Form 3160-3 (April 2004)	SEP 20 PM 1 3		RM APPROVED 1B No. 1004-0137 ires March 31, 2007
UNITED STÅTES DEPARTMENT OF THE IN BUREAU OF LAND MANA	NTERIOR	5. Lease Serial NMNM-02	
APPLICATION FOR PERMIT TO E	OUT ADVILLATED TO	6. If Indian, All	lotee or Tribe Name
APPLICATION FOR PERMIT TO E	HILL OR REENTER	N/A	
la. Type of work:	₹	7 If Unit or CA N/A	Agreement, Name and No.
1b. Type of Well: Oil Well Gas Well Other	✓ Single Zone Multip	8. Lease Name	and Well No.
Name of Operator POGO PRODUCNG (SAN JUAN) COM	IPANY	9. API Well No 30-045-	2-24/2
3a. Address P. O. BOX 10340	3b. Phone No. (include area code)	10. Field and Poo	
MIDLAND, TX 79702-7340	(432) 685-8143	BASIN F	RUITLAND COAL
4. Location of Well (Report location clearly and in accordance with any	State requirements.*)	11. Sec., T. R. M.	or Blk. and Survey or Area
At surface 2028' FNL & 1698' FWL At proposed prod. zone SAME		€ 9-29N-12	W NMPM
14. Distance in miles and direction from nearest town or post office*		12. County or Pa	rish 13. State
3 AIR MILES SSW OF FLORA VISTA POST OFFICE		SAN JUA	
15. Distance from proposed* location to nearest property or lease line, ft. Also to nearest drig, unit line if any), 708'	16. No. of acres in lease 467.76	17. Spacing Unit dedicated to	
(Also to hearest ung. unit time, it any)		20. BLM/BIA Bond No. on f	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 184' (B 1-E (Dakota))	19. Proposed Depth 2,200'	BLM NM2125	iie
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22 Approximate date work will sta	rt* 23. Estimated d	uration
5,712' GL	11/01/2005	2 WEEK	S
	24. Attachments		
The following, completed in accordance with the requirements of Onshor	e Oil and Gas Order No.1, shall be a	ttached to this form:	
Well plat certified by a registered surveyor. A Drilling Plan.	4. Bond to cover t Item 20 above).	he operations unless covered	by an existing bond on file (see
3. A Surface Use Plan (if the location is on National Forest System SUPO shall be filed with the appropriate Forest Service Office).		specific information and/or pl	lans as may be required by the
25. Signature	Name (Printed/Typed) BRIAN WOOD		Date 09/17/2005
Title CONSULTANT	PHONE: (505) 466-8120	FAX: (505) 466-968	
Approved by (Signature)	Name (Printed/Typed)		Date (1/6)
Title AFM	Office FF)	
Application approval does not warrant or certify that the applicant hold conduct operations thereon. Conditions of approval, if any, are attached.	ls legal or equitable title to those rig	nts in the subject lease which v	vould entitle the applicant to

*(Instructions on page 2)

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

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.



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State of New Mexico Energy, Minerals & Mining Resources Department

OL CONSERVATION DIVISION 2040 South Pachago SEP 20 Santa Fe. NM 87505

MENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT APA Number Pool Code 30-045-33343 71629 BASIN FRUITLAND COAL Wall Number Property Code Property Name 30 1373 ROPCO FEDERAL FC 9 1 T Bevotion OGRID No. Operator Name 5712

