

DATE IN 2/19/04	SUSPENSE 3/10/04	ENGINEER MS	LOGGED IN MS	TYPE NSL	APP NO. PME50 407733734
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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]

RECEIVED

FEB 19 2004

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

- [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

- [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.

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

James Bruce

Print or Type Name

James Bruce
Signature

Attorney for Applicant

Title

jamesbruc@aol.com
e-mail Address

19
2/18/04
Date

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)
(505) 982-2151 (FAX)

jamesbruc@aol.com

February 19, 2004

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 ("Pogo") applies for administrative approval of unorthodox oil well locations for the following eight wells:

<u>Well:</u>	Lost Tank "3" Federal Well No. 14
<u>Location:</u>	1450 feet FSL & 1710 feet FEL
<u>Well Unit:</u>	NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 3, Township 22 South, Range 31 East, N.M.P.M., Eddy County, New Mexico
<u>Well:</u>	Lost Tank "3" Federal Well No. 20
<u>Location:</u>	2500 feet FSL & 2250 feet FEL
<u>Well Unit:</u>	NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 3, Township 22 South, Range 31 East, N.M.P.M., Eddy County, New Mexico
<u>Well:</u>	Lost Tank "3" Federal Well No. 21
<u>Location:</u>	2500 feet FNL & 450 feet FWL
<u>Well Unit:</u>	SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 3, Township 22 South, Range 31 East, N.M.P.M., Eddy County, New Mexico
<u>Well:</u>	Lost Tank "3" Federal Well No. 22
<u>Location:</u>	2500 feet FNL & 1850 feet FWL
<u>Well Unit:</u>	SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 3, Township 22 South, Range 31 East, N.M.P.M., Eddy County, New Mexico
<u>Well:</u>	Lost Tank "4" Federal Well No. 8
<u>Location:</u>	2490 feet FNL & 500 feet FEL
<u>Well Unit:</u>	SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 4, Township 22 South, Range 31 East, N.M.P.M., Eddy County, New Mexico

Well: Lost Tank "4" Federal Well No. 9
Location: 2610 feet FNL & 1850 feet FEL
Well Unit: SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 4, Township 22 South, Range 31 East, N.M.P.M., Eddy County, New Mexico

Well: Lost Tank "4" Federal Well No. 10
Location: 2610 feet FNL & 2310 feet FWL
Well Unit: SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 4, Township 22 South, Range 31 East, N.M.P.M., Eddy County, New Mexico

Well: Lost Tank "4" Federal Well No. 11
Location: 2410 feet FNL & 990 feet FWL
Well Unit: SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 4, Township 22 South, Range 31 East, N.M.P.M., Eddy County, New Mexico

The wells will be drilled to test the Delaware formation (Designated and Undesignated West Lost Tank-Delaware Pool), which is developed on statewide rules. Form C-102's for the eight wells are attached as Exhibit A.

In addition, simultaneous dedication approval is requested for the following wells:

Wells: Lost Tank "3" Federal Well Nos. 14 and 20
Well Unit: NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 3

Wells: Lost Tank "3" Federal Well Nos. 4 and 21
Well Unit: SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 3

Wells: Lost Tank "3" Federal Well Nos. 3 and 22
Well Unit: SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 3

Wells: Lost Tank "4" Federal Well Nos. 7 and 8
Well Unit: SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 4

Wells: Lost Tank "4" Federal Well Nos. 6 and 9
Well Unit: SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 4

Wells: Lost Tank "4" Federal Well Nos. 5 and 10
Well Unit: SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 4

The application is based on potash, geologic, and engineering reasons. Sections 3 and 4 are within the oil-potash area of southeastern New Mexico. Most of the existing wells in Sections 3 and 4 were drilled at unorthodox locations because they were the only locations which the Bureau of Land Management ("BLM") would approve at the time.

Pogo has now applied to the BLM for approval to drill the above wells. Due to the locations of the previously approved wells, the proposed locations are needed to place wells approximately equidistant from each other. In addition, the wells are located to

take advantage of favorable geology in the primary Delaware zones. Attached as Exhibit B is a geologic discussion, with appropriate plats, supporting the application. Finally, in the event of potential pressure maintenance operations, the locations will be appropriate to take advantage of injection operations.

