#### NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS **Application Acronyms:** [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location] [DD-Directional Drilling] [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] TYPE OF APPLICATION - Check Those Which Apply for [A] [1] [A] \Location - Spacing Unit - Directional Drilling Q NSP CIG C Check One Only for [B] or [C] Commingling - Storage - Measurement ☐ DHC □ PLC  $\square$  PC  $\square$  CTR OLS. OLM. Injection - Disposal - Pressure Increase - Enhanced Oil Recovery [C]☐ WFX  $\square$  PMX  $\square$  SWD Q IPI EOR PPR PPR NOTIFICATION REQUIRED TO: - Check Those Which Apply, or \(\mathbb{D}\) Does Not Apply [2] ☐ Working, Royalty or Overriding Royalty Interest Owners [A] [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 INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding [3] I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken. JAMES BRUCE Statement must be completed by an individual with supervisory capacit P.O. BOX 1056 SANTA FE, NM 87504

Signature

Print or Type Name

### JAMES BRUCE

ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

SUITE B 612 OLD SANTA FE TRAIL SANTA FE, NEW MEXICO 87501

(505) 982-2043 (505) 982-2151 (FAX)

September 25, 1998

#### Hand Delivered

Michael E. Stogner Oil Conservation Division 2040 South Pacheco Street Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F.(2), Pogo Producing / Company ("Pogo") applies for administrative approval of an unorthodox oil well location for the following well:

Lost Tank "3" Fed. Well No. 5 1950 feet FNL & 1300 feet FEL SE¼NE¼ (Unit H) §3 Township 22 South, Range 31 East, NMPM, Eddy County, New Mexico

The well will be drilled to test the Delaware formation (West Lost Tank-Delaware Pool). The pool is governed by statewide rules, with 40 acre spacing and wells to be located no closer than 330 feet to a guarter-quarter section line.

The subject acreage is in the oil-potash area of southeast New Mexico, and the proposed location is non-standard due to potash reasons. During extensive conversations between Scott McDaniel of Pogo and Craig Cranston of the Bureau of Land Management ("BLM"), Pogo was advised that, based on the BLM's current information, a small window exists where drilling operations can occur without impairing potential potash reserves. All locations within this window, including the proposed location, are unorthodox. Copies of the APD (Form 3160-3) and Form C-102 submitted to the BLM for the unorthodox location are attached as Exhibit A.

Submitted as Exhibit B is a land plat of the subject area. All of Section 3 and all of Section 4 except the NW¼NW¾ is comprised of federal lease NM 0417696, which is owned 50-50 by Pogo and Phillips Petroleum Company. Pogo operates the lease. In addition, royalty

and overriding royalty ownership is common throughout the lease. Thus, no interest owner is adversely affected by the unorthodox location, and notice is not required to be given to anyone.

This application is submitted in duplicate. Please call me if you need anything further on this matter.

Very truly yours,

James Bruce

1998,09-24

12:29

WHEN APPROVED

#866 P.02/05

Form 3150-3 (July 1992)

23.

SUBMIT IN T LICATES

FORM APPROVED tenona oa side) OMB NO. 1004-0136 Experes: February 28, 1995

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DEPARTMENT OF THE INTERIOR	

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	r) 915-685-8140		ST TANK 11311 1	FEDERAL # 5
P.O. BOX 10340 MIDLAND, TEXAS 79702-734. LOCATION OF WELL (Seport location clearly and in accordance will			D. FORLD AND PODE. O ST TANK DELAN	
1950' FNL & 1300' FEL SEC. 3 T22S-R31E At proposed prod. zone SAME	•	7.1	. SEC., T., R., M., OR S AND SUBVET OR AR	L.E.
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST Approximately 30 miles East of Carlsbad		12	EDDY CO.	13. STATE NM
13. DISTANCE PROM PROPOSED* LOCATION TO AGARGET PROPERTY ON LOLDS LINE, PT. (Also to perfect drig, unit line, if any:	16. NO. OF ACRES IN LEAST	TO THIS	40	
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21. ELEVATIONS (Show whether DF. RT. GR. ctm.)			22. APPROR. DATE WO	K WILL START"

#### PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASHO	weight cer foot	BETTING DEPTH	QUARTITY OF CEMENT
25"	Conductor	NA	40±	Cement to surface with redi-mix
14 3/4"	H-40 10 3/4"	32.75	650'	500 Sx. circulate to surface
9 7/8"	J-55 7 5/8"	26.40	3850'	1000 Sx. circulate to surface.
6 3/4"	N-80,J-55 43"	11.60	8150'	1300 Sx. circulate to surface.

