

SURFACE USE AND OPERATIONS PLAN

FOR

POGO PRODUCING COMPANY
WELL NO.1 FEDERAL 23
660'FSL & 660'FEL SEC.23, T.22 S., R.31 E.
EDDY COUNTY, NEW MEXICO

LOCATED: 28 air miles east of Carlsbad, New Mexico.

FEDERAL LEASE NUMBER: NM-62589.

LEASE ISSUED: July 1, 1985, for five years. Lease expires
on June 30, 1990, absent production or diligent
drilling operations in progress on such date.

ACRES IN LEASE: 640.

RECORD LESSEE: Pogo Producing Company.

SURFACE OWNERSHIP: Federal.

GRAZING PERMITTEE: J.C. Mills
P.O. Drawer "G"
Abernathy, Texas 79311

POOL: Undesignated Livingston Ridge Delaware.

POOL RULES: Statewide. 40 acre spacing for oil.

EXHIBITS: A. Road Map
B. Plat Showing Existing Wells and Existing Roads
C. Drilling Rig Layout
D. Topo Plat

1. EXISTING ROADS:

A. Exhibit "A" is a portion of a road map showing the location of the proposed well as staked. The proposed well site can be reached by, either going south off US 62-180, or by going north off State 128. Point "A" on the plat is on 62-180 at Milepost 66.8, approximately 37 miles west of Hobbs, New Mexico, where Lea County road C-29 goes south. To go to the proposed well site from this point, exit 62-180 to the south on the paved road and go 13.2 miles. The proposed well site is on the west side of the road at a distance of about 400' from this point.

Point "B" on the plat is on State 128 at Milepost 17.6, approximately 36 road miles west of Jal, New Mexico, where Eddy County road 798 goes north. To go to the proposed well site from this point, go north on Eddy 798 8.2 miles and the proposed well site will be on the west side of the road at a distance of about 400 feet.

B. Exhibit "B" is a plat showing existing pertinent roads in the vicinity of the proposed well site. Existing roads are color coded.

2. PLANNED ACCESS ROAD:

A. Length and Width: The new road will be 15 feet wide and about 300 feet long, and is labeled and color coded red on Exhibit "B". The centerline of the proposed new road is staked and flagged.

B. Surfacing Material: Caliche. Watered, compacted, and graded.

C. Maximum Grade: Approximately 2 percent.

D. Turnouts: None needed.

E. Drainage Design: The new road will be crowned with drainage to the side.

F. Culverts: None needed.

G. Cuts and Fills: None necessary.

H. Gates and Cattle Guards: None necessary. No fences involved.

3. LOCATION OF EXISTING WELLS:

A. Existing wells in the immediate area are shown on Exhibit "B".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A. There are no existing production facilities on the leasehold. Necessary production facilities for this proposed well will be located on the well pad.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. It is not planned that a water well will be drilled. Water necessary for drilling operations will be purchased and trucked to the well site, or will be moved to the well site by temporary pipeline laid on the ground alongside existing and proposed roads.

6. SOURCE OF CONSTRUCTION MATERIALS:

A. Caliche needed for construction work will be taken from an existing pit on Federal land in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 1, T.23 S., R.31 E., Eddy County, New Mexico. Caliche will be trucked to the well site over existing and proposed roads. Location of the caliche pit is shown on Exhibit "A".

7. METHODS OF HANDLING WASTE MATERIAL:

- A. Drill cuttings will be disposed of in the drilling pits.
- B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.
- C. Water produced during tests will be disposed of in the drilling pits
- D. Oil produced during tests will be stored in test tanks until sold.
- E. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind. Location of the trash pit is shown on Exhibit "C".
- F. All trash and debris will be buried or removed from the well site within thirty days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

- A. None necessary.

9. WELL SITE LAYOUT:

A. Exhibit "C" shows the relative location and dimensions of the well pad, mud pits, reserve pit, and trash pit, and the location of major drilling rig components.

B. Clearing and levelling of the well site will be required.

C. The pad and pit area is staked and flagged.

10. PLANS FOR RESTORATION OF THE SURFACE:

A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location will be cleaned of all trash and junk to leave the well site in an as aesthetically pleasing condition as possible.

B. Any unguarded pits containing fluids will be fenced until the pits are dry.

C. After abandonment, all equipment, trash and junk will be removed and the well site will be cleaned. Any special rehabilitation and/or special revegetation requirements of the surface management agency will be complied with and will be accomplished as rapidly as possible.

11. OTHER INFORMATION:

A. Topography: The land surface in the area is undulating and dunny. In the immediate area of the well site, land slope is to the northwest.

B. Soil: Top soil at the well site is sand.

C. Flora and Fauna: The vegetative cover is moderate and includes mesquite, shinnery oak, sand sage, yucca, weeds, and range grasses. Wildlife in the area is that typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, dove and quail.

