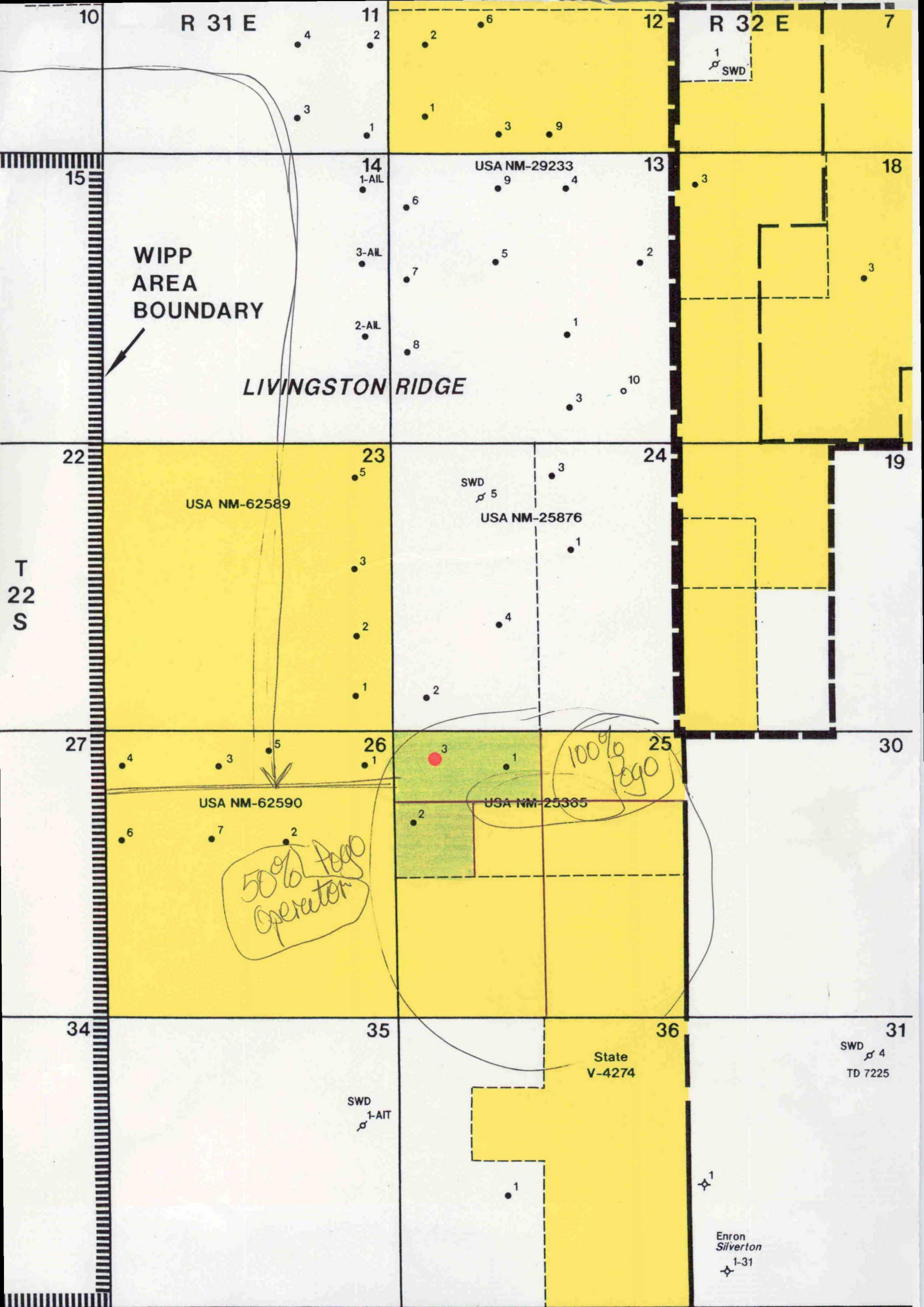




POGO PRODUCING COMPANY

PILOT PRESSURE MAINTENANCE PROJECT
NEFF AREA - Eddy Co., New Mexico

POGO EXHIBIT 1

CASE NUMBER 11403



POGO OPERATED LEASES



PROPOSED INJECTION WELL - NEFF Federal #3 Well

SCALE: 1"=2000'

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF POGO PRODUCING
COMPANY FOR A PILOT PRESSURE MAINTENANCE PROJECT, LEA COUNTY, NEW MEXICO Case No. 11403

AFFIDAVIT REGARDING NOTICE

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

TERRY GANT, being duly sworn upon his oath, deposes and states:

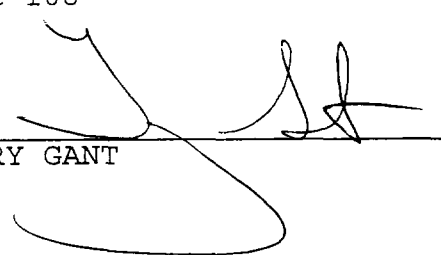
1. I am over the age of 18 and have personal knowledge of the matters stated herein.

2. I am a landman for Applicant herein.

3. Applicant has conducted a good faith, diligent effort to find the correct addresses of interest owners entitled to receive notice of the Application herein.

4. Notice of the Application was provided to the interest owners at their correct addresses by mailing each of them, by certified mail, copies of the Application. Copies of the notice letter and certified return receipts are attached hereto.

5. Applicant has complied with the notice provisions of Division Rule 1207 and Form C-108



TERRY GANT

PC60 2

11403

SUBSCRIBED AND SWORN TO before me this 15th day of
November, 1995 by TERRY GANT.

Sherry A. Payne
Notary Public

My Commission Expires:

12/16/95

gant11.aff



POGO PRODUCING COMPANY

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 10, 1995

To: Offset Operators and Surface Owner
See Attached List

Re: Neff Prospect NM-503
Eddy County, New Mexico
Application for Hearing
Pilot Pressure Maintenance Project

Gentlemen:

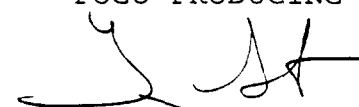
Reference is made to our letter dated September 29, 1995 wherein it was advised that Pogo had applied to the Oil Conservation Division for a pilot waterflood project for its Neff Federal Lease.

Please be advised that Pogo Producing Company has amended its application and has now applied to the Oil Conservation Division for a pilot pressure maintenance project for its Neff Federal Lease, which covers Section 25, Township 22 South, Range 31 East, in Eddy County, New Mexico. Injection will be through the Neff Federal Well No. 3, located in Unit D of Section 25, and the injection interval will be the Delaware formation. A copy of the amended Application is enclosed.

This matter has been set for hearing on Thursday, November 2, 1995 at 8:15 A.M., in the City Council Chambers at Roswell City Hall, Roswell, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date.

Very truly yours,

POGO PRODUCING COMPANY


Terry Gant
Senior Landman

TG:lf/c:Neff.782
Enclosure

cc: New Mexico Oil Conservation Division
District II Office
P. O. Drawer DD
Artesia, New Mexico 88210
Attention: Mr. Tim Gum (w/copy of enclosure)

Attached to letter dated October 10, 1995, between
Pogo Producing Company and Texaco Exploration and
Production Inc., et al

Texaco Exploration and Production Inc.
P. O. Box 46513
Denver, Colorado 80201-6513
Attention: Mr. Terry Young

Bureau of Land Management
P. O. Box 27115
Santa Fe, New Mexico 87502-0115

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF POGO PRODUCING
COMPANY FOR A PILOT PRESSURE
MAINTENANCE PROJECT, EDDY COUNTY,
NEW MEXICO

NO. 11403

AMENDED APPLICATION

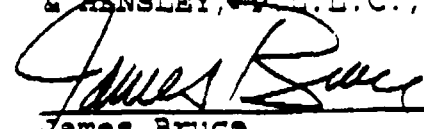
Pogo Producing Company, for its application, states:

1. Applicant is the operator of the Neff Federal lease, which covers all of Section 25, Township 22 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.
2. Applicant proposes to institute a pilot pressure maintenance project for the Neff Federal lease by injecting water into the Delaware formation (Livingston Ridge-Delaware Pool) through perforations from 7050 feet to 7068 feet in its existing Neff Federal Well No. 3, located 430 feet from the North line and 760 feet from the West line (Unit D) of Section 25.
3. The Form C-108 for the project is attached hereto as Exhibit A.
4. The granting of this application is in the interests of conservation and the prevention of waste.

WHEREFORE, Applicant requests that, after notice and hearing, the relief requested herein be granted.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY, P.L.L.C., Ltd., Co.


James Bruce

Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

Attorneys for Applicant

Neff Federal No. 3

- I. Purpose: ☐ Secondary Recovery ☒ Pressure Maintenance ☐ Disposal ☐ Storage
Application qualifies for administrative approval? ☐ yes ☒ no

II. Operator: BOGO PRODUCING COMPANYAddress: P. O. Box 10340, Midland, Texas 79702Contact party: Richard L. WrightPhone: 915/682-6822

III. Well data: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

- IV. Is this an expansion of an existing project? ☐ yes ☒ no
If yes, give the Division order number authorizing the project _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

VIII. Attach appropriate geological data on the injection zone including appropriate lithology detail, geological name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such source known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division they need not be resubmitted.)

XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

II. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

III. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

IV. Certification

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

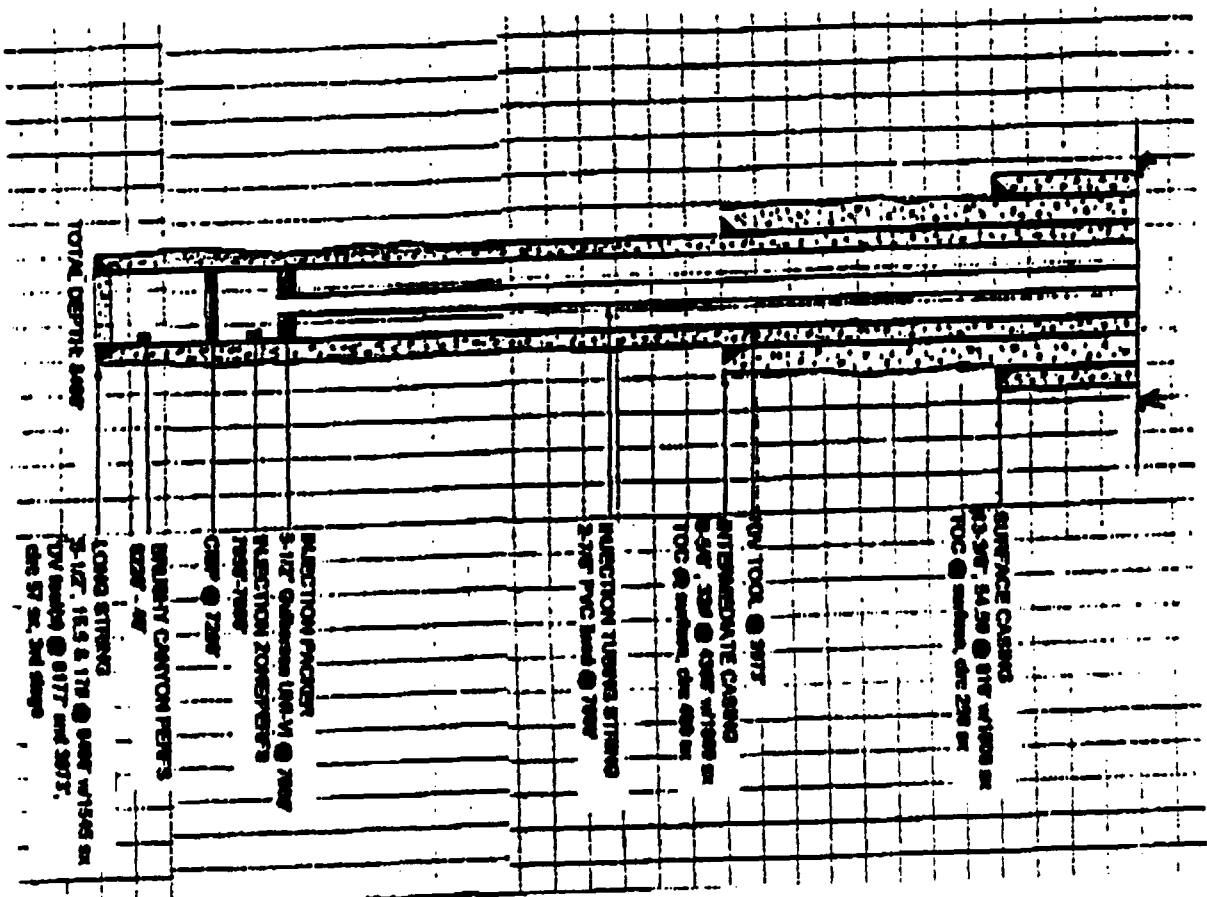
Name: Bill F. HalpeskaTitle: Agent, P. E.Signature: Bill F. HalpeskaDate: 08/16/95

If the information required under Sections VI, VIII, X, and XI above has been submitted, it need not be duplicated and resubmitted. Please show the date and location of the earlier submission.

EXHIBIT
A

INJECTION WELL DATA SHEET

SCHEMATIC



TABLED DATA

(1). LEASE: Neff Federal WELL # 3

LOCATION: Sec. 25 TWP 22-S Range 31-E

County Eddy

Footage 430' FNL & 760' FNL

(2). CASING STRINGS:

Surface Casing

Size 13-3/8" Depth 810' Cemented w/ 1000 SX.

TOC surf Determined by chrc 250 SX

Hole size 17-1/2"

Intermediate Casing

Size 8-5/8" Depth 430' Cemented w/ 1000 SX.

TOC surf Determined by chrc 400 SX

Hole size 11"

Long String

Size 5-1/2" Depth 8400' Cemented w/ 1545 SX.

TOC surf Determined by chrc 57 SX, 3rd slg

Hole size 7-7/8"

Injection Interval, from 7050' to 7068 Ft.

