### OCD-ARTESIA

30-015-35801 R-111-POTASH

Other instructions on reverse side)

AB-07-511 EH-07-1005

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUDEAU OF LAND MANACEMENT

Budget Bureau No. 1004-0136 Expires August 31, 1985

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CONDITIONS OF APPROXAL AND SPECIAL STIPULATIONS Title 10 10. C. Section 1001, makes it a crime for any person knowingly and willfully to make to any large of agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

GENERAL REQUIREMENTS AND

SPECIAL STIPULATIONS

### State of New Mexico

DISTRICT I . 1625 N. FRENCH DR., HOBBS, NM 88240

Energy, Minerals and Natural Resources Department

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505 Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies

Fee Lease - 3 Copies

3380'

DISTRICT III

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

DISTRICT IV 1220 S. ST. FRANCIS DR., SANTA FE, NM 87505	WELL LOCATION AND	ACREAGE DEDICAT	ION PLAT	□ AMENDED REPORT
API Number	Pool Code		Pool Name	
30-015-35801	53815	Sand Dunes:	Delawara.	WEST
Property Code	Prop	perty Name		, Well Number
367 35	PURE	GOLD D		14
OCRID No	Oper	ator Name		Elevation

# POGO PRODUCING COMPANY Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Н	28	23-S	31-E		2310	NORTH	990	EAST	EDDY

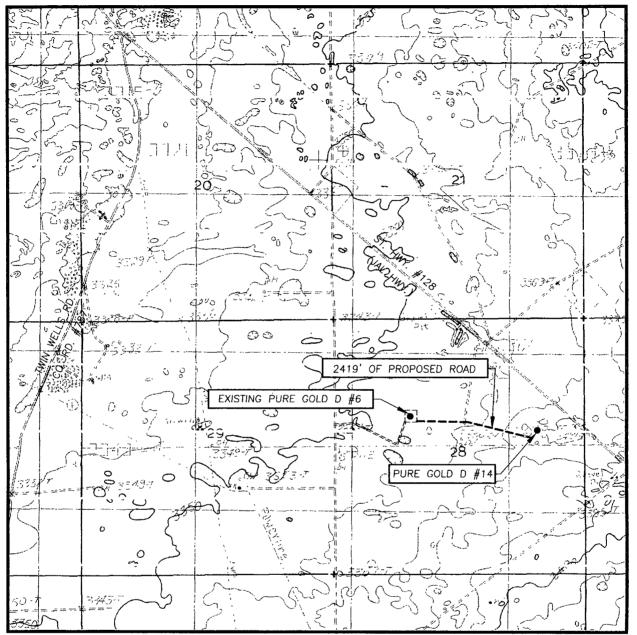
#### Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint o	r Infill Co	nsolidation (	Code Or	der No.		1	J	

## 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 harshy certify that the information before the stree and complete to the best of organisation either owns a working interest or unlessed mineral interest in the land including the proposed bottom hole location or has a right to drill this well at the location or has a right to drill this well at the owner of such difficult interest or to a voluntary pooling agreement or a compulsory poling order heretofore entered by the dristip.  Y=464654.1 N X=671964.9 E  LAT.=32.276225' N LONG.=103.776928' W  SURVEYOR CERTIFICATION  I hereby certify that the well location shown on this plot 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.  Signature & Sopilor  O. M.M.E.  Signature & Sopilor  O. M.M.E.  Signature & Sopilor  O. M.M.E.  Signature & Sopilor  Fortesional Surveyor  LA  Signature & Sopil
Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239

## LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: LOS MEDANOS, N.M. - 10'

SEC. 28 TWP. 23-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 2310' FNL & 990' FEL

ELEVATION 3380'
POGO

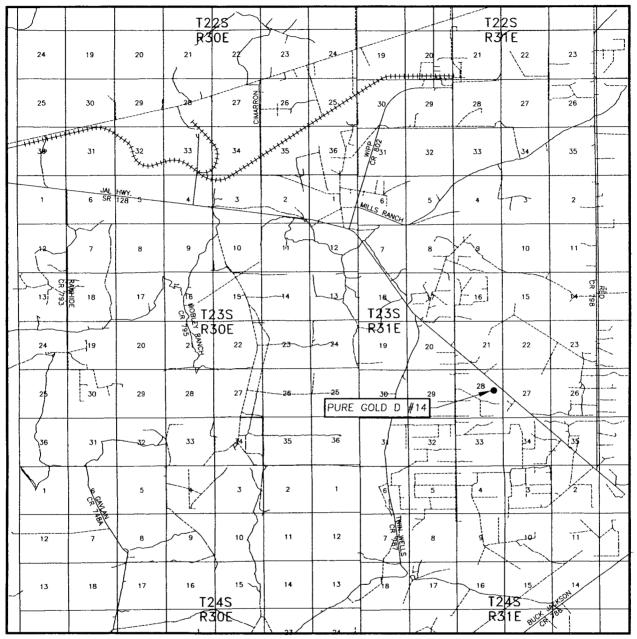
OPERATOR PRODUCING COMPANY

LEASE PURE GOLD D

U.S.G.S. TOPOGRAPHIC MAP
LOS MEDANOS, N.M.



## VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 28 TWP. 23-S RGE. 31-E

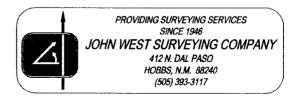
SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

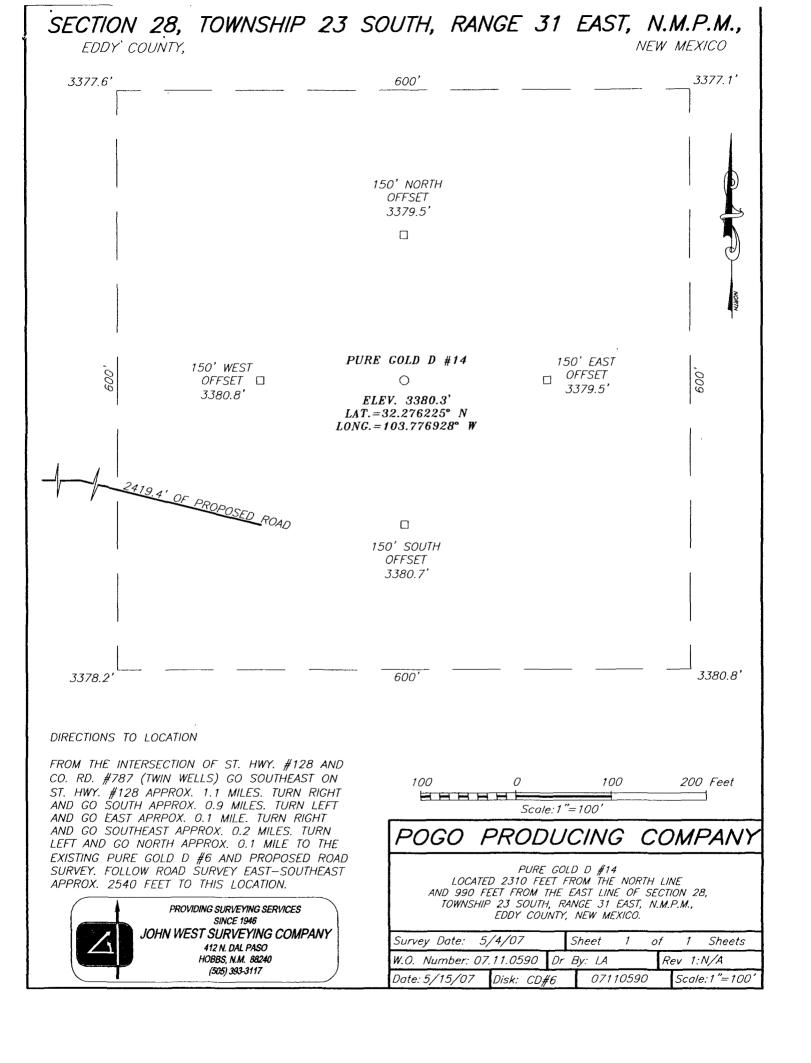
DESCRIPTION 2310' FNL & 990' FEL

ELEVATION 3380'
POGO
OPERATOR PRODUCING COMPANY

LEASE PURE GOLD D







### SUPPLEMENTAL DRILLING DATA

### POGO PRODUCING COMPANY PURE GOLD "D" WELL NO.14

1. SURFACE FORMATION: Quaternary

### 2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Anhydrite	550'
Delaware	4100'
Cherry Canyon	5000'
Brushy Canyon	6300'

### 3. ANTICIPATED POSSIBLE HYDROCARBON BEARING ZONES:

Brushy Canyon

011

### 4. PROPOSED CASING AND CEMENTING PROGRAM:

CASING_SIZE	SETTING DEP	TH	WEIGHT	GRADE	JOINT	
-			MEIGH	UNADL	OUTNI	- 46 G
13-3/8"	0	550'	54.5 #	J-55	STC 4	- See
8-5/8"	0	1000'	32#	J-55	STC	
	1000' 2200'	2200 ' 4100 '	24# 32#	J-55 J-55	STC STC	
5-1/2"	0	1000'	17#	J-55	LTC	
11	1000' 6000'	6000' 8300'	15.5# 17#	J-55 N-80	LTC LTC	
MINIMUM DESIGN FACTORS:	COLLAPSE_	1.125 BU	RST <u>1.1</u>	TENSION_	1.7	_

13-3/8" casing to be cemented with 300 sacks of Light cement tailed in with 200 sacks of Class "C" cement with 2% CaCl. Cement to circulate.