Attached as Exhibit C is a land plat, highlighting the well locations. All of Sections 3 and 4 are covered by United States Oil and Gas Lease NM 0417696, which has common royalty, overriding royalty, and working interest ownership. Because all of the locations are interior to the lease, there are no offset operators to notify. **As a result, applicant requests that the 20 day notice period be waived.**

Please call me if you need any further information on this matter.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce".

James Bruce

Attorney for Pogo Producing Company

PLEASE EXPEDITE
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.

RECEIVED

OCT 29 2003

SUBMIT IN TRIPLICATE - Other instructions on reverse side

MIDLAND

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

POGO PRODUCING COMPANY (RICHARD WRIGHT 432-685-8140)

3a. Address

P.O. BOX 10340 MIDLAND, TEXAS 79702

3b. Phone No. (include area code)

432-685-8100

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1450' FSL & 1710' FEL SEC. 3 T22S-R31E EDDY CO. NM

5. Lease Serial No.
NM-01476966. If Indian, Allottee or Tribe Name
-----7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

LOST TANK "3" FEDERAL # 14

9. API Well No.

10. Field and Pool, or Exploratory Area
LOST TANK DELAWARE WEST

11. County or Parish, State

EDDY CO. NEW MEXICO

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other MOVE
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	LOCATION
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

1. Pogo Producing Company requests the approval to move the location of their LOST TANK "3" FEDERAL # 14 from 1880' FSL & 1850' FEL to 1450' FSL & 1710' FEL SEC. 3 T22S-R31E.

2. The reason for this move is to develop a more efficient drainage pattern resulting in additional oil recovery.



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Joe T. Janica

Title Agent

Signature

Date 10/27/03

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

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.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised February 10, 1994
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 96582	Pool Name LOST TANK DELAWARE WEST
Property Code 20943	Property Name LOST TANK "3" FEDERAL	Well Number 14
OGRID No. 17891	Operator Name POGO PRODUCING COMPANY	Elevation 3491'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	3	22-S	31-E		1450'	SOUTH	1710'	EAST	EDDY

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

LOT 4	LOT 3	LOT 2	LOT 1
39.65 AC	39.78 AC	39.92 AC	40.05 AC
<p>GEODETIC COORDINATES NAD 27 NME Y = 515948.2 N X = 676237.3 E LAT. 32°25'01.78"N LONG. 103°45'43.99"W</p>			
<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Joe T. Janica</i> Signature Joe T. Janica Printed Name Agent Title 10/27/03 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>October 17, 2003 Date Surveyed A.W.B. Signature & Seal of Professional Surveyor GARY EDSON 10/24/03 Certificate No. GARY EDSON 12641</p>			

Pogo Producing Company
Application for Unorthodox Locations
Lost Tank West Delaware Field
Eddy County, New Mexico

Proposed Unorthodox locations in section 3:

Lost Tank "3" Federal #14 (1450' fsl, 1710' fel, section 3, T22S, R31E)
Lost Tank "3" Federal #20 (2500' fsl, 2250' fel, section 3, T22S, R31E)
Lost Tank "3" Federal #21 (2500' fml, 450' fwl, section 3, T22S, R31E)
Lost Tank "3" Federal #22 (2500' fml, 1850' fwl, section 3, T22S, R31E)

Proposed Unorthodox locations in section 4:

Lost Tank "4" Federal #8 (2490' fml, 500' fel, section 4, T22S, R31E)
Lost Tank "4" Federal #9 (2610' fml, 1850' fel, section 4, T22S, R31E)
Lost Tank "4" Federal #10 (2610' fml, 2310' fwl, section 4, T22S, R31E)
Lost Tank "4" Federal #11 (2410' fml, 990' fwl, section 4, T22S, R31E)

Summary

Pogo Producing Company is requesting permission to drill 8 Delaware Formation tests at unorthodox locations in its Lost Tank West Field. Granting of these locations will allow Pogo to develop its remaining acreage in section 3 and section 4 with optimal spacing between the proposed locations and existing locations.