(3). INJECTION TUBING STRING:

Size 2-1/8" In., cemented/lined with PVC

Setting depth 7000 Ft.

(4). INJECTION PACKER:

Size 5-1/2 in.; Make/Model Galvneon LML-VI

Setting depth 7000 Ft.

FORM C-108

Pogo Producing Company

ITEM 111-B

Neff Federal No. 3

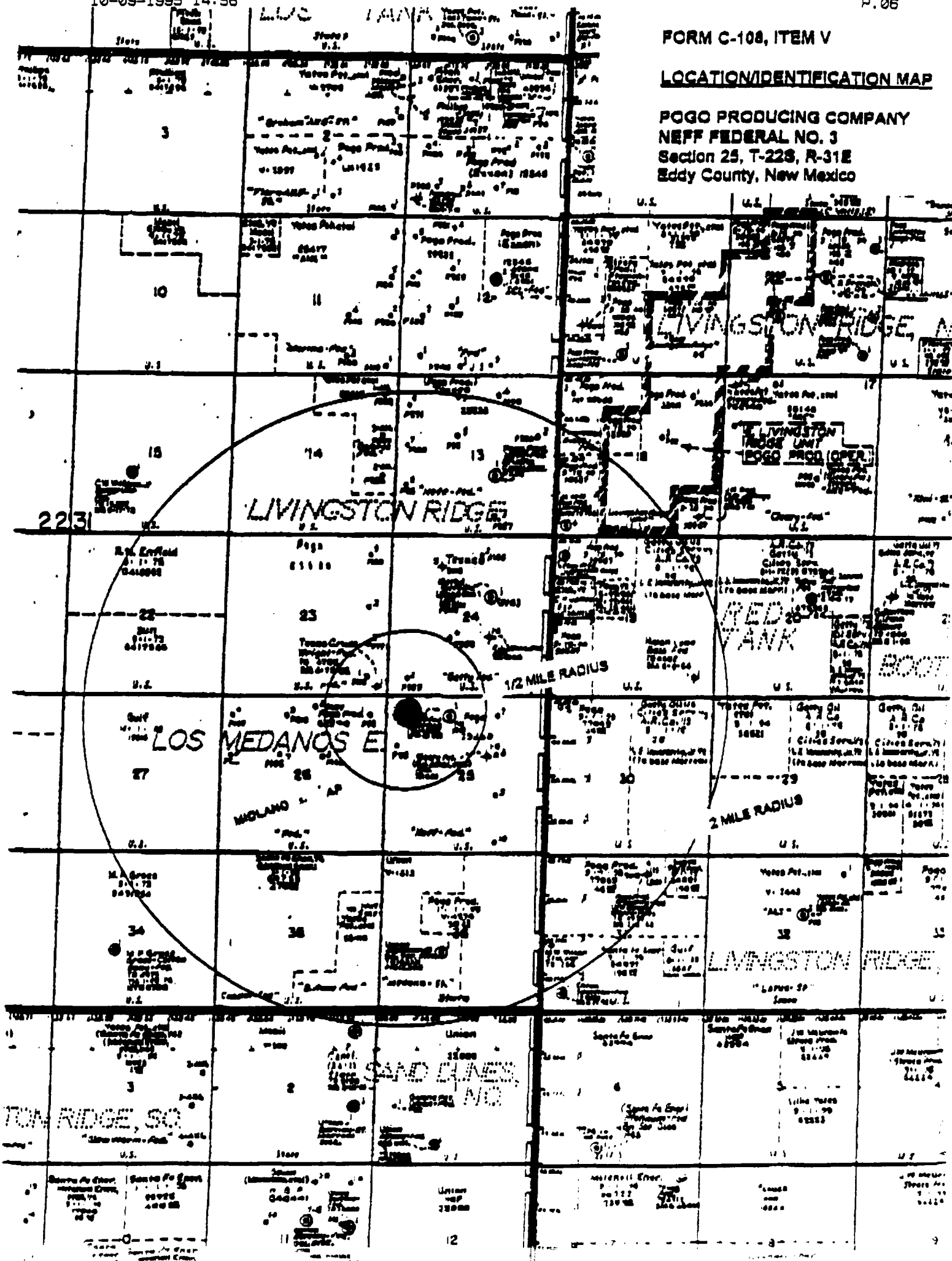
INJECTION WELL DATA

- (1). Injection formation: Delaware (Brushy Canyon)
Field/Pool: Livingston Ridge Delaware
- (2). Injection interval; from 7050 Ft. to 7068 Ft.
Perforated XX Open Hole _____
- (3). Original purpose well drilled -- as producer from the Brushy Canyon
- (4). Other perforated intervals; XX Yes _____ No
Squeezed with _____ ex., or isolated by CTBP @ 7200'
8220' - 40'
- (5). Oil or gas productive zone(s):
Next higher: 0000
Next lower: Lower Brushy Canyon - 8200'

FORM C-108, ITEM V

LOCATION/IDENTIFICATION MAP

PGO PRODUCING COMPANY
NEFF FEDERAL NO. 3
Section 25, T-22S, R-31E
Eddy County, New Mexico



ITEM VI

WELL DATA - AREA OF REVIEW.

- (1). Location: 660' FNL & 1980' FNL, Sec 25, T-22S, R-31E, Eddy County
Operator: Pogo Producing Company Lease: Neff Federal Well # 1
Well type: Oil XX Gas XX OGA Total depth 15,025 Ft.
Date drilled: 1986; recomple 11/04/89
Completion Data: 13-3/8" @ 800' w/827 sx, circ; 10-3/4" @ 4530' w/2000 sx; 7-5/8"
@ 11,885' w/1135 sx; 5" 11,531' to 14,998' w/515 sx; perf 14,904' - 912'; A/
2000 gal; perf 14,717' - 723'; A/2000 gal; perf 14,460' - 522'; A/4000 gal; IP
CAOF 625 MCF; PB to 7180'; perf 7080' - 7120'; A/1000 gal; F/16,000 GW + 30,700#
sd; IPP 41 BOPD +219 BW
Plugged Date: (Schematic attached)
- (2). Location: 1650' FNL & 330' FNL, Sec 25, T-22S, R-31E, Eddy County
Operator: Pogo Producing Company Lease: Neff Federal Well # 2
Well Type: Oil XX Gas OGA Total Depth: 8440 Ft.
Date Drilled: 11/12/91
Completion Data: 13-3/8" @ 814' w/1000 sx, circ; 8-5/8" @ 4340' w/1675 sx; 5-1/2"
@ 8440' w/1385 sx; perf 8054' - 8108'; A/1500 gal 15%; F/35,000 GW + 85,000# sd;
IP 88 BOPD + 300 BW
Plugged Date (Schematic attached)
- (3). Location: 610' FNL & 510' FEL, Sec 26, T-22S, R-31E, Eddy Co.
Operator: Pogo Producing Company Lease: Federal 26 Well # 1
Well Type ; Oil XX Gas OGA Total Depth: 8415 Ft.
Date Drilled: 07/06/90
Completion Data: 13-3/8" @ 850' w/900 sx, circ; 8-5/8" @ 4447' w/1280 sx, circ;
5-1/2" @ 8415' w/1220 sx; perf 8224' - 8318'; A/2000 gal 7-1/2%; F/22,205 GW +
51,200# 16/30 sd; IP 52 BOPD + 165 BW; set RBP; perf 7053' - 71'; A/2000 gal 7-1/2%;
F/51,780# 20/40 sd; IP 110 BOPD + 127 BW commingle
Plugged Date (Schematic attached)

FORM C-108

ITEM V1

Pogo Producing Company
Neff Federal No. 3WELL DATA - AREA OF REVIEW.

- (4). Location: 660' FS & EL. Sec 23, T-22S, R-31E, Eddy County
 Operator: Pogo Producing Company Lease: Federal 23 Well # 1
 Well type: Oil XX Gas C&A Total depth 8420 Ft.
 Date drilled: 08/03/90
 Completion Data: 13-3/8" @ 845' w/800 sx. circ; 8-5/8" @ 4394' w/1340 sx.
circ; 5-1/2" @ 8420' w/1240 sx. 2 stg. perf 8090'-8198'; A/2000 gal 7-1/2%.
F/38,890 GW + 96,000# 16/30 sd; IP 58 BOPD +138 BW; TA; perf 7046'-65'; A/1500
gal 7-1/2%; F/20,000 GW +52,000# 20/40 sd; IP 110 BOPD + 124 BW; commingled
 Plugged Date: (Schematic attached)
- (5). Location: 1750' FS & 660' FE. Sec 23, T-22S, R-31E, Eddy County
 Operator: Pogo Producing Company Lease: Federal 23 Well # 2
 Well Type: Oil XX Gas C&A Total Depth: 8430 Ft.
 Date Drilled: 04/16/92
 Completion Data: 13-3/8" @ 828' w/1000 sx, circ; 8-5/8" @ 4279' w/1700 sx,
circ; 5-1/2" @ 8430' w/1400 sx; TOC 1250 CBL; perf 7000'-20'; A/1000 gal 15%;
F/25,000 GW +44,375# 20/40 sd; IP 77 BOPD +177 BW; recomp 6/94; perf 8208'-57';
A/1500 7-1/2%; F/44,500 GW + 61,500# 20/40 sd; perf 8090'-8140'; A/1500 gal; see belc
 Plugged Date (Schematic attached)
- (6). Location: 660' FS & WL, Sec 24, T-22S, R-31E, Eddy County
 Operator: Texaco Lease: Getty 24 Federal Well # 2
 Well Type ; Oil XX Gas C&A Total Capch: 8000 Ft.
 Date Drilled: 03/27/90
 Completion Data: 11-3/4" @ 840' W/700 sx; 8-5/8" @ 4500' w/1350 sx; 5-1/2" @
8000' w/1950 sx; perf 7672'-84'; acid; set CIBP @ 7622'; perf 7082'-7101'; A/1500
gal; F/25,500 GW + 57,500# sd; IP 353 BOPD + 219 BW
 Plugged Date (Schematic attached)

Federal 23 No. 2, cont'd.

F/44,000 GW + 47,230# 20/40 sd; IP 97 BOPD +279 BW; commingled

FORM C-108

Pogo Producing Company
Neff Federal No.3

ITEM VI

WELL DATA - AREA OF REVIEW(7). Location: 1980' FS & W., Sec 24, T-22S, R-31E, Eddy CountyOperator: Texaco Lease: Getty 24 Federal Well # 4Well type: Oil XX Gas DSA Total depth 8400 Ft.Date drilled: 02/18/91Completion Data: 11-3/4" @ 840' w/800 sx; 8-5/8" @ 4380' w/1350 sx; 5-1/2" @
8400' w/1750 sx; perf 7068'-7118'; A/2000 gal 7-1/2%; F/50,000 GW + 117,000W
sd; IP 288 BOPO + 34 BWPlugged Date: (Schematic attached)(8). Location: 330' FS & E.; Sec 23, T-22S, R-31E, Eddy CountyOperator: Texas Crude Oil Company Lease: Wright 23 Federal Well # 1Well Type: Oil Gas DSA XX Total Depth: 4765 Ft.Date Drilled: 04/25/62Completion Data: 8-5/8" @ 305' w/225 sx; DST 4490'-4531', NSPlugged XX Date 04/25/62 (Schematic attached) FIGURE 1(9). Location: Operator: Lease: Well # Well Type ; Oil Gas DSA Total Depth: Ft.Date Drilled: Completion Data: Plugged Date (Schematic attached)

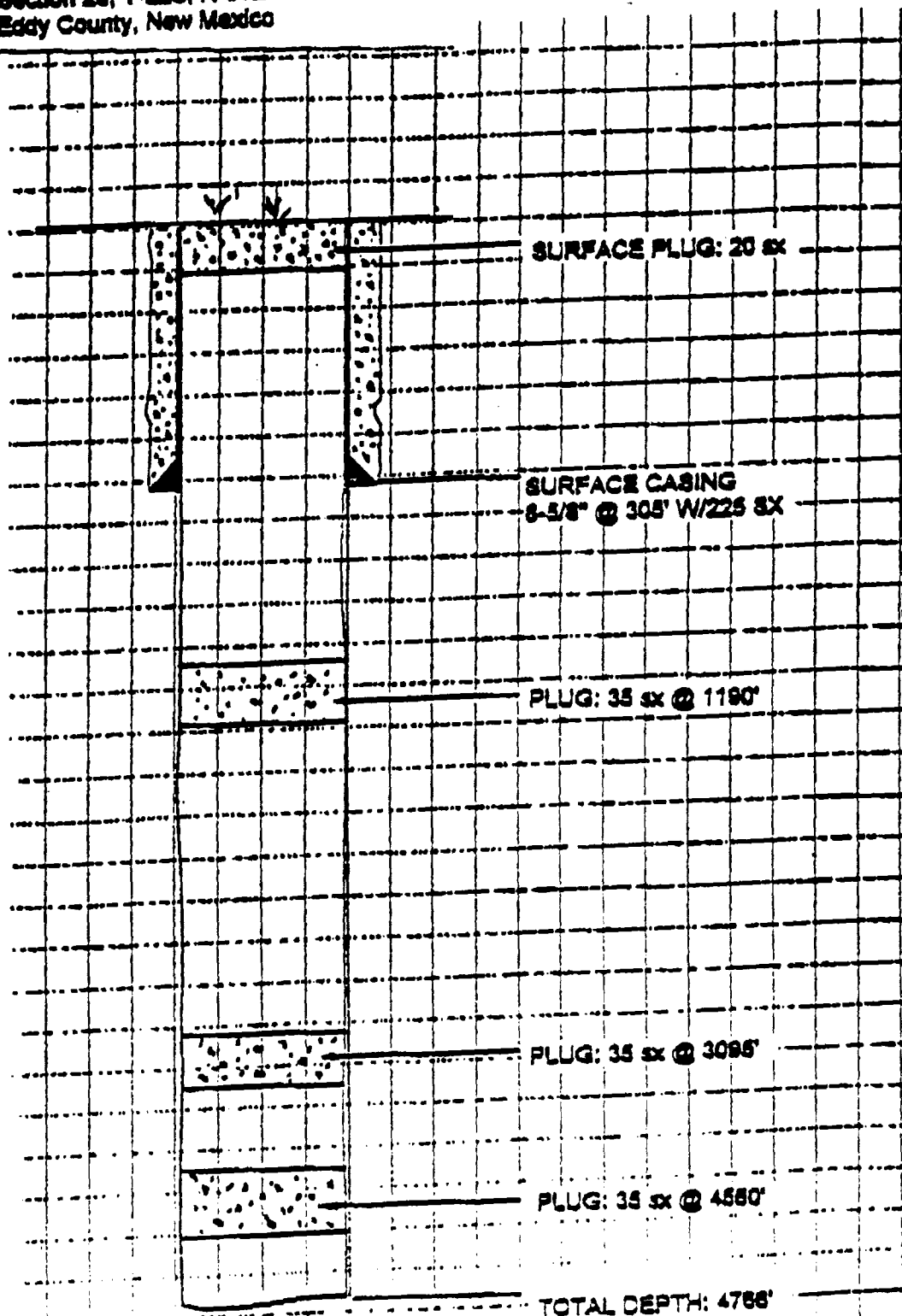
10-09-1995 14:59

FORM C-108, ITEM VI(8)

EXHIBIT NO.1

P & A SCHEMATIC
TEXAS CRUDE - WRIGHT 23 FED NO. 1

POGO PRODUCING COMPANY
NEFF FEDERAL NO. 3
Section 25, T-22S, R-31E
Eddy County, New Mexico



FORM C-103

Page Producing Company
Neff Federal No. 3

ITEM VII

OPERATIONAL DATA

(1). Average expected injection rate: 1000 BWPD; maximum anticipated rate: 3000 BWPD

(2). Closed system

(3). Estimated average injection pressure: 750 psi.

