

DATE IN 5/24/06	SUSPENSE	ENGINEER MIKE STRENGER	LOGGED IN 5/24/06	TYPE NSL	APP NO. P-TDS-06-14459507
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Peso

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] Location - 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.

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

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

Title

Date

e-mail Address

2006 MAY 24 PM 3 45

James Bruce *Manager for Application* *5/24/06*
jamesbruce@aol.com

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) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

May 24, 2006

Hand delivered

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 approval of an unorthodox oil well location for the following well:

<u>Well:</u>	Lost Tank "4" Fed. Deep Well No. 20
<u>Location:</u>	1330 feet FNL & 510 feet FEL
<u>Well unit:</u>	SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 4, Township 22 South, Range 31 East, N.M.P.M., Lea County, New Mexico

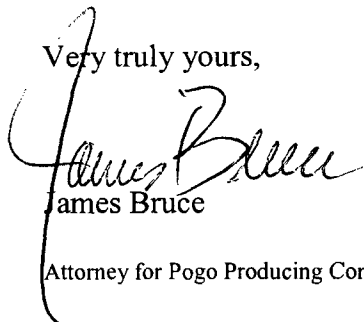
The well will be drilled to a depth sufficient to test the Wolfcamp formation (wildcat Wolfcamp). It is anticipated that the Wolfcamp in this area will be an oil zone, spaced on 40 acres under the Division's statewide rules, with wells to be located no closer than 330 feet to a quarter-quarter section line. An APD for the well, with a Form C-102, is attached as Exhibit A.

The well location is based on topographic reasons. The proposed well will use the wellpad for the existing Lost Tank "4" Fed. Well No. 7, located 1330 feet FNL & 680 feet FEL of Section 4, which is a Delaware well (its unorthodox location was previously approved by the Division). See Exhibit B. This is done to comply with Bureau of Land Management requests to minimize surface disturbance.

All of Section 4 (except Lot 4) is subject to United States Lease NM 0417696. See Exhibit C. Leasehold ownership is common throughout the lease. Therefore, there is no adversely affected interest owner, and notice of this application has not been given to anyone.

Please contact me if you need any further information on this application.

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".

James Bruce

Attorney for Pogo Producing Company

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT OPERATIONAL COPY

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		RECEIVED MAR 21 2006	
B. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>	
2. NAME OF OPERATOR POGO PRODUCING COMPANY (RICHARD WRIGHT 432-685-8140) MIDLAND			
3. ADDRESS AND TELEPHONE NO. P.O. BOX 10340 MIDLAND, TEXAS 79702-7340 (432-685-8100)			
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1330' FNL & 510' FEL SECTION 4 T22S-R31E EDDY CO. NM At proposed prod. zone SAME R-111-POTASH			
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE Approximately 35 miles East of Carlsbad New Mexico			
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 510'		16. NO. OF ACRES IN LEASE 1240	
13. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 150'		19. PROPOSED DEPTH 12,800'	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3466' GR. Carlsbad Controlled Water Basin		17. NO. OF ACRES ASSIGNED TO THIS WELL 40	
20. ROTARY OR CABLE TOOLS ROTARY		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
26"	Conductor	NA	40'	Cement to surface W/Redi-mix
17 1/2"	H-40 13 3/8"	48#	950'	850 Sx. circulate cement
12 1/4"	N-80 9 5/8"	40#	4000'	1200 Sx. " "
8 1/2"	P-110 7"	29#	11,600'	1450 Sx. " "
6 1/8"	P-110 5"	18#	12,800-11,400'	Liner 400 Sx. Top of liner

SEE ATTACHED SHEET.

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED**

Exhibit A

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 Scott Janice TITLE Agent DATE 05/20/05

(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 the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Linda Schudeel TITLE STATE DIRECTOR DATE 3/10/06

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

DISTRICT I

1525 N. FRENCH DR., HOES, NM 86240

DISTRICT II

1201 W. GRAND AVENUE, ARTERIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised JUNE 10, 2003

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	Pool Name
		WILDCAT-WOLFCAMP
Property Code	Property Name	Well Number
	LOST TANK "4" FEDERAL (DEEP)	20
OGRID No.	Operator Name	Elevation
17891	POGO PRODUCING COMPANY	3466'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	4	22-S	31-E		1330	NORTH	510	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