- 1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with redi-mix.
- 2. Drill 14 3/4" hole to 650'. Run and set 650' of 10 3/4" H-40 32.75# ST&C casing. Cement with 500 Sx. of Class "C" cement . Circulate cement to surface.
- 3. Drill 9 7/8" hole to 3850'. Run and set 3850' of 7 5/8" J-55 26.4# ST&C casing. Cement. with 1000 Sx. of Class "C" cement. Circulate cement to surface.
- 4. Drill 6 3/4" hole to 8150'. Run and set 8150' of 4½" casing as follows: 1100' of 4½" N-80 11.6# LT&C casing, 6000' of 4½" J-55 11.6# LT&C casing, 1000' of 4½" N-80 11.6# LT&C casing. Run stage tools at 5800'± & 3800'±, cement with 1300 Sx. of Class "H" cement. Circulate cement to 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 proposed new productive zone and proposed new productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give proposed new productive zone.

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RIGNED GOST Jemesa TITLE	Agent 09/08/98
(This space for Federal or State office use)	APPROVAL DATX
Probability 1994	

Application approval does not warrant or careful that the applicant holds legal or equipable title to those rights in the subject lease which would entitle the applicant to conduct operations thereo CONDITIONS OF APPROVAL IF ANY:

APPROVED BY	TITLE		DATE	·	

#### "See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any de United States any false, fictitious or fraudulent statements or representations as to any matter within its



1998,09-24 12:29 #856 P.03/05

DISTRICT I P.O. Ser 1990, Mabba, NM 68841-1980

DISTRICT III

#### State of New Mexico

Marray, Minemain and Natural Seminarum Department

Form C-102 Boylood February 10, 1994 Submit to Appropriate District Office State Lease - 4 Coptes Fee Lease - 3 Coptes

DISTRICT II P.O. Preven DB, artonia. NM 08211-0719

OIL CONSERVATION DIVISION P.O. Box 2088

1000 Rio Brazos Rd., Aztec, NM 87410 DISTRICT IV P.O. BOX 2088, SANTA FR. N.M. 87504-2068

Santa Fe. New Mexico 87504-2088

CI AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Poel Code	Fool Name	
	96582	LOST TANK DELAWARE WEST	
Property Code 20943		orty Name K. 3. FEDERAL	Fell Number . 5
OGRID No. 17891		DOUCING CO.	Ecvetion 3493'

#### Surface Location

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UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Peat from the	East/West Line	County	ł
H	3	22 S	31 E		1950	NORTH	1300	EAST	EDDY	

#### Bottom Hole Location If Different From Surface

		<b>-</b>						_
UL or Lot No.	Section To	Whatip Rang	• Lot Idn	Feet from the	North/South Line	Pest from the	Rast/West Line	County
Dedicated Acres	Joint or in	riii Consclidat	lon Code Or	der No.				
40								

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED

	or a non-stand	ARD UNIT HAS BEEN APPROVED	) BY THE DIVISION
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J9.65 ACRÉS	39.76 ACRES	39.92 ACRES 2 40.05 AC	Joe T. Janica  Frinted Name Agent
		3496.3' 3497.1'	O9/08/98  Date  SURVEYOR CERTIFICATION
			I hereby certify that the well location shown on this plat was plotted from field nates of actual surveys made by me or under my supervisors and that the same is true and correct to the best of my build.
			Date Supered COO Superior a Sea STS
			Cordinate No. 2001 0 3 5050n 3239

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Sec. 2 (R-9668, 5-6-92) Ext: NE 4 Sec. 2 (R-9709, 8-25-92)

Ext: SW 4 Sec. 2 (R-10343, 4-24-95)

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county Eddy pool West Lost Tank-Delaware

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# INQUIRE LAND BY SECTION 10/09/98 14:42:59 OGOTV -FMD7

