

SURFACE USE AND OPERATIONS PLAN

FOR

POGO PRODUCING COMPANY
GEHRIG FEDERAL WELL NO.2
330'FSL & 330'FEL SEC.9, T.26 S., R.29 E.
EDDY COUNTY, NEW MEXICO

LOCATED: 12 air miles south-southeast of Malaga, New Mexico.

FEDERAL LEASE NUMBER: NM-54291.

LEASE DATE: January 1, 1983, for 10 years.

RECORD LESSEE: Pogo Producing Company.

ACRES IN LEASE: 560.

SURFACE OWNERSHIP: Federal.

GRAZING PERMITTEE: Byron W. Paschal (915-445-2988)
P. O. Box 1847
Pecos, Texas 79772

POOL: Undesignated Brushy Draw 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. Point "A" on the plat is on US 285 at Mile Marker 3.8, approximately 12 miles south of Malaga, New Mexico, where Eddy County road 725 (paved) goes east. Also see Exhibits "B" and "D". To go to the proposed well site from this point, exit US 285 to the east and go 3.7 miles to arrive at the low water crossing of the Pecos River. Continue southeasterly on 725 about 1.7 miles to a point about 300 feet before coming to a cattle guard. The proposed well site is about 200 feet west of this point.

B. Exhibit "B" shows 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 12 feet wide and about 100 feet long, and is shown 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 one percent.

D. Turnouts: Probably one.

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

F. Culverts: None necessary.

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. 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 should be available on-site within the archaeologically cleared work area. If additional caliche is needed, it will be taken from an existing pit on Federal land in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 24, T.26 S., R.29 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 or will be stored in tanks for disposal in an approved disposal system.

D. Oil produced during tests will be stored in test tanks until sold.

E. All trash, junk, and other waste material will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary land fill.

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 waste pit, and the location of major drilling rig components.

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

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 from the well site. 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.

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

11. OTHER INFORMATION:

A. Topography: The general area of the proposed well site is a gently undulating landscape. In the immediate area of the well site, land slope is to the northeast. Regionally, drainage is to the west and southwest to the Pecos River.

B. Soil: Top soil in the immediate area of the well site is a gravelly loam.

C. Flora and Fauna: The vegetative cover is moderate and includes catclaw, creosote bush, other desert plants, 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: The Pecos River at its nearest point is slightly over one mile to the southwest. There are no other ponds or streams.

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

F. Archaeological, Historical, and Cultural Sites: None observed. However, an archaeological reconnaissance is to be accomplished and a report furnished.

G. Land Use: Grazing and wildlife habitat.

H. Surface Ownership: Federal.

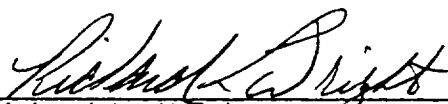
12. OPERATOR's REPRESENTATIVE:

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

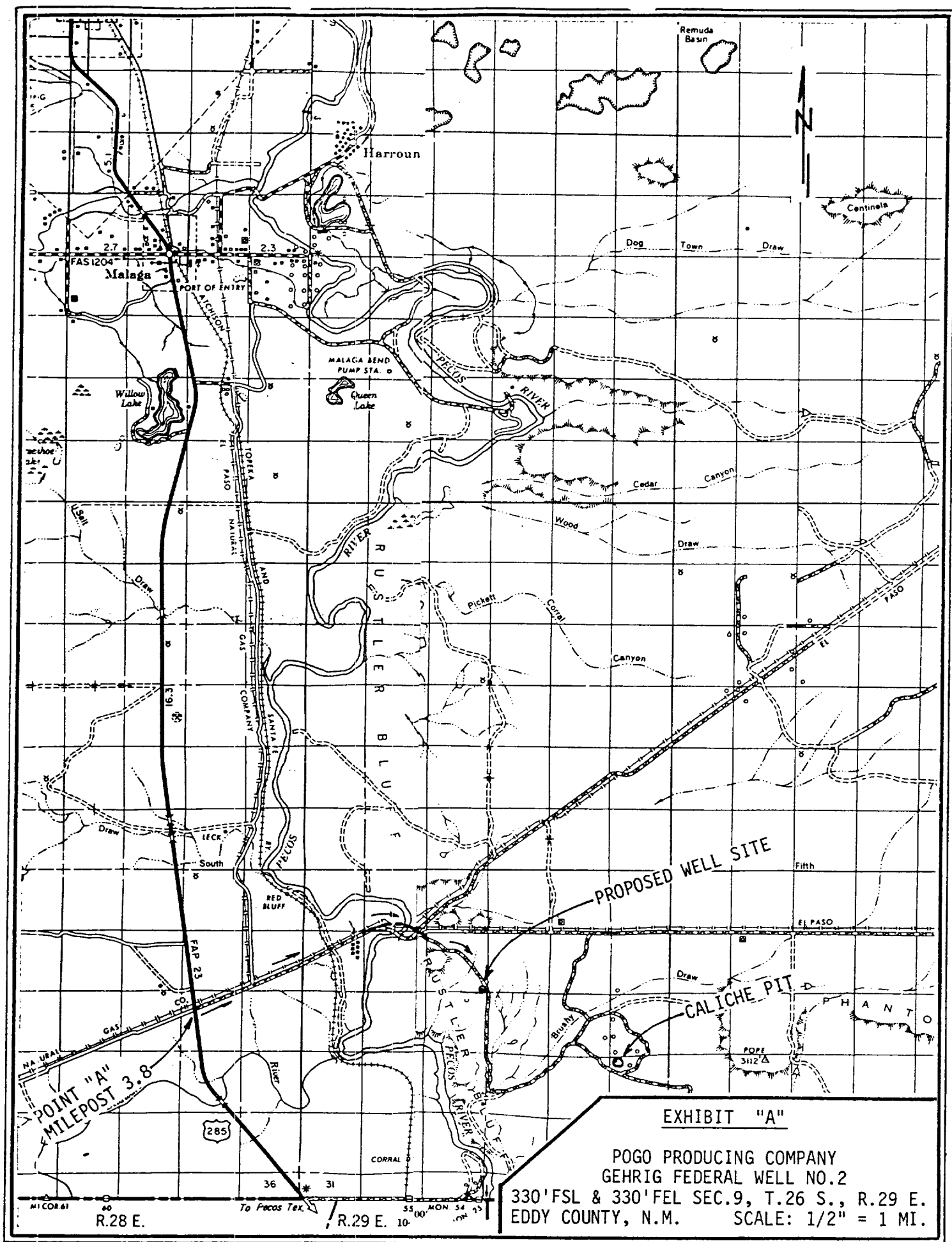
13. CERTIFICATION:

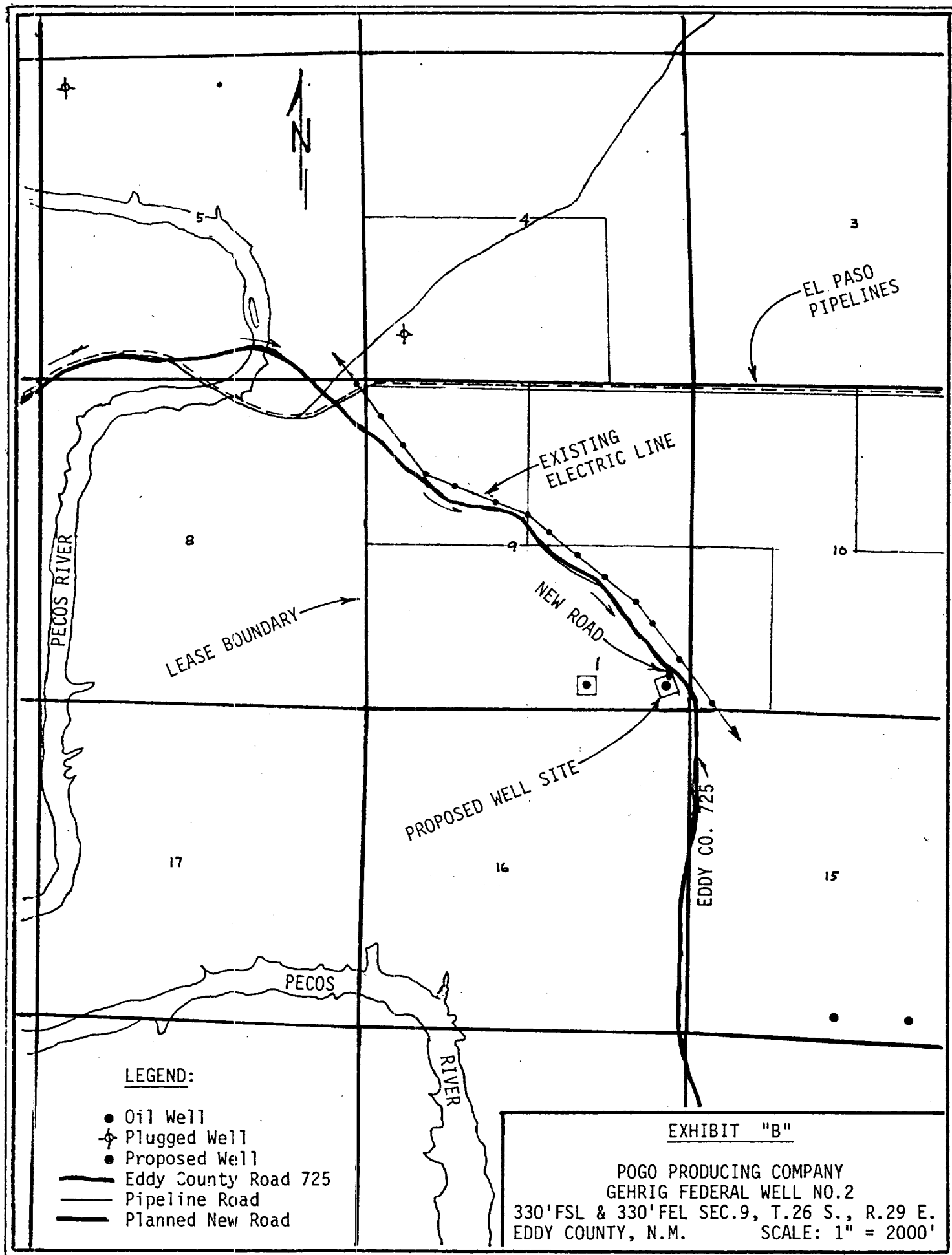
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated 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.