Estimated maximum pressure: 1410 psi.

(4). Source of injection water: from Lower Delaware zones in nearby Pogo
operated wells

Analysis of waters attached. EXHIBIT II

(5). Analysis of injection zone water attached.

Data source: EXHIBIT II

FORM C-108

Page Producing Company

ITEM VIII

Neff Federal No. 3

GEOLOGICAL DATA

INJECTION ZONE

Lithological description: sandstone. lt gray. fine to v fine grained
poorly consolidated. poor calc con.Geological name: Dalwara (Brushy Canyon)Zone thickness: 18 Ft.; Depth: 7086 Ft.

FRESH WATER SOURCES

Geological name: Santa RosaDepth to bottom of zone: +/- 650 Ft.

ITEM IX

STIMULATION PROGRAM (Reopened) Performed

ACTIVATE:

Volume: 1600 gal Type acid: 7-1/2% HCl/Pentol 100Rate: +/- 5 BPM; Misc. Ball Sealers

FRACTURE:

Fluid volume: 38,800 gal.; Type: Gelled WaterProp type: 20/40 sand Volume (#): 61,800Rate: BPM; Conductor: in.Misc.

FORM C-108
ITEM VIII

Pogo Producing Company
Neff Federal No. 3

GEOLOGICAL DATA

INJECTION ZONE

Lithological description: sandstone, lt gray, fine to v fine grained,
poorly consolidated, poor calc con.

Geological name: Delaware (Brushy Canyon)

Zone thickness: 18 Ft.; Depth: 7086 Ft.

FRESH WATER SOURCES

Geological name: Santa Rosa

Depth to bottom of zone: +/- 650 Ft.

ITEM IX

STIMULATION PROGRAM (Response) Performed

ACTIVATE:

Volume: 1500 gal Type acid: 7-1/2% HCl/Pentol 100

Rate: +/- 5 BPM; Misc. Ball Sealers

FRACTURE:

Fluid volume: 38,800 gal.; Type: Galled Water

Prop type: 20/40 sand Volume (#): 61,900

Rate: BPM; Conductor: in.

Misc.

FORM C-104

Pogo Producing Company

Narr Federal No. 3

ITEM X

LOGGING PROGRAM

Logging program included: CNLD, DIL & CHL

Copy of 68/111 log included in attachments

ITEM XI

FRESH WATER ANALYSIS

Fresh water well within 1 mile radius; Yes XX No

Chemical analysis from well(s) located: Sac 14, T-225 9-315

Date dictated: 05/24/78 EXHIBIT IV

Chemical analysis from wall(s) located:

Carta enviada:

ITEM XII

HYDROLOGY

Various engineering data and area well logs reveal no evidence that there might exist hydrologic connection between the intended injection zone and possible fresh water zone above 650' (Santa Rosa).

FORM C-108, ITEM VII(4)

EXHIBIT NO. II

**ANALYSIS - BRUSHY CANYON
PRODUCED WATER**

POGO PRODUCING COMPANY
NEFF FEDERAL NO. 3
Section 25, T-22S, R-31E
Eddy County, New Mexico

16010 Barker's Point Lane • Houston, Texas 77078
713 558-4200 • Telex: 4820348 • FAX: 713 558-4707

Reply to: P.O. Box 77
Artesia, New Mexico 88210
(505) 748-3558 Phone
(505) 748-3558 Fax

WATER ANALYSIS REPORT

Company : POGO PRODUCING
Address : MIDLAND, TEXAS
Lease : RED TANK FED. 28
Well : #1 *Brushy Canyon (D/L)*
Sample Pt. : WELLHEAD

Date : 01/08/93
Date Sampled : 01/04/93
Analysis No. : 008

ANALYSIS		mg/L		* meq/L
-----		----		-----
1. pH	6.2			
2. H2S	3 PPM			
3. Specific Gravity	1.160			
4. Total Dissolved Solids		279018.4		
5. Suspended Solids		NR		
6. Dissolved Oxygen		NR		
7. Dissolved CO2		80 PPM		
8. Oil in Water		NR		
9. Phenolphthalein Alkalinity (CaCO3)				
10. Methyl Orange Alkalinity (CaCO3)		60.0		
11. Bicarbonate	HCO3	73.2	HCO3	1.2
12. Chloride	Cl	170409.6	Cl	4807.0
13. Sulfate	SO4	1000.0	SO4	20.8
14. Calcium	Ca	16881.7	Ca	842.4
15. Magnesium	Mg	1186.3	Mg	97.6
16. Sodium (calculated)	Na	89409.6	Na	3889.1
17. Iron	Fe	58.0		
18. Barium	Ba	NR		
19. Strontium	Sr	NR		
20. Total Hardness (CaCO3)		47042.3		

PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter	Compound	Equiv wt X meq/L	= mg
842 *Ca <----- *HCO3	Ca(HCO3)2	81.0	97
----- /----->	CaSO4	68.1	1417
98 *Mg -----> *SO4	CaCl2	55.5	45520
----- <----- /	Mg(HCO3)2	73.2	
1839 *Na -----> *Cl	MgSO4	60.2	
	MgCl2	47.6	97.6 4846
	NaHCO3	84.0	
	Na2SO4	71.0	
	NaCl	58.4	3889.1 227277

Saturation Values Dist. Water 20 C

CaCO3	13 mg/L
CaSO4 * 2H2O	2090 mg/L
BaSO4	2.4 mg/L

REMARKS:

----- L. MALLETT / FILE

ANALYSIS - SANTA ROSA WATER

POGO PRODUCING COMPANY
NEFF FEDERAL NO. 3
Section 25, T-22S, R-31E
Eddy County, New Mexico

EXHIBIT NO. IV

Chemical and radiochemical analyses of water from test hole H-5

Water produced from the Santa Rosa Sandstone, sample taken 5/24/78

Alkalinity Field (mg/l as HCO ₃)	200
Bicarbonate FET-FLD (mg/l as HCO ₃)	240
Nitrogen, NO ₂ + NO ₃ Dissolved (mg/l as N)	0.38
Hardness (mg/l as CaCO ₃)	150
Hardness, noncarbonate(mg/l as CaCO ₃)	150
Calcium Dissolved (mg/l as Ca)	55
Magnesium, Dissolved (mg/l as Mg)	51
Sodium, Dissolved (mg/l as Na)	280
Potassium, Dissolved (mg/l as K)	25
Chloride, Dissolved (mg/s as Cl)	120
Sulfate, Dissolved (mg/l as SO ₄)	530
Fluoride, Dissolved (mg/l as F)	1.2
Silica, Dissolved (mg/l as SiO ₂)	11.0
Boron, Dissolved (ug/l as B)	890
Solids Residue at 105 Deg C, Dissolved (mg/l)	1200

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
Texaco Exploration and Production, Inc.
P.O. Box 46513
Denver, CO 80201-6513
Attn: Terry Young

4a. Article Number
Z 296 652 451

4b. Service Type

☐ Registered	☐ Insured
☒ Certified	☐ COD
☐ Express Mail	☐ Return Receipt for Merchandise

7. Date of Delivery
10/13/95

5. Signature (Addressee)

6. Signature (Agent)
[Signature]

8. Addressee's Address (Only if requested and fee is paid)

Appl. Prospect 9/11/95

PS Form 3811, December 1991 *U.S. GPO: 1993-352-714 **DOMESTIC RETURN RECEIPT**

Thank you for using Return Receipt Service

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Bureau of Land Management
 P. O. Box 27115
 Santa Fe, New Mexico 87502-0115

4a. Article Number
Z 296 652 471

4b. Service Type

☐ Registered	☐ Insured
☒ Certified	☐ COD
☐ Express Mail	☐ Return Receipt for Merchandise

7. Date of Delivery
10/13/95

5. Signature (Addressee)

6. Signature (Agent)
[Signature]

8. Addressee's Address (Only if requested and fee is paid)

Application Neff Prospect

PS Form 3811, December 1991 *U.S. GPO: 1993-352-714 **DOMESTIC RETURN RECEIPT**

Thank you for using Return Receipt Service



Texaco Exploration and Production Inc
Western E&P Region

P O Box 2100
Denver CO 80201
4801 DTC Boulevard
Denver CO 80237

RECEIVED
NOV 14 1995
MIDLAND

November 14, 1995

Pogo Producing Company
P. O. Box 10340
Midland, Texas

Attention: Terry Gant

Neff Prospect NM-503
Application for Hearing
Pilot Pressure Maintenance Project
Eddy County, New Mexico

Gentlemen:

Reference is made to your letter dated October 10, 1995, proposing a pilot pressure maintenance project on your Neff Federal Lease, covering Section 25, Township 22 South, Range 31 East, Eddy County, New Mexico.

Texaco Exploration and Production Inc. has no objection to Pogo's proposed pilot pressure maintenance project.

Yours very truly,

Terry L. Young
Area Land Manager
(303) 793-4507

TLY:

PC6C

3

11403



POGO PRODUCING COMPANY

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 31, 1995

Department of Energy
Carlsbad Area Office
P. O. Box 3090
Carlsbad, New Mexico 88222
Attention: Mr. Robert D. Kaiser

Re: Neff Prospect NM-503
Eddy County, New Mexico
Application for Hearing
Pilot Pressure Maintenance Project

Gentlemen:

Please be advised that Pogo Producing Company has applied to the Oil Conservation Division for a pilot pressure maintenance project for its Neff Federal Lease, which covers Section 25, Township 22 South, Range 31 East, in Eddy County, New Mexico. Injection will be through the Neff Federal Well No. 3, located in Unit D of Section 25, and the injection interval will be the Delaware formation. A copy of the Application is enclosed.

This matter was set for hearing on Thursday, November 2, 1995, but has been continued to Thursday, November 16, 1995, at 8:15 A.M., at the Division's offices at 2040 South Pacheco Street, Santa Fe, New Mexico. Failure to appear at that time will preclude you from contesting this matter at a later date.

Very truly yours,
POGO PRODUCING COMPANY


Terry Gant
Senior Landman

TG:lf/c:Neff.785
Enclosure

cc: New Mexico Oil Conservation Division
District II Office
P. O. Drawer DD
Artesia, New Mexico 88210
Attention: Mr. Tim Gum

New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
Attention: Mr. David Catanach

Mr. James Bruce

POGO

4

11403

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF POGO PRODUCING
COMPANY FOR A PILOT PRESSURE
MAINTENANCE PROJECT, EDDY COUNTY,
NEW MEXICO

NO. 11403

AMENDED APPLICATION

Pogo Producing Company, for its application, states:

1. Applicant is the operator of the Neff Federal lease, which covers all of Section 25, Township 22 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.

2. Applicant proposes to institute a pilot pressure maintenance project for the Neff Federal lease by injecting water into the Delaware formation (Livingston Ridge-Delaware Pool) through perforations from 7050 feet to 7068 feet in its existing Neff Federal Well No. 3, located 430 feet from the North line and 760 feet from the West line (Unit D) of Section 25.

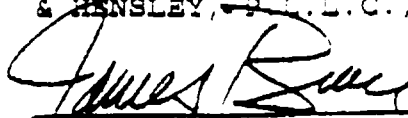
3. The Form C-108 for the project is attached hereto as Exhibit A.

4. The granting of this application is in the interests of conservation and the prevention of waste.

WHEREFORE, Applicant requests that, after notice and hearing, the relief requested herein be granted.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY, P.L.L.C., Ltd., Co.



James Bruce
Post Office Box 2068
Santa Fe, New Mexico 87504-2068
(505) 982-4554

Attorneys for Applicant

Neff Federal No. 3

- I. Purpose: ☐ Secondary Recovery ☒ Pressure Maintenance ☐ Disposal ☐ Storage
Application qualifies for administrative approval? ☐ yes ☒ no

II. Operator: ORGO PRODUCING COMPANY

Address: P. O. Box 10340, Midland, Texas 79702

Contact party: Richard L. Wright Phone: 915/682-6822

III. Well data: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? ☐ yes ☒ no
If yes, give the Division order number authorizing the project _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

VIII. Attach appropriate geological data on the injection zone including appropriate lithology detail, geological name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such source known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division they need not be resubmitted.)

XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

II. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

III. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

IV. Certification

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Bill F. Hajepeska Title: Agent, P. E.

Signature: [Signature] Date: 08/15/95

If the information required under Sections VI, VIII, X, and XI above has been submitted, it need not be duplicated and resubmitted. Please show the date and of the earlier submittal.

EXHIBIT

A

A. The following well data must be submitted for each injection well covered by this application. The data must be both in regular and schematic form and must include:

- (1) Lease name; Well No.; location by Section, Township, and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

IV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

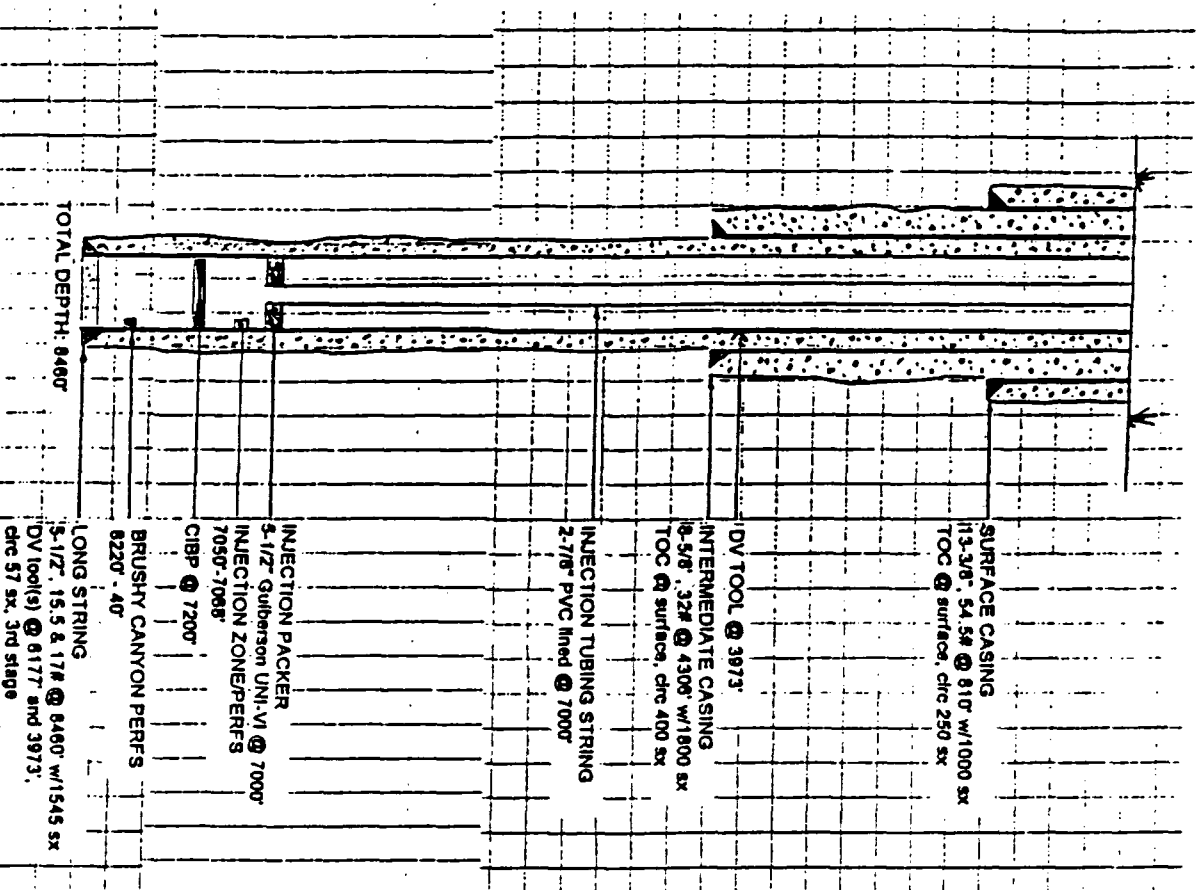
- (1) The name, address, phone number, and contact party for the applicant;
- (2) the intended purpose of the injection well; with the exact location of single wells or the section, township, and range location of multiple wells;
- (3) the formation name and depth with expected maximum injection rates and pressures; and
- (4) a notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501 within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

INJECTION WELL DATA SHEET

SCHEMATIC



TABULAR DATA

(1). LEASE: Neff Federal WELL # 3

LOCATION: Sec. 25 TWP 22-S Range 31-E

County Eddy

Footage 430' FML & 760' FML

(2). CASING STRINGS:

Surface Casing

Size 13-3/8" Depth 810' Cemented w/ 1000 sx.

TOC surf Determined by circ 250 sx

Hole size 17-1/2"

Intermediate Casing

Size 8-5/8" Depth 4306' Cemented w/ 1800 sx.

TOC surf Determined by circ 400 sx

Hole size 11"

Long String

Size 5-1/2" Depth 8460' Cemented w/ 1545 sx.

TOC surf Determined by circ 57 sx, 3rd stg

Hole size 7-7/8"

Injection Interval, from 7050' to 7068 ft.

(3). INJECTION TUBING STRINGS:

Size 2-7/8" in., coated/lined with PVC

Setting depth 7000 ft.

(4) INJECTION PACKER:

Size 5-1/2 in.; Make/Model Gulberson UNI-VI

Setting depth 7000 ft.

ITEM 111-8

INJECTION WELL DATA

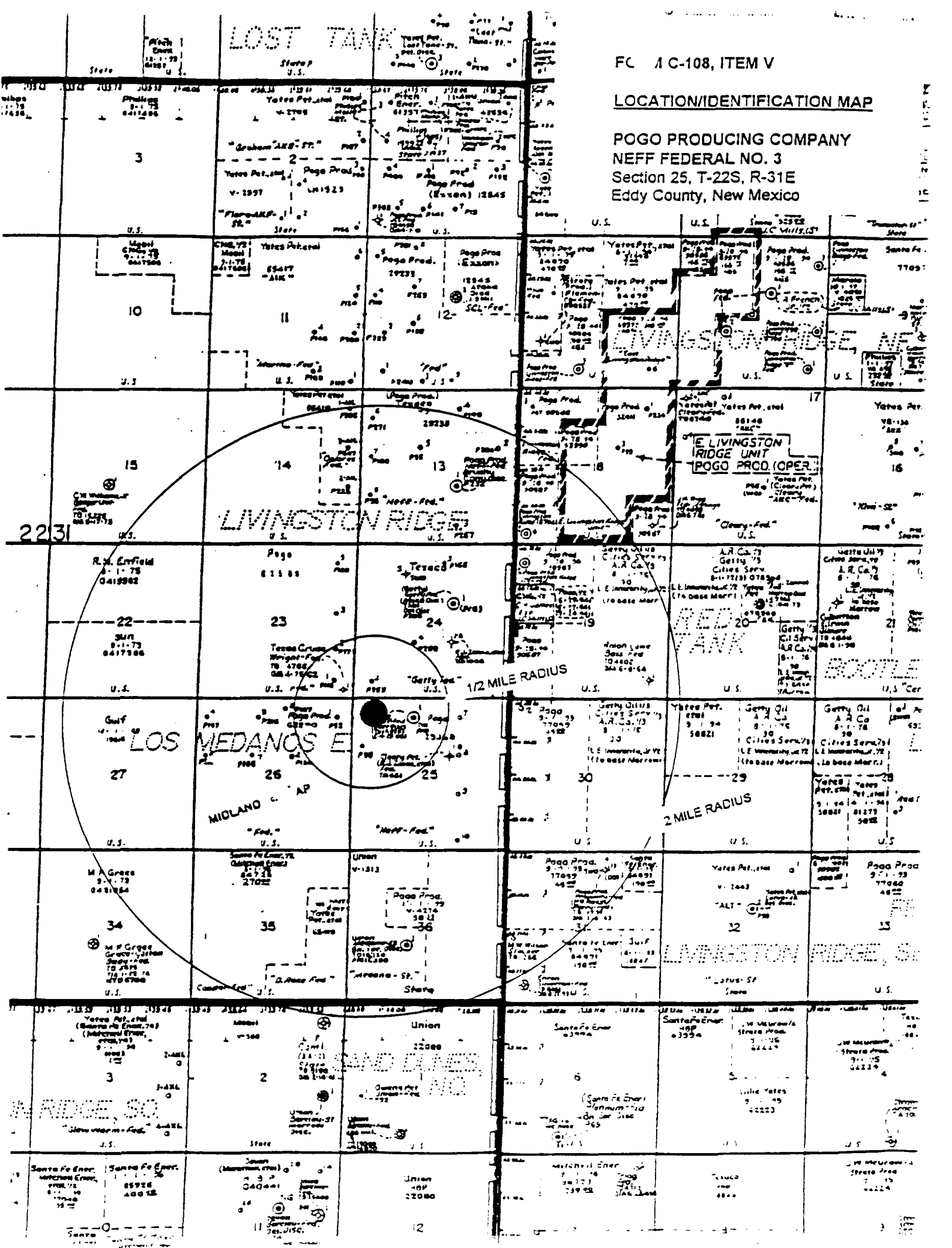
- (1). Injection Formation: Delaware (Brushy Canyon)
Field/Pool: Livingston Ridge Delaware
- (2). Injection interval; From 7050 ft. to 7068 ft.
Perforated XX Open Hole
- (3). Original purpose well drilled -- as producer from the Brushy Canyon
- (4). Other perforated intervals; XX Yes No
Squeezed with ex., or isolated by CIBP @ 7200'
8220' - 40'
- (5). Oil or gas productive zone(s):
Next higher: none
Next lower: Lower Brushy Canyon - 8200'

LOST TANK

FC 1 C-108, ITEM V

LOCATION/IDENTIFICATION MAP

POGO PRODUCING COMPANY
NEFF FEDERAL NO. 3
Section 25, T-22S, R-31E
Eddy County, New Mexico



ITEM VI

WELL DATA - AREA OF REVIEW

- (1). Location: 660' FNL & 1980' FNL, Sec 25, T-22S, R-31E, Eddy County
 Operator: Pogo Producing Company Lease: Neff Federal Well # 1
 Well type: Oil XX Gas XX CSA Total depth 15,026 ft.
 Date drilled: 1986; recompleate 11/04/89
 Completion Data: 13-3/8" @ 800' w/827 sx, circ; 10-3/4" @ 4530' w/2000 sx; 7-5/8"
@ 11,885' w/1135 sx; 5" 11,531' to 14,998' w/515 sx; perf 14,904' - 912'; A/
2000 gal; perf 14,717' - 723'; A/2000 gal; perf 14,460' - 522'; A/4000 gal; IP
CAOF 626 MCF; PB to 7180'; perf 7080' - 7120'; A/1000 gal; F/16,000 GW + 30,700#
sd; IPP 41 BOPD +219 BW
 Plugged Date: (Schematic attached)
- (2). Location: 1650' FNL & 330' FNL, Sec 25, T-22S, R-31E, Eddy County
 Operator: Pogo Producing Company Lease: Neff Federal Well # 2
 Well Type: Oil XX Gas CSA Total Depth: 8440 ft.
 Date Drilled: 11/12/91
 Completion Data: 13-3/8" @ 814' w/1000 sx, circ; 8-5/8" @ 4340' w/1675 sx; 5-1/2"
@ 8440' w/1385 sx; perf 8054' - 8108'; A/1500 gal 15%; F/35,000 GW + 85,000# sd;
IP 88 BOPD + 300 BW
 Plugged Date (Schematic attached)
- (3). Location: 610' FNL & 510' FEL, Sec 26, T-22S, R-31E, Eddy Co.
 Operator: Pogo Producing Company Lease: Federal 26 Well # 1
 Well Type ; Oil XX Gas CSA Total Depth: 8415 ft.
 Date Drilled: 07/06/90
 Completion Data: 13-3/8" @ 850' w/900 sx, circ; 8-5/8" @ 4447' w/1280 sx, circ;
5-1/2" @ 8415' w/1220 sx; perf 8224' - 8318'; A/2000 gal 7-1/2%; F/22,205 GW +
51,200# 16/30 sd; IP 52 BOPD + 165 BW; set RBP; perf 7053'-71'; A/2000 gal 7-1/2%;
F/51,780# 20/40 sd; IP 110 BOPD + 127 BW commingle
 Plugged Date (Schematic attached)

WELL DATA - AREA OF REVIEW

- (4). Location: 660' FS & EL, Sec 23, T-22S, R-31E, Eddy County
 Operator: Pogo Producing Company Lease: Federal 23 Well # 1
 Well type: Oil XX Gas CSA Total depth 8420 Ft.
 Date drilled: 08/03/90
 Completion Data: 13-3/8" @ 845' w/800 sx, circ; 8-5/8" @ 4394' w/1340 sx,
circ; 5-1/2" @ 8420' w/1240 sx, 2 stg; perf 8090'-8198'; A/2000 gal 7-1/2%;
F/38,890 GW + 96,000# 16/30 sd; IP 58 BOPD +138 BW; TA; perf 7046'-65'; A/1500
gal 7-1/2%; F/20,000 GW +52,000# 20/40 sd; IP 110 BOPD + 124 BW; commingled
 Plugged Date: (Schematic attached)
- (5). Location: 1750' FSL & 660' FFL, Sec 23, T-22S, R-31E, Eddy County
 Operator: Pogo Producing Company Lease: Federal 23 Well # 2
 Well Type: Oil XX Gas CSA Total Depth: 8430 Ft.
 Date Drilled: 04/16/92
 Completion Data: 13-3/8" @ 828' w/1000 sx, circ; 8-5/8" @ 4279' w/1700 sx,
circ; 5-1/2" @ 8430' w/1400 sx; TOC 1250 CBL; perf 7000'-20'; A/1000 gal 15%;
F/25,000 GW +44,375# 20/40 sd; IP 77 BOPD +177 BW; recomp 6/94; perf 8208'-57';
A/1500 7-1/2%; F/44,800 GW + 61,800# 20/40 sd; perf 8090'-8140'; A/1500 gal; see below
 Plugged Date (Schematic attached)
- (6). Location: 660' FS & WL, Sec 24, T-22S, R-31E, Eddy County
 Operator: Texaco Lease: Getty 24 Federal Well # 2
 Well Type ; Oil XX Gas CSA Total Depth: 8000 Ft.
 Date Drilled: 03/27/90
 Completion Data: 11-3/4" @ 840' W/700 sx; 8-5/8" @ 4500' w/1350 sx; 5-1/2" @
8000' w/1950 sx; perf 7672'-84'; acid; set CIBP @ 7622'; perf 7062'-7101'; A/1500
gal; F/25,500 GW + 57,500# sd; IP 353 BOPD + 219 BW

 Plugged Date (Schematic attached)

Federal 23 No. 2, cont'd.