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CMD : OG5SECT

ONGARD INQUIRE LAND BY SECTION 10/09/98 14:44:20 OGOIV -EMDZ

PAGE NO: 2

Sec : 03 Twp : 22S Rng : 31E Section Type : NORMAL

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## JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE. NEW MEXICO 87504

SUITE B 612 OLD SANTA FE TRAIL SANTA FE, NEW MEXICO 87501

(505) 982-2043 (505) 982-2151 (FAX)

September 25, 1998

#### Hand Delivered

Michael E. Stogner Oil Conservation Division 2040 South Pacheco Street Santa Fe. New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F.(2), Pogo Producing Company ("Pogo") applies for administrative approval of an unorthodox oil well location for the following well:

Lost Tank "3" Fed. Well No. 5 1950 feet FNL & 1300 feet FEL SE¼NE¼ (Unit H) §3 Township 22 South, Range 31 East, NMPM, Eddy County, New Mexico

The well will be drilled to test the Delaware formation (West Lost Tank-Delaware Pool). The pool is governed by statewide rules, with 40 acre spacing and wells to be located no closer than 330 feet to a quarter-quarter section line.

The subject acreage is in the oil-potash area of southeast New Mexico, and the proposed location is non-standard due to potash reasons. During extensive conversations between Scott McDaniel of Pogo and Craig Cranston of the Bureau of Land Management ("BLM"), Pogo was advised that, based on the BLM's current information, a small window exists where drilling operations can occur without impairing potential potash reserves. All locations within this window, including the proposed location, are unorthodox. Copies of the APD (Form 3160-3) and Form C-102 submitted to the BLM for the unorthodox location are attached as Exhibit A.

Submitted as Exhibit B is a land plat of the subject area. All of Section 3 and all of Section 4 except the NW%NW% is comprised of federal lease NM 0417696, which is owned 50-50 by Pogo and Phillips Petroleum Company. Pogo operates the lease. In addition, royalty

and overriding royalty ownership is common throughout the lease. Thus, no interest owner is adversely affected by the unorthodox location, and notice is not required to be given to anyone.

This application is submitted in duplicate. Please call me if you need anything further on this matter.

Wery truly yours,

James Bryce

12:29 #865 P.02/05

Form 3160-3 (Jody 1992)

STUMENT IN T LICATE (Other instrument on

FORM APPROVED OMB NO. 1004-0136 Expires: February 28, 1995

U	NITE	ED S	TATE	ES .
DEPARTM	ENT	OF '	THE	INTERIOR

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LOCATION TO NEASEST
PROPESTY ON LEASE LINE, PT.
(Also to converting, unit line, if any) NO. OF ACRES ASSIGNED 16. NO. OF ACRES IN LEASE TO THES WELL 13001 320 10. PROPOSED DEPER 13. DISTANCE PROM FROMORED LOCATIONS
TO REAGEST WELL, DELLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, PS. 20. BOTARY OR CASER TOULS 81501 ROTARY 26001 22. APPROE. DATE WORK WILL START" 21. BLEVATIONS (Blood principles DF. RT. GR. etc.) WHEN APPROVED 77

•••		Proposed Casing an	:AM			
SIZE OF ROLE GRADE SIZE OF CARM		WEIGHT PER POOT	BETTING DEPTH	qeantita un crheus.		
25"	Conductor	NA	40±	Cement to surface with redi-mix		
14 3/4"	H-40 10 3/4"	32.75	650'	500 Sx. circulate to surface		
9 7/8"	J-55 7 5/8"	26.40	3850'	1000 Sx. circulate to surface.		
6 3/4"	N-80,J-55 4½"	11.60	8150'	1300 Sx. circulate to surface.		

- 1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and dement to surface with redi-mix.
- 2. Drill 14 3/4" hole to 650'. Run and set 650' of 10 3/4" H-40 32.75# ST&C casing. Cement with 500 5x. of Class "C" cement . Circulate cement to surface.
- 3. Drill 9 7/8" hole to 3850'. Run and set 3850' of 7 5/8" J-55 26.4# ST&C casing. Cement. with 1000 Sx. of Class "C" cement. Circulate cement to surface.
- 4. Drill 6 3/4" hole to 8150'. Run and set 8150' of 4½" casing as follows: 1100' of 4½" N-80 11.6# LT&C casing, 6000' of 44" J-55 11.6# LT&C casing, 1000' of 44" N-80 11.6# LTSC casing. Run stage tools at 5800'± & 3800'±, cement with 1300 Sx. of Class "H" cement. Circulate cement to 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 proposed new productive zone if proposal is to drill or deepen directionally, give proposed new pr 09/08/98 TITLE Agent

space for Federal or Mate affice use) (This

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APPROVAL DATE \_ PERMIT NO

Application approved downers are destify that the applicant holds legal or equipment to those rights in the subject leads which would entitle the applicant to conduct open CONDITIONS OF APPROVAL IF ANY

