

Pogo

6-14-06

DATE IN 6/15/06	SUSPENSE	ENGINEER MIKE SPOGNER	LOGGED IN 6/15/06	TYPE NSL	APP NO. PTDS0616629372
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

2006 JUN 14 PM 12 47

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

JAMES BRUCE
 P.O. BOX 1056
 SANTA FE, NM 87504

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce *Attorney for applicant* *6/14/06*
 Signature Title Date
Jamesbruce@aol.com
 e-mail Address

Print or Type Name

Signature

Title

Date

e-mail Address

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(5050) 982-2151 (Fax)

jamesbruc@aol.com

June 14, 2006

Hand delivered

Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F(2), Pogo Producing Company applies for approval of an unorthodox oil well location for the following well:

<u>Well:</u>	Red Tank "26" Fed. Well No. 15
<u>Location:</u>	1050 feet FNL & FWL
<u>Well unit:</u>	NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 26, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico

The well will be drilled to a depth sufficient to test the Bone Spring formation (Red Tank-Bone Spring Pool), although the primary zone of interest is the Delaware formation (West Red Tank-Delaware Pool). Applicant requests location approval in both zones. The pools are spaced on 40 acres under the Division's statewide rules, with wells to be located no closer than 330 feet to a quarter-quarter section line. An APD for the well, with a Form C-102, is attached as **Exhibit A**.

The well's location is based on geologic and engineering reasons in the Delaware formation. There are no Bone Spring producers in the NW $\frac{1}{4}$ of Section 26, so the Bone Spring zone has no bearing on the location, although the Bone Spring will be tested first. However, the proposed location ensures that the well will test the maximum thickness of Brushy Canyon BC4 sand, which is the primary producing zone. In addition, the well is located equidistant from four offsetting wells. Drainage is a concern in this area, and applicant desires to maximize distance between producing Delaware wells. **Exhibit B** contains a geological write-up and appropriate plats.

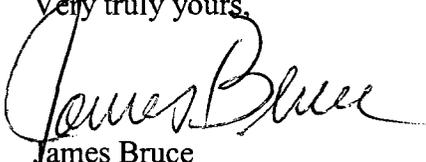
Please note that the W $\frac{1}{2}$ NW $\frac{1}{4}$ and NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 26 (as well as the NE $\frac{1}{4}$ and N $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 27) are within applicant's Prize Federal Cooperative Leasehold Pressure Maintenance Project.

In addition, applicant request approval of **simultaneous dedication** in the Delaware formation: Applicant's Red Tank "26" Fed. Well No. 2 is also located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 26.

The W $\frac{1}{2}$ of Section 26 is subject to United States Lease NM 86149. See Exhibit C. Leasehold ownership is common throughout the lease. Therefore, there is no adversely affected interest owner, and notice of this application has not been given to anyone.

Please contact me if you need any further information on this application.

Very truly yours,



James Bruce
Attorney for Pogo Producing Company

(July 1992)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

(Other instructions on reverse side)

OMB NO. 1004-0136 Expires: February 28, 1995

OPERATOR'S COPY

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

RECEIVED

MAY 20 2006

MIDLAND

1A. TYPE OF WORK DRILL [X] DEEPEN []
1B. TYPE OF WELL OIL WELL [X] GAS WELL [] OTHER []
SINGLE ZONE [X] MULTIPLE ZONE []

2. NAME OF OPERATOR POGO PRODUCING COMPANY (RICHARD WRIGHT 432-685-8140)

3. ADDRESS AND TELEPHONE NO. P.O. BOX 10340 MIDLAND, TEXAS 79702-7340 (432-685-8100)

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) At surface 1050' FNL & 1050' FWL SECTION 26 T22S-R32E LEA CO. NM At proposed prod. zone SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 35 miles Southeast of Carlsbad New Mexico.

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 1050'

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 400'

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3686' GR.

5. LEASE DESIGNATION AND SERIAL NO. NM-86149
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT AGREEMENT NAME
8. FARM OR LEASE NAME, WELL NO. RED TANK "26" FEDERAL # 15
9. AP WELL NO.
10. FIELD AND POOL, OR WILDCAT RED TANK - BONE SPRING
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA SECTION 26 T22S-R32E
12. COUNTY OR PARISH LEA CO. 13. STATE NEW MEXICO

22. APPROX. DATE WORK WILL START* WHEN APPROVED

23. PROPOSED CASING AND CEMENTING PROGRAM

Carlsbad Controlled Water Basin

Table with 5 columns: SIZE OF HOLE, GRADE SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Rows include 26" Conductor, 17 1/2" H-40, 11" N-80, and 8 1/2" N-80.

