

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB NO. 1004-0136

Expires: January 31, 2004

5. Lease Serial No.

6. If Indian, Allottee, or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.

9. API Well No.

10. Field and Pool, or Exploratory

11. Sec., T., R., M., or Blk. And Survey or Area

12. County or Parish

13. State

1a. Type of Work ☒ DRILL ☐ REENTER

1b. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

2. Name of Operator

Pogo Producing Company

3a. Address

3b. Phone No. (include area code)

300 North Marienfeld, Suite 600 Midland, TX 79701

(432) 685-8143

4. Location of well (Report location clearly and in accordance with any State requirements. *)

At surface

At proposed prod. zone

1958

1957 FNL & 1940' FWL

30-045-33791

Fruitland Coal

F, Sec 29, T-30-N, R-12-W

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Highway 550 to Mickey Drive. Turn north and to the new subdivision. North of Carl Street.

San Juan County

NM

15. Distance from proposed*
location to nearest
property or lease line, ft.

(Also to nearest drlg unit line, if any)

1940'

16. No. of Acres in lease

320

17. Spacing Unit dedicated to this well

N/2

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.

60'

19. Proposed Depth

1815'

20. BLM/ BIA Bond No. on file

NM 2125

21. Elevations (Show whether DF, RT, GR, etc.)

5563'

22. Approximate date work will start*

1-Aug-06

23. Estimated Duration

10 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by existing bond on file (see item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature

Name (Printed/ Typed)

Date

Brad Salzman

6-07-06

Title

Titus Consulting- Drilling Consultant

Approved By (Signature)

Name (Printed/ Typed)

Date

Title

Office

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 co operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

* (Instructions on reverse)

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

NMOCD

File pit permit prior to start of
site construction.

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4

State of New Mexico
Energy, Minerals & Mining Resources Department
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C - 102

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-----------------------------------|--|--|
| APA Number 30-045-33791 | Pool Code 71629 | Pool Name BASIN Fruitland Coal |
| Property Code 36020 | Property Name Juhan | Well Number 1 T |
| OGRID No. 233194 | Operator Name POGO PRODUCING CO. | Elevation 5563' |