Discussion

The unusual spacing of the existing wells in Pogo's acreage in the north half of section 3 and the north half of section 4 is a result of its proximity to potential potash reserves. Discussions between Pogo Producing Company and the BLM have resulted in Pogo being granted permission to continue developing the south halves of sections 3 and 4. In order to optimize well spacing in the remaining undeveloped portions of these sections, it is necessary to drill 8 of the remaining 21 development wells at unorthodox locations.

The Lost Tank West Delaware Field produces from several of the Delaware Sands. Two of the more prolific sands in this field are the Lower Brushy "A" Sand, and the Middle Brushy "F" Sand. The proposed unorthodox locations will optimize well spacing, thus providing an opportunity for better oil and gas recovery from these two productive sands.

Brushy "A" Geology

Exhibit 1 shows the structural elevation on the top of the Brushy "A" zone (gray contours). Structure dips regionally to the southeast at an average rate of 100' per mile. The color-filled contours show the net sand thickness of main pay sand within the Brushy "A" zone (BC4 Sand). This Brushy "A" interval is interpreted as a submarine sand channel that trends in a northeast-southwest direction through sections 3 and 4, with net pay thickness ranging from 15' to 85'. The 8 proposed unorthodox locations are highlighted with green arrows.

Brushy "F" Geology

Exhibit 2 shows the structural elevation on the top of the Brushy "F" zone (gray contours). Structure dips regionally to the southeast at an average rate of 80' per mile. The color-filled contours show the net sand thickness of the main pay sand within the Brushy "F" zone. The Brushy "F" sand consists of a series of northeast-southwest-trending over-bank splays that originate from a large channel located 2 ½ miles east of section 3. Pogo expects to encounter up to 30 feet of productive net sand in the eastern locations, with pay thickness diminishing in locations toward the west.



