UNITED STATES (reverse side)
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT I-06-45

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

OCD ARTESIA

RECEIVED
AUG 2006
OCD-ARTESIA

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ]

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER Secretary's Potash SINGLE ZONE [X] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR: POGO PRODUCING COMPANY (RICHARD WRIGHT 432-685-8140 17891

3. ADDRESS AND TELEPHONE NO.: P.O. BOX 10340 MIDLAND, TEXAS 79702-7340 (432-685-8100)

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 1980' FNL & 660' FEL SECTION 8 T24S-R31E EDDY CO. NM
At proposed prod. zone: SAME
CARLSBAD CONTROLLED WATER BASIN

5. LEASE DESIGNATION AND SERIAL NO.: NM-0316263

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: ----

7. UNIT AGREEMENT NAME: ----

8. FARM OR LEASE NAME, WELL NO.: SUNRISE "8" FEDERAL #1

9. API WELL NO.: 30-015-34324

10. FIELD AND POOL, OR WILDCAT: SAND DUNES-DELAWARE West

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: SECTION 8 T24S-R31E

12. COUNTY OR PARISH: EDDY CO. 13. STATE: NEW MEXICO

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: Approximately 30 miles Southeast of Carlsbad New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
660'	320	40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
1320'	8400'	ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3474' GR.

22. APPROX. DATE WORK WILL START*: WHEN APPROVED

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
26"	Conductor 20"	NA	40'	Cement to surface W/Redi-mix.
17½"	H-40 13 3/8"	48#	975'	800 Sx. circulate to surface
11"	J-55 8 5/8"	32#	4200'	1200 Sx " " "
7 7/8"	J-55 5½"	17# & 15.5#	8400'	1750 Sx. " " "

WITNESS

1. Drill 26" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 17½" hole to 975'. Run and set 975' of 13 3/8" 48# H-40 ST&C casing. Cement with 600 Sx. of 65/35/6 Class "C" POZ/GEL, tail in with 200 Sx. of Class "C" cement + 2% CaCl, + ¼# Flocele/Sx. Circulate cement to surface.
3. Drill 11" hole to 4200'. Run and set 4200' of 8 5/8" 32# J-55 ST&C casing. Cement with 1000 Sx. of 65/35/6 Class "C" POZ/GEL, + 5% Salt, tail in with 200 Sx. of Class "C" cement + 2% CaCl, circulate cement to surface.
4. Drill 7 7/8" hole to 8400'. Run and set 8400' of 5½" casing as follows: 2400' of 5½" 17# J-55 LT&C, 5000' of 5½" 15.5# J-55 LT&C, 1000' of 5½" 17# J-55 LT&C casing. Cement in three stages with DV Tools at 5800' & 3700'±. Cament 1st stage with 650 Sx. of Class "H" Premium Plus cement + additives, cement 2nd stage with 600 Sx. of Class "C" cement + 8# of Gilsonite/Sx, cement 3rd stage with 400 Sx. of 65/35/6 Class "C" POZ/GEL, tail in with 100 Sx. of Class "C" cement + 1% CaCl, 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 pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED Agent TITLE DATE 06/19/06

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the sub

CONDITIONS OF APPROVAL, IF ANY:

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

APPROVED BY /s/ Jesse J. Juen TITLE ACTING STATE DIRECTOR DATE AUG 02 2006

APPROVAL FOR 1 YEAR

*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 department or agency of the

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

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

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
	53815	SAND DUNES-DELAWARE, West

Property Code	Property Name	Well Number
	SUNRISE 8 FEDERAL	4

OGRID No.	Operator Name	Elevation
017891	POGO PRODUCING COMPANY	3474'

Surface Location

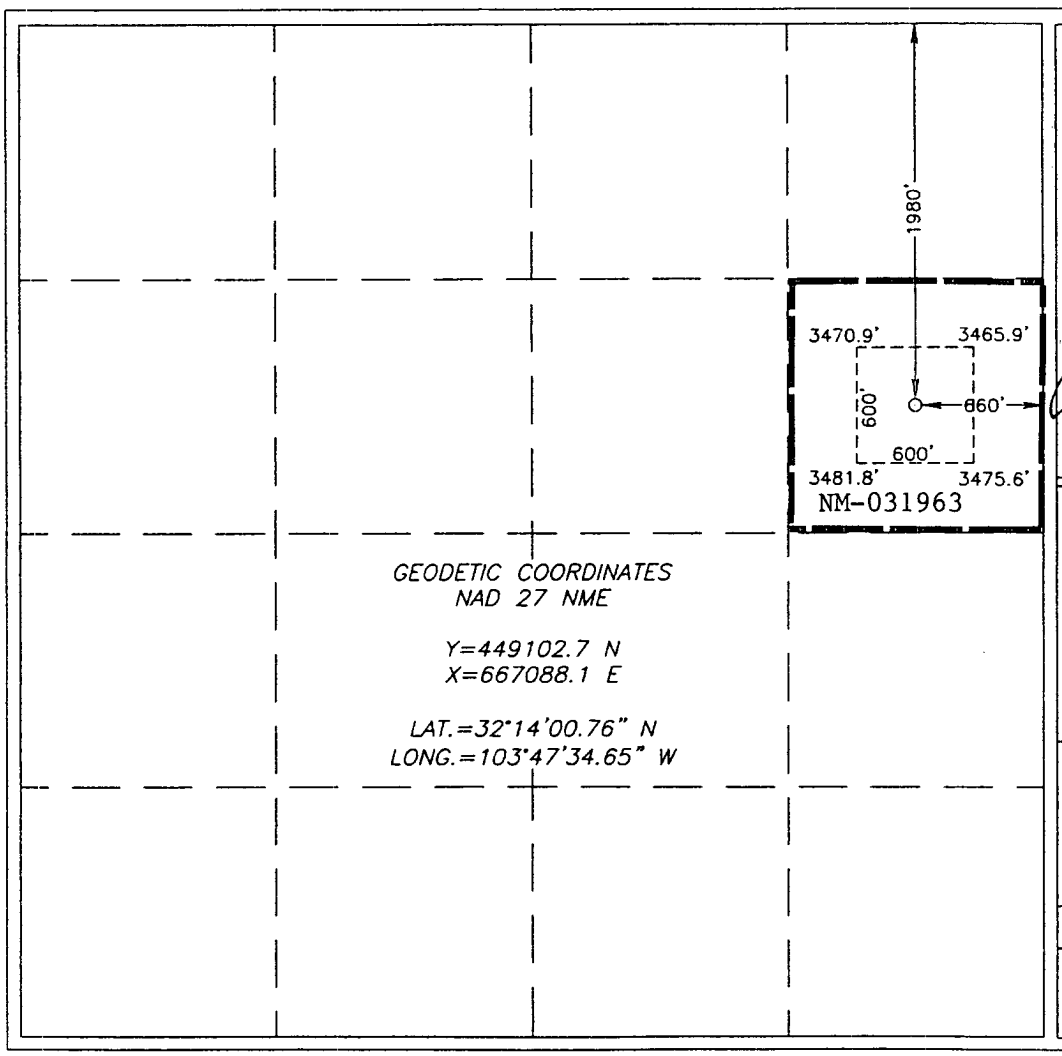
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	8	24-S	31-E		1980	NORTH	660	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