Surface Location

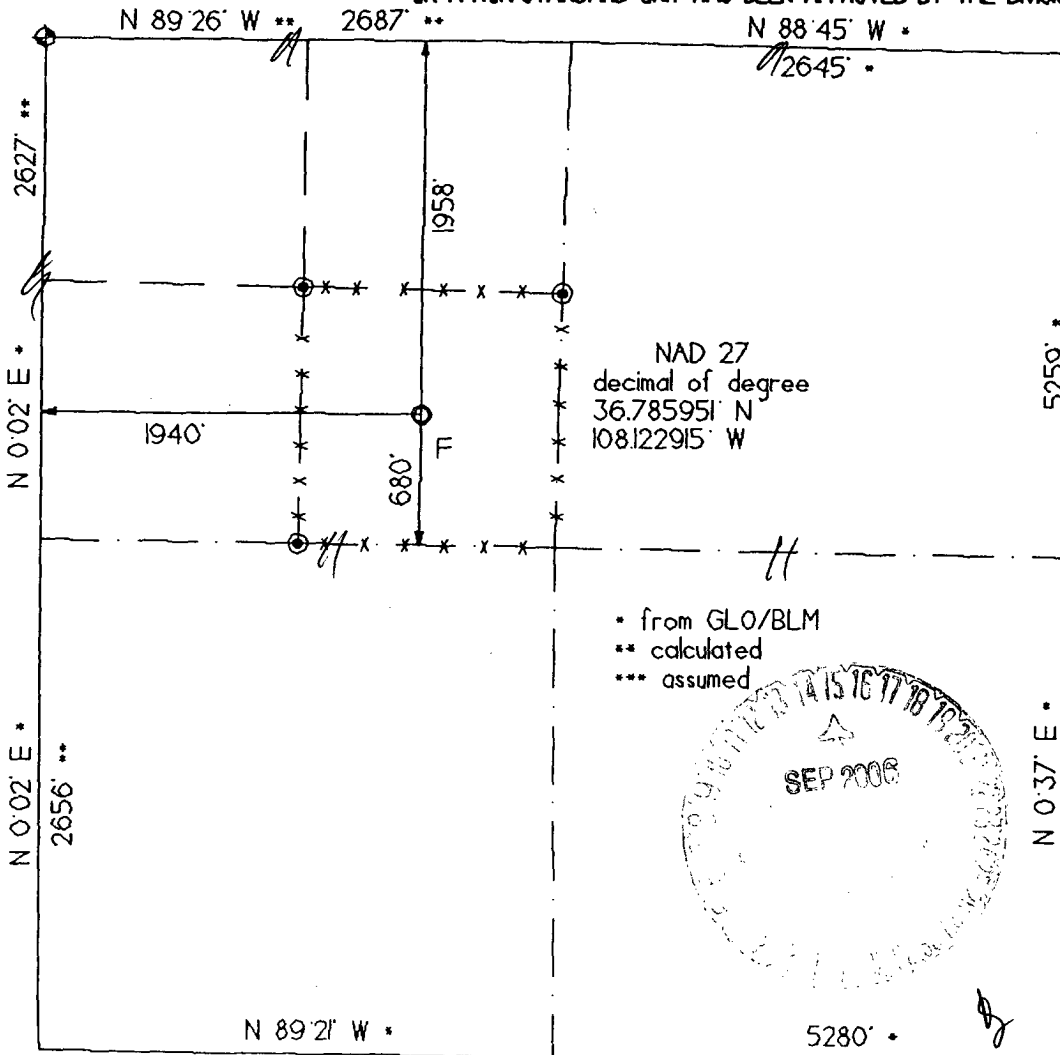
| UL or Lot | Sec. | Twp. | Rge. | Lot Lch. | Feet from > | North/South | Feet from > | East/West | County |
|-----------|------|-------|-------|----------|---------------------|-------------|-------------|-----------|----------|
| F | 29 | 30 N. | 12 W. | | 1958 1957 | NORTH | 1940' | WEST | SAN JUAN |

Bottom Hole Location If Different From Surface

| UL or Lot | Sec. | Twp. | Rge. | Lot Lch. | Feet from > | North/South | Feet from > | East/West | County |
|-----------|------|------|------|----------|-------------|-------------|-------------|-----------|--------|
| | | | | | | | | | |

| | | | |
|------------------------------|---------|---------------|-----------|
| Dedication 320 1/2 | Joint ? | Consolidation | Order No. |
|------------------------------|---------|---------------|-----------|

NO ALLOWABLE WILL ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
B. W. Salzman