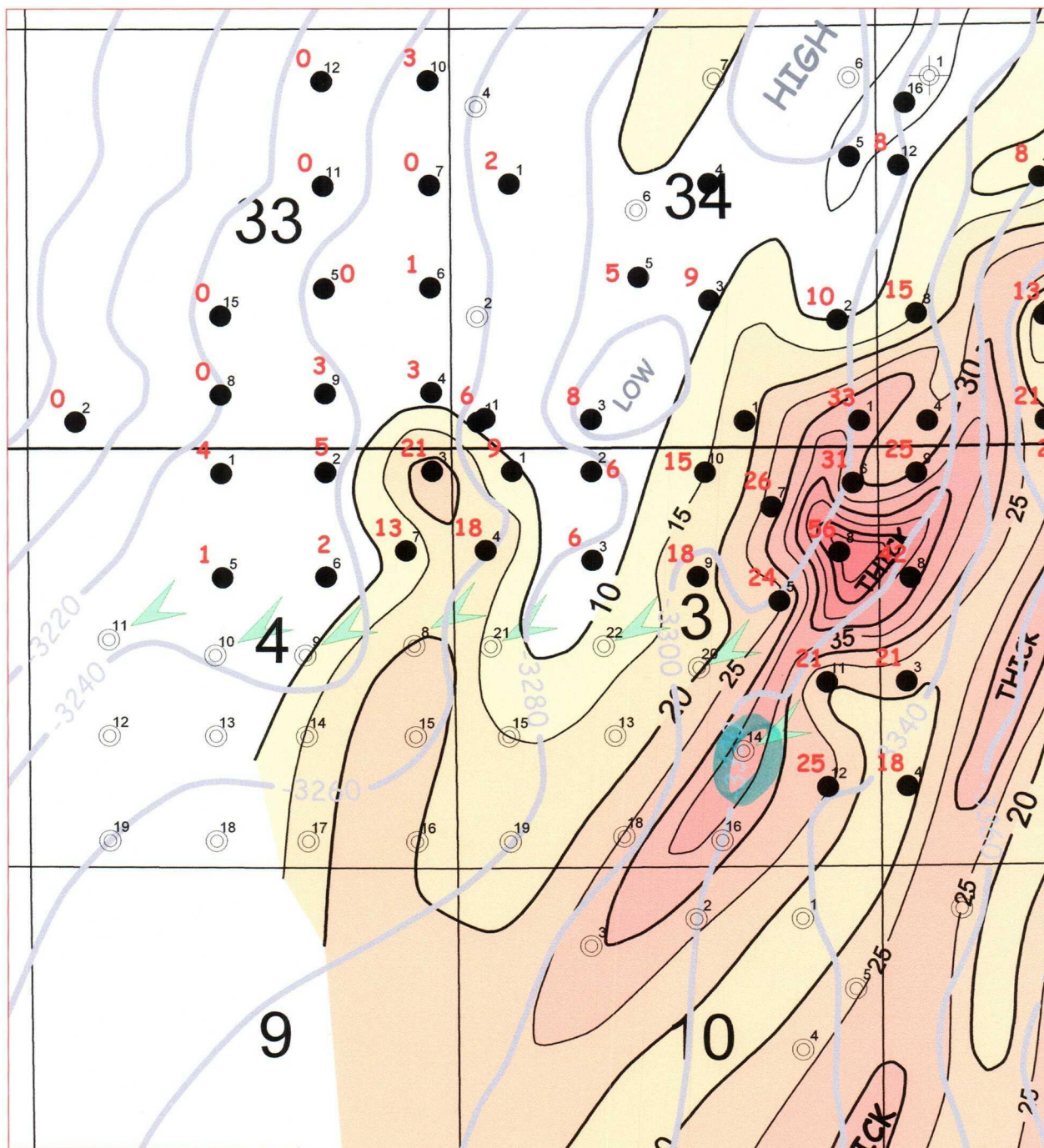


Exhibit 2

POGO PRODUCING COMPANY
Western Division Midland, Texas

Lost Tank West Field

Structure Top Brushy "F" Zone

Isopach Brushy "F" Net Porosity

Eddy County, New Mexico

WEH

ft_bcf_ood.grp

1/15/04

Project: Livingston Ridge Sand Dunes