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



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Joe T. Janica
Signature

06/19/06
Date

Joe T. Janica
Printed Name

Agent

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MAY 08, 2006
Date Surveyed MR

Signature & Seal of Professional Surveyor

Ronald J. Eidson 5/10/06

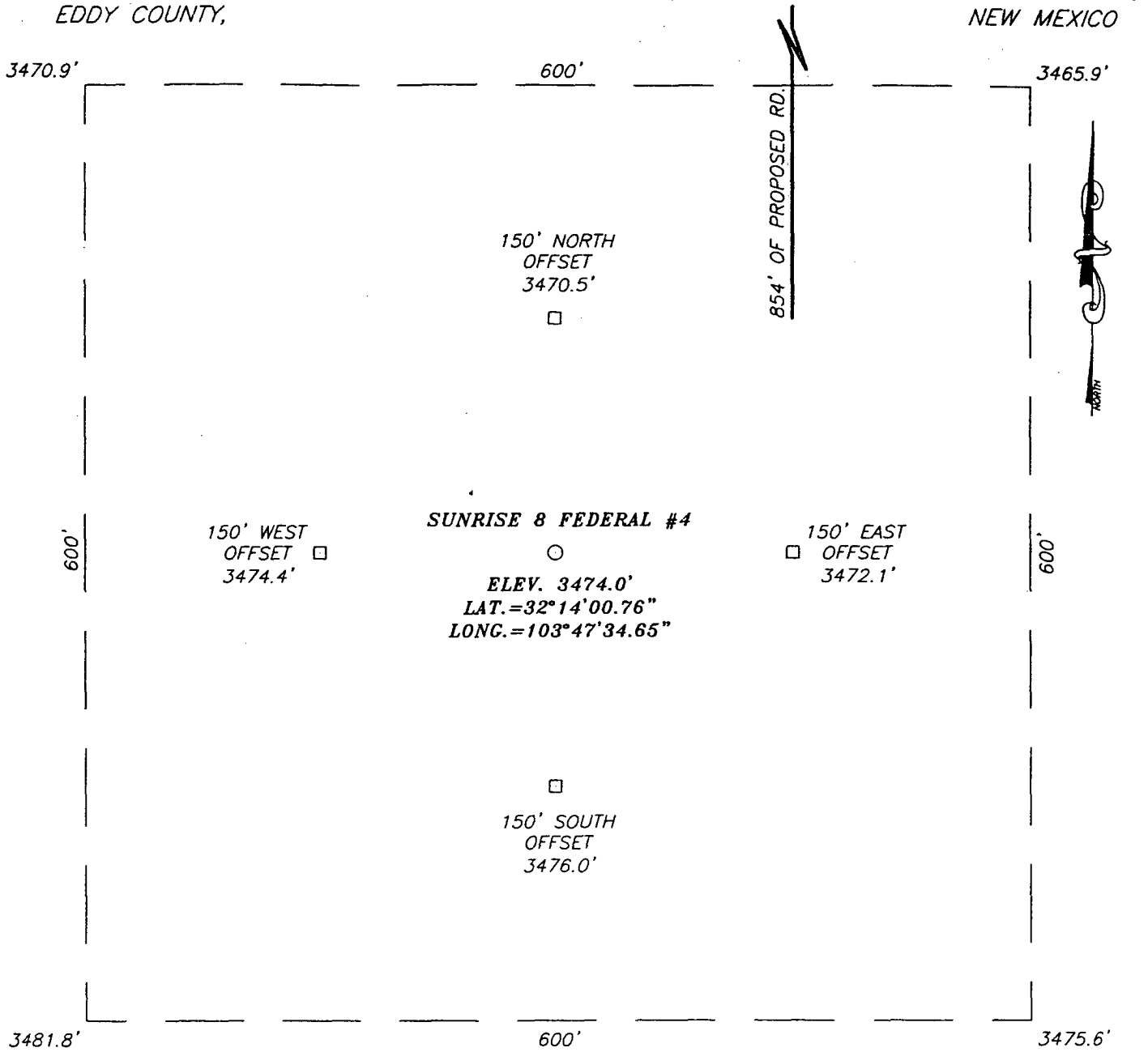
06.11.0782

Certificate No. GARY EIDSON 12641
RONALD J. EIDSON 3239

EXHIBIT "A"

SECTION 1, TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M.,

EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF ST. HWY. #128 AND CO. RD. #787 (TWIN WELLS RD.), GO SOUTHEAST ON ST. HWY. #128 APPROX. 2.0 MILES. TURN RIGHT AND GO SOUTH APPROX. 3.3 MILES TO A TWO TRACK ROAD. TURN RIGHT AND GO WEST APPROX. 0.1 MILES TO A ROAD SURVEY. FOLLOW ROAD SURVEY SOUTH APPROX. 850 FEET. THIS LOCATION IS APPROX. 212 FEET SOUTHWEST.