Printed Name
B. W. SALZMAN

Title
CONSULTANT

Date
JUNE 7, 2006

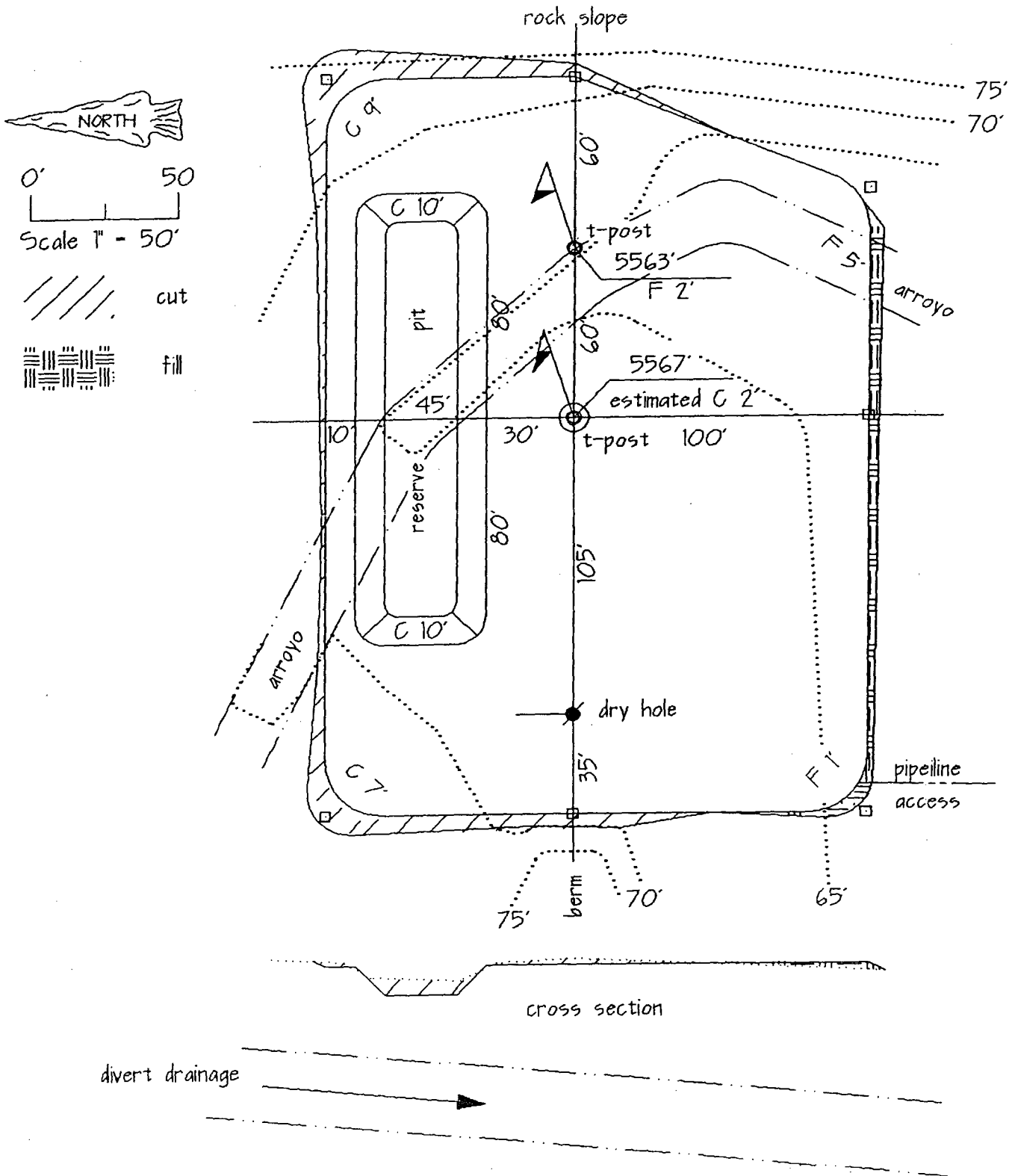
SURVEYOR CERTIFICATION

I hereby certify that the well location on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey
rev: 08/22/05

Signature and Seal of Professional Surveyor
GERALD S. HIDDLESTON
NEW MEXICO
6844
REGISTERED LAND SURVEYOR

Ellsworth 1 E & Juhan 1 T
well pad & section



TEN-POINT PROGRAM POGO PRODUCING COMPANY

Well name: Juhan #1T
Location: 1957' FNL & 1940' FWL, F-Sec. 29, T-30-N, R-12-W, NMPM
 San Juan County, NM
Formation: Fruitland Coal

1. The geological surface formation is: Ojo Alamo

2. The tops of important geological markers: (based on existing log information)

| | |
|-----------------|-------------------|
| Ojo Alamo | Surface Formation |
| Kirtland | 415' |
| Fruitland | 1315' |
| Pictured Cliffs | 1665' |
| Lewis Shale | 1848' |

3. Estimated depths of anticipated water, oil, gas, or minerals:

| Substance | Formation | Anticipated Depth |
|-----------|----------------|-------------------|
| Gas | Fruitland Coal | 1815 +/- |

4. The Casing Program:

| Depth | Hole Size | Casing O.D. | Wt. | Grade | Type | New/Used |
|---------|-----------|-------------|-------|-------|------|----------|
| 0-390' | 8 3/4" | 7" | 20# | J-55 | ST&C | New |
| 0-1855" | 6 1/4" | 4-1/2" | 10.5# | J-55 | ST&C | New |

