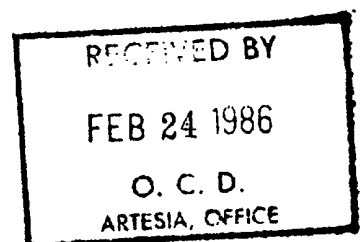


MU...IPOINT SURFACE USE AND OPERATION PLAN
POGO PRODUCING COMPANY
CAL-MON NO. 4
2310' FSL & 2180' FWL SEC. 35, T-23-S, R-31-E
EDDY COUNTY, NEW MEXICO



This plan is submitted with the Application for Permit to Drill the captioned well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of necessary surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of drilling operations.

1. EXISTING ROADS:

Existing roads in the vicinity of the planned well are shown on Exhibit A, attached. The well is located 35 miles West of Jal, New Mexico. No additional improvement or maintenance of existing roads will be required.

2. PLANNED ACCESS ROADS:

No additional improvement or maintenance of existing access road will be required.

3. LOCATION OF EXISTING WELLS:

Shown below are the dispositions of wells in a 2 mile radius of the proposed well. See Exhibit B.

Sec. 31, T-23-S, R-32-E Lea County	- Hankamer's Continental Federal #1 drilled and abandoned 10/6/62
Sec. 36, T-23-S, R-31-E Eddy County	- Texas American Oil Corp's Todd State #1 producing from the Morrow
Sec. 36, T-23-S, R-31-E Eddy County	- Millers Harrison State #1 drilled and abandoned 10/20/58
Sec. 6, T-24-S, R-32-E Lea County	- Hankamer's Bodurant Federal #1 drilled and abandoned 8/24/62
Sec. 12, T-24-S, R-31-E Eddy County	- Coquina's El Paso Federal #1 P & A
Sec. 12, T-24-S, R-31-E Eddy County	- Superior's Soto Federal #1 producing from the Lower Penn
Sec. 1, T-24-S, R-31-E Eddy County	- Texas American's Todd Federal #1-2 Temporarily abandoned 9/11/74
Sec. 11, T-24-S, R-31-E Eddy County	- Gulf's Littlefield Federal #1 drilled and abandoned 3/6/64
Sec. 2, T-24-S, R-31-E Eddy County	- Getty's Todd State #1 producing from the Lower Penn
Sec. 3, T-24-S, R-31-E Eddy County	- Yate's James Ranch Federal #1 drilled and abandoned 1/22/79
Sec. 34, T-23-S, R-31-E Eddy County	- Continental's U.S. #1 P & A
Sec. 4, T-24-S, R-31-E Eddy County	- El Paso's Sundance Federal #1 producing from the Lower Penn
Sec. 4, T-24-S, R-31-E Eddy County	- Sundance's Betty Federal #1 drilled and abandoned 12/11/69
Sec. 4, T-24-S, R-31-E Eddy County	- Texaco's Stewart Federal #1 drilled and abandoned 12/3/68
Sec. 33, T-23-S, R-31-E Eddy County	- Patoil's Wright #1 drilled and abandoned 1/5/62
Sec. 33, T-23-S, R-31-E Eddy County	- Patoil's Wright #2 drilled and abandoned 9/1/61
Sec. 28, T-23-S, R-31-E Eddy County	- Pogo's Pure Gold D #1 completed 12/22/85, SI waiting on pipeline
Sec. 21, T-23-S, R-31-E Eddy County	- Kaiser Francis' Pure Gold A #1 producing from the Morrow

Pogo Producing Compa.,
Cal-Mon No. 4
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|-------------------------------------|---|
| Sec. 21, T-23-S, R-31-E Eddy County | - Patoil's Muse Federal #1 drilled and abandoned 6/2/62 |
| Sec. 27, T-23-S, R-31-E Eddy County | - Patoil's Wright #1 drilled and abandoned 6/20/61 |
| Sec. 23, T-23-S, R-31-E Eddy County | - Texas American Oil Corp's Todd Federal 23 #1 producing from the Cherry Canyon |
| Sec. 23, T-23-S, R-31-E Eddy County | - Texas American Oil Corp's Todd Federal 23 #2 producing from the Cherry Canyon |
| Sec. 26, T-23-S, R-31-E Eddy County | - Texas American Oil Corp's Todd Federal #3 P & A |
| Sec. 26, T-23-S, R-31-E Eddy County | - Texas American Oil Corp's Todd Federal 26 #2, 4, 5, 6, and 7 producing from the Cherry Canyon |
| Sec. 26, T-23-S, R-31-E Eddy County | - Texas American Oil Corp's Todd Federal 26 #1 Currently shut in, in the Atoka |
| Sec. 24, T-23-S, R-31-E Eddy County | - Kaneb's Federal 24 #1, 2 producing from the Cherry Canyon |
| Sec. 24, T-23-S, R-31-E Eddy County | - Kaneb's Federal 24 #3, completing well in Cherry Canyon formation |
| Sec. 25, T-23-S, R-31-E Eddy County | - Getty's Todd Federal 24 #1-X producing from the Morrow |
| Sec. 35, T-23-S, R-31-E Eddy County | - Pogo Producing Company Cal-Mon #1, P & A |
| Sec. 35, T-23-S, R-31-E Eddy County | - Pogo Producing Company Cal-Mon #2 completed 8/11/85 SI waiting on pipeline |
| Sec. 35, T-23-S, R-31-E Eddy County | - Pogo Producing Company Cal-Mon #3 completed 11/16/85 producing from the Cherry Canyon |