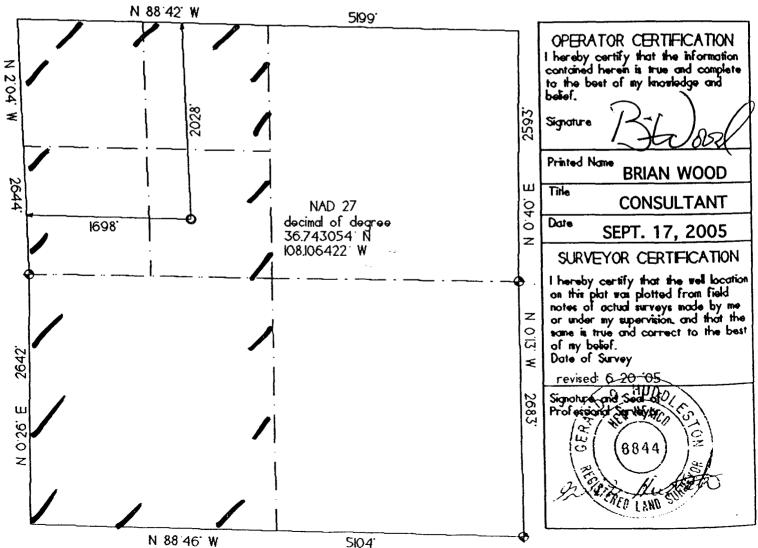
Surface Location									
UL or Lot	Sec.	Tup.	Rge.	Lot lan.	Feet from>	North/South	Feet from>	East/West	County
F	9	29 N.	12 W.	2028	NORTH	1698	WEST		SAN JUAN
Bottom Hole Location If Different From Surface									

POGO PRODUCING (SAN JUAN) CO.

233194

UL or Lot	Sec	Twp.	Rge.	Lot ldn	. Feet from>	North/South	Feet from>	East/West	County
				1					
Dedication	Joi	nt?	Consolic	ation			Ord	er No.	
314.30			С		•	•			

NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

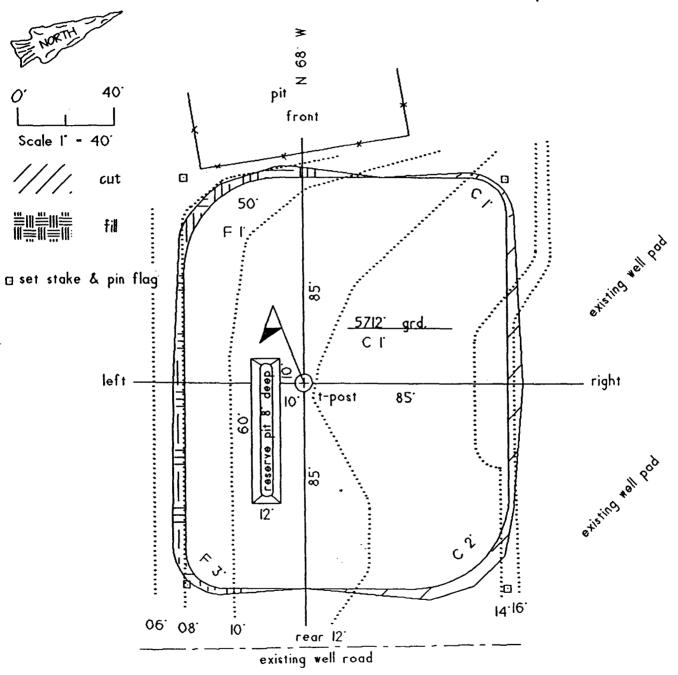


Submit 3 Copies To Appropriate District State of New Mexico Form C-103 Office May 27, 2004 Energy, Minerals and Natural Resources District I WELL API NO. 1625 N. French Dr., Hobbs, NM 88240 30-045-District II OIL CONSERVATION DIVISION 1301 W. Grand Ave., Artesia, NM 88210 5. Indicate Type of Lease 1220 South St. Francis Dr. STATE FEE 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 87505 6. State Oil & Gas Lease No. District IV 1220 S. St. Francis Dr., Santa Fe, NM NMNM-021119 87505 7. Lease Name or Unit Agreement Name SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A ROPCO FEDERAL FC 9 DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 8. Well Number 1-T Gas Well X Other 1. Type of Well: Oil Well 2. Name of Operator 9. OGRID Number 149052 POGO PRODUCING (SAN JUAN) COMPANY 3. Address of Operator P.O. BOX 10340, MIDLAND, TX 79702-7340 10. Pool name or Wildcat FULCHER KUTZ PC & BASIN FRUITLAND COAL 4. Well Location 2028 feet from the NORTH line and 1698 feet from the WEST line Unit Letter **NMPM** County SAN JUAN Section Township 29N Range 12W 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5.712' GL Pit or Below-grade Tank Application X or Closure Pit type DRILLING_Depth to Groundwater >50' Distance from nearest fresh water well >600' Distance from nearest surface water ~300' Pit Liner Thickness: 12 mil Below-Grade Tank: Volume bbls: Construction Material 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PLUG AND ABANDON □ PERFORM REMEDIAL WORK REMEDIAL WORK ALTERING CASING TEMPORARILY ABANDON **CHANGE PLANS** COMMENCE DRILLING OPNS. P AND A П П PULL OR ALTER CASING **MULTIPLE COMPL** CASING/CEMENT JOB П OTHER: OTHER: DRILLING PIT 13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion. I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or belowgrade tank has been/will be constructed & closed according to NMOCD guidelines [3], a general permit [1] or an (attached) alternative OCD-approved plan [1]. TITLE CONSULTANT 9-17-05 SIGNATURE DATE Type or print name **BRIAN WOOD** E-mail address: brian@permitswest.com Telephone No. (505) For State Use Only 466-8120 DATE NOV 1 5 2005 GETUTY OR & GAS DISPECTOR DIST. AN APPROVED BY:

Conditions of Approval (if any):

ROPCO FEDERAL FC 9 # 1 T

well pad and section



Pogo Producing (San Juan) Company Ropco Federal FC 9 1-T 2028' FNL & 1698' FWL Sec. 9, T. 29 N., R. 12 W. San Juan County, New Mexico

Drilling Program

1. ESTIMATED FORMATION TOPS

<u>Formation</u>	GL Depth	KB Depth	Elevation
Nacimiento	0'	5'	+5,712'
Ojo Alamo Sandstone	867'	872'	+4,845'
Kirtland Shale	1,157'	1,162'	+4,555'
Fruitland Coal	1,612'	1,617'	+4,100'
Pictured Cliffs Sandstone	1,697'	1,702'	+4,015'
Total Depth (TD)	2,200'	2,205'	+3,512'

2. NOTABLE ZONES

Gas Zones	Water Zones	Coal Zones
Fruitland	Ojo Alamo	Fruitland
Pictured Cliffs	Fruitland	

Water zones will be protected with casing, cement, and weighted mud. Fresh water encountered during drilling will be recorded by depth, cased, and cemented. Oil and gas shows will be tested for commercial potential based on the well site geologist's recommendations.

3. PRESSURE CONTROL

The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. (A typical 2,000 psi model is on PAGE 3.) Double ram or annular 2,000 psi system with a rotating head will be used. All ram preventers and related equipment will be hydraulically tested at nipple up and after any use under pressure to 1,000 psi.



Pogo Producing (San Juan) Company Ropco Federal FC 9 1-T 2028' FNL & 1698' FWL Sec. 9, T. 29 N., R. 12 W. San Juan County, New Mexico

Blind rams will be hydraulically activated and checked for operational readiness each time pipe is pulled out of the hole. All checks of the BOP stack and equipment will be noted on the daily drilling report. BOP equipment will include a kelly cock, floor safety valve, and choke manifold all rated to 2,000 psi. Maximum expected pressure is ≈880 psi.