8-5/8" casing to be cemented with 1000 sacks of Light cement with 10% call, tailed in with 200 sacks of Class "C" cement with 1% CaCl. Cement to circulate.

5-1/2" casing to be cemented with approximately 500 sacks of Light cement followed by 700 sacks of Class "H" with the top of the Class "H"  $^{\circ}$ 

calculated to be at or above the shoe of the intermediate casing. If need for a stage tool is indicated, it will be positioned to best suit hole conditions at the time casing is run. Cement to circulate.

Cement may have lost circulation or other additives, depending on hole conditions when casing is run.

### 5. PRESSURE CONTROL EQUIPMENT:

Blowout prevention equipment, while drilling the 11" hole, will be either a 3000 psi working pressure double ram type preventer or a 3000 psi working pressure annular type preventer.

Blow out prevention equipment, while drilling below the 8-5/8" casing seat, will be a 3000 psi working pressure BOP stack. A BOP sketch is attached.

### 6. CIRCULATING MEDIUM:

Surface to 550 feet: Fresh water spud mud. Viscosity 30 to 36 as

required for hole cleaning.

550 feet to 4100 feet: Brine conditioned as necessary for control of

viscosity. Weight 9.5 to 10. pH 9 to 10.

Viscosity 32 to 36.

4100 feet to T.D.: Water base drilling fluid conditioned as necessary

for control of weight, viscosity, pH, and water-loss.

Weight 9 to 10. Viscosity 38 to 45. pH 9 to 10.

Filtrate while drilling pay zone 6 to 15.

### 7. AUXILIARY EQUIPMENT:

A mud logging trailer will be in use while drilling below the intermediate casing.

### 8. TESTING, LOGGING, AND CORING PROGRAMS:

Drill stem tests will be made when well data indicate a test is warranted.

It is planned that electric logs will include GR-CNL-Density logs and GR-DLL logs.

No coring is planned.

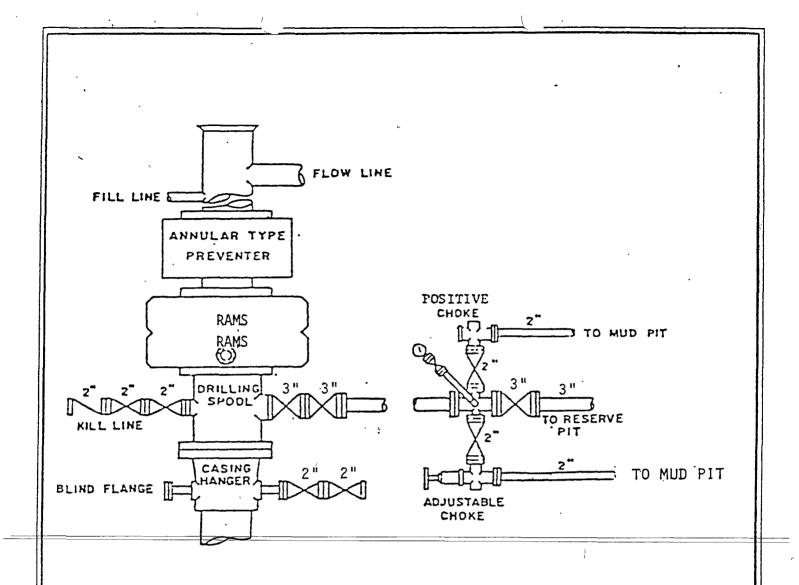
### 9. ABNORMAL PRESSURES, TEMPERATURES, OR HYDROGEN SULFIDE GAS:

None anticipated.

Expected bottom hole pressure is approximately 3500 psi. Expected bottom hole temperature is approximately 125 degrees Fahr.

### 10. ANTICIPATED STARTING DATE:

It is planned that operations will commence upon approval of this application, with drilling and completion operations lasting about 30 days.



### BOP STACK

3000 PSI WORKING PRESSURE

### SURFACE USE AND OPERATIONS PLAN

### FOR

# POGO PRODUCING COMPANY PURE GOLD "D" WELL NO.14 2310'FNL & 990'FEL SEC.28, T.23 S., R.31 E. EDDY COUNTY, NEW MEXICO

LOCATED: 18 miles east of Loving, New Mexico.