APPROVED BY .. "See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any de-United States any false, florissous or fraudulent statements or representations us to any matter within it



DATE

DISTRICT [ F.G. Rose 1886, Hobbs. NS 66941-1896

State of New Mexico Marry. Microin and National Supervision

Forms C-108 Movieud Fobrany 10, 1994 Submit to apprepriate District Office Jean Lease - 4 Coptes Pee Leans - 1 Copies

DISTRICT II P.O. Prever 35, artesia. Mil 08211-0719

> OIL CONSERVATION DIVISION P.O. Box 2088

DISTRICT III 1000 Rto Brazos Rd., Apter, NM 87410 DISTRICT IV

P.O. BOS SURE. SANTA PL KAL STEEL-COME

Santa Fe, New Mexico 87504-2088

C AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Puol Nume	
	96582	LOST TANK DELAWARE WEST	
Property Code		perty Name	Voll Number
20943	LOST TAN	K 3 FEDERAL	5
OGRO No.	Oper	ыр жа	Devetion
17891	POGO PR	ODUCING CO.	3493'

#### Surface Location

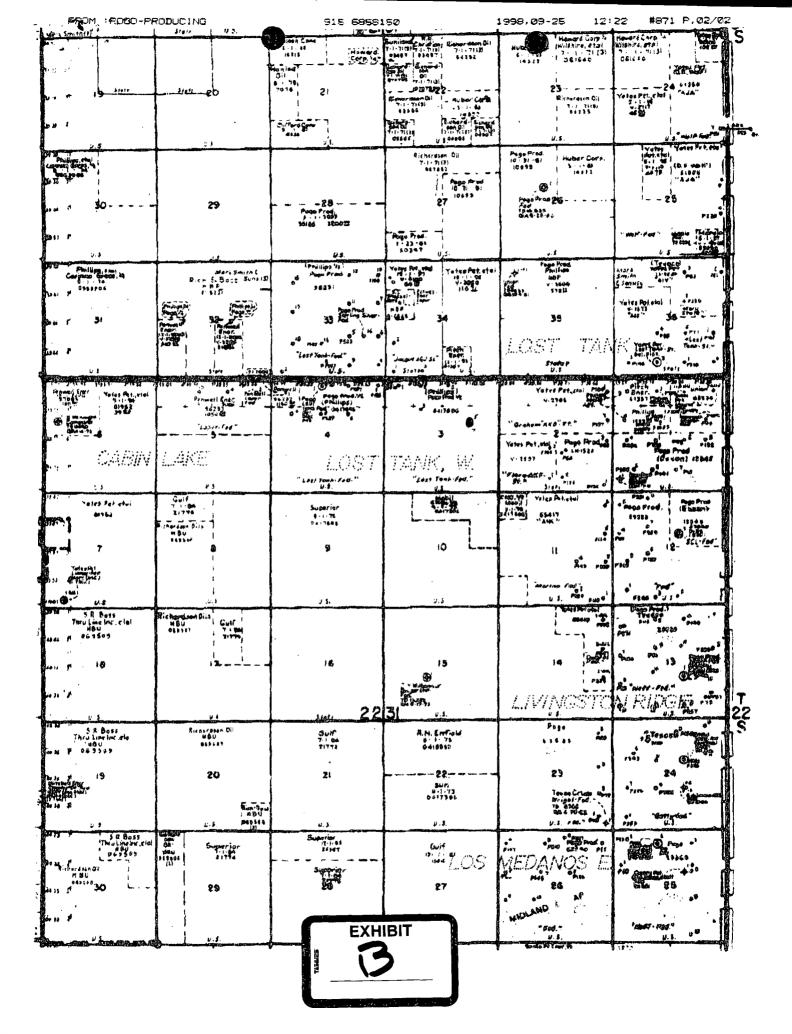
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UL or lot No.	Section	Lomentib	Renge	Lot Idn	feet from the	North/South line	Fret from the	East/West Line	County	١
H	3	22 S	31 E		1950	NORTH	1300	EAST	EDDY	

#### Bottom Hole Location If Different From Surface

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Dedicated Acres 40	foint or	Intili Cos	solidation C	ode Ord	LOT NO.				

## NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED

	or a non-stand.	ARD UNIT HAS BEEN APPROVED BY	THE DIVISION
ωτ +	107.3	LOT 2 LOT 1	OPERATOR CERTIFICATION  I hereby cortey the the information compand hereby to true and complete to the best of my knowledge and being.
39.85 ACRES	39.76 ACRES	39.92 ACRES 40.05 ACRES 60 40 40.05 ACRES 60 40 40 40 40 40 40 40 40 40 40 40 40 40	Joe T. Sanica  Printed Name Agent
}		3496.3 3497.1	09/08/98  Date  SURVEYOR CERTIFICATION
			Date Supered E/COC COC Superior at Seas 950
			58 1-1:95 Gertings No. 2010 DESON 3239
			Thin ACFES TON 1284



OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

October 9, 1998

Pogo Producing Company c/o James Bruce P. O. Box 1056 Santa Fe, New Mexico 87504

Re:

Administrative application on behalf of Pogo Producing Company to drill its Lost Tank "3" Federal Well No. 5 at an unorthodox oil well location in either the Undesignated Lost Tank-Delaware Pool or Undesignated West Lost Tank-Delaware Pool 1950 feet from the North line and 1300 feet from the East line (Unit H) of Section 3, Township 22 South, Range 31 East, NMPM, Eddy County, New Mexico.

Dear Mr. Bruce:

In order to complete the subject application pursuant to Division General Rule 104.F(3), please provide the Division with additional information concerning the existence of a "small window where drilling operations can occur without impairing potential potash reserves", see copy of application attached.

How was this window discovered, what criteria was used in determining its limits, who were the participants that formulated its existence, is this window mapped anywhere?

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 827-8185. Thank you for your cooperation.

Sincerely,

Michael E. Stogner Chief Hearing Examiner/Engineer

cc: New Mexico Oil Conservation Division - Artesia
Craig Cranston - U.S. Bureau of Land Management, Carlsbad
Gary Bowers, Field Office Manager - U. S. Bureau of Land Management, Carlsbad
H. L. Salzman, U.S. Bureau of Land Management - Santa Fe
Lori Wrotenbery, Director - NMOCD, Santa Fe

## JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE. NEW MEXICO 87504

SUITE B 612 OLD SANTA FE TRAIL SANTA FE. NEW MEXICO 87501

(505) 982-2043 (505) 982-2151 (FAX)

September 25, 1998

#### Hand Delivered

Michael E. Stogner Oil Conservation Division 2040 South Pacheco Street Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F.(2), Pogo Producing Company ("Pogo") applies for administrative approval of an unorthodox oil well location for the following well:

Lost Tank "3" Fed. Well No. 5 1950 feet FNL & 1300 feet FEL SE%NE% (Unit H) §3 Township 22 South, Range 31 East, NMPM, Eddy County, New Mexico

The well will be drilled to test the Delaware formation (West Lost Tank-Delaware Pool). The pool is governed by statewide rules, with 40 acre spacing and wells to be located no closer than 330 feet to a quarter-quarter section line.

The subject acreage is in the oil-potash area of southeast New Mexico, and the proposed location is non-standard due to potash reasons. During extensive conversations between Scott McDaniel of Pogo and Craig Cranston of the Bureau of Land Management ("BLM"), Pogo was advised that, based on the BLM's current information, a small window exists where drilling operations can occur without impairing potential potash reserves. All locations within this window, including the proposed location, are unorthodox. Copies of the APD (Form 3160-3) and Form C-102 submitted to the BLM for the unorthodox location are attached as Exhibit A.

Submitted as Exhibit B is a land plat of the subject area. All of Section 3 and all of Section 4 except the NW%NW% is comprised of federal lease NM 0417696, which is owned 50-50 by Pogo and Phillips Petroleum Company. Pogo operates the lease. In addition, royalty

and overriding royalty ownership is common throughout the lease. Thus, no interest owner is adversely affected by the unorthodox location, and notice is not required to be given to anyone.