100 0 100 200 Feet

Scale: 1"=100'

PROVIDING SURVEYING SERVICES SINCE 1946

JOHN WEST SURVEYING COMPANY

412 N. DAL PASO

HOBBS, N.M. 88240

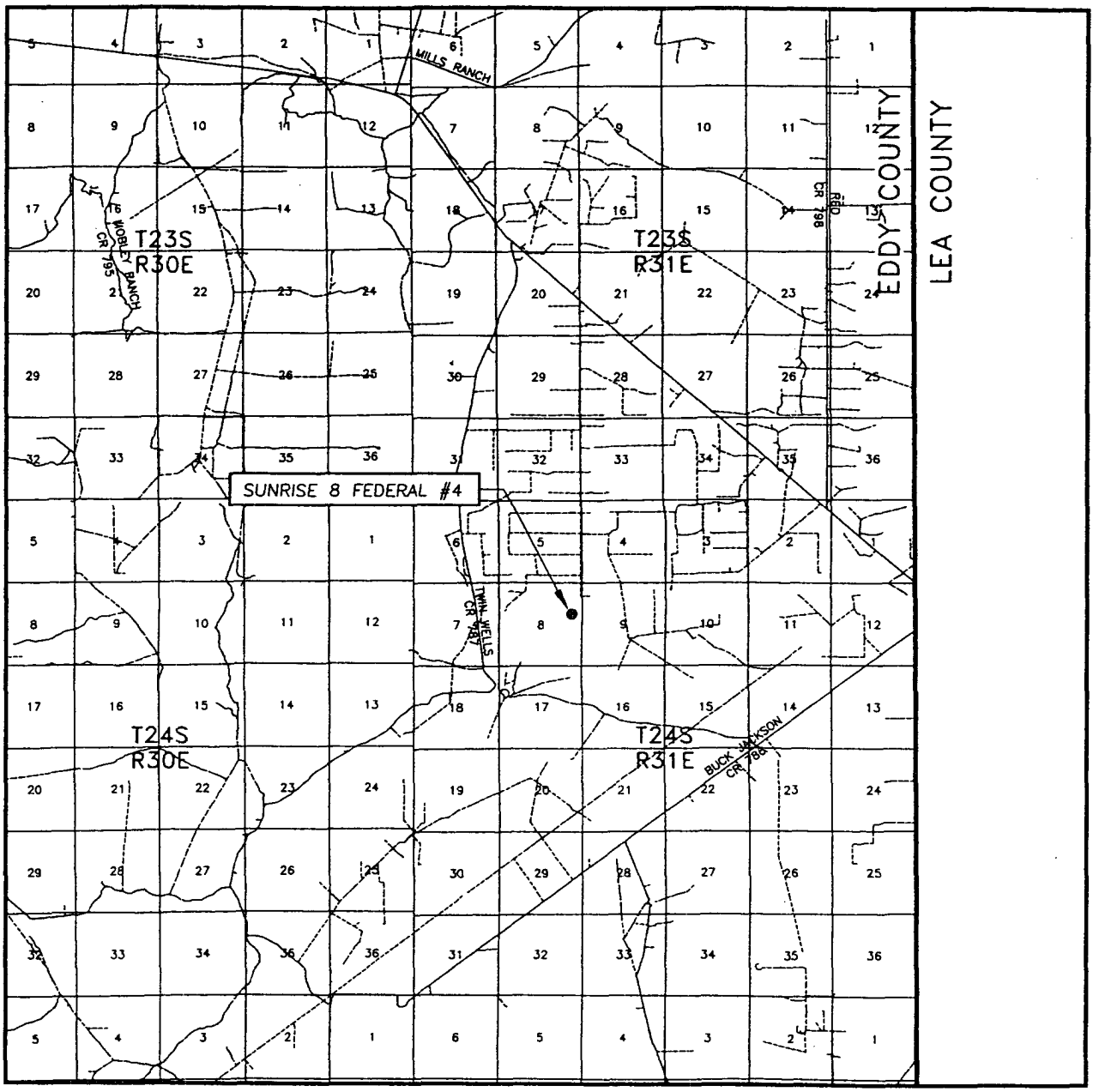
(505) 393-3117

POGO PRODUCING COMPANY

SUNRISE 8 FEDERAL #4
LOCATED 1980 FEET FROM THE NORTH LINE
AND 660 FEET FROM THE EAST LINE OF SECTION 8,
TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

Survey Date: 05/08/06	Sheet 1 of 1 Sheets		
W.O. Number: 06.11.0782	Dr By: M.R.	Rev 1:N/A	
Date: 05/09/06	Disk: CD#6	06110782	Scale: 1"=100'

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 8 TWP. 24-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 1980' FNL & 660' FEL

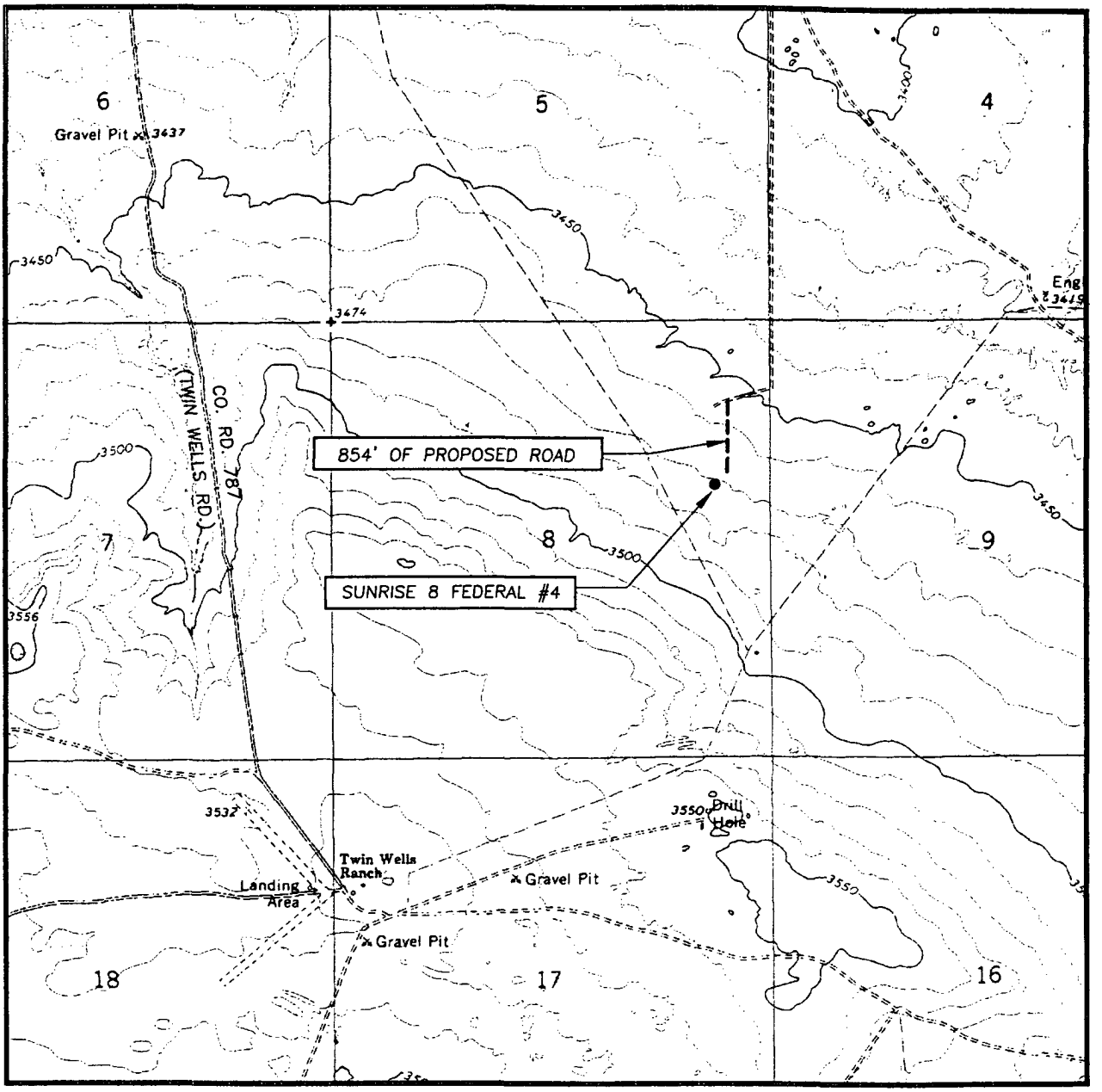
ELEVATION 3474'