Witness Surface Casing

- 1. Drill 26" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 17 1/2" hole to 1050'. Run and set 1050' of 13 3/8" 48# H-40 ST&C casing. Cement with 500 Sx. of Class "C" 65/35/6 POZ/GEL, tail in with 200 Sx. of Class "C" + 2% CaCl, + 1/2# Flocele/Sx., circulate cement to surface.
3. Drill 11" hole to 5050'. Run and set 9 5/8" casing as follows: 600' of 9 5/8" 40# N-80 LT&C, 4450' of 9 5/8" 40# J-55 LT&C casing. Cement with 1300 Sx. of 35/65/6 Class "C" POZ/GEL + 5% SALT, tail in with 200 Sx. of Class "C" + 2% CaCl, circulate cement to surface.
4. Drill 8 1/2" hole to 10,200'. Run and set 10,200' of 7" 26# N-80 LT&C casing. Cement in two stages DV Tool at 6500'±. Cement 1st stage with 500 Sx. of Class "H" + 8/PPS Gilsonite, cement 2nd stage with 400 Sx. of Class "C" + 8/PPS of Gilsonite. Cement volumes may be changed, estimate top of cement 4000' from surface.

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 [Signature] TITLE Agent DATE 04/14/06

(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 land to be drilled or deepened. Applicant is to conduct operations thereon. CONDITIONS OF APPROVAL IF ANY:

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

APPROVED BY [Signature] TITLE FIELD MANAGER DATE 5-26-06

Reverse Side APPROVAL FOR 1 YEAR

Title 18 EXHIBIT A

and willfully to make to any department or agency of the and to pay matter within its jurisdiction.

DISTRICT I
1425 N. FRENCH DR., BOBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, ARTRESIA, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
	51683	RED TANK - BONE SPRING
Property Code	Property Name	Well Number
	RED TANK 26 FEDERAL	15
OGRID No.	Operator Name	Elevation
017891	POGO PRODUCING COMPANY	3686'

Surface Location

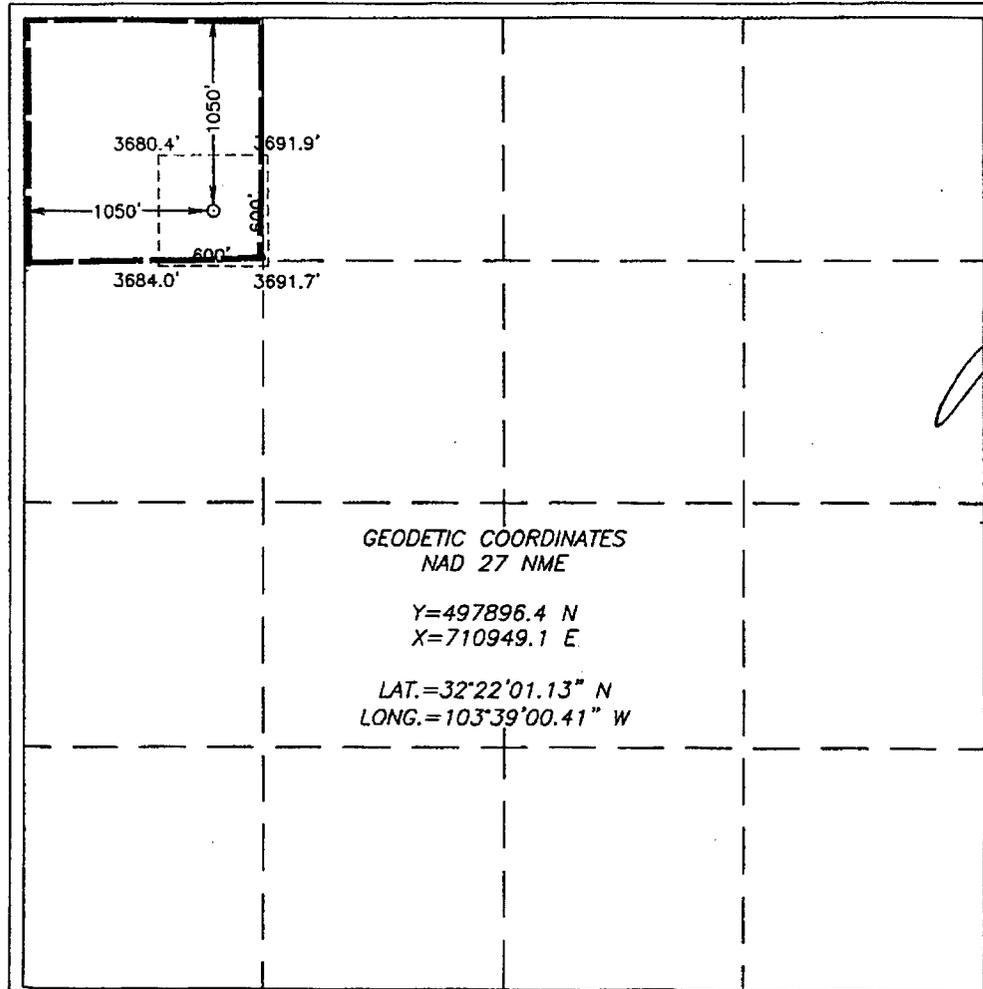
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	26	22-S	32-E		1050	NORTH	1050	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