This application is submitted in duplicate. Please call me if you need anything further on this matter.

Wery truly yours,

James Bruce

UNITED STATES

12:29

#866 P.02/05

Form 3160-3 (July 1992)

SUBMIT DE TO LICATES

FORM APPROVED OMB NO. 1004-0136 Expirus: February 28, 1995 (Other instruments on feverse side)

BUREAU OF LAND MANAGEMENT  APPLICATION FOR PERMIT TO DRILL OR DEEPEN  14. TYPE OF WORK  DRILL TO DEEPEN   3. TYPE OF WOLK  WELL TO WAS WELL OFFISS SOME TO DEEPEN  2. NAME OF OPERATOR	NM-0417696
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DRILL T DEEPEN   b. TYPE OF WELL  ord. WELL OTHES  2. NAME OF OPERATOR  DEEPEN   DINGLE TO MULTIPLE TO SOME TO	
2. NAME OF OPERATOR	T. ONIT ADDRESS STRONG
I. NAME OF OFERATOR	S. MAN DE LEAS NAME WELL NO.
	LOST TANK "3" FEDERAL #
POGO PRODUCING COMPANY (RICHARD WRIGHT) 915-685-8143	O. AN WELLING,
	10. PUBLO AND POOL OF WILDCAT .
P.O. BOX 10340 MIDLAND, TEXAS 79702-7340 915-685-8140  4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)	LOST TANK DELAWARE WEST
At surrage	11. SEC. T. S. W. OR SEE.
1950' FNL & 1300' FEL SEC. 3 T225-R31E EDDY CO. NM.	
At proposed prod. some SAME	SEC. 3 T225-R31E
14. DESTANCE IN MILED AND DIRECTION FROM NEARING TOWN OR POST OFFICE?	12. COUNTY OR PARISH IS. STATE
Approximately 30 miles East of Carlabad New Mexico.	EDDY CO. NM
LOCATION TO ARABERT	OF ACEES ASSIGNED
PROPERTY OF LEASE LINE, PR. 1300 (1)	40
131 111 111 1111 1111 1111 1111	ROTARY
21. ELEVATIONS (Show whether DV. RT. GR. etc.)	22. APPROX. DATE WORK WILL START"
	WHEN APPROVED
23. Proposed Casing and Cementing Program	
SIZE OF ROLE GRADE SEE CAMPS WEIGHT PER FOOT SETTING DEPTH	TREKST OF CENERT
	to surface with redi-mi
	. circulate to surface
	x. circulate to surface.
6 3/4" N-80, J-55 4½" 11.60 8150' 1300 S	x, circulate to surface.
1. Drill 25" hole to 40". Set 40" of 20" conductor pipe and cement	to surface with redi-mi: .75# ST&C casing. urface4# ST&C casing. Cament

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 desput directionally, succeptions data on substances locations and measured and one vertical uppers. Give blowout preventer program, if any. 3. 09/08/98 Agent SIGNED Application approval does not wereast or carefy that the applicant holds legal or equipmed that to those rights in the subject lease which would enable the applicant to conduct operations approved does not wereast or carefy that the applicant holds legal or equipmed that to those rights in the subject lease which would enable the applicant to conduct operations. CONDITIONS OF APPROVAL IF ANY: APPROVED BY \_

"See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any de United States any faise, flotitious or frauculent statements or representations as to any matter within its



1998,09-24 12:29 #856 P.03/05

DISTRICT I State of New Mexico F.G. Rev. 1888. Hobbs. NV 00547-1888

Energy, Majoraio and Halling Susseption Department

Form C-10E Horizont February 10, 1984 Submit to appropriate District Office State Loane - 4 Copton For Louis - 3 Copton

DISTRICT II P.O. Proces 39, artesis, MM 66211-0710

DISTRICT III 1000 Rto Brusos Rd., Agter, NM 87410 OIL CONSERVATION DIVISION P.O. Box 2088

DISTRICT IV P.O. SEE DOGS. SANTA PL KIL STEEL-COM Santa Fe, New Mexico 87504-2088

C AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Popl Code	Pool Negs		
	96582	LOST TANK DELAWARE WE	EST	
Property Code 20943		erty Name K 3 FEDERAL	Fell Number	
одаф не. 17891	Oper	stor Name ODUCING CO.	20vetica 3493'	