F/44,000 GW + 47,230# 20/40 sd; IP 97 BOPD +279 BW; commingled

WELL DATA - AREA OF REVIEW(7). Location: 1980' FS & WL, Sec 24, T-22S, R-31E, Eddy CountyOperator: Texaco Lease: Getty 24 Federal Well # 4Well type: Oil XX Gas CSA Total depth 8400 ft.Date drilled: 02/18/91Completion Data: 11-3/4" @ 840' w/800 sx; 8-5/8" @ 4350' w/1350 sx; 5-1/2" @
8400' w/1750 sx; perf 7068'-7118'; A/2000 gal 7-1/2%; F/50,000 GW + 117,000#
sd; IP 288 BOPD + 34 BWPlugged Date: (Schematic attached)(8). Location: 330' FS & EI; Sec 23, T-22S, R-31E, Eddy CountyOperator: Texas Crude Oil Company Lease: Wright 23 Federal Well # 1Well Type: Oil Gas CSA XX Total Depth: 4766 ft.Date Drilled: 04/25/62Completion Data: 8-5/8" @ 305' w/225 sx; DST 4490'-4531', NSPlugged XX Date 04/25/62 (Schematic attached) FIGURE I(9). Location: Operator: Lease: Well # Well Type ; Oil Gas CSA Total Depth: ft.Date Drilled: Completion Data: Plugged Date (Schematic attached)

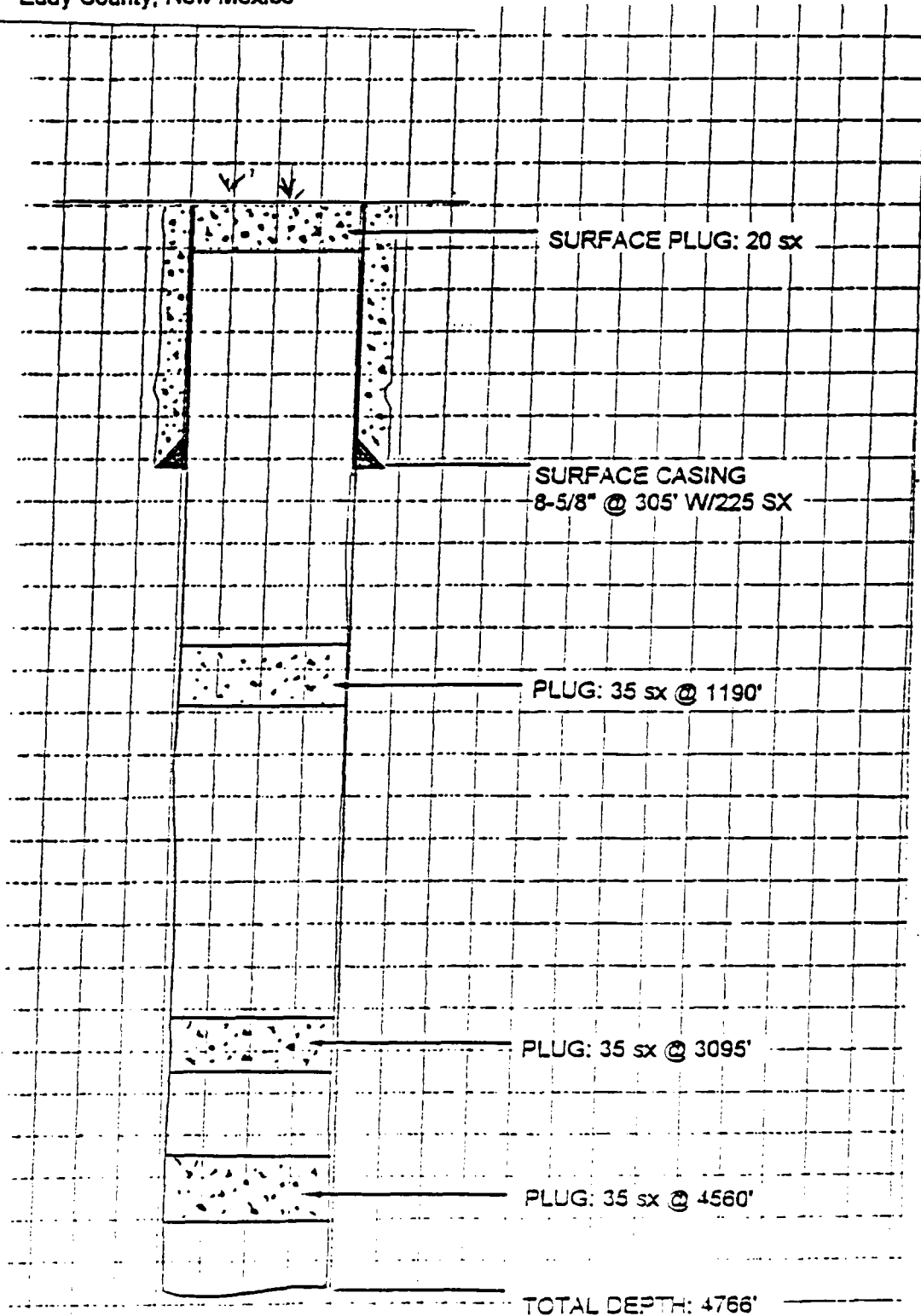
P & A SCHEMATICTEXAS CRUDE - WRIGHT 23 FED NO. 1

POGO PRODUCING COMPANY

NEFF FEDERAL NO. 3

Section 25, T-22S, R-31E

Eddy County, New Mexico



ITEM VII

OPERATIONAL DATA

(1). Average expected injection rate: 1000 BWPD; maximum anticipated rate: 3000 BWPD

(2). Closed system

(3). Estimated average injection pressure: 750 psi.

Estimated maximum pressure: 1410 psi.

(4). Source of injection water: from Lower Delaware zones in nearby Pogo
operated wells

Analysis of waters attached. EXHIBIT II

(5). Analysis of injection zone water attached.

Data source: EXHIBIT II

GEOLOGICAL DATA

INJECTION ZONE

Lithological description: sandstone, lt gray, fine to v fine grained,
poorly consolidated, poor calc cem.

Geological name: Delaware (Brushy Canyon)

Zone thickness: 18 ft.; Depth: 7086 ft.

FRESH WATER SOURCES

Geological name: Santa Rosa

Depth to bottom of zone: +/-650 ft.

ITEM IX

STIMULATION PROGRAM (Reprocessed) Performed

ACIDIZE:

Volume: 1500 gal Type acid: 7-1/2% HCl/Pentol 100

Rate: +/- 5 BPM; Misc. Ball Sealers

FRACTURE:

Fluid volume: 38,800 gal.; Type: Gelled Water

Prop type: 20/40 sand Volume (#): 61,800

Rate: BPM; Conductor: in.

Misc.

ITEM X

LOGGING PROGRAM

Logging program included: CNLD, DLL & CBL

Copy of GR/DLI log included in attachments

ITEM XI

FRESH WATER ANALYSIS

Fresh water well within 1 mile radius; Yes XX No

Chemical analysis from well(s) located: Sac 14, T-22S, R-31E

Date sampled: 05/24/78 EXHIBIT IV

Chemical analysis from well(s) located:

Date sampled:

ITEM XII

HYDROLOGY

Various engineering data and area well logs reveal no evidence that there might exist hydrologic connection between the intended injection zone and possible fresh water zone above 650' (Santa Rosa).

ANALYSIS - BRUSHY CANYON
PRODUCED WATER

POGO PRODUCING COMPANY
NEFF FEDERAL NO. 3
Section 25, T-22S, R-31E
Eddy County, New Mexico

16010 Barker's Point Lane • Houston, Texas 77079
713 558-5200 • Telex: 4620348 • FAX: 713 589-4737

Apply to: P.O. Box FF
Arlasia, New Mexico 88210
(505) 748-3588 Phone
(505) 748-3580 Fax

WATER ANALYSIS REPORT

Company : POGO PRODUCING
Address : MIDLAND, TEXAS
Lease : RED TANK FED. 28
Well : #1 *Brushy Canyon (De)*
Sample Pt. : WELLHEAD

Date : 01/08/93
Date Sampled : 01/04/93
Analysis No. : 005

ANALYSIS		mg/L	* meq/L
1. pH	6.2		
2. H ₂ S	3 PPM		
3. Specific Gravity	1.160		
4. Total Dissolved Solids		279018.4	
5. Suspended Solids		NR	
6. Dissolved Oxygen		NR	
7. Dissolved CO ₂		80 PPM	
8. Oil In Water		NR	
9. Phenolphthalein Alkalinity (CaCO ₃)			
10. Methyl Orange Alkalinity (CaCO ₃)		60.0	
11. Bicarbonate	HCO ₃	73.2	HCO ₃ 1.2
12. Chloride	Cl	170409.6	Cl 4807.0
13. Sulfate	SO ₄	1000.0	SO ₄ 20.8
14. Calcium	Ca	16881.7	Ca 842.4
15. Magnesium	Mg	1186.3	Mg 97.6
16. Sodium (calculated)	Na	89409.6	Na 3889.1
17. Iron	Fe	58.0	
18. Barium	Ba	NR	
19. Strontium	Sr	NR	
20. Total Hardness (CaCO ₃)		47042.3	

PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter	Compound	Equiv wt X meq/L	= mg/L
842 *Ca <----- *HCO ₃	Ca (HCO ₃) ₂	81.0	97
----- /----->	CaSO ₄	68.1	1417
98 *Mg -----> *SO ₄	CaCl ₂	55.5	45523
----- <----- /	Mg (HCO ₃) ₂	73.2	
3889 *Na -----> *Cl	MgSO ₄	60.2	
	MgCl ₂	47.6	97.6 4646
Saturation Values Dist. Water 20 C	NaHCO ₃	84.0	
CaCO ₃ 13 mg/L	Na ₂ SO ₄	71.0	
CaSO ₄ * 2H ₂ O 2090 mg/L	NaCl	58.4	3889.1 227277
BaSO ₄ 2.4 mg/L			

REMARKS:

----- L. MALLET / FILE

ANALYSIS - SANTA ROSA W. R

POGO PRODUCING COMPANY
NEFF FEDERAL NO. 3
Section 25, T-22S, R-31E
Eddy County, New Mexico

EXHIBIT NO. IV

Chemical and radiochemical analyses of water from test hole H-5

Water produced from the Santa Rosa Sandstone, sample taken 5/24/78

Alkalinity Field (mg/l as HCO ₃)	200
Bicarbonate FET-FLD (mg/l as HCO ₃)	240
Nitrogen, NO ₂ + NO ₃ Dissolved (mg/l as N)	0.36
Hardness (mg/l as CaCO ₃)	150
Hardness, noncarbonate (mg/l as CaCO ₃)	150
Calcium Dissolved (mg/l as Ca)	56
Magnesium, Dissolved (mg/l as Mg)	51
Sodium, Dissolved (mg/l as Na)	280
Potassium, Dissolved (mg/l as K)	25
Chloride, Dissolved (mg/s as Cl)	120
Sulfate, Dissolved (mg/l as SO ₄)	530
Fluoride, Dissolved (mg/l as F)	1.2
Silica, Dissolved (mg/l as SiO ₂)	11.0
Boron, Dissolved (ug/l as B)	890
Solids Residue at 105 Deg C, Dissolved (mg/l)	1200

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Department of Energy
Carlsbad Area Office
P. O. Box 3090
Carlsbad, New Mexico 88222
Attention: Mr. Robert D. Kaiser