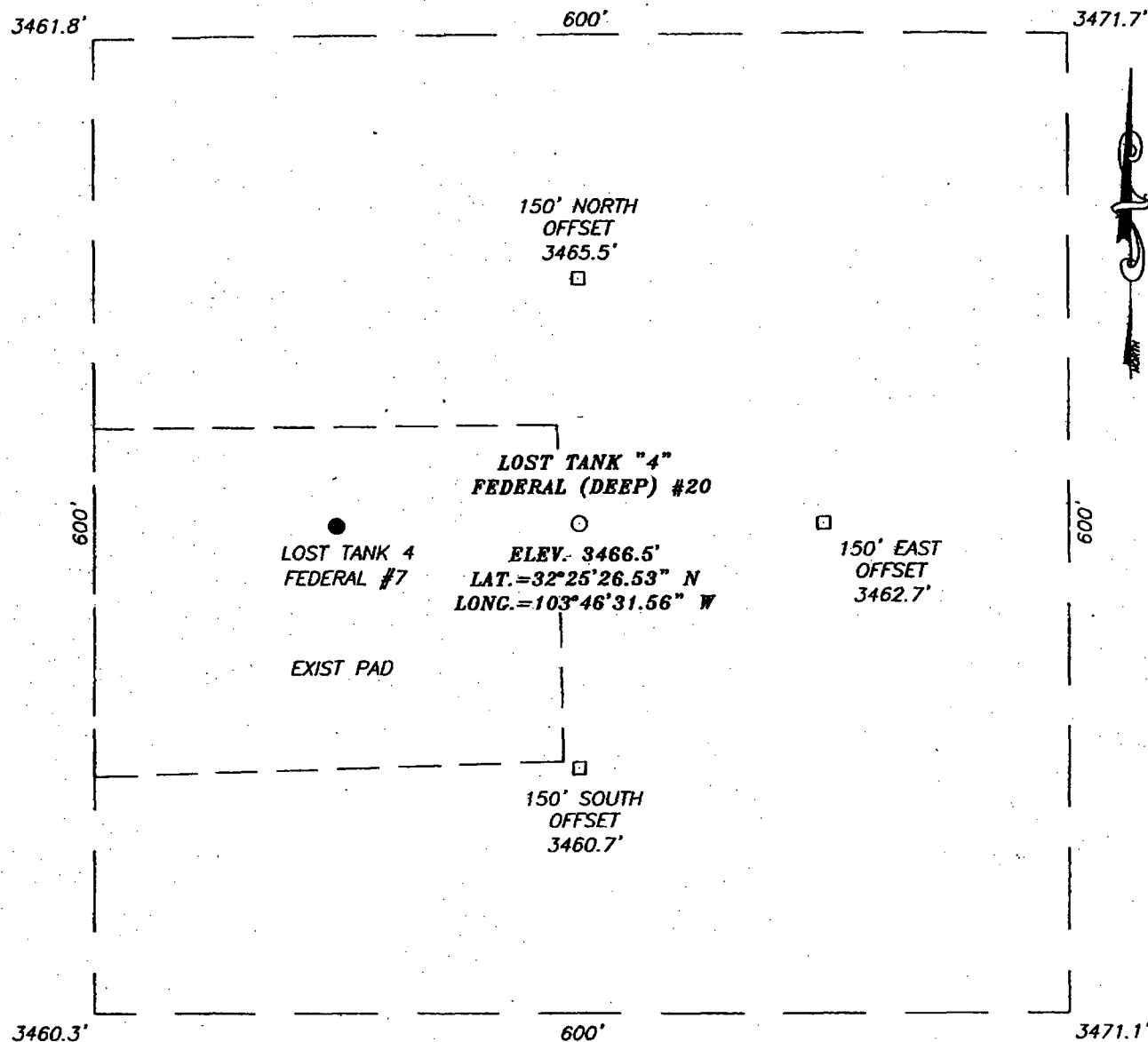
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

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

LOT 4 39.97 AC	LOT 3 39.85 AC	LOT 2 39.75 AC	LOT 1 39.63 AC		OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature Joe T. Janica Printed Name Agent Title 05/18/05 Date
GEODETIC COORDINATES NAD 27 NME Y=518427.5 N X=672146.2 E LAT.=32°25'26.53" N LONG.=103°46'31.56" W					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 4, 2005 Date Surveyed Signature of Gary A. Edson Professional Surveyor Certificate No. GARY EDSON 12641

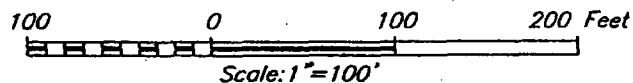
EXHIBIT "A"

SECTION 4, TOWNSHIP 22 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

AT MILE MARKER #3 FROM LOUIS WHITLOCK RD. (WHIPP RD.) GO SE ON WHIPP RD. FOR APPROX. 0.4 MILES TO A CALICHE ROAD ON THE LEFT. TURN LEFT (NORTH) AND GO APPROX. 0.8 MILES. TURN RIGHT (EAST) AND GO APPROX. 0.5 MILES. TURN LEFT (NORTH) AND GO APPROX. 0.9 MILES. TURN RIGHT (EAST) AND GO APPROX. 0.4 MILES TO A CALICHE ROAD ON THE RIGHT. TURN RIGHT AND GO APPROX. 0.2 MILES TO THIS LOCATION.