Proposed Cement Program: To effectively isolate and seal off all water, oil, gas and coal bearing strata encountered by the utilization of spacer and centralizers at the base of the Ojo Alamo formation as specified by NTL-FRA 90-1 III.B and API standards; and by using cement volumes as follows: (Exact volumes to be determined from logs):

Surface: 196 Cu Ft(166Sx) Class B w/ 0.25# Flocele/ Sx w/5#/Sk Gilsonite plus 2% CaCl (100% Excess). *Circulate Cement*

Production: 85 Cubic Feet (42 Sacks Lite Standard Cement w/ 2% Metasilicate + 0.25 pps Flocele mixed to 12.4 ppg followed by 162 Cubic Feet (134 Sacks) Standard w/ 0.6% Halad-322 mixed to 15.6 ppg w/ caliper plus 25% excess in both slurries. Grand Totals: 247 Cubic Feet (176 Sacks). *Cement top to be above -290'. If not circulated, log for TOC*

5. Operators Minimum Specifications for pressure control:

Expected bottom hole pressure 250 psi or less.

Attached is a schematic of the blowout preventer used by a local contractor for other wells in the area. The BOP to be used is a double ram type BOP with flanged connections and high-pressure inlet and outlet hoses, all tested to 250 psi low and 1000 psi high.

In the event drill floor height precludes the use of a lower BOP spool, the rams will be tested in conjunction with the surface casing.

**TEN-POINT PROGRAM
POGO PRODUCING COMPANY**

Well name: Juhan #1T
Location: 1957' FNL & 1940' FWL, F-Sec. 29, T-30-N, R-12-W, NMPM
San Juan County, NM
Formation: Fruitland Coal

6. The type and characteristic of the proposed circulating muds:

Surface: Spud flocculating bentonite with lime.
Production: Freshwater - Bentonite

| Interval | Mud Weight | Viscosity | Fluid Loss | Ph | Additives |
|----------|------------|-----------|------------|-----|---|
| 0-650' | 8.4 | 32 | ----- | 7.5 | Gel, Lime |
| 650'-TD | 8.6 - 9.2 | 30-50 | <15cc | 8 | Additives as needed to maintain viscosity |

Surface Casing: Spud flocculating bentonite with lime.
Production Casing: Low solids non-disbursing system.

7. Auxiliary Equipment to be used is as follows:

- a. Float valve above bit.
- b. Monitoring of mud system will be visual.
- c. A safety valve and subs to fit all drill strings will be used.

8. Testing, logging and coring will be as follows:

- a. Cores: None
- b. Drill stem tests: none anticipated.
- c. Logs will include: High Resolution Induction w/ Gamma Ray, SP, Caliper, Microlog, Spectral Density and Dual Spaced Neutron Microlog; all from Total depth to the surface casing shoe.

9. Anticipated Abnormal Pressures and temperatures:

No abnormal pressures, temperatures, or Hydrogen Sulfide gases are anticipated during the completion of this well.

10. Anticipated starting date and duration of operations:

The anticipated starting date is August, 2006. The drilling operations should be completed within 10 days after rig-up date. Completion will be done as equipment availability and weather permit.

Date: 6-07-06 Drilling Engineer: B. J. Salzman

BOP SCHEMATIC FOR DRILLING OPERATIONS CLASS 1 (2M) NORMAL PRESSURE

ROTATING HEAD
OR STRIPPING
(DIVERTING)
HEAD
OPTIONAL

FILL UP LINE

FLOW LINE
TO PIT

BLIND
RAMS

PIPE
RAMS

SCREW ON
DRILLING FLANGE

FILL-UP /
KILL LINE
2" dia min.

Fig. 92 (typical)
CASINGHEAD
(SCREW-IN)

TO
ADJUSTABLE
CHOKE
MANIFOLD
2" dia min.

CASING COLLAR
(LOOKING UP)

** Remove check or ball
from check valve and
press test to same press
as BOP's. **

1. Test BOP after installation:

Pressure test BOP to 200-300
psig (low pressure) for ~~5~~ 10 min.

