

EXCEPTION TO DRILL

POGO PRODUCING COMPANY
 LOST TANK "3" FEDERAL # 7
 LOT 2 UNIT "B" SECTION 3
 T22S-R31E EDDY CO. NM

9. CASING CEMENTING & SETTING DEPTH:

20"	Conductor	Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
13 3/8"	Surface	Set 825' of 13 3/8" 48# H-40 ST&C casing. Cement with 800 Sx. of Class "C" cement + 2% CaCl + 1/4# Flocele/Sx. circulate TS.
8 5/8"	Intermediate	Set 4200' of 8 5/8" 32# J-55 ST&C casing. Cement with 1500 Sx. of Class "C" cement + 2% CaCl + 1/4# Flocele/Sx. circulate to surface.
5 1/2"	Production	Set 8500' of 5 1/2" casing as follows: 2500' of 17# J-55 LT&C, 5000' of 15.5# J-55 LT&C, 1000' of 17# J-55 LT&C. Cement in 3 stages. DV tools at 6100'± & 3700'±. Cement 1st stage with 650 Sx. of Class "H" + additives, 2nd stage cement with 600 Sx. of Class "C" + additives, 3rd stage cement with 400 Sx. of Class "C" + additives circulate cement to surface.

10. PRESSURE CONTROL EQUIPMENT: Exhibit "E" shows an annular bag type preventor & a rotating drilling head. This system will be nipped up on the 13 3/8" casing. Exhibit "E-1" an accumulator used to operate the bag type annular preventor.

Pogo Producing Company requests the exception to the standard BOP system & third party BOP testing, flowline sensors, pit level recorders, and other mud measuring devices, drilling mud will be circulated through the reserve pits which make mud measurements unreliable. Development drilling in this proven field confirm recorded surface pressures are less than 1000 PSI.

11. NOISE ABATEMENT: Pogo Producing Company requests exception to a hospital type exhaust system, unless drilling during prairie chicken booming season. Drilling contractor will strive to keep the noise level below 75 db measured 75' from noise source using his current system.

12. PROPOSED MUD CIRCULATING SYSTEM:

DEPTH	MUD WT.	VISC.	FLUID LOSS	TYPE SYSTEM
40-825'	8.4-8.6	29-32	NC	Fresh water spud mud use paper to control seepage.
825-4200'	10-10.2	29-38	NC	Brine water use paper to seepage and high viscosity sweeps to clean hole.
4200-8500'	8.4-8.6	29-38	NC	Fresh water using fresh use Gel for viscosity and Dris-pac system if water needs to be controled.

Sufficient mud materials 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 viscosity and/or water loss may have to be adjusted to meet thes needs.