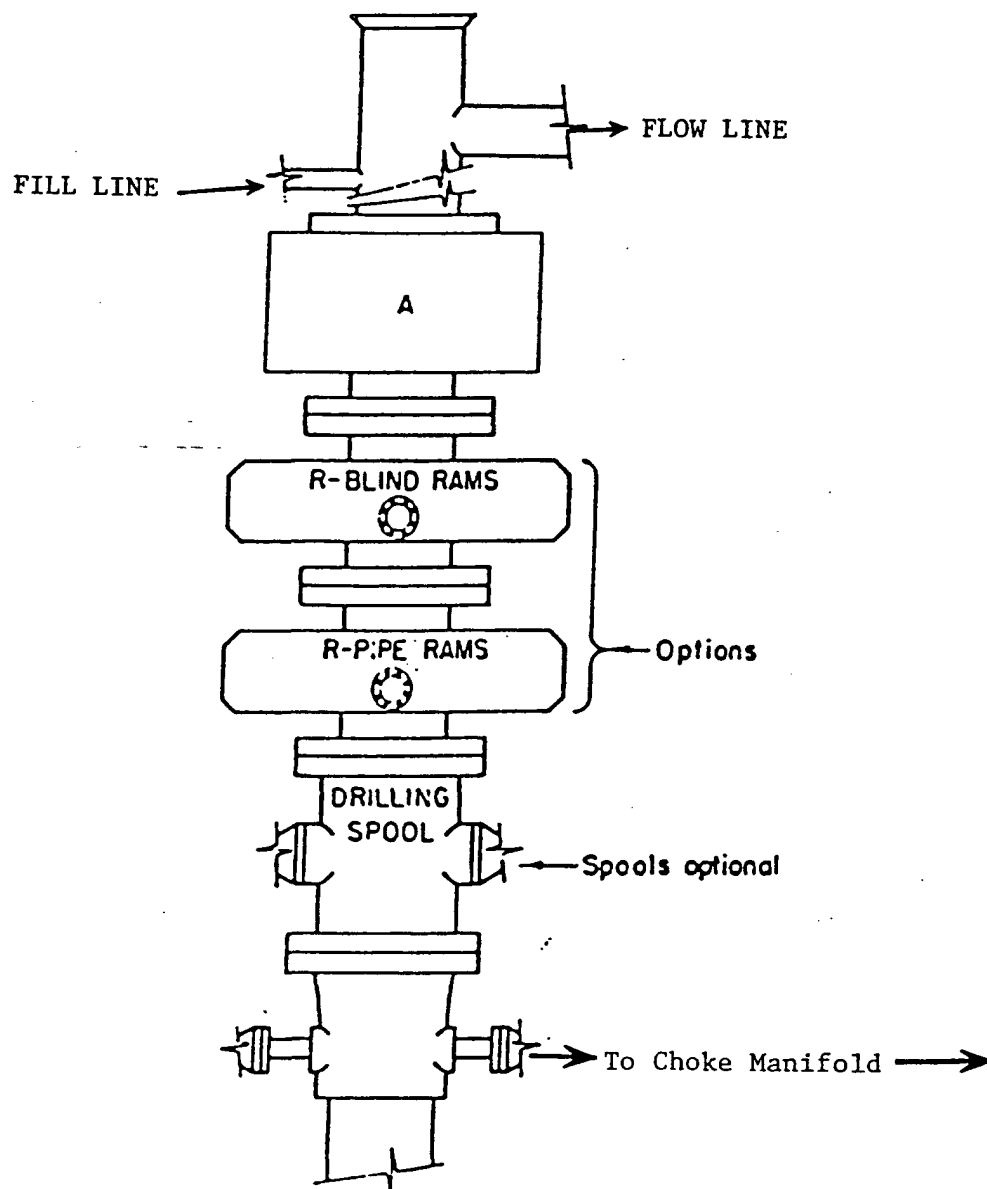
EXHIBIT "C"  
 TOPOGRAPHIC MAP SHOWING  
 ROADS & DIRECTIONS TO  
 POGO PRODUCING COMPANY  
 PATTON "17" FEDERAL # 8



- △ Wind Direction Indicators  
(wind sock or streamers)
- △ H2S Monitors  
(alarms at bell nipple and shale shaker)
- Briefing Areas
- Remote BOP Closing Unit
- Sign and Condition Flags

EXHIBIT "D"  
RIG LAY OUT PLAT

POCO PRODUCING COMPANY  
PATTON "17" FEDERAL # 8  
UNIT "I" SECTION 17



# **ARRANGEMENT SRRA**

900 Series  
3000 PSI WP

EXHIBIT "E"  
SKETCH OF B.O.P. TO BE USED O  
POGO PRODUCING COMPANY  
PATTON "17" FEDERAL # 8  
UNIT "T" SECTION 17