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

Oil production equipment currently exists on the pad prepared for the Cal-Mon No. 3 Sec. 35, 1980' FNL & 2180' FWL. If production is established from the proposed well two low pressure surface flowlines will be constructed to the existing facilities and testing equipment will be installed in conjunction with the existing facilities on the Cal-Mon No. 3 pad.

5. LOCATION AND TYPE OF WATER SUPPLY:

Brine and fresh water used in the drilling of the well will be purchased and trucked to the well site over existing roads as shown on Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS:

Caliche will be added to the drilling pad and will be obtained from a Federal pit located in the NE $\frac{1}{4}$ of the SE $\frac{1}{4}$ Sec. 35, T-23-S, R-31-E. The pit is 1/2 miles SE of proposed drilling location. See Exhibit A.

7. METHOD OF HANDLING WASTE DISPOSAL:

- A. Drilling cuttings will be disposed of in the drilling pits.
- B. Drilling fluid will be allowed to evaporate in the drilling pits. Oil produced during tests will be stored in steel test tanks until sold. Water produced during tests will be disposed of in the drilling pits.
- C. Sewage will be collected in a pit at least 6' deep below an outside latrine. Suitable chemicals will be added to aid decomposition of the waste material and then back filled following completion of the well. A portable toilet

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7. METHOD OF HANDLING WASTE DISPOSAL:

- C. will be utilized with waste pickup by a vacuum truck and removed from the area.
- D. 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 trash pit is shown on Exhibit C.
- E. All trash and debris will be buried or removed from the well site within 90 days after cessation of drilling or completion operations.

8. ANCILLARY FACILITIES:

None required.

9. WELL SITE LAYOUT:

- A. Exhibit C shows the relative location and dimensions of the well pad, mud pits, reserve pits, trash pit and major rig components.
- B. The proposed well site is situated on flat land and will require only minimal levelling.
- C. The reserve pit will be lined.
- D. The pad has been staked and flagged.

10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After completion of drilling and/or completion operations, all equipment and other materials not needed will be removed. Pits will be filled after sufficient drying time and the location cleaned of all trash and junk to leave the site in a aesthetically pleasing condition.
- B. All ungarded pits containing fluids will be fenced until filled.
- C. After abandonment of the well, surface restoration will be in accordance with the agreement BLM regulations. Rehabilitation will be accomplished within 90 days after abandonment.

11. OTHER INFORMATION:

- A. Terrain - Pogo Producing Company's proposed location will be situated on a duned landform lying immediately east of Nash Draw. Areal terrain is marked by aeolian deposits of generally stable character. Coppice dunes and shallow deflation basins distinguish the immediate vicinity. Drainage is to the north and tributary to a zone of general subsidence. Surficial deposits are composed of loamy sands and sandy loams. Lithic inclusions consist of occasional caliche gravels. Areal soils are assignable to the Typic Torripsamment subgroup.
- B. Floristics - Plants of the overstory are Prosopis juliflora, Yucca glauca and Quercus havardii. Forbs are represented by Gutierrezia sarothrae, Croton sp., Eriogonum annuum, Senecio sp., Hymenoxys sp., Zinnia acerosa. Grasses include: Aristida Sp., Bouteloua sp., Muhlenbergia sp., Cenchrus incertus, Setaria Macrostachys, Chloris cuculata and Sporobolus flexuosus.
- C. Ponds and Streams - None.
- D. Occupied Dwellings - None.
- E. Cultural Resources - No cultural properties were recorded during the course of the survey of the adjacent pad.
- F. Land Use - Grazing and hunting in season.
- G. Surface Ownership - The surface in Section 35 less NE/4 of NE/4 is Federal land and the current grazing lessee is Charlie James.