FEDERAL LEASE NUMBER: NM-40659.

LEASE DATE: July 1, 1980. Lease is in producing status.

ACRES IN LEASE: 640.

LESSEE: Pogo Producing Company.

SURFACE OWNERSHIP: Federal.

GRAZING PERMITTEE: J. C. Mills

P. O. Box 190

Abernathy, Texas 79311

POOL: Undesignated Delaware.

POOL RULES: Statewide Rules. 40 acre spacing for oil.

EXHIBITS: A. Road Map

B. Plat Showing Existing Wells and Existing Roads

C. Drilling Rig Layout

D. Topo Plat

### 1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a road map showing the location of the proposed well as staked. Point "A" on the plat is on State highway 128 at Milepost 13.7, approximately 21 road miles east of Loving, New Mexico where a caliche road goes south. To go to the proposed well site from this point, exit 128 to the south and go 0.8 mile and then 0.1 mile east to arrive at Pogo Producing Company's Pure Gold "D" well No. 1. The proposed well site is about 3600 feet east of this well. Also see Exhibits "B" and "D".
- B. Exhibit "B" shows existing pertinent existing roads in the vicinity of the proposed well site.

### 2, PLANNED ACCESS ROAD:

- A. <u>Length and Width</u>: The new road will be 12 feet wide and about 1400 feet long, and is shown labeled and color coded red on Exhibit "B". Access will utilize roads to be constructed to serve planned wells Nos. 6 and 10 as indicated on Exhibit "B". The centerline of the proposed new road is staked and flagged.
  - B. Surfacing Material: Caliche. Watered, compacted, and graded.
  - C. Maximum Grade: One percent.
  - D. Road Turnouts: Probably one.
- E. <u>Drainage Design</u>: The new road will be crowned with drainage to the side.
  - F. Culverts: None needed.
  - G. Cuts and Fills: None necessary.
  - H. Gates and Cattle Guards: None needed. No fences involved.

### 3. LOCATION OF EXISTING WELLS:

- A. Existing wells in the immediate area are show on Exhibit "B".
  - 4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:
- A. Production from this well will be delivered to the lease tank battery

planned for construction on the well pad at well No. 9. The flow line will be 3" SDR-7 polyethylene pipe laid on the ground, and will extend from the well to the tank battery, as shown on Exhibit "B"; westerly alongside the access road to near the planned well No. 10 and then northerly alongside the planned well No. 9 access road.

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

A. It is not planned that a water well will be drilled. Water necessary for drilling operations will be purchased and trucked to the well site, or will be moved to the well site by temporary pipeline laid on the ground alongside existing and proposed roads.

### 6. SOURCE OF CONSTRUCTION MATERIALS:

A. Caliche needed for construction work will be taken, if present, from a pit opened on-site within the 400'x 450' archaeologically cleared work area adjacent to the reserve pit. Otherwise, caliche will be taken from the existing pit on Federal land in the NE $\frac{1}{2}$ NE $\frac{1}{2}$  of Section 4, T.24 S., R.31 E., Eddy County, New Mexico, and will be trucked to the well site over existing and proposed roads.

### 7. METHODS OF HANDLING WASTE MATERIAL:

- A. Drill cuttings will be disposed of in the drilling pits.
- B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.
- C. Water produced during tests will be disposed of in the drilling pits or will be stored in tanks for disposal in an approved disposal system.
  - D. Oil produced during tests will be stored in test tanks until sold.
- E. All trash, junk, and other waste material will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary land fill.

### 8. ANCILLARY FACILITIES:

A. None necessary.

### 9. WELL SITE LAYOUT:

- A. Exhibit "C" shows the relative location and dimensions of the well pad, mud pits, and reserve pits, and the location of major drilling rig components.
  - B. Clearing and levelling of the pad and pit area will be required.
  - C. The pad and pit area is staked and flagged.

### 10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed from the well site. Pits will be filled and and the location will be cleaned of all trash and junk to leave the well site in an as aesthetically pleasing condition as possible.
  - B. Any unguarded pits containing fluids will be fenced.
- C. After abandonment, all equipment, trash, and junk will be removed and the well site will be cleaned. Any special rehabilitation requirements of the surface management agency will be complied with and accomplished as rapidly as possible.