NO ALLOWABLE WILL BE 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 herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Joe T. Janica
Signature
Date 04/14/06
Joe T. Janica
Printed Name
Agent

SURVEYOR CERTIFICATION

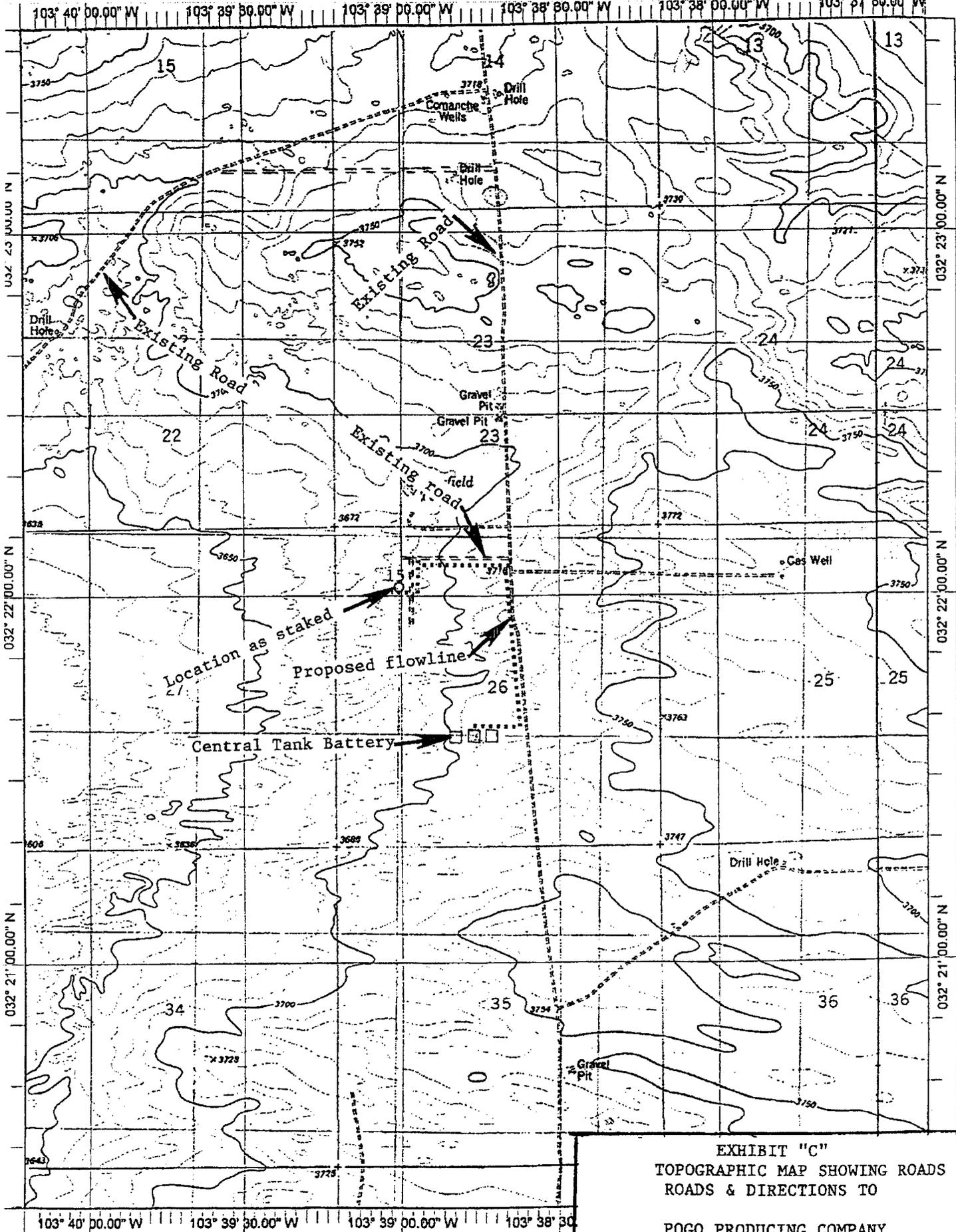
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MARCH 13, 2006