4. CASING & CEMENT

Hole Size	<u>O. D.</u>	Weight (lb/ft)	<u>Grade</u>	<u>Age</u>	GL Setting Depth
8-3/4"	ブ"	20	K-55	New	120'
6-1/4"	4-1/2"	10.5	K-55	New	2,200'

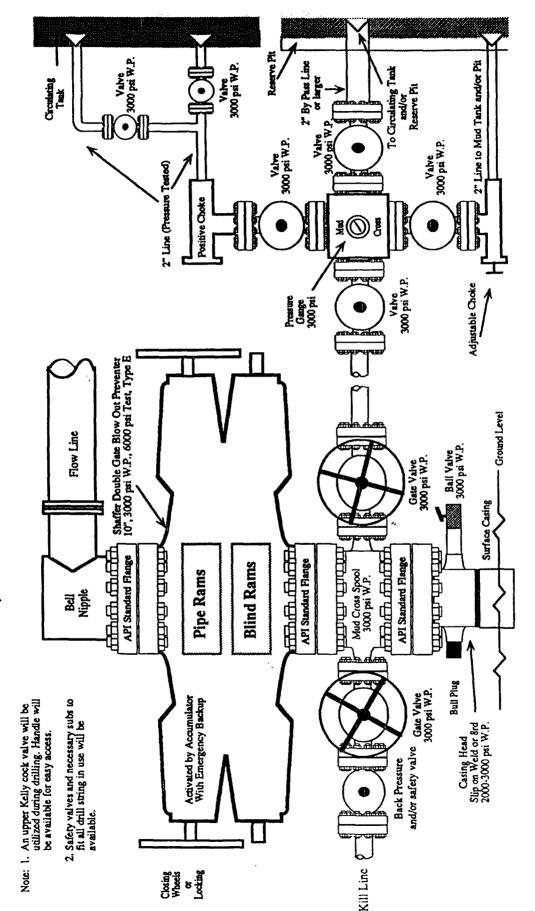
Surface casing will be cemented to surface with ≈ 59 cubic feet (≈ 50 sacks) Class B + 2% CaCl₂. Volume is based on 100% excess, yield of 1.18 cubic feet per sack, and slurry weight of 15.6 pounds per gallon. W. O. C. = 12 hours. Pressure test surface casing to ≈ 600 psi for 30 minutes.

Production casing hole will be cleaned of rock chips by circulating $\geq 150\%$ of hole volume with mud. Forty barrels of fresh water will next be circulated. Lead with ≈ 393 cubic feet (≈ 191 sacks) of Class B with 2% metasilicate (yield = 2.06 cubic feet per sack, slurry weight = 12.5 pounds per gallon). Tail with ≈ 59 cubic feet (≈ 50 sacks) of Class B with 2% CaCl₂ (yield = 1.18 cubic feet per sack, slurry weight = 15.6 pounds per gallon). Total cement volume = 452 cubic feet @ 100% excess and circulating to surface.

Production casing will have 4-1/2" cement guide shoe and self fill float collar. Float will be placed one joint above the shoe. Six or seven centralizers will be spaced on every other joint starting above the shoe. Six or seven turbolizers will be placed on every other joint starting from the top of the well.



2,000 PSI BOP SYSTEM



Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.

Pogo Producing (San Juan) Company Ropco Federal FC 9 1-T 2028' FNL & 1698' FWL Sec. 9, T. 29 N., R. 12 W. San Juan County, New Mexico

5. MUD PROGRAM

Surface casing hole will be drilled with fresh water. Production casing hole will be drilled with a fresh water polymer mud. Weighting material will be drill solids or, if needed, barite. Maximum expected mud weight will be 8.5 pounds per gallon.

6. CORES, TESTS, & LOGS

No cores or drill stem tests are planned.

Spectral Density/Dual Spaced Neutron and Dual Induction/Guard with GR, SP, and Caliper and logs will be run from TD to at least the base of the surface casing.

7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures, nor hydrogen sulfide are expected. Maximum pressure will be ≈880 psi.

8. OTHER INFORMATION

The anticipated spud date is upon approval. It is expected it will take one week to drill the well and one week to complete the well. Drilling will be daylight only.