OPERATOR POGO PRODUCING COMPANY

LEASE SUNRISE 8 FEDERAL

PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
BIG SINKS, N.M. – 10'

SEC. 8 TWP. 24-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 1980' FNL & 660' FEL

ELEVATION 3474'

OPERATOR POGO PRODUCING COMPANY

LEASE SUNRISE 8 FEDERAL

U.S.G.S. TOPOGRAPHIC MAP
BIG SINKS, N.M.

PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

APPLICATION TO DRILL

POGO PRODUCNING COMPANY
SUNRISE "8" FEDERAL # 4
UNIT "H" SECTION 8
T24S-R31E EDDY CO. NM

In response to questions asked under Section II of Bulletin NTL-6, the following information on the above will is provided for your information.

1. LOCATION: 1980' FNL & 660' FEL SECTION 8 T24S-R31E EDDY CO. NM

2. ELEVATION ABOVE SEA LEVEL: 3474' GR.

3. GEOLOGIC NAME OF SURFACE FORMATION: Quaternery Aeolian Deposits.

4. DRILLING TOOLS AND ASSOCIATED EQUIPMENT: Conventional rotary drilling rig using drilling mud as a circulating medium for solids removal from hole.

5. PROPOSED DRILLING DEPTH: 8400'

6. ESTIMATED TOPS OF GELOOGICAL MARKERS:

Basal Anhydrite	4020'	Manzanita	5340'
Delaware Lime	4240'	Brushy Canyon	6400'
Bell Canyon	4260'	Bone Spring	8070'
Cherry Canyon	5160'	TD	8400'

7. POSSIBLE MINERAL BEARING FORMATION:

Brushy Canyon	Oil
Bone Spring	Oil

8. CASING PROGRAM:

Hole Size	Interval	OD of Casing	Weight	Thread	Collar	Grade
26"	0-40'	20"	NA	NA	NA	Conductor
17½"	0-975'	13 3/8"	48#	8-R	ST&C	H-40
11"	0-4200'	8 5/8"	32#	8-R	ST&C	J-55
7 7/8"	0-8400'	5½"	17 & 15.5	8-R	LT&C	J-55

APPLICATION TO DRILL

POGO PRODUCNING COMPANY
SUNRISE "8" FEDERAL # 4
UNIT "H" SECTION 8
T24S-R31E EDDY CO. NM

9. CEMENTING & CASING SETTING DEPTHS:

20"	Conductor	Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
13 3/8"	Surface WITNESS	Set 975' of 13 3/8" 48# H-40 ST&C casing. Cement with 650 Sx of 65/35/6 CLASS "C" POZ/GEL, tail in with 200 Sx. of Class "C" cement + 2% CaCl, circulate cement to surface.
8 5/8"	Intermediate	Set 4200' of 8 5/8" 32# J-55 ST&C casing. Cement with 1000 Sx. of Class "C" 65/35/6 POZ/GEL,+ 5% Salt, tail in with 200 Sx. Class "C" cement + 2% CaCl, circulate cement TS.
5½"	Production	Set 8400' of 5½" casing as follows: 2500' of 5½" 17# J-55 LT&C, 5000' of 5½" 15.5# J-55 LT&C, 1000' of 5½" 17# J-55 LT&C casing. Cement in 3 stages with DV Tools at 5800' & 3700'±. Cement 1st stage with 650 Sx. of Class "H" + additives, cement 2nd stage with 600 Sx. of Class "C" cement + 8 lbs of Gilsonite/Sx. cement 3rd stage with 400 Sx. of Class "C" 65/35/6 POZ/GEL, tail in with 100 Sx. of Class "C" cement + 1% CaCl, circulate cememt to surface.

c

BOPE Required

10. PRESSURE CONTROL EQUIPMENT:

See STIPS

Exhibit "E" shows a 2000 PSI working pressure B.O.P., consisting of a stripper head instead of an annular preventor, blind rams, and pipe rams. This B.O.P. stack is being used because of Substructure height limitations of the drilling rig being used to drill this well. Pressures encountered during drilling are not expected to exceed 3400 PSI at total depth. Pogo requests permission to 3rd party test of the B.O.P., after setting intermediate casing at 4200'. The B.O.P. will be tested acccording to API soecifications. Exhibit "E-1" shows a manually operated choke manifold, as no remote B.O.P. equipment will be necessary.

11. PROPOSED MUD CIRCULATING SYSTEM:

DEPTH	MUD WT.	VISC.	FLUID LOSS	TYPE MUD
40-975'	8.4-8.7	29-34	NC	Fresh water, add paper to control seepage.
975-4200'	10.0-10.2	29-38	NC	Brine water using paper to control seepage & High viscosity sweeps to clean hole.
4200-8400'	8.4-8.7	29-38	NC*	Fresh water use high viscosity sweeps to clean hole. If required use starch to control water loss.

* It may be necessaty to control the water loss in order to run open hole logs, casing and/or DST's.

Sufficient mud material will be kept on location at all times in order to combat lost circulation, or unexpected kicks. In order to run DST's, open hole logs and casing the water loss and/or viscosity may have to be adjucted to meet these needs.