Date Surveyed _____ JR
Signature & Seal of Professional Surveyor
Gary Eidson 3/17/06
06.11.0502
Certificate No. GARY EIDSON 12841

EXHIBIT "A"

Standard
640-acre
Section



Copyright (C) 1999, Maptech, Inc.

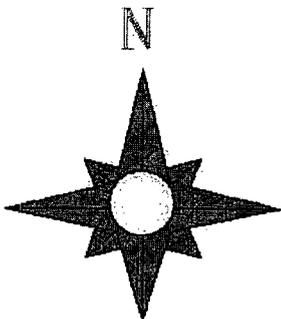
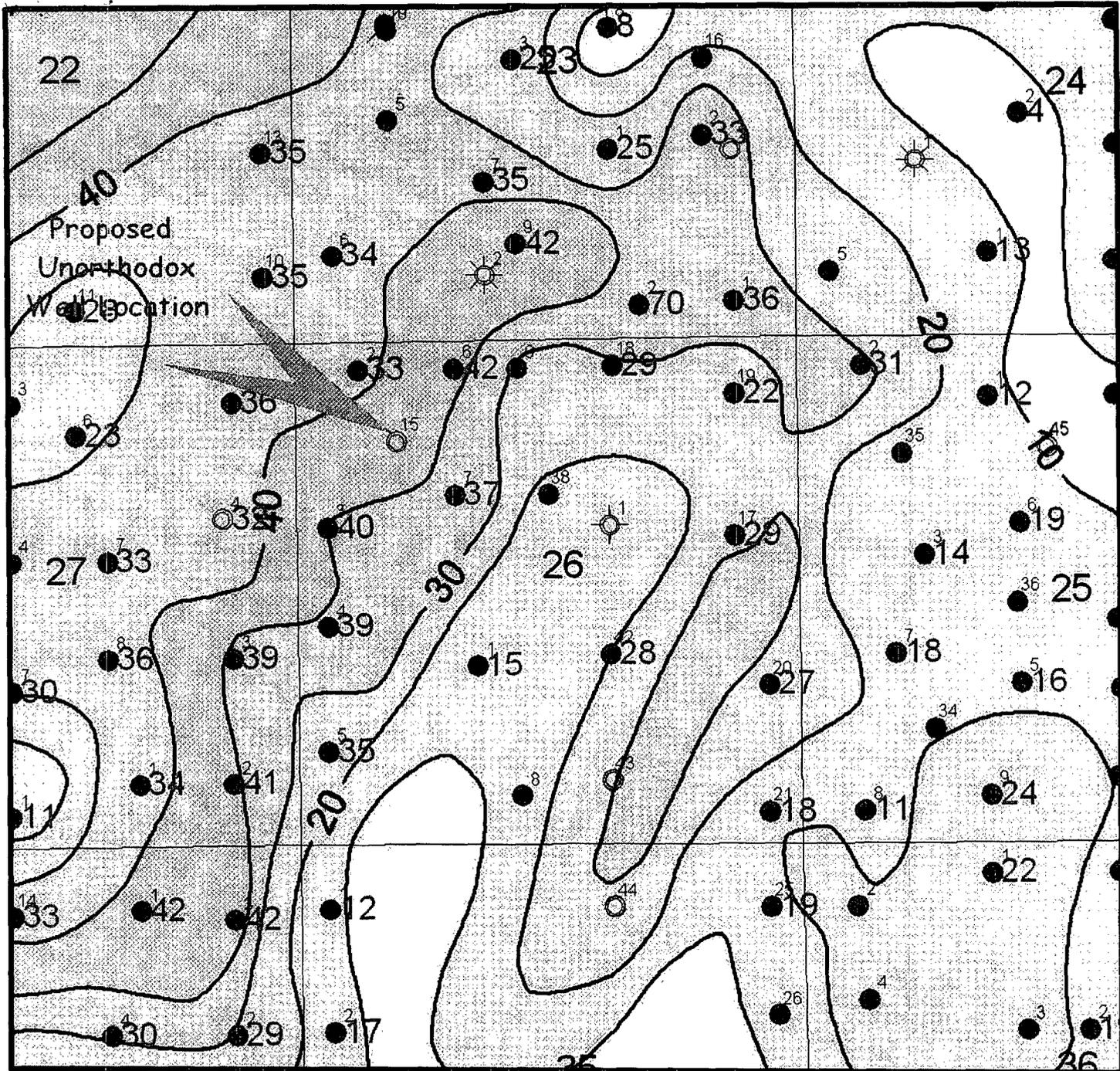
EXHIBIT "C"
 TOPOGRAPHIC MAP SHOWING ROADS
 ROADS & DIRECTIONS TO