4a. Article Number

Z 296 593 763

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery

11-3-95

5. Signature (Addressee)

6. Signature (Agent)

J. Dorado

8. Addressee's Address (Only if requested and fee is paid)

Neff Prospect NM-503
Application for Heari

PS Form 3811, December 1991 *U.S. GPO: 1993-352-714

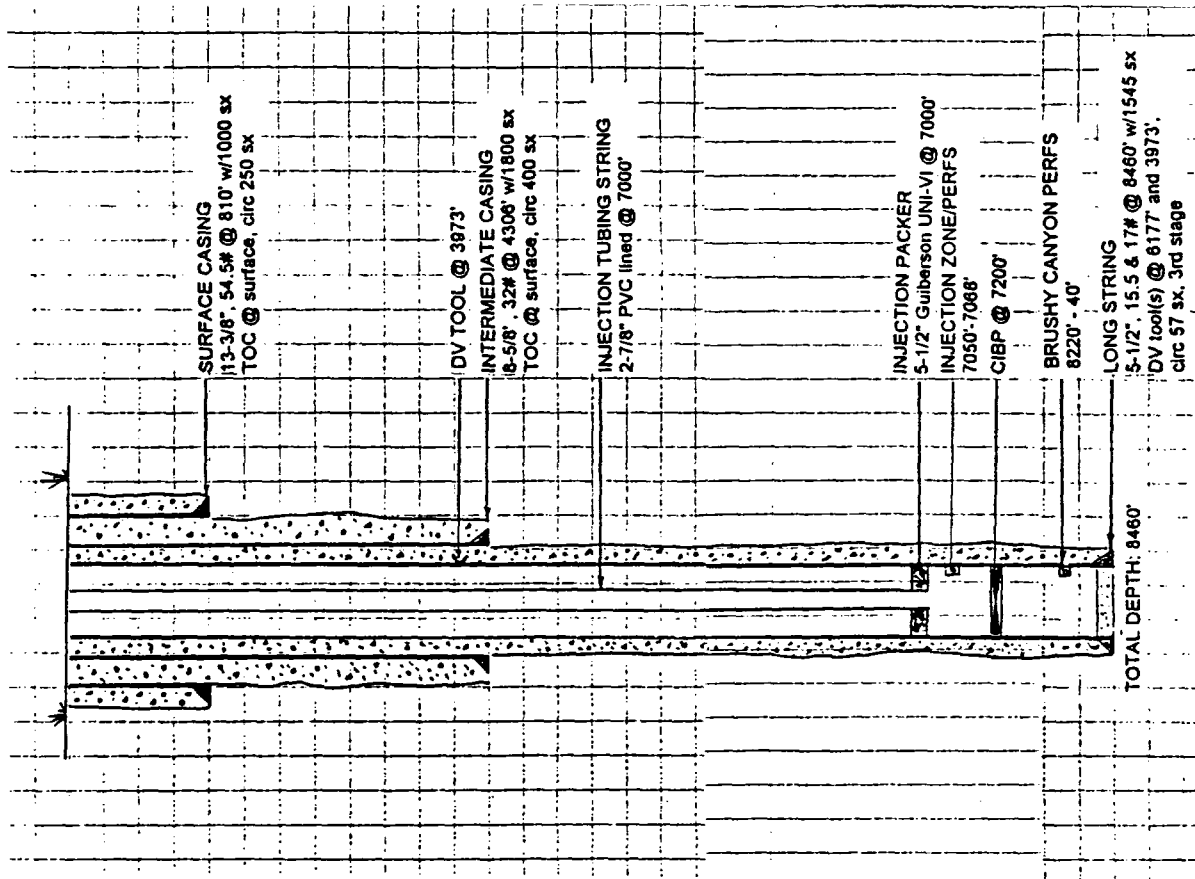
DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Service.

- I. Purpose: ☐ Secondary Recovery ☒ Pressure Maintenance ☐ Disposal ☐ Storage
Application qualifies for administrative approval? ☐ yes ☒ no
- II. Operator: POGO PRODUCING COMPANY
Address: P. O. Box 10340, Midland, Texas 79702
Contact party: Richard L. Wright Phone: 915/682-6822
- III. Well data: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? ☐ yes ☒ no
If yes, give the Division order number authorizing the project _____.
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such source known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division they need not be resubmitted.)
- XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- II. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.
- III. Applicants must complete the "Proof of Notices" section on the reverse side of this form.
- IV. Certification
- I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- Name: Bill F. Halpeska Title: Agent, P. E.
Signature: *Bill F. Halpeska* Date: 08/16/95
- If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of the earlier submittal.

INJECTION WELL DATA SHEET

Schematic



TABULAR DATA

- (1). LEASE: Neff Federal WELL # 3
LOCATION: Sec. 25 TWP 22-S Range 31-E
County Eddy
Footage 430' FML & 760' FML
- (2). CASING STRINGS:
Surface Casing
Size 13-3/8" Depth 810' Cemented w/ 1000 sx.
TOC surf Determined by circ 250 sx
Hole size 17-1/2"
Intermediate Casing
Size 8-5/8" Depth 4306' Cemented w/ 1800 sx.
TOC surf Determined by circ 400 sx
Hole size 11"
Long String
Size 5-1/2" Depth 8460' Cemented w/ 1545 sx.
TOC surf Determined by circ 57 sx, 3rd stg
Hole size 7-7/8"
Injection interval, from 7050' to 7068 Ft.
- (3). INJECTION TUBING STRING:
Size 2-7/8" in., coated/lined with PVC
Setting depth 7000 Ft.
- (4). INJECTION PACKER:
Size 5-1/2 in.; Make/Model Guiberson UNI-VI
Setting depth 7000 Ft.

ITEM 111-B

INJECTION WELL DATA

- (1). Injection formation: Delaware (Brushy Canyon)
Field/Pool: Livingston Ridge Delaware
- (2). Injection interval; from 7050 ft. to 7068 ft.
Perforated XX Open Hole
- (3). Original purpose well drilled -- as producer from the Brushy Canyon
- (4). Other perforated intervals; XX Yes No
Squeezed with sx., or isolated by CIBP @ 7200'
8220' - 40'
- (5). Oil or gas productive zone(s):
Next higher: none
Next lower: Lower Brushy Canyon - 8200'

Notes	Mitchell Emer	49
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WELL DATA - AREA OF REVIEW

- (1). Location: 660' FNL & 1980' FWL, Sec 25, T-22S, R-31E, Eddy County
 Operator: Pogo Producing Company Lease: Neff Federal Well # 1
 Well type: Oil XX Gas XX CSA Total depth 15,026 ft.
 Date drilled: 1986; recompleate 11/04/89
 Completion Data: 13-3/8" @ 800' w/827 sx, circ; 10-3/4" @ 4530' w/2000 sx; 7-5/8"
@ 11,885' w/1135 sx; 5" 11,531' to 14,998' w/515 sx; perf 14,904' - 912'; A/
2000 gal; perf 14,717' - 723'; A/2000 gal; perf 14,460' - 522'; A/4000 gal; IP
CAOF 626 MCF; PB to 7180'; perf 7080' - 7120'; A/1000 gal; F/16,000 GW + 30,700#
sd; IPP 41 BOPD +219 BW
 Plugged Date: (Schematic attached)
- (2). Location: 1650' FNL & 330' FWL, Sec 25, T-22S, R-31E, Eddy County
 Operator: Pogo Producing Company Lease: Neff Federal Well # 2
 Well Type: Oil XX Gas CSA Total Depth: 8440 ft.
 Date Drilled: 11/12/91
 Completion Data: 13-3/8" @ 814' w/1000 sx, circ; 8-5/8" @ 4340' w/1675 sx; 5-1/2"
@ 8440' w/1385 sx; perf 8054' - 8108'; A/1500 gal 15%; F/35,000 GW + 85,000# sd;
IP 88 BOPD + 300 BW
 Plugged Date (Schematic attached)
- (3). Location: 610' FNL & 510' FEL, Sec 26, T-22S, R-31E, Eddy Co.
 Operator: Pogo Producing Company Lease: Federal 26 Well # 1
 Well Type ; Oil XX Gas CSA Total Depth: 8415 ft.
 Date Drilled: 07/06/90
 Completion Data: 13-3/8" @ 850' w/900 sx, circ; 8-5/8" @ 4447' w/1280 sx, circ;
5-1/2" @ 8415' w/1220 sx; perf 8224' - 8318'; A/2000 gal 7-1/2%; F/22,205 GW +
51,200# 16/30 sd; IP 52 BOPD + 165 BW; set RBP; perf 7053' - 71'; A/2000 gal 7-1/2%;
F/51,780# 20/40 sd; IP 110 BOPD + 127 BW commingle
 Plugged Date (Schematic attached)

ITEM VI

WELL DATA - AREA OF REVIEW

(4). Location: 660' FS & EL, Sec 23, T-22S, R-31E, Eddy County
 Operator: Pogo Producing Company Lease: Federal 23 Well # 1
 Well type: Oil XX Gas DSA Total depth 8420 ft.
 Date drilled: 08/03/90
 Completion Data: 13-3/8" @ 845' w/800 sx, circ; 8-5/8" @ 4394' w/1340 sx,
circ; 5-1/2" @ 8420' w/1240 sx, 2 stg; perf 8090'-8198'; A/2000 gal 7-1/2";
F/38,890 GW + 96,000# 16/30 sd; IP 58 BOPD +138 BW; TA; perf 7046'-65'; A/1500
gal 7-1/2"; F/20,000 GW +52,000# 20/40 sd; IP 110 BOPD + 124 BW; commingled

Plugged Date: (Schematic attached)

(5). Location: 1750' FSL & 660' FEL, Sec 23, T-22S, R-31E, Eddy County
 Operator: Pogo Producing Company Lease: Federal 23 Well # 2
 Well Type: Oil XX Gas DSA Total Depth: 8430 ft.
 Date Drilled: 04/16/92
 Completion Data: 13-3/8" @ 828' w/1000 sx, circ; 8-5/8" @ 4279' w/1700 sx,
circ; 5-1/2" @ 8430' w/1400 sx; TOC 1250 CBL; perf 7000'-20'; A/1000 gal 15%;
F/25,000 GW +44,375# 20/40 sd; IP 77 BOPD +177 BW; recomp 6/94; perf 8208'-57';
A/1500 7-1/2"; F/44,800 GW + 61,800# 20/40 sd; perf 8090'-8140'; A/1500 gal; see below
 Plugged Date (Schematic attached)

(6). Location: 660' FS & WL, Sec 24, T-22S, R-31E, Eddy County
 Operator: Texaco Lease: Getty 24 Federal Well # 2
 Well Type ; Oil XX Gas DSA Total Depth: 8000 ft.
 Date Drilled: 03/27/90
 Completion Data: 11-3/4" @ 840' w/700 sx; 8-5/8" @ 4500' w/1350 sx; 5-1/2" @
8000' w/1950 sx; perf 7672'-84'; acid; set CIBP @ 7622'; perf 7062'-7101'; A/1500
gal; F/25,500 GW + 57,500# sd; IP 353 BOPD + 219 BW

Plugged Date (Schematic attached)

Federal 23 No. 2, cont'd.

F/44,000 GW + 47,230# 20/40 sd; IP 97 BO +279 BW; commingled

WELL DATA - AREA OF REVIEW

(7). Location: 1980' FS & WL, Sec 24, T-22S, R-31E, Eddy County
 Operator: Texaco Lease: Getty 24 Federal Well # 4
 Well type: Oil XX Gas DSA Total depth 8400 Ft.
 Date drilled: 02/18/91
 Completion Data: 11-3/4" @ 840' w/800 sx; 8-5/8" @ 4350' w/1350 sx; 5-1/2" @
8400' w/1750 sx; perf 7068'-7118'; A/2000 gal 7-1/2%; F/50,000 GW + 117,000#
sd; IP 288 BOPD + 34 BW

Plugged Date: (Schematic attached)

(8). Location: 330' FS & E1; Sec 23, T-22S, R-31E, Eddy County
 Operator: Texas Crude Oil Company Lease: Wright 23 Federal Well # 1
 Well Type: Oil Gas DSA XX Total Depth: 4766 Ft.
 Date Drilled: 04/25/62
 Completion Data: 8-5/8" @ 305' w/225 sx; DST 4490'-4531', NS

Plugged XX Date 04/25/62 (Schematic attached) FIGURE 1

(). Location:
 Operator: Lease: Well #
 Well Type ; Oil Gas DSA Total Depth: ft.
 Date Drilled:
 Completion Data:

Plugged Date (Schematic attached)

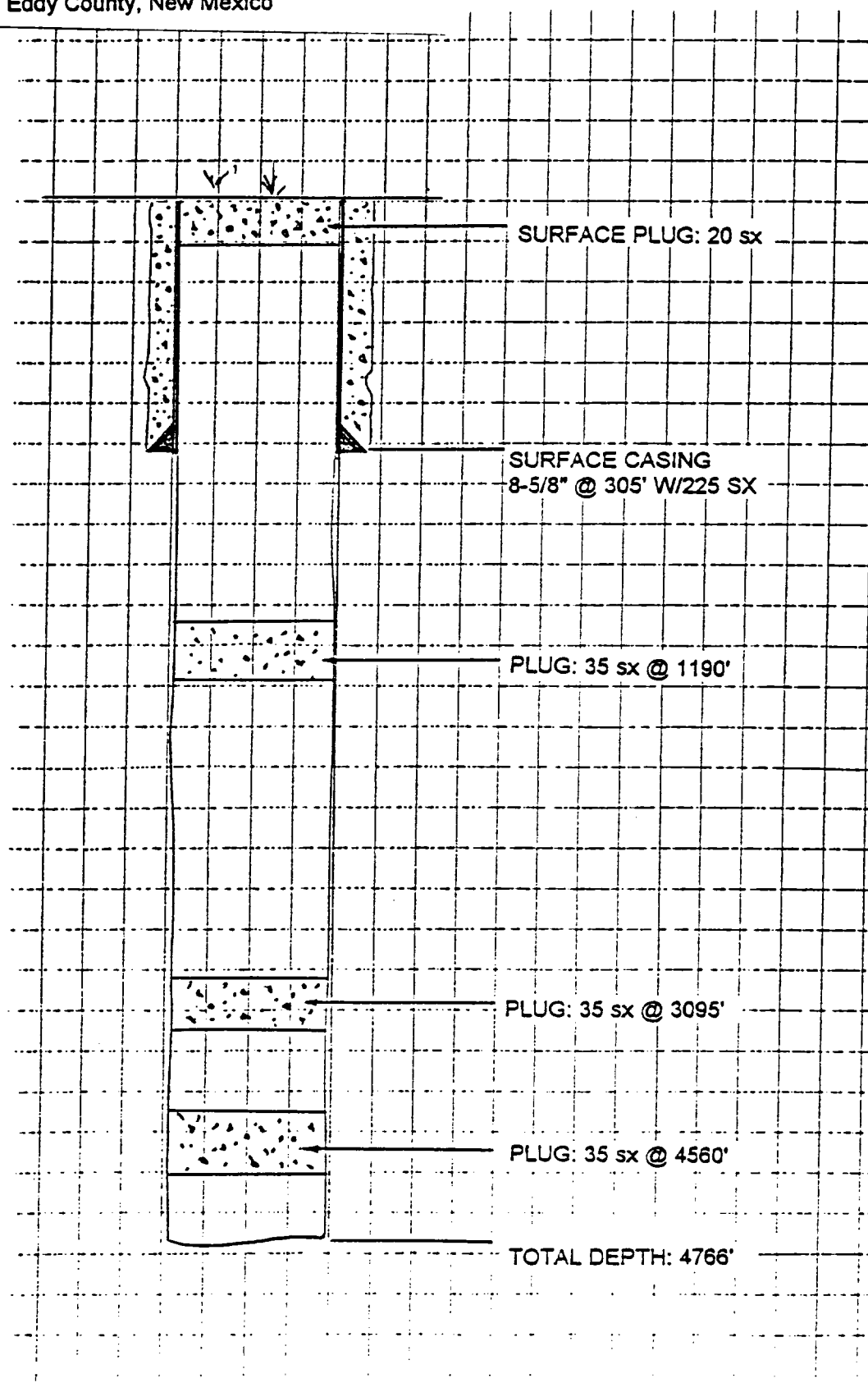
P & A SCHEMATICTEXAS CRUDE - WRIGHT 23 FED NO. 1

POGO PRODUCING COMPANY

NEFF FEDERAL NO. 3

Section 25, T-22S, R-31E

Eddy County, New Mexico



ITEM VII

OPERATIONAL DATA

(1). Average expected injection rate: 1000 BWPD; maximum anticipated rate: 3000 BWPD

(2). Closed system

(3). Estimated average injection pressure: 750 psi.