APPLICATION TO DRILL

POGO PRODUCNING COMPANY
SUNRISE "8" FEDERAL # 4
UNIT "H" SECTION 8
T24S-R31E EDDY CO. NM

12. TESTING, LOGGING, & COREING PROGRAM:

A. Open hole logs: Dual Induction log, SNP LDT, MSFL, Gamma Ray, Caliper from TD back to 8 5/8" casing shoe. Gamma Ray Neutron logs from 8 5/8" casing shoe to surface.

B. No cores or DST's are planned at this time.

C. Mun logger will be rigged up on hole at 4200' and remain on hole to TD.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. Hydrogen Sulfide gas may be encountered, H_2S detectors will be in place to detect any presence of unsafe levels of H_2S. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operations of all equipment that will be used. Estimated BHP 3800 PSI & estimated BHT 190°.

14. ANTICIPATED STARTING DATE AND DURATION OF OPERATION:

Roads and location construction will begin after the BLM approves the APD. Anticipated spud date will be as soon as pad & road construction has been completed. Drilling time for the well is estimated to take 32 days. If production casing is run an additional 30 days will be required to complete well and construct surface facilities.

15. OTHER FACETS OF OPERATION:

After running production casing, cased hole Gamma-Neutron & Collar logs will be run over all possible pay intervals. If commercial production from the Delaware Bone Spring pay is indicated it will be perforated and stimulated. Then if necessary the pay will be swab tested and completed as an oil well.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

1. All Company and Contract personnel admitted on location must be trained by a qualified H_2S safety instructor to the following:

   A. Characteristics of H_2S
   B. Physical effects and hazzards
   C. Proper use of safety equipment and life support systems.
   D. Principle and operation of H_2S detectors, warning system and briefing areas.
   E. Evacuation procedure, routes and first aid.
   F. Proper use of 30 minute pressure demand air pack.

2. H_2S Detection and Alarm Systems

   A. H_2S detectors and audio alarm system to be located at bell nipple, end of blooie line (mud pit) and on derrick floor or doghouse.

3. Windsock and/or wind streamers

   A. Windsock at mudpit area should be high enough to be visible.
   B. Windsock at briefing area should be high enough to be visible.
   C. There should be a windsock at entrance to location.

4. Condition Flags and Signs

   A. Warning sign on access road to location.
   B. Flags to be displayed on sign at entrance to location. Green flag, normal safe condition. Yellow flag indicates potential pressure and danger. Red flag, danger, H_2S present in dangerous concentration. Only emergency personnel admitted to location.

5. Well control equipment

   A. See exhibit "E"

6. Communication

   A. While working under masks chalkboards will be used for communication.
   B. Hand signals will be used where chalk board is inappropriate.
   C. Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephoned will be available at most drilling foreman's trailer or living quarters.

7. Drillstem Testing

   A. Exhausts will be watered.
   B. Flare line will be equipped with an electric ignitor or a propane pilot light in case gas reaches the surface.
   C. If location is near any dwelling a closed D.S.T. will be performed.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

8. Drilling contractor supervisor will be required to be familiar with the effects H_2S has on tubular goods and other mechanical equipment.

9. If H_2S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas seperator will be brought into service along with H_2S scavengers if necessary.

SURFACE USE PLAN

POGO PRODUCING COMPANY
SUNRISE "8" FEDERAL #4
UNIT "H" SECTION 8
T24S-R31E EDDY CO. NM

1. EXISTING AND PROPOSED ROADS: Area maps: Exhibit "B" is a reproduction of a County General Hi-way map showing access roads to the location. Exhibit "C" is a reproductic of a USGS Topographic map showing existing roads in close proximity to the location and the proposed access roads. All existing roads will be maintained in a condition equal to or better than their current conditions. All new roads will be constructed to BLM specifications.

A. Exhibit "A" shows the location of the proposed well site as staked.

B. From Hobbs New Mexico take U.S. Hi-way 62-180 West toward Carlsbad New Mexico go 41± miles to WIPP road, turn Left (South) go 13 miles to CO-802, turn Right (West) go 4.6 miles to State Road 128. Turn Left (East) go 3.4 miles to lease road, turn Right (South) go 3.8 miles to a two frack on the Right take this tract road 600'±, turn Left South) go 900' to location.

C. Exhibit "C" shows the roads and location, proposed flowlines, powerlines and existing roads.

2. PLANNED ACCESS ROADS: Approximately 1500' of new road will be constructed.

A. The access road will be crowned and ditched to a 12' wide traveled surface with a 40' Right-Of-Way.

B. Gradient on all roads will be less than 5% if possible.

C. Turn-outs will be constructed where necessary.

D. If needed roads will be surfaced to the BLM requirements with material obtained from a local source.

E. Center line of new road will be flagged.

F. The new road will be constructed to utilize low water crossings where drainage currently exists, and culverts will be installed where necessary.

3. EXHIBIT "A-1" SHOWS THE BELOW LISTED TYPE WELLS WITHIN A 1 MILE RADIUS:

A. Water wells — One approximately 1 mile Northeast of location.

B. Disposal wells — None known

C. Drilling wells — None known

D. Producing wells — As shown on Exhibit "A-1"

E. Abandoned wells — As shown on Exhibit "A-1"

4. If on completion this well is a producer the operator will lay pipelines and construct powerlines along existing road R-O-W's or other existing R-O-W's. Exhibit "C" shows proposed routes of roads, flowlines and powerlines.

5. LOCATION AND TYPE OF WATER SUPPLY:

Water will be purchased locally from a commercial source and trucked over the access roads or piped to location in flexible lines laid on top of the ground.

6. SOURCE OF CONSTRUCTION MATERIAL:

If possible construction material will be obtained from the excavation of drill site, if additional material is needed it will be obtained from a local source and transported over the access roads as shown on Exhibit "C".

7. METHODS OF HANDLING WASTE MATERIAL:

A. Drill cuttings will be disposed of in the reserve pits.

B. All trash, junk and other waste material will be contained in trash cages or trash bins to prevent scattering. When the job is completed all contents will be removed and disposed of in a approved sanitary land fill.

C. Salts remaining after completion of well will be picked up by the supplier, including broken sacks.

D. Waste water from living quaters will be drained into holes with a minium of 10'. These holes will be covered during drilling and will be back filled when the well is completed. A Porto-John will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.

E. Remaining drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry enough to be broken out for furthed drying. If the drilling fluids do not evaporate in a reasonable time they will be hauled off by transports to a state approve disposal site. Later pips will be broken out to speed drying. Water produced during completion will be put in reserve pits. Oil and condensate produced will be put in storage tanks and sold.