 POGO PRODUCING COMPANY
 RED TANK "26" FEDERAL # 15
 UNIT "D" SECTION 26
 T22S-R32E LEA CO. NM

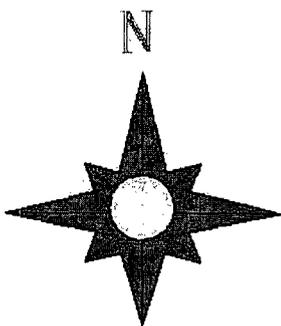
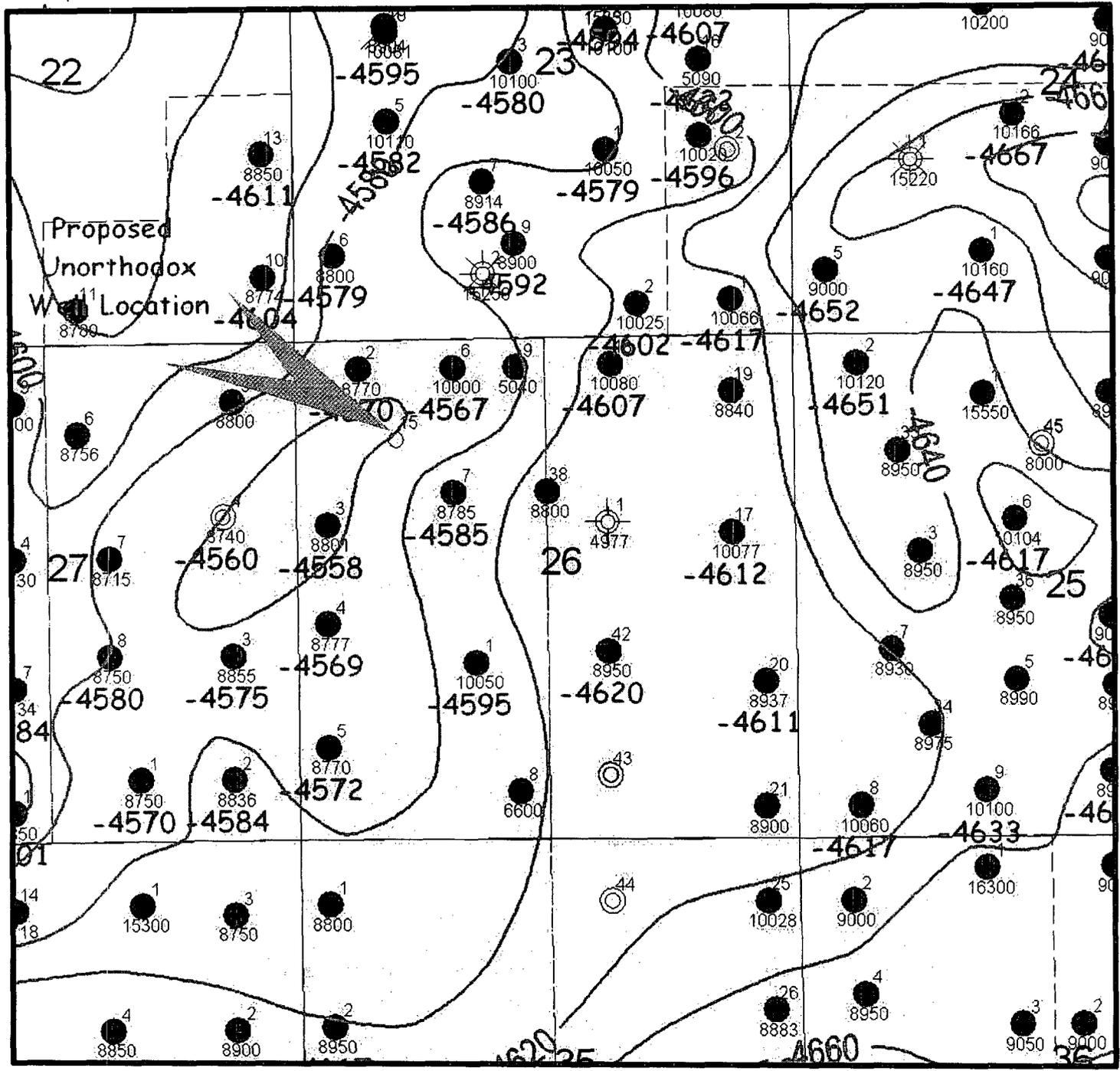
Pogo Producing Company
Red Tank "26" Fed #15
Application for Unorthodox Location