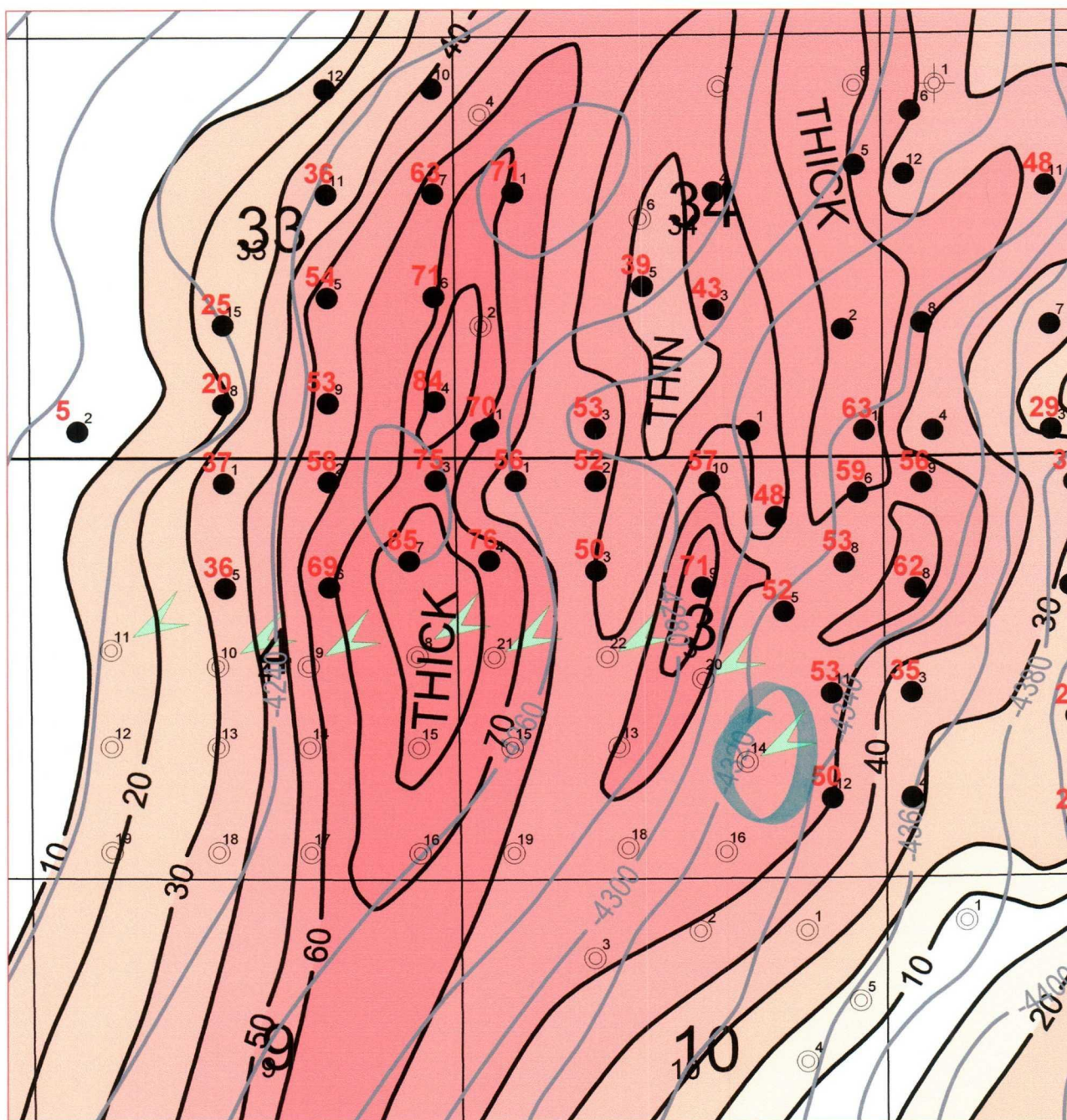


Exhibit 1

POGO PRODUCING COMPANY
Western Division Midland, Texas

Lost Tank West Field

Structure Top Brushy "A" Zone
Isopach BC4 Net Porosity
Eddy County, New Mexico

YBH		lt_bc4_oed.gmp
1/15/04	Project: Livingston Ridge Sand Dunes	1" = 2000'