Charlie James
1207 W. Riverside Dr.
Carlsbad, NM 88220

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12. OPERATOR'S REPRESENTATIVES:

W. E. Barnes
#9 Sunnygrove
Odessa, Texas 79762
Home Phone (915) 362-7935
Office Phone (915) 682-6822


Bill J. Williams
2821 Metz Dr.
Midland, Texas 79705
(915) 694-2215
Office Phone (915) 682-6822

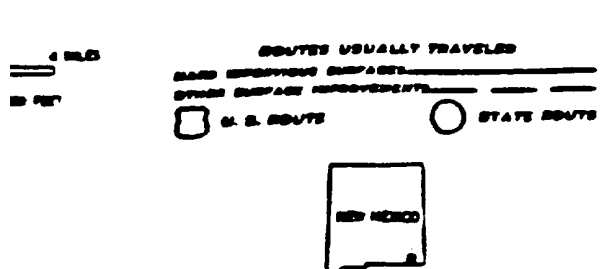
13. CERTIFICATION:

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 presently 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 subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Date

2/4/54


Bill J. Williams
Division Operations Manager
Pogo Producing Company



Polyconic projection 1927 North American Datum
10000 foot grid based on New Mexico (East)
Rectangular coordinate system
1000-meter Universal Transverse Mercator grid
Scale zone 13 shown in blue

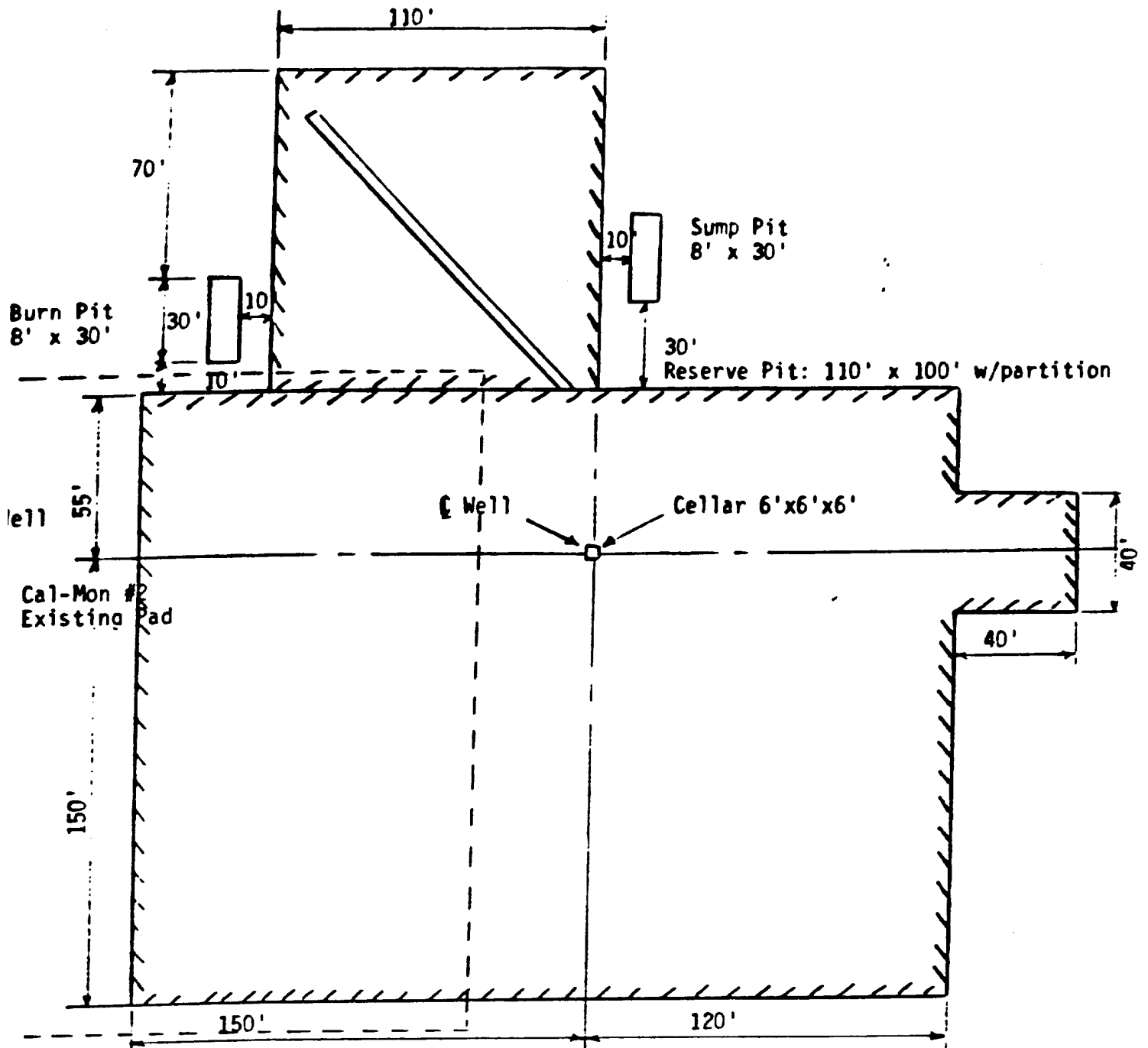
NASH DRAW, N. MEX
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1939
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EXHIBIT A

Pogo Producing Company
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Eddy County, New Mexico

DRILLING PAD



Drig Pad: 270' x 205' w/40' x 40' Stringer
Caliche Compacted to 6"

EXHIBIT C
Pogo Producing Company
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