D. Ponds and Streams: There are no rivers, lakes, ponds, or streams in the area.

E. Residences and Other Structures: There are no occupied dwellings or other structures within a mile of the proposed well site.

F. Archaeological, Historical, and Cultural Sites: None observed in the area. However, an archaeological reconnaissance will be accomplished.

G. Land Use: Grazing and wildlife habitat.

H. Surface Ownership: Federal.

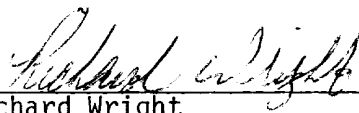
12. OPERATOR's REPRESENTATIVE:

Richard Wright
Drilling and Production Superintendent
Pogo Producing Company
P. O. Box 10340
Midland, Texas 79702
Office Phone: 915-682-6822

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, true and correct; and, that the work associated with the operations proposed herein will be performed by Pogo Producing Company and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

May 7, 1990
Date: _____



Richard Wright
Drilling and Production Supt.
Pogo Producing Company

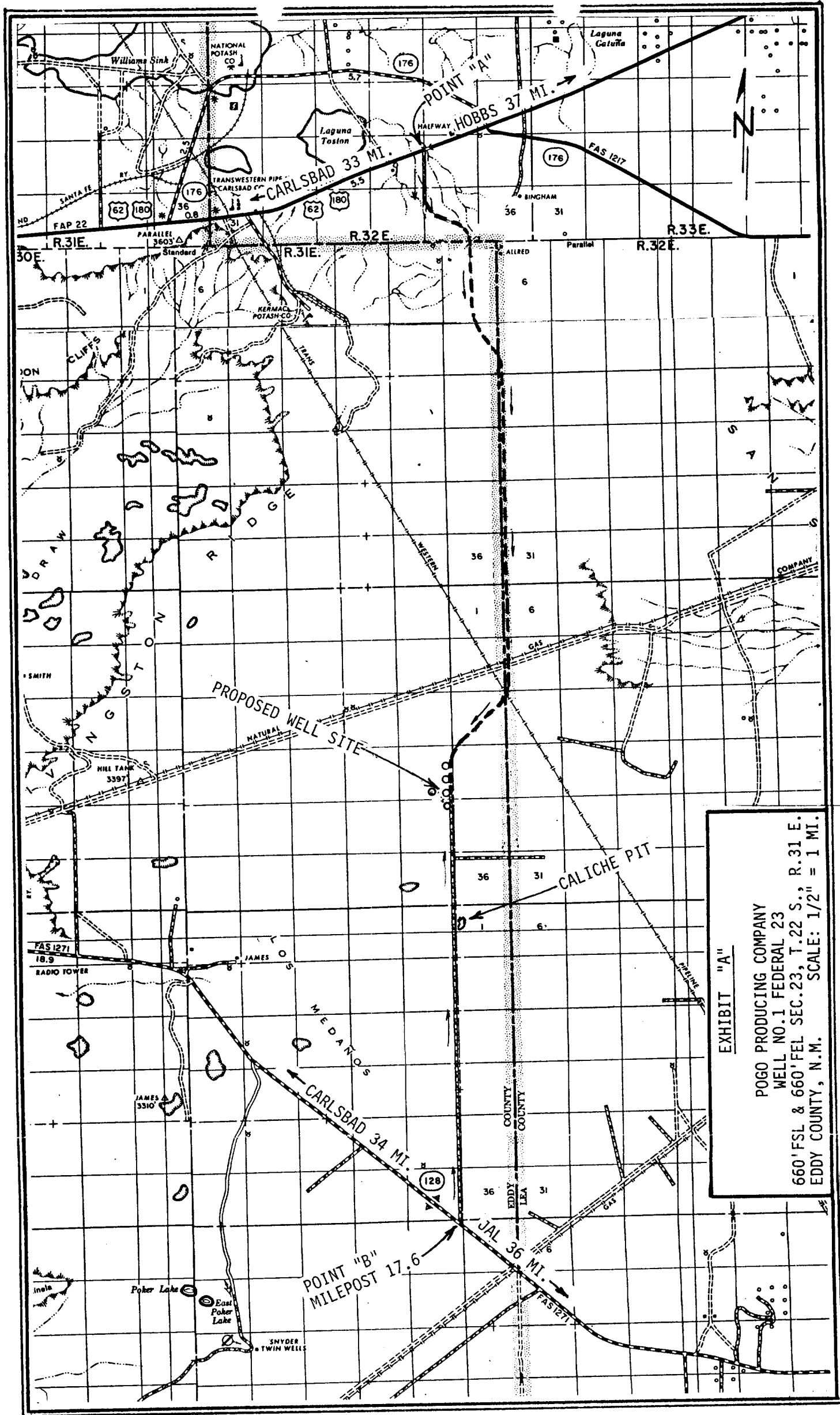


EXHIBIT "A"

POGO PRODUCING COMPANY
WELL NO. 1 FEDERAL 23
660' FSL & 660' FEL SEC. 23, T. 22 S., R. 31 E.
EDDY COUNTY, N.M. SCALE: 1/2" = 1 MI.

