

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

4-9-97 non

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

| | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------|--|
| 1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> | | 5. LEASE DESIGNATION AND SERIAL NO. NM-89172 | |
| b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME | |
| 2. NAME OF OPERATOR Pogo Producing Company | | 7. UNIT AGREEMENT NAME | |
| 3. ADDRESS AND TELEPHONE NO. P.O.Box 10340, Midland, Texas 79702 | | 8. FARM OR LEASE NAME, WELL NO. Patton "17" Federal #3 | |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 500' FSL & 1500' FEL of Section 17 | | 9. API WELL NO. 30-0015-29626 | |
| At proposed prod. zone Same Unit 0 | | 10. FIELD AND POOL, OR WILDCAT Cotton Draw Wildcat (Bone Springs) SW | |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 10 miles southeast of Loving, N.M. | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 17, T-24S, R-31E | |
| 15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 500' | | 12. COUNTY OR PARISH Eddy Co. | |
| 16. NO. OF ACRES IN LEASE 640 | | 13. STATE N.M. | |
| 17. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1100' | | 17. NO. OF ACRES ASSIGNED TO THIS WELL 40 | |
| 18. PROPOSED DEPTH 9700' | | 20. ROTARY OR CABLE TOOLS Rotary | |
| 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3526' Ground Level | | 22. APPROX. DATE WORK WILL START Upon Approval | |

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|-----------------------|-----------------|---------------|--------------------|
| 17-1/2" | 13-3/8" | 54.5 # J-55 | 650' | 750 sx (circ) |
| 11" | 8-5/8" | 24-32# J55 | 4200' | 1500 sx (circ) |
| 7-7/8" | 5-1/2" | 15.5-17# J55 | 8000' | 1400 sx (3200') |

The operator proposes to drill to a depth sufficient to test the Delaware and Bone Springs for oil. Specific programs are outlined in the following attachments:

DRILLING PROGRAM
SURFACE USE AND OPERATING PLAN
EXHIBIT A - ROAD MAP
EXHIBIT B - EXISTING WELL MAP
EXHIBIT C - LOCATION AND ACREAGE DEDICATION PLAT
EXHIBIT C-1 TOPO MAP
EXHIBIT D - DRILLING AND RIG LAYOUT
EXHIBIT E - 3M BOP EQUIPMENT

Post ID-1
6-13-97
New Loc & API

NSL-

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED James M. C. Reddy TITLE Agent DATE 04/02/97
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY 1/1/97 TITLE 17-17-24S-31E DATE 5-10-97

*See Instructions On Reverse Side