### 11. OTHER INFORMATION:

- A. <u>Topography</u>: The land surface in the general area is gently undulating and duny. In the immediate area of the well site the land surface slopes gently to the north. Regionally, drainage is to the west and southwest.
  - B. Soil: Top soil at the well site is sand.
- C. Flora and Fauna: The vegetative cover is moderate and includes mesquite, shinnery oak, sand sage, yucca, weeds, and range grasses. Wildlife in the area is that typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, dove and quail.
- D. <u>Ponds and Streams</u>: There are no rivers, lakes, ponds, or streams in the area.
- E. Residences and Other Structures: There are no occupied dwellings or other structures within a mile of the proposed well site.

- F. Archaeological, Historical, and Cultural Sites: None observed. However, an archaeological reconnaissance is to be accomplished and a report furnished.
  - G. Land Use: Grazing and wildlife habitat.
  - H. Surface Ownership: Federal.

### 12. OPERATOR'S REPRESENTATIVE:

Richard L. Wright Division Operations Supervisor Pogo Producing Company P. O. Box 10340 Midland, Texas 79702 Office Phone: 915-682-6822

### 13. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; 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 and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

February 16, 1993

Date:

Richard L. Wright

Division Operations Supervisor

### PRAIRIE CHICKENS

No surface use is allowed during the following time periods; unless otherwise specified, this stipulation does not apply to operation and maintenance of production facilities.

On the lands described below: All of Section 28; Township 23 South, Range 31 East

For the purpose of: Protecting Prairie Chickens:

Drilling for oil and gas, and 3-D geophysical exploration operations will not be allowed in Lesser Prairie Chicken Habitat during the period of March 15 through June 15, each year. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 a.m. and 9:00 a.m. The 3:00 a.m. and 9:00 a.m. restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during the period. Additionally, no new drilling will be allowed within up to 200 meters of leks know at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

Bureau of Land Management Carlsbad Field Office SENM-S-22 December 1997

### CONDITIONS OF APPROVAL - DRILLING

Operator's Name: POGO Producing Company

Well Name & No. 14-Pure Gold "D"

Location: 2310' FNL, 0990' FEL, Sec. 28, T-23-S, R-31-E, Eddy County, NM

Lease: NM-40659

### I. DRILLING OPERATIONS REQUIREMENTS:

A. The Bureau of Land Management (BLM) is to be notified a minimum of 4 hours in advance for a representative to witness:

- 1. Spudding well
- 2. Setting and/or Cementing of all casing strings
- 3. BOPE tests
  - Eddy County call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822
- B. Although Hydrogen Sulfide is not reported, it is always a potential hazard.
- C. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
- **D.** If floor controls are required, (3M or Greater) controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
- E. Gamma-Ray/Neutron logs shall be run from the base of the Salado formation to the surface. The logs shall be run at a speed which allows the logs to be legible and no faster than manufactures of the logging tools recommended speed. (R-111-P area only)

## II. CASING: NB! Casing depth for surface casing based on Geological Report by BLM geologist.

- A. The 13-3/8 inch surface casing shall be set a minimum of 25 feet into the Rustler Anhydrite and above the salt at approximately 760 feet and cemented to the surface. Fresh water mud to be used to setting depth of surface casing.
  - 1. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
  - 2. Wait on cement (WOC) time for a primary cement job will be a minimum of 24 hours in the potash area, or 500 pounds compression strength, whichever is greater. (This is to include the lead cement)
  - 3. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compression strength, whichever is greater.
  - 4. If cement falls back, remedial action will be done prior to drilling out that string.

Possible lost circulation in the Delaware and Bone Spring formations.

Possible water flows in the Salado, Castile, Delaware, and Bone Spring formations.

- B. The minimum required fill of cement behind the <u>8-5/8</u> inch intermediate casing is cement shall circulate to surface. If cement does not circulate see A.1 thru 4.
- C. The minimum required fill of cement behind the <u>5-1/2</u> inch production casing is **cement shall** circulate to surface.
- **D.** If hardband drill pipe is rotated inside casing; returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool I joints of the drill pipe will be installed prior to continuing drilling operations.
- E. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

### **III. PRESSURE CONTROL:**

- **A.** All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2.
- **B.** Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 2000 (2M) PSI.
- C. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 8-5/8 intermediate casing shoe shall be 3000 (3M) PSI.
- **D.** The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
  - 1. The tests shall be done by an independent service company.
  - 2. The results of the test shall be reported to the appropriate BLM office.
  - 3. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
  - 4. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi in accordance with API RP 53 Sec. 17. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

### **IV. DRILL STEM TEST:**

If a drill stem test is performed, the conditions of Onshore Order 2.III.D must be met.

Engineer on call phone (after hours): 505-706-2779

WWI 061907