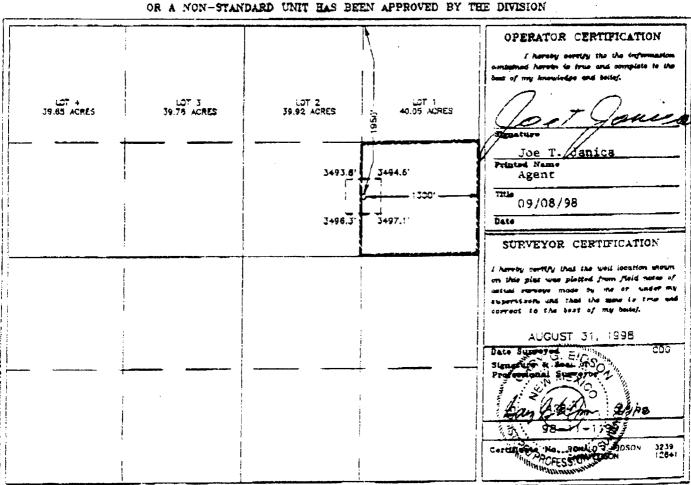
#### Surface Location

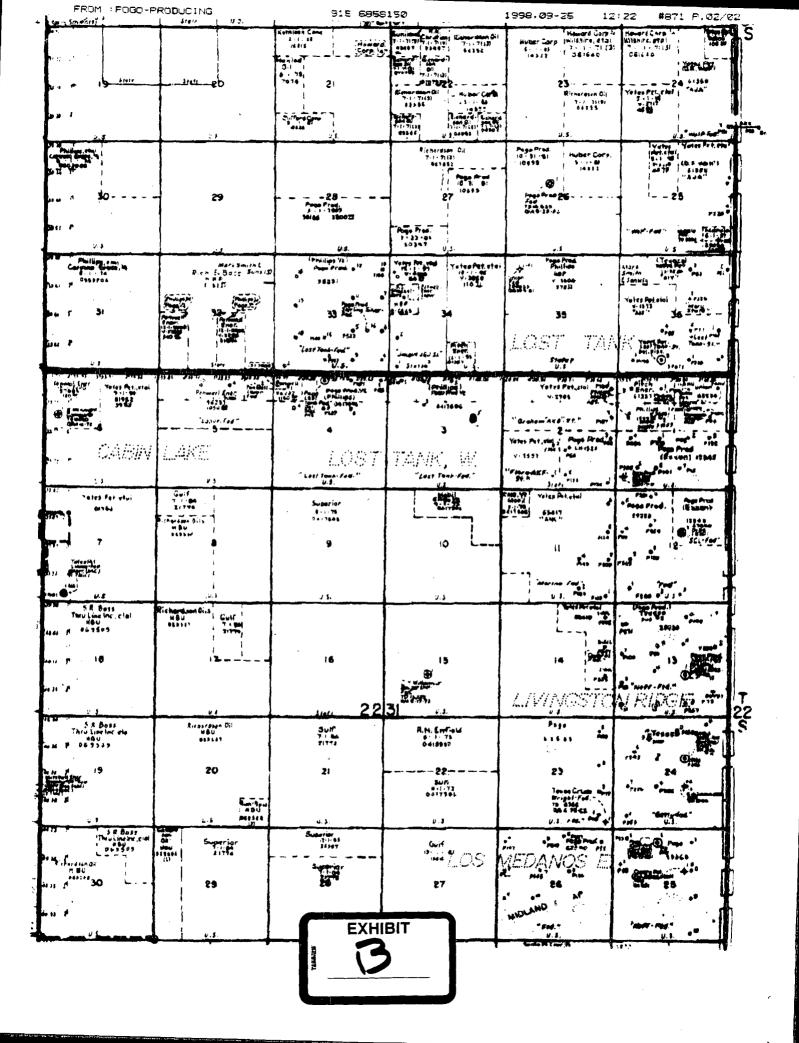
!	UL or lot No.	Section	Township	Range	Lot Ida	feet from the	North/South line	Feet from the	Rest/West Man	County
	H	3	22 S	31 E		1950	NORTH	1300	EAST	EDDY