Estimated maximum pressure: 1410 psi.

(4). Source of injection water: from Lower Delaware zones in nearby Pogo
operated wells

Analysis of waters attached. EXHIBIT II

(5). Analysis of injection zone-water attached.

Data source: EXHIBIT II

GEOLOGICAL DATA

INJECTION ZONE

Lithological description: sandstone, lt gray, fine to v fine grained,
poorly consolidated, poor calc cem.

Geological name: Delaware (Brushy Canyon)

Zone thickness: 18 ft.; Depth: 7086 ft.

FRESH WATER SOURCES

Geological name: Santa Rosa

Depth to bottom of zone: +/-650 ft.

ITEM IX

STIMULATION PROGRAM (Reposed) Performed

ACIDIZE:

Volume: ¹⁰⁰⁰1500 gal Type acid: 7-1/2% HCl/Pentol 100

Rate: +/- 5 BFM; Misc. Ball Sealers

FRACTURE:

Fluid volume: ^{37,800}38,800 ^{60/30} gal.; Type: Gelled Water

Prop type: 20/40 sand Volume (#): 61,800

Rate: 25 BFM; Conductor: 2 1/8" in.

Misc. _____

ITEM X

LOGGING PROGRAM

Logging program included: CNLD, DLL & CBL

Copy of GR/DLI log included in attachments

ITEM XI

FRESH WATER ANALYSIS

Fresh water well within 1 mile radius; Yes XX No

Chemical analysis from well(s) located: Sac 14, T-22S, R-31E

Date sampled: 05/24/78 EXHIBIT IV

Chemical analysis from well(s) located:

Date sampled:

ITEM XII

HYDROLOGY

Various engineering data and area well logs reveal no evidence that there might exist hydrologic connection between the intended injection zone and possible fresh water zone above 650' (Santa Rosa).

ANALYSIS - BRUSHY CANYON
PRODUCED WATER

POGO PRODUCING COMPANY
NEFF FEDERAL NO. 3
Section 25, T-22S, R-31E
Eddy County, New Mexico

16010 Barker's Point Lane • Houston, Texas 77079
713 558-5200 • Telex: 4620346 • FAX: 713 589-4737

Apply to: P.O. Box FF
Arlasia, New Mexico 88210
(505) 746-3588 Phone
(505) 746-3580 Fax

WATER ANALYSIS REPORT

Company : POGO PRODUCING
Address : MIDLAND, TEXAS
Lease : RED TANK FED. 28
Well : #1 *Brushy Canyon (Del.)*
Sample Pt. : WELLHEAD

Date : 01/08/93
Date Sampled : 01/04/93
Analysis No. : 005

ANALYSIS		mg/L		* meq/L
-----		----		-----
1. pH	6.2			
2. H ₂ S	3 PPM			
3. Specific Gravity	1.160			
4. Total Dissolved Solids		279018.4		
5. Suspended Solids		NR		
6. Dissolved Oxygen		NR		
7. Dissolved CO ₂		80 PPM		
8. Oil In Water		NR		
9. Phenolphthalein Alkalinity (CaCO ₃)				
10. Methyl Orange Alkalinity (CaCO ₃)		60.0		
11. Bicarbonate	HCO ₃	73.2	HCO ₃	1.2
12. Chloride	Cl	170409.6	Cl	4807.0
13. Sulfate	SO ₄	1000.0	SO ₄	20.8
14. Calcium	Ca	16881.7	Ca	842.4
15. Magnesium	Mg	1186.3	Mg	97.6
16. Sodium (calculated)	Na	89409.6	Na	3889.1
17. Iron	Fe	58.0		
18. Barium	Ba	NR		
19. Strontium	Sr	NR		
20. Total Hardness (CaCO ₃)		47042.3		

PROBABLE MINERAL COMPOSITION

*milli equivalents per Liter

842	*Ca <-----	*HCO ₃	1
-----	/----->		-----
98	*Mg ----->	*SO ₄	21
-----	<----->		-----
3889	*Na ----->	*Cl	4807

Saturation Values Dist. Water 20 C

CaCO₃ 13 mg/L
CaSO₄ * 2H₂O 2090 mg/L
BaSO₄ 2.4 mg/L

Compound Equiv wt X meq/L = mg/L

Ca(HCO ₃) ₂	81.0	1.2	97
CaSO ₄	68.1	20.8	1417
CaCl ₂	55.5	820.4	45523
Mg(HCO ₃) ₂	73.2		
MgSO ₄	60.2		
MgCl ₂	47.6	97.6	4646
NaHCO ₃	84.0		
Na ₂ SO ₄	71.0		
NaCl	58.4	3889.1	227277

REMARKS:

----- L. MALLETT / FILE

Petrolite Oilfield Chemicals Group

Respectfully submitted,
ROZANNE JOHNSON

ANALYSIS - SANTA ROSA WATER**POGO PRODUCING COMPANY****EXHIBIT NO. IV****NEFF FEDERAL NO. 3**

Section 25, T-22S, R-31E

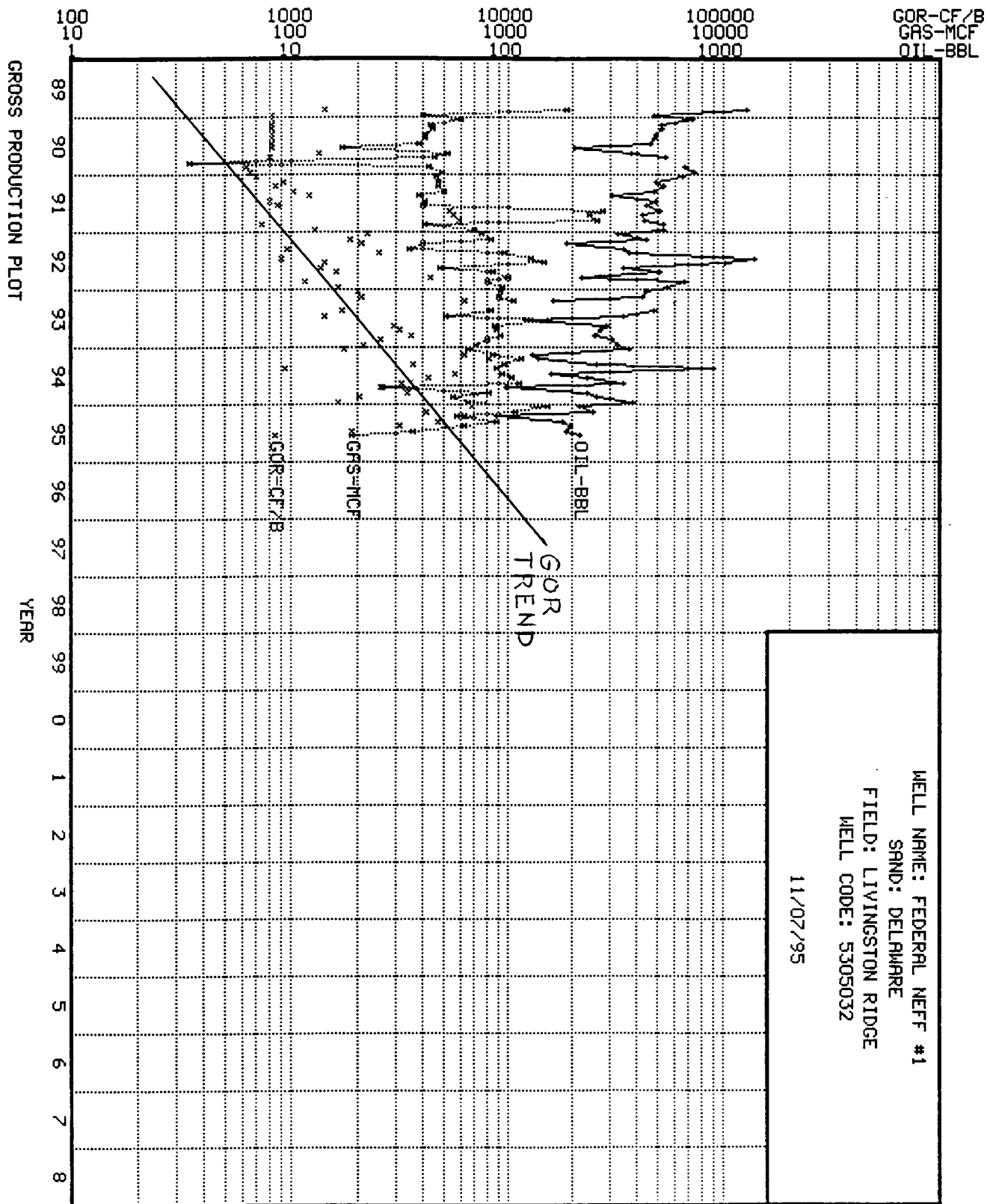
Eddy County, New Mexico

Chemical and radiochemical analyses of water from test hole H-5**Water produced from the Santa Rosa Sandstone, sample taken 5/24/78**

Alkalinity Field (mg/l as HCO ₃)	200
Bicarbonate FET-FLD (mg/l as HCO ₃)	240
Nitrogen, NO ₂ + NO ₃ Dissolved (mg/l as N)	0.36
Hardness (mg/l as CaCO ₃)	150
Hardness, noncarbonate(mg/l as CaCO ₃)	150
Calcium Dissolved (mg/l as Ca)	56
Magnesium, Dissolved (mg/l as MG)	51
Sodium, Dissolved (mg/l as Na)	280
Potassium, Dissolved (mg/l as K)	25
Chloride, Dissolved (mg/s as CL)	120
Sulfate, Dissolved (mg/l as SO ₄)	530
Fluoride, Dissolved (mg/l as F)	1.2
Silica, Dissolved (mg/l as SiO ₂)	11.0
Boron, Dissolved (ug/l as B)	890
Solids Residue at 105 Deg C, Dissolved (mg/l)	1200

LARGE FORMAT
EXHIBIT HAS
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AND IS LOCATED
IN THE NEXT FILE

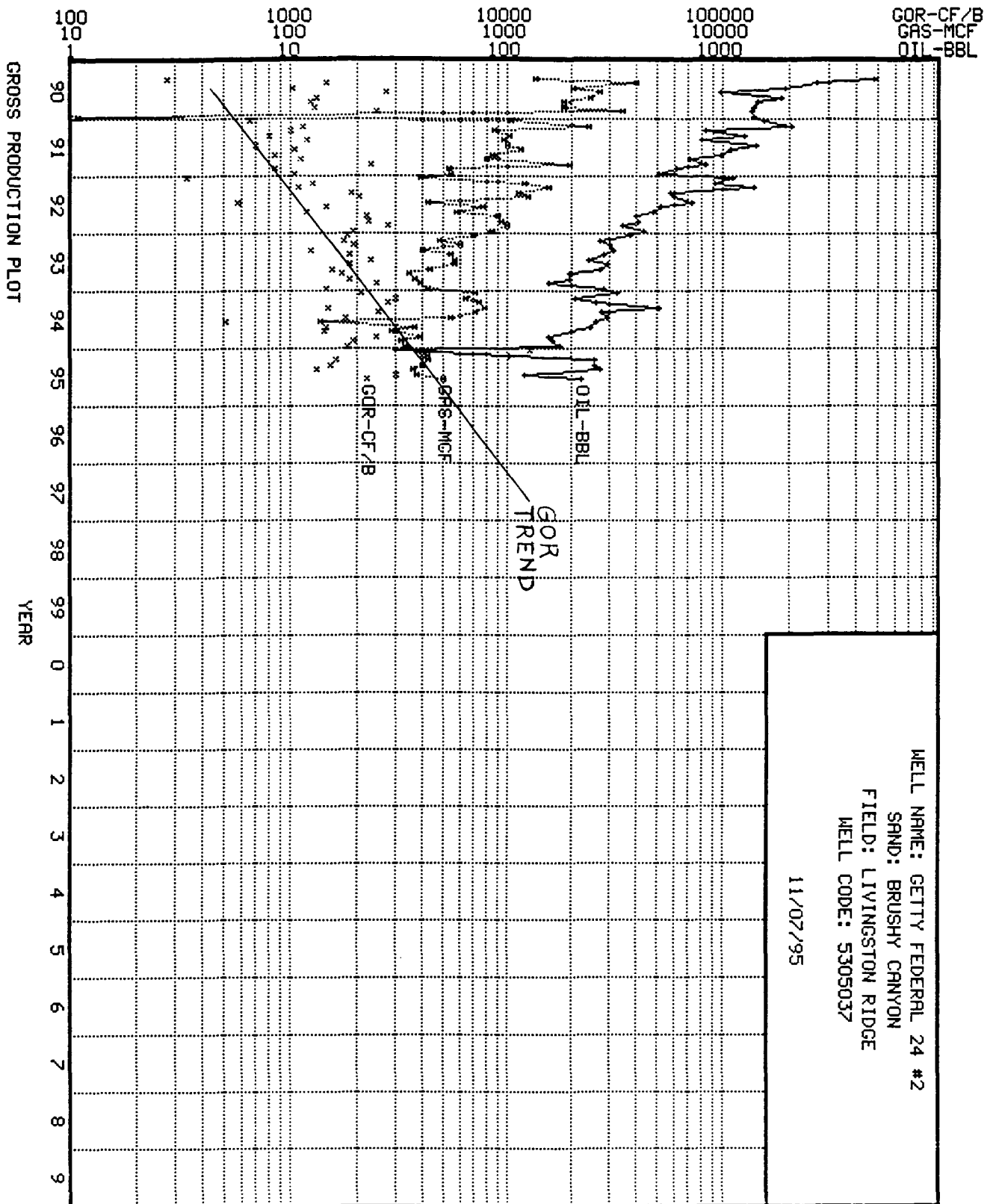
LARGE FORMAT
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NEW MEXICO
OIL CONSERVATION DIVISION