8. ANCILLARY FACILITIES:

A. No camps or air strips will be constructed on location.

9. WELL SITE LAYOUT:

A. Exhibit "D" shows the proposed well site layout.

B. This Exhibit shows the location of reserve pit, sump pits, and living facilities.

C. Mud pits in the active circulating system will be steel pits and the reserve pits will be unlined unless subsurface conditions encontered during pit construction indicate that a plastic liner is required to contain lateral migration.

D. If needed the reserve pits will be lined with polyethelene. The pit liner will be no less than 6 mils thick and the liner will be extended at least 3 feet over the top of the dikes and secured in place to keep edge of liner in place.

E. The reserve pit will be fenced on three sides and fenced with four strands of barbed wire during drilling and completionphases. The 4th side will be fenced after drilling operations are complete and the drilling rig has moved out.If the well is a producer the mud pits will remain fenced in until the mud has dried up enough to break out the pits and reclaimed according to BLM requirements.

10. PLANS FOR RESTORATION OF SURFACE:

Rehabilitation of the location and reserve pits will be allowed to dry properly, fluids may be moved and disposed of in accordance with article 7-E as previously noted. The pit area will then be leveled and contoured to conform to the original and surrounding area. Drainage systems, if any will be reshaped to the original configuration with provisions made to alleviate furture erosion. In case of the well completed as a producer the drilling pad will be necessary to construct production facilities. After the area has been shaped and contoured top soil from the spoil pile will be placed over the disturbed area to the extent possible so that revegetation procedures can be accomplished to comply with the BLM specifications.

If the well is a dry hole the pad and road area will be contoured to match the existing terrain. Top soil will be spread to the extent possible and revegetation will be carried out according to the BLM specifications.

Should the well be a producer the previously noted procedures will apply to those areas which are not required for production facilities.

SURFACE USE PLAN

POGO PRODUCING COMPANY
SUNRISE "8" FEDERAL #4
UNIT "H" SECTION 8
T24S-R31E EDDY CO. NM

11. OTHER INFORMATION:

A. Topography is relatively flat with a slight dip to the Southwest withshallow drainage patterns. Vegetation consists of creosote bush, little leaf sumac, broom-snakeweed, and native grasses.

B. Surface is owned by the U.S. Department of Interior and is administered by the Bureau of Land Management. The surface is leased to ranchers for grazing of live stock and the minerals are owned by the U.S. Government and used by oil companies for the production of oil and gas.

C. An archaeological survey will be conducted and the results will be filed with The Bureau of Land Management Carlsbad Field office in Carlsbad NM.

D. There are no domestic dwellings located within one mile of the location.

12. OPERATORS REPRESENTIVE:

Before construction:

TIERRA EXPLORATION, INC.
P.O. BOX 2188
HOBBS, NEW MEXICO 88241
JOE T. JANICA
OFFICE PHONE 505-391-8503

During and after construction:

POGO PRODUCING COMPANY
P.O. BOX 10340
MIDLAND, TEXAS 79702-7340
RICHARD WRIGHT
OFFICE PHONE 432-685-8140

13. CERTIFICATION: I hereby certify that I or persons under my direct supervision have inspected the proposed drill site and access route, that I am familiar with the conditions which currently exist, that the statements made in this plan are to the best of my knowledge, are true and correct, and that the work associated with the operations proposed herein will be performed by POGO PRODUCING COMPANY it's contractors/subcontractors is in the conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for the filing of a false statement.