Test BOP to Working Press or
to 70% internal yield of surf csg
(10 min).

2. Test operation of (both) rams
on every trip.

3. Check and record Accumulator
pressure on every tour.

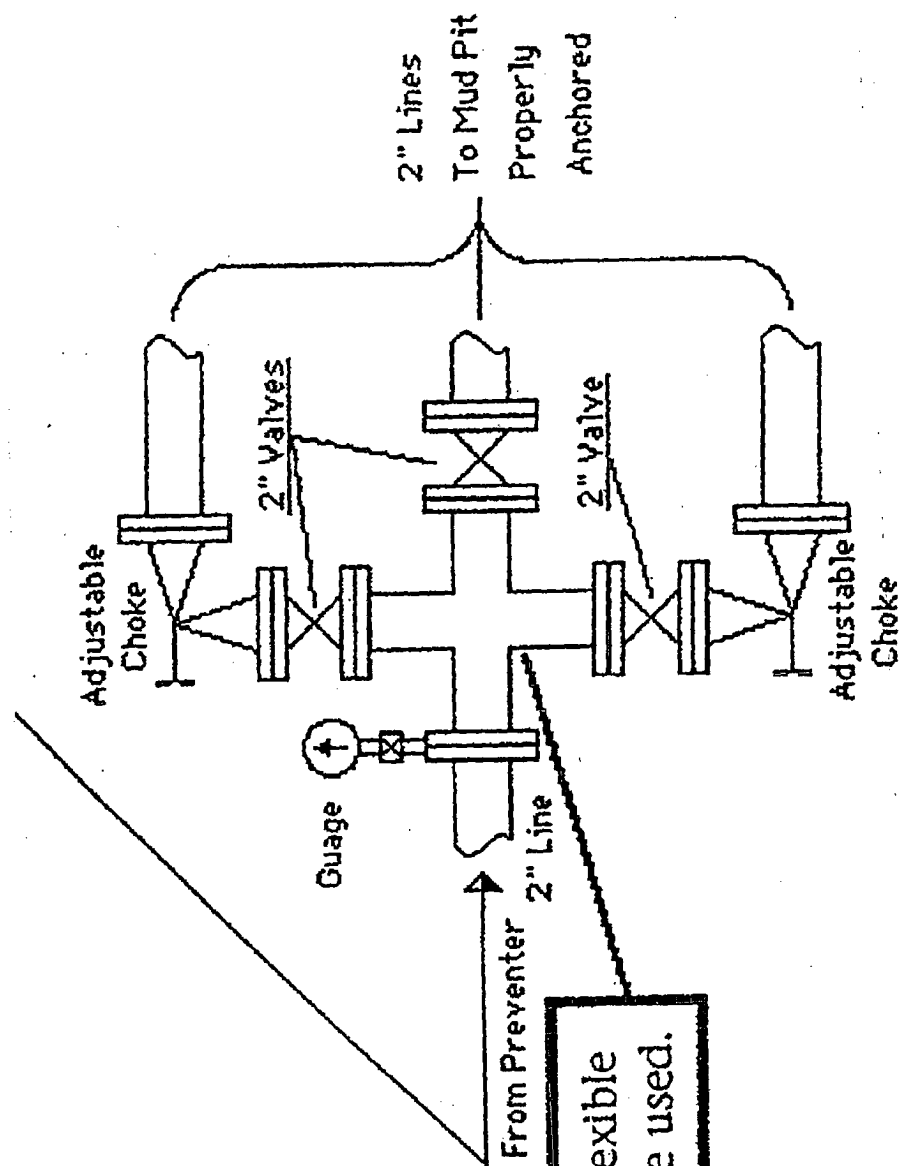
4. Re-pressure test BOP stack after
changing out rams.

5. Have kelly cock valve with handle available.

6. Have safety valve and subs to fit all sizes of
drill string.

TESTING
PROCEDURE

See Choke Manifold drawing for
specifications



High-Pressure, threaded flexible inlet and outlet lines will be used.