PC60 EXHIBIT 8

CASE NO. 11403



LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

**HINKLE, COX, EATON, COFFIELD & HENSLEY,
P.L.L.C.***

ATTORNEYS AT LAW

400 PENN PLAZA, SUITE 700 POST OFFICE BOX 10

ROSWELL, NEW MEXICO 88202

(505) 622-6510 FAX (505) 623-9332

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CLARENCE E. HINKLE (1901-1985)

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JAMES M. HUDSON

*REGISTERED IN NEW MEXICO
AS HINKLE, COX, EATON,
COFFIELD & HENSLEY, P.L.L.C., LTD., CO.

*NOT LICENSED IN NEW MEXICO
*FORMERLY COMPRISING THE FIRM OF
CULTON, MORGAN, BRITAIN & WHITE, P.C.

November 15, 1995

**New Mexico Energy & Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico**

Re: Neff Fed. No. 3 - OCD No. 11403

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
2050	EXHIBIT NO. 12
Hand Delivered	
CASE NO.	11403

Dear Sirs:

This letter is written in support of the above referenced matter in which Pogo Producing Company has requested permission to conduct a pilot pressure maintenance project at the referenced well. By letter dated November 10, 1995, IMC Global Operations Inc. objected to Pogo's request. Several of the arguments contained in IMC's letter are addressed below.

IMC implies that it owns an interest in a federal potash lease 760' to the west of the Neff Fed. No. 3 well. This is not correct. The lease in question, identified by BLM as Lease No. NM-90851, was illegally issued by BLM. A copy of a Stipulated Judgment filed in Federal Court is attached hereto as Exhibit A. In the Stipulated Judgment, BLM admitted the lease was illegally issued and agreed to "revoke, cancel and terminate" the lease to IMC. By decision dated December 10, 1993, BLM canceled IMC's lease. A copy of the Cancellation Decision is attached hereto as Exhibit B. IMC has appealed the decision canceling their claimed lease. However, applicable regulations do not allow IMC the right to presently claim any interest in that potash lease. Furthermore, OCD Order R-111-P (G) clearly calls for LMRs to be filed only as to federal or state lands leased for potash. IMC has, therefore, improperly included those lands in its LMR.

IMC also incorrectly claims that a lawsuit by Doyle Hartman against Texaco is relevant to these proceedings. That lawsuit is currently on appeal and has no precedential value. Furthermore, the trial in that case only resulted in a general finding of liability against Texaco for trespass and nuisance. No findings of fact or special interrogatories as to any factual basis for the multiple theories of possible fluid migration presented by Hartman were ever entered in that lawsuit.

Very truly yours,


James A. Gillespie

/s

FILED

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW MEXICO

UNITED STATES DISTRICT COURT
ALBUQUERQUE, NEW MEXICO

OCT 28 1993

POGO PRODUCING COMPANY,
a Delaware Corporation, and
YATES PETROLEUM CORPORATION,
a New Mexico Corporation,

R. Stettin

Plaintiffs,

vs.

Civ. No. 93-0213 JP

THE BUREAU OF LAND MANAGEMENT,
New Mexico State Office, MONTE JORDAN,
acting BLM New Mexico State Director,
in his official capacity; REED L. SMITH,
BLM Deputy State Director, Lands & Minerals,
in his official capacity; LESLIE CONE,
BLM District Manager, Roswell District,

Defendants.

STIPULATED JUDGMENT

THIS MATTER, having come before this Court upon a Motion for Order to Show Cause, filed by the Plaintiffs Pogo Producing Company ("Pogo") and Yates Petroleum Corporation ("Yates"), this Court having issued its Order to Defendants to show reason why they have not violated the terms of the Stipulation and Order entered in this matter on February 23, 1993, and the parties having agreed upon the form of this Stipulated Judgment and being otherwise fully advised as to the merits of this cause, this Court FINDS:

1. The Defendant New Mexico State Office, Bureau of Land Management (BLM), breached the terms of the February 23, 1993 Stipulation between Pogo and Yates and the Defendant by issuing Potassium Lease NM-90581 on March 5, 1993.



2. The Defendant violated the February 23, 1993 Stipulation. The Defendant submits that the breach was inadvertent, as shall be further explained in the letter submitted pursuant to paragraph 1, below.

3. Pogo and Yates have reasonably and necessarily incurred attorneys fees and costs as a direct result of the violation of the February 23 Stipulation and Order.

IT IS, THEREFORE, ORDERED AS FOLLOWS:

1. Within 10 days of entry of this Stipulated Judgment the Defendant BLM will issue a written statement, explaining in detail the circumstances surrounding and the cause for the violation of the February 23 Stipulation and Order.

2. Defendant BLM shall pay to Pogo Producing Corporation and Yates Petroleum Corporation the sum of \$11,000.00, said sum shall be paid within 90 days of entry of the Stipulated Judgment.

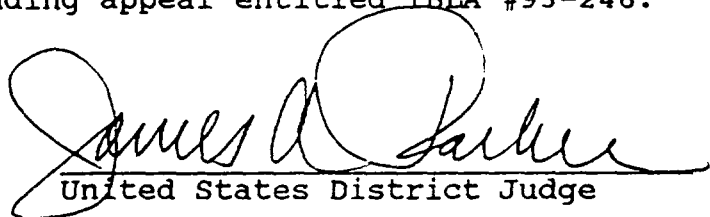
3. Within 10 days of entry of this Stipulated Judgment the Defendant will take such steps as are necessary to revoke, cancel and terminate the issuance of Potassium Lease NM-90581 to IMC Fertilizer, Inc. on March 5, 1993, including, but not limited to, a joint motion with the Plaintiffs to remand IBLA Appeal No. 93-521, attaching thereto a copy of this Stipulated Judgment.

4. Upon receipt of satisfactory evidence that BLM has taken the steps outlined above, Pogo and Yates will move, if necessary, to dismiss their IBLA Appeal No. 93-521.

5. Defendants shall not issue a Potassium lease for the lands covered by Potassium Lease NMNM-86719 to IMC or anyone else

until Pogo and Yates have exhausted their administrative appeals and any other legal remedies with respect to the rejection of their bid on Potassium Lease NMNM-86719.

6. In the event that it becomes necessary for Pogo and/or Yates to enforce this order due to a breach hereof by defendant BLM, Pogo and/or Yates shall be entitled to recover from defendant BLM their reasonable attorney fees and costs incurred in enforcing this order. This provision for attorney fees and costs is not intended to impose and shall not be construed to impose on defendant BLM any obligation to pay plaintiff's attorney fees in the event of an appeal by IMC of the rescission of the lease referred to herein, or in the event of any other judicial or administrative action which may be taken by IMC or by any other entity. "Breach" as used above shall mean if the subject lease is issued by BLM to IMC or any other lessee during this pending civil litigation or during the pending appeal entitled IBLA #93-246.


United States District Judge

APPROVED AND SUBMITTED BY:

HINKLE, COX, EATON, COFFIELD & HENSLEY
Harold L. Hensley, Jr.
James A. Giles pie
P.O. Box 10
Roswell, NM 88202
(505) 622-6510

By: telephonically approved 10/20/93
Attorneys for Plaintiff Pogo Producing Company

LOSEE, CARSON, HAAS & CARROLL, P.A.

A. J. Losee

Ernest L. Carroll

Mary Lynn Bogle

P.O. Drawer 239

Artesia, NM 88210-0239

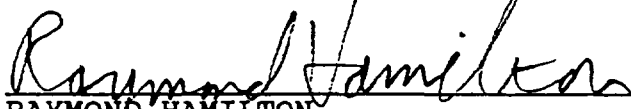
(505) 746-3505

By: telephonically approved 10/20/93

Attorneys for Plaintiff Yates Petroleum Corporation

LARRY GÓMEZ

United States Attorney

A handwritten signature in cursive script, reading "Raymond Hamilton", is written over a horizontal line.

RAYMOND HAMILTON

Assistant U. S. Attorney

P.O. Box 607

Albuquerque, NM 87103

(505) 766-1060



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

New Mexico State Office
1474 Rodeo Rd.
P.O. Box 27115
Santa Fe, New Mexico 87502-0115

TAKE
PRIDE IN
AMERICA

IN REPLY REFER TO:

NMNM 90581
3509 (92113)

December 10, 1993

CERTIFIED--RETURN RECEIPT REQUESTED
P 239 282 510

DECISION

IMC Fertilizer, Inc. :
Attn: Walt Thayer : Potassium Lease
P.O. Box 71 :
Carlsbad, NM 88220 :

Cancellation of Potassium Lease

On March 5, 1993, the Bureau of Land Management, New Mexico State Office (BLM) issued Federal potassium lease NMNM 90581 (originally designated as NMNM 86719) to IMC Fertilizer, Inc (IMC). The lease was suspended as of April 1, 1993, and was to remain in effect pending a resolution of an appeal to the Interior Board of Land Appeals (IBLA) by Pogo Producing Company (Pogo) and Yates Petroleum Corporation (Yates) of the BLM's rejection of Pogo and Yates' potassium lease bid (NMNM 86719) on the same minerals.

Prior to lease issuance, Pogo and Yates had sued the BLM and several of its officers in a Complaint for Temporary Restraining Order, Preliminary Injunction and Permanent Injunction (U.S. District Court, D. New Mexico, CIV 93-0213 JP), arguing that the lease should not be issued to anyone, including IMC, until after the resolution of their IBLA appeal. In order to resolve the suit, the BLM entered into a settlement agreement with Pogo and Yates, agreeing not to issue the potassium lease to anyone until after the resolution of Pogo and Yates' IBLA appeal. The settlement took the form of a Stipulation signed by representatives of Pogo, Yates, and the BLM.

The U.S. District Court Judge James A. Parker subsequently filed a Stipulated Dismissal Order on February 23, 1993, incorporating the Stipulation therein. Accordingly, since the IBLA appeal has not yet been resolved, the BLM's March 5, 1993, lease issuance to IMC was in violation of the Stipulation. Subsequent to the March 5, 1993, lease issuance to IMC, Pogo and Yates filed a



Motion for Order to Show Cause in CIV No. 93-0213 JP alleging breach of the Stipulation.

An order to Show Cause was filed by the Court on August 10, 1993. Again, in an effort to settle the matter, the BLM entered into a Stipulated Judgment with Pogo and Yates which was filed on October 28, 1993. In the Stipulated Judgment, the BLM agreed to cancel the erroneously issued lease to IMC.

Therefore in accordance with the Stipulated Judgment of October 28, 1993, and the regulation found at 43 CFR 3509.4-2(c), which states that "[i]f a lease is issued improperly, it shall be subject to administrative cancellation," lease NMNM 90581 is canceled in its entirety, effective immediately.

This Decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR, Part 4, and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed at the Bureau of Land Management, Roswell District Office, 1717 W. Second, Roswell, New Mexico 88201-2019 within 30 days from receipt of this Decision. Copies of the Notice of Appeal must also be submitted to the Field Solicitor, U.S. Department of the Interior, P.O. Box 1042, Santa Fe, New Mexico 87504-1042 and to the Carlsbad Resource Area Office, P.O. Box 1778, Carlsbad, New Mexico 88221-1778. Within 30 days after filing the Notice of Appeal, you must also file a complete statement of reasons why you are appealing. The appellant has the burden of showing that the Decision appealed from is in error.

If you wish to file a petition (request) pursuant to regulation 43 CFR 4.21 (58 FR 4939, January 19, 1993) for a stay (suspension) of the effectiveness of this Decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the notice of appeal and petition for a stay must also be submitted to each party named in this Decision: Mr. Gregory J. Nibert, Hinkle, Cox, Eaton, Coffield & Hensley, P.O. Box 10, Roswell, NM 88202; A.J. Losee, Ernest L. Carroll, Mary Lynn Bogle, Losee, Carson, Haas & Carroll, P.A., P.O. Drawer 239, Artesia, NM 88211-0239; to the Interior Board of Land Appeals, and to the appropriate Office of the Solicitor (see CFR 4.413), at the same time the original documents are filed with the Roswell Office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

1. The relative harm to the parties if the stay is granted or denied;
2. the likelihood of the appellant's success on the merits;
3. the likelihood of immediate and irreparable harm if the stay is not granted; and
4. whether the public interest favors granting the stay.

Sincerely,

William C. Calkins

for William C. Calkins
Acting State Director

Enclosure