NAME : Joe T. Janica
DATE : 06/19/06
TITLE : Agent

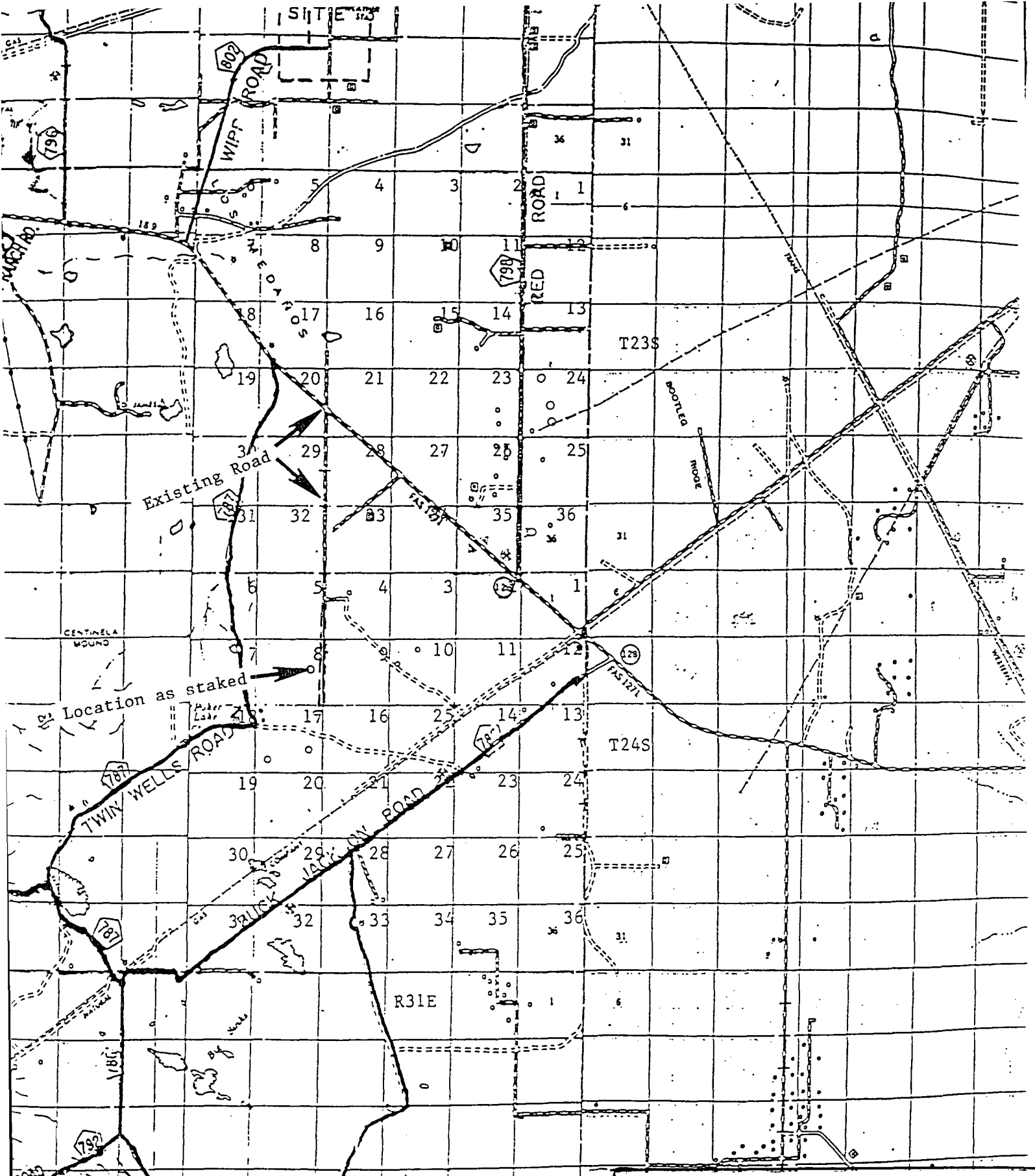
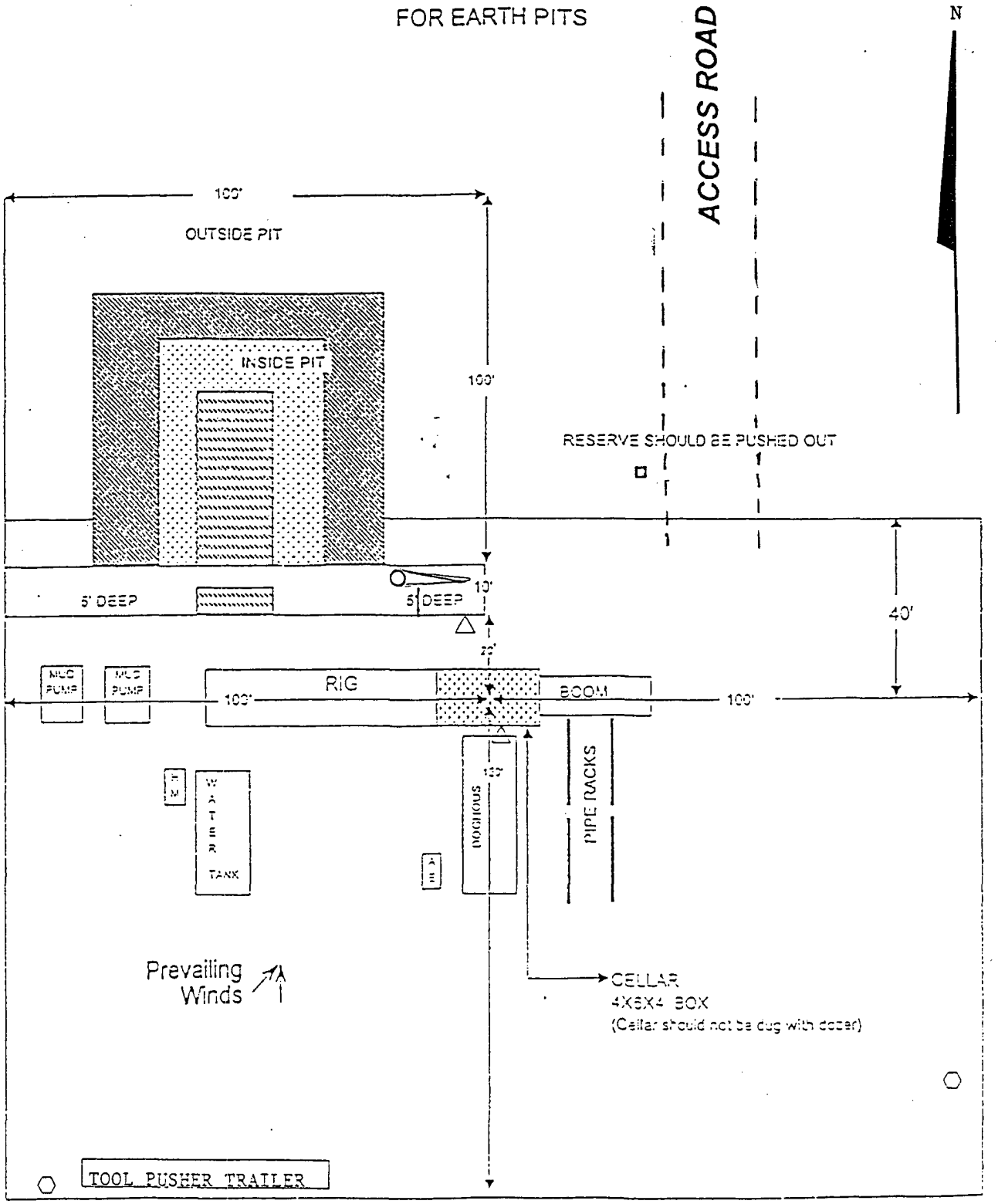


EXHIBIT "B"
LOCATION & ACCESS ROAD MAP

POGO PRODUCING COMPANY
SUNRISE "8" FEDERAL #4
UNIT "H" SECTION 8
T24S-R31E EDDY CO. NM

CapStar Drilling, Inc.

LOCATION SPECIFICATIONS AND RIG LAYOUT
FOR EARTH PITS



Cellar can be 4X4X4 if using a screw-on wellhead
Working Pits dug 5' below ground level

- Wind Direction Indicators (wind sock or streamers)
- H2S Monitors (alarms at bell nipple and shale shaker)
- Briefing Areas
- Remote BOP Closing Unit
- Sign and Condition Flags