1. The proposed Red Tank "26" Fed #15 well is located 1050' fnl, 1050' fwl, section 26, T22S, R32E, Eddy County, New Mexico.
2. The proposed well is located in the Red Tank Bone Spring Field and the Red Tank West Delaware field.
3. The primary producing zone in the Red Tank Bone Spring Field is the 1st Bone Spring Sand, which is found at a depth of approximately 9800'. There are currently no Bone Spring producers in the NW/4 of section 26.
4. The primary producing zone in the Red Tank West Delaware Field is the Brushy Canyon "BC4" Sand, which occurs at a depth of approximately 8450'. There are other less prolific Delaware zones above the "BC4" that are also typically completed.
5. The Brushy "BC4" Sand was deposited in NE/SW-trending lenses, that vary in net thickness from 10' to over 40' in section 26 (see Net Sand map).
6. The structure map on the Brushy "A" Sand shows east-southeast regional dip.
7. The proposed location is expected to encounter more than 40 feet of net porosity in the "BC4" Sand, with the top of the Brushy "A" sand expected at a structural elevation of -4560' subsea.
8. The proposed location is equally spaced between four existing Pogo-operated locations in the NW/4 of section 26. These wells are the Red Tank Fed #2, Red Tank Fed #3, Red Tank Fed #6, and the Red Tank Fed #7.
9. The 1st Bone Spring Sand, if viable, will be completed initially in the proposed well. It is anticipated that the well will eventually be re-completed uphole in the Delaware Sand.
10. The proposed well is expected to capture un-drained reserves in the Brushy Canyon "BC4" sand between the offsetting 4 wells because a) the thickest part of the "BC4" Sand lens is located between the existing 4 wells; b) sufficient distance exists between the proposed well and each offset that it is unlikely that excessive drainage interference will occur.

- EXHIBIT B -



 POGO PRODUCING COMPANY Western Division Midland, Texas	
Red Tank Prospect Isopach Brushy Canyon "BC4" Net Sand Lea County, New Mexico	
WEH	
5/18/06	



 POGO PRODUCING COMPANY Western Division Midland, Texas	
Red Tank Prospect Structure Top Brushy Canyon "A" Lea County, New Mexico	
WEH	
5/18/06	