T.22 S., R.31 E.

15



14

13

COUNTY ROAD

LEASE BOUNDARY

22

23

24

PROPOSES WELL SITE

NM-62589

NEW ROAD

27

26

25

LEGEND:

- Oil Well
- ⊕ Plugged Well
- Proposed Well
- Existing County Maintained Road
- Existing Caliche Road
- Proposed New Road

EXHIBIT "B"

POGO PRODUCING COMPANY
WELL NO.1 FEDERAL 23
660'FSL & 660'FEL SEC.23, T.22 S., R.31 E.
EDDY COUNTY, N.M. SCALE: 1" = 2000'

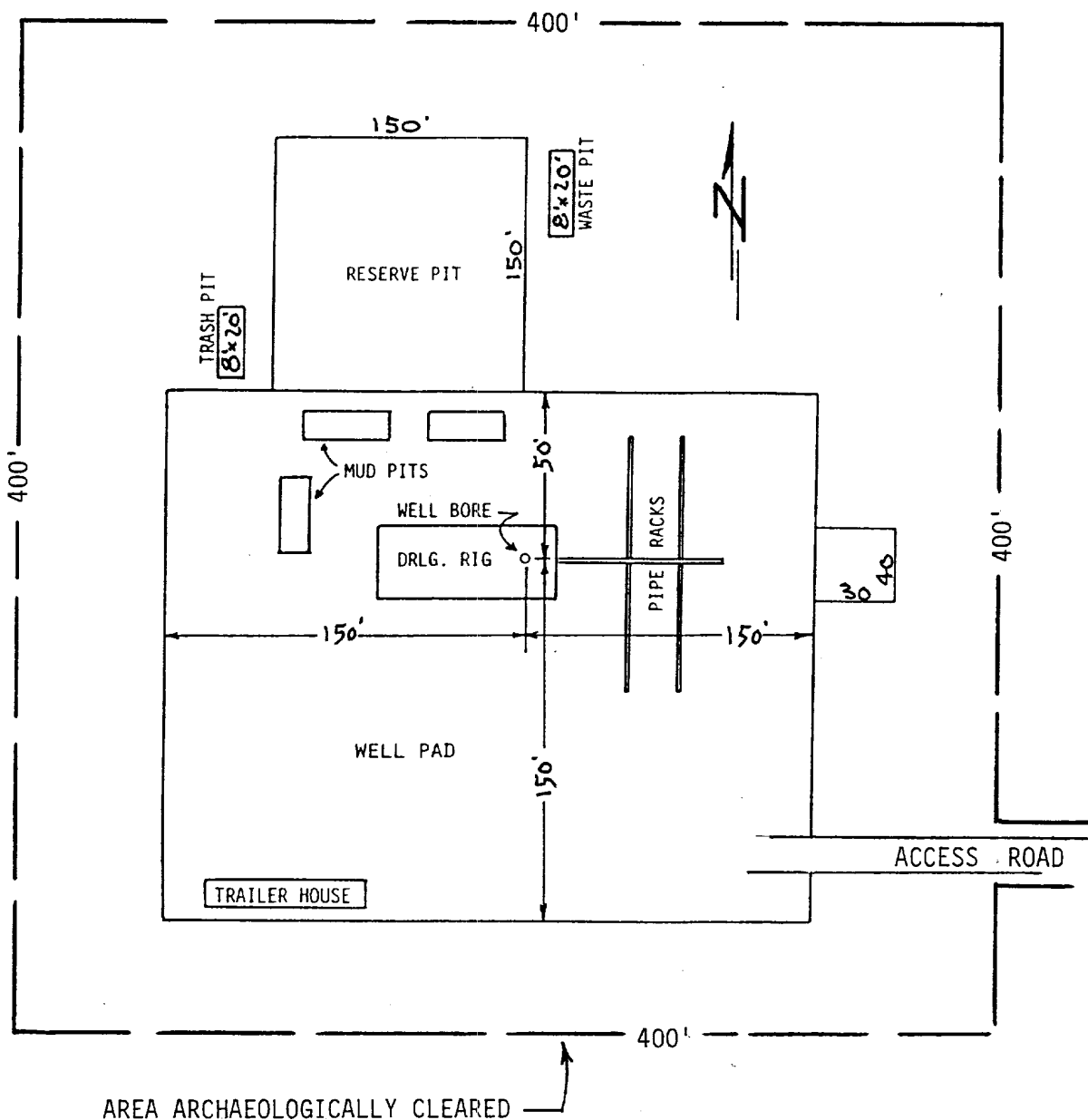


EXHIBIT "C"

POGO PRODUCING COMPANY
WELL NO.1 FEDERAL 23
DRILLING RIG LAYOUT
SCALE: None