PROVIDING SURVEYING SERVICES
 SINCE 1940
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBBS, N.M. 88240
 (505) 383-3117

POGO PRODUCING COMPANY

LOST TANK "4" FEDERAL (DEEP) #20 WELL
 LOCATED 1330 FEET FROM THE NORTH LINE
 AND 510 FEET FROM THE EAST LINE OF SECTION 4,
 TOWNSHIP 22 SOUTH, RANGE 31 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

Survey Date: 05/04/05	Sheet 1 of 1 Sheets
W.O. Number: 05.11.0683	Dr By: J.R. Rev 1: N/A
Date: 05/05/05	Disk: CD#5 05110683 Scale: 1"=100'

Exhibit B

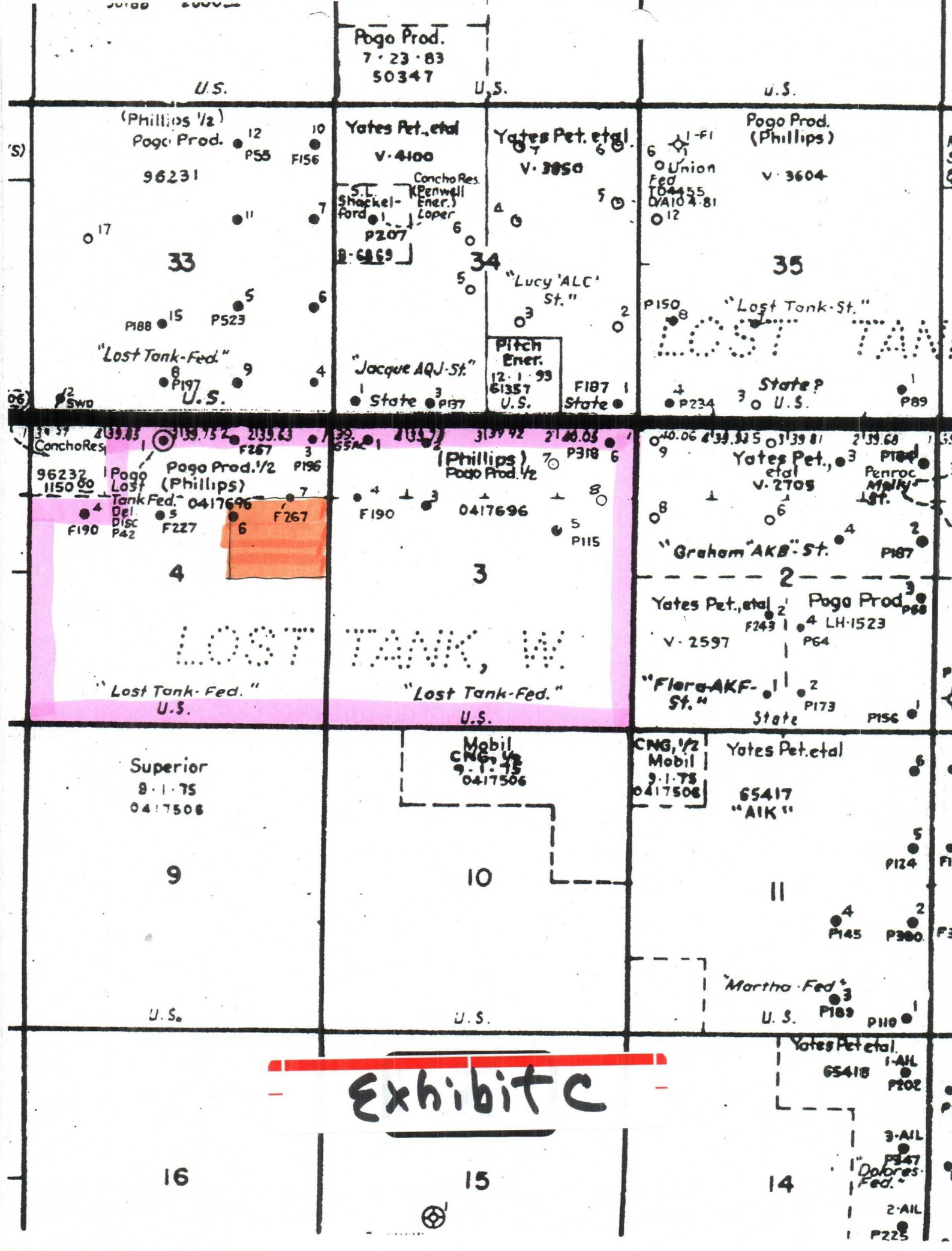


Exhibit C