#### Bottom Hole Location If Different From Surface

UL or lot No. Section Township	Range Lot Idn	Feet tross the	North/South Line	feet from the	Bast/West line	County
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					<u> </u>	
Dedicated acree   Joint or Infill   Consolidation Code   Order No.						
40						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED





### JAMES BRUCE

ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

SUITE B 612 OLD SANTA FE TRAIL SANTA FE, NEW MEXICO 87501

(505) 982-2043 (505) 982-2151 (FAX)

October 13, 1998

UCT 1 4 1999

Michael E. Stogner Oil Conservation Division 2040 South Pacheco Street Santa Fe, New Mexico 87505

Re: Pogo Producing Company

Lost Tank "3" Fed. Well No. 5 1950 feet FNL & 1300 feet FEL

SE¼NE¼ Section 3, Township 22 South, Range 31 East, NMPM,

Eddy County, New Mexico

Dear Mr. Stogner:

Regarding your letter of October 9, 1998, enclosed is a hand-drawn map of Section 3, indicating the triangular drilling window described in my last letter.

Very truly yours,

James Bruce

\$3-225-318

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JAMES BRUCE ATTORNEY AT LAW

POST OFFICE BOX 1056 SANTA FE, NEW MEXICO 87504

SUITE B 612 OLD SANTA FE TRAIL SANTA FE, NEW MEXICO 87501

(505) 982-2043 (505) 982-2151 (FAX)

September 23, 1998

Michael E. Stogner Oil Conservation Division 2040 South Pacheco Street Santa Fe, New Mexico 87505

Re: Pogo Producing Company

Lost Tank "3" Fed. Well No. 5 1950 feet FNL & 1300 feet FEL

SE¼NE¼ Section 3, Township 22 South, Range 31 East, NMPM,

OCT | 4 1998

Eddy County, New Mexico

Dear Mr. Stogner:

I received your letter of October 9, 1998 (copy enclosed). I have spoken again with Scott McDaniel, Pogo's landman, about the requested location. He informed me that drilling locations in the S%NE% of Section 3 are restricted because the BLM requires that wells be at least one-quarter mile from either an LMR or an area with sufficient potential ore as set forth on the BLM's composite Apparently the LMR affects locations in the northern ore maps. part of the S½NE¼, and the composite ore map affects locations in the southern part of the S½NE¼. These maps are not available to Pogo, but Mr. McDaniel's telephone notes indicate that there is a triangular drilling window, approximately 400-450 feet on each side, straddling the quarter-quarter section line between the SW¼NE¼ and SE¼NE¼. The triangle is located more in the SW¼NE¼ than in the NE%NE%. As a result, every available location in the SE%NE% is unorthodox. Mr. Cranston at the BLM is the person who has more detailed knowledge of the factors necessitating the unorthodox location. I am copying Mr. Cranston with this letter. Please call me if I can provide you with further information.

Very truly yours,

OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

October 9, 1998

Pogo Producing Company c/o James Bruce P. O. Box 1056 Santa Fe, New Mexico 87504

Re:

Administrative application on behalf of Pogo Producing Company to drill its Lost Tank "3" Federal Well No. 5 at an unorthodox oil well location in either the Undesignated Lost Tank-Delaware Pool or Undesignated West Lost Tank-Delaware Pool 1950 feet from the North line and 1300 feet from the East line (Unit H) of Section 3, Township 22 South, Range 31 East, NMPM, Eddy County, New Mexico.

#### Dear Mr. Bruce:

In order to complete the subject application pursuant to Division General Rule 104.F(3), please provide the Division with additional information concerning the existence of a "small window where drilling operations can occur without impairing potential potash reserves", see copy of application attached.

How was this window discovered, what criteria was used in determining its limits, who were the participants that formulated its existence, is this window mapped anywhere?

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 827-8185. Thank you for your cooperation.

Sincerely.

Michael E. Stogner

Chief Hearing Examiner/Engineer

cc: New Mexico Oil Conservation Division - Artesia

Craig Cranston - U.S. Bureau of Land Management, Carlsbad

Gary Bowers, Field Office Manager - U. S. Bureau of Land Management, Carlsbad

H. L. Salzman, U.S. Bureau of Land Management - Santa Fe

Lori Wrotenbery, Director - NMOCD, Santa Fe