March 24, 1992
Date: _____



Richard L. Wright
Drilling and Production Supt.





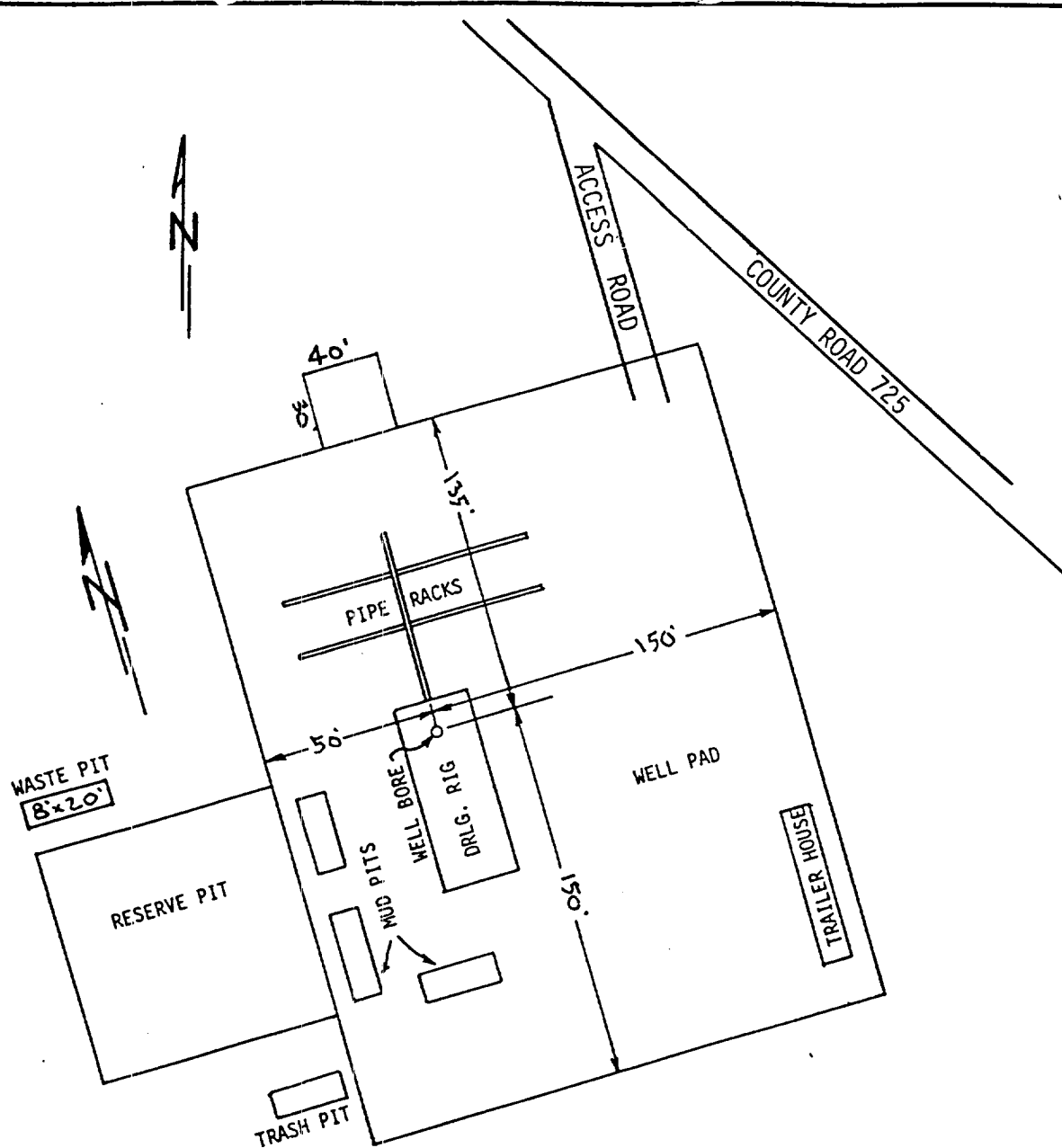


EXHIBIT "C"

POGO PRODUCING COMPANY
GEHRIG FEDERAL WELL NO.2

DRILLING RIG LAYOUT
SCALE: None

