APPLICATION FOR DRILLING

Pogo Producing Company

Federal 35 NO. 1

Eddy County, New Mexico

In conjunction with permitting the captioned well for drilling in Section 6, T-26-S, R-29-E, Eddy County, New Mexico, Pogo Producing Company submits the following information in accordance with U.S.G.S. (NTL-6) letter dated July 1, 1976:

1. The surface formation is Quaternary Sand and gravel.

2. Estimated tops of geologic markers as follows:

Rustler Anhydrite	_	800 '
Delaware Lime	-	2630'
Bone Springs	-	6370 '

3. The depths at which oil, gas or water are expected are: 2630', 6370'.

4. Casing Program and Cement:

All casing is new.

13 3/8" 48# ST&C OD 250' w/275 sxs Cl C w/2% CaCl plus 1/4# Flocele per sx.

8 5/8" 24# K-55 ST&C OD 2640' w/900 sx. LT w/1/4# Flocele plus 8# salt per sx plus 200 sxs Cl C w/2% CaCl.

5 1/2" 14, 15.5, & 17# K-55 ST&C @ 8000 w/first stage: 680 sxs 50-50 C1 C Pozmix A w/0.5% CFR-2, 6 lbs salt, and 1/4# flocele per sx. Second stage: 420 sx TL w/0.5% CFR-2 & 1/4# flocele per sx followed by 100 sx Class C w/0.5% CFR-2.

5. Blowout Preventors:

From 250' to 8000' - 10" Cameron Type QRC 900 Series 3000# WP, Double BOP.

BOE will be tested daily and entered on daily drilling log.

6. Circulating Medium:

Steel and earthen pits will be used to hold drilling fluids and cuttings. The drilling mud program is as follows:

Natural mud to 250'. Seepage will be controlled by paper. Brine water to 2630'. Fresh water from 2630' to top of Bone Springs and increased to cut brine. (9.2 - 9.8 ppg) to total depth.

7. The rig will be equipped with safety devices such as kelly cock, drill pipe float, full opening stabbing valve and inside BOP. Operational tests will be performed periodically and results noted on tour sheets.