Location Specs

EXHIBIT "D"
RIG LAY OUT PLAT

POGO PRODUCING COMPANY
SUNRISE "8" FEDERAL #4
UNIT "H" SECTION 8
T24S- R31E EDDY CO. NM

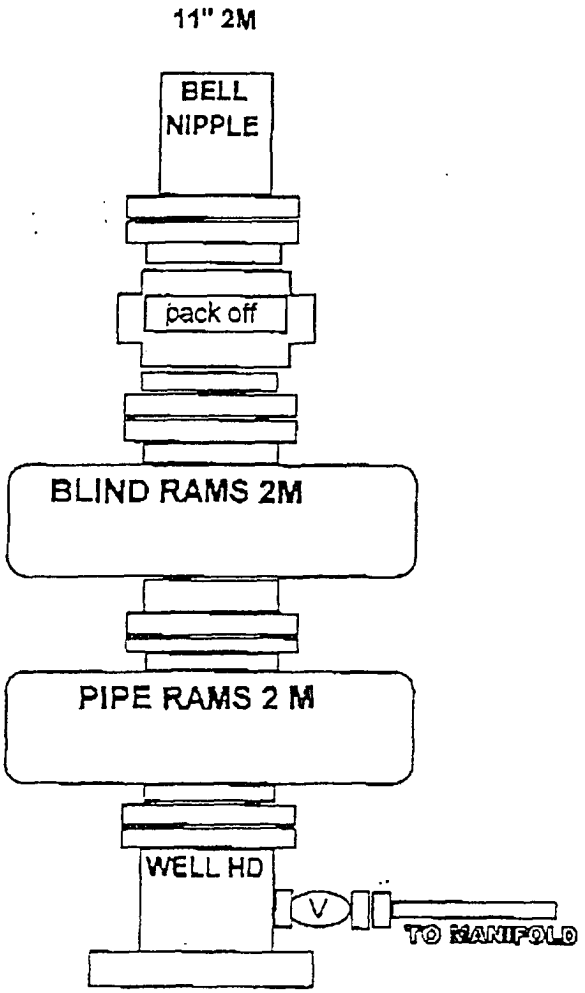


EXHIBIT "E"
SKETCH OF B.O.P. TO BE USED ON

POGO PRODUCING COMPANY
SUNRISE "8" FEDERAL #4
UNIT "H" SECTION 8
T24S-R31E EDDY CO. NM

CHOKE MANIFOLD

3000 PSI WP

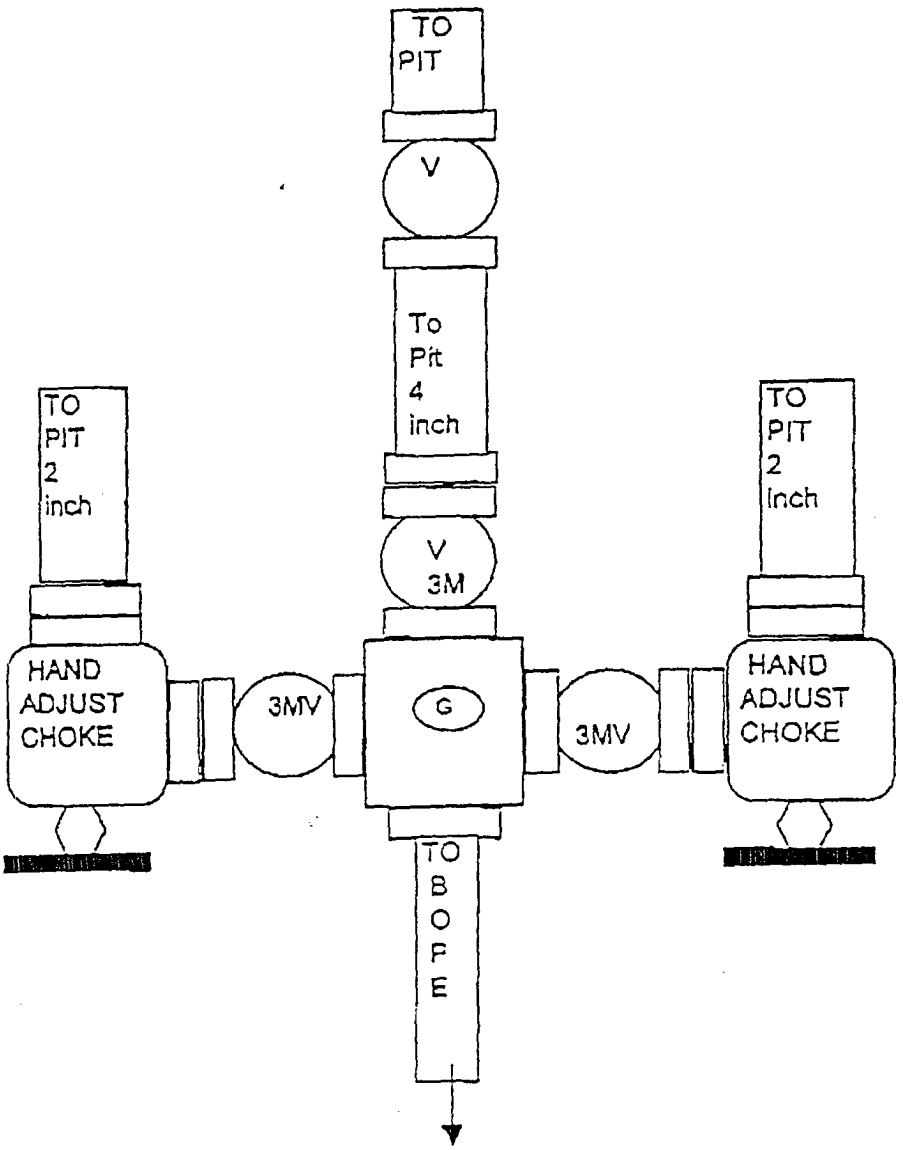


EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

POGO PRODUCING COMPANY
SUNRISE "8" FEDERAL #4
UNIT "H" SECTION 8
T24S-R31E EDDY CO. NM

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: POGO Producing Company
Well Name & No: Sunrise 8 Federal No 04
Location: Surface 1980' FNL & 660' FEL, Sec.28, T. 24 S., R. 31 E.
Lease: NMNM 031963
Eddy County, New Mexico

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Roswell Field Office, 2909 West Second St., Roswell, NM 88201, (505) 627-0272 for wells in Chaves and Roosevelt Counties; the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822 for wells in Eddy County; and the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (505) 393-3612 for wells in Lea County, in sufficient time for a representative to witness:

A. Spudding

B. Cementing casing: 13 ⅜ inch; 8 ⅝ inch; 5 ½ inch.

C. BOP Tests

2. A Hydrogen Sulfide (H2S) Drilling Plan is not required for this well bore.

3. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

4. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.

5. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

II. CASING:

1. The 13 ⅜ inch shall be set at 975 Feet with cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.

2. The minimum required fill of cement behind the 8 ⅝ inch Intermediate casing is to **circulate to surface.**

3. The minimum required fill of cement behind the 5 ½ inch Production casing is to **place TOC at least 200 ft above any potential hydrocarbon zones.**

III. PRESSURE CONTROL:

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the 13 ⅜ inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

(III Cont):

2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be **2 M psi.**

3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the test.

-The test shall be done by an independent service company
-The results of the test shall be reported to the appropriate BLM office.
-Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures.
-Use of drilling mud for testing is not permitted since it can mask small leaks.
-Testing must be done in safe workman-like manner. Hard line connections shall be required.
-Both low pressure and high pressure testing of BOPE is required.

***G. Gourley* RFO 06/28/2006**