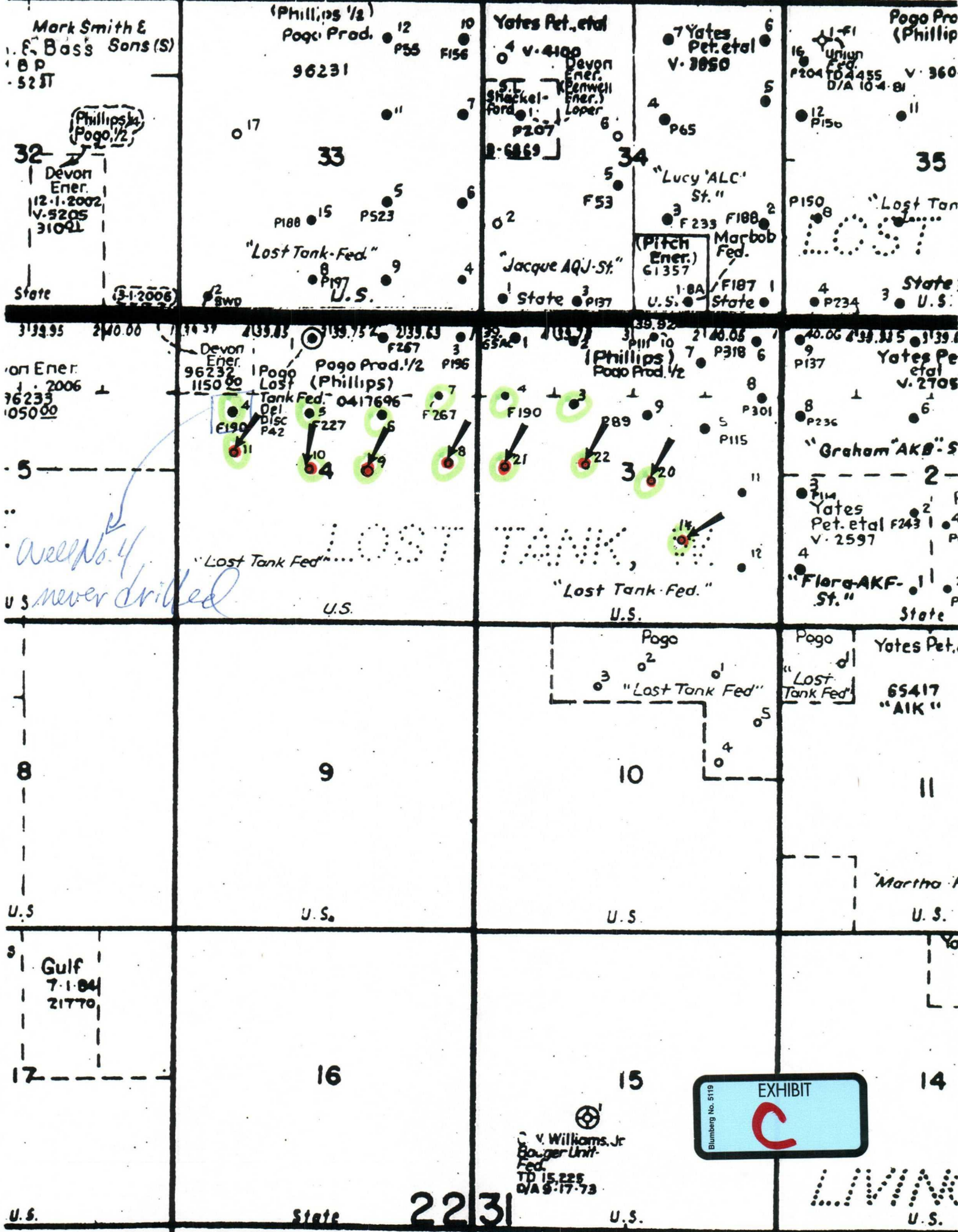


EXHIBIT
C

C. V. Williams, Jr.
Bouger Unit
Fed.
TD 15,225
D/A 9-17-73

Mark Smith &
Bass Sons (S)
B.P.
5237

(Phillips 1/2)
Pogo Prod.

Yates Pet., et al

Yates
Pet. et al
V. 3850

Pogo Pro
(Phillips)

32
Devon Ener.
12-1-2002
V. 5205
31091

State (3-1-2006)

3139.95 2140.00
on Ener.
7-1-2006
96233
05000

well No. 4
never drilled

8

U.S.

Gulf
7-1-04
21770

17

U.S.

33

"Lost Tank Fed."
U.S.

9

U.S.

16

State

2231

Yates Pet., et al
V. 4100
Shackel-
Ford
P207
1-6269
"Jacque AQJ-St."
State
P137

LOST TANK
"Lost Tank Fed."
U.S.

34

"Lucy ALC"
St."
F233 F188
Marbob Fed.
(Pitch Ener.)
G1357
U.S. 1-8A / F187
State

LOST TANK
"Lost Tank Fed."
U.S.

Pogo
"Lost Tank Fed"
U.S.

15

U.S.

35

"Lost Tan"
P150
P234
State
U.S.

LOST TANK
"Lost Tank Fed."
U.S.

Pogo
"Lost Tank Fed"
U.S.

14

U.S.

county Eddy pool West Lost Tank-Delaware

TOWNSHIP 22 South Range 31 East NMPM

6	5	4		2	1	
7	8	9	10	11	12	
18	17	16	15	14	13	
19	20	21	22	23	24	
30	29	28	27	26	25	
31	32	33	34	35	36	

Description: NW 1/4 Sec. 4 (R-10787, 4-9-97)

Ext: NW 1/4 Sec. 3, NE 1/4 Sec. 4 (R-10951, 2-4-98) Ext: NE 1/4 Sec. 3 (R-11384, 5-25-00)

Ext: SE 1/4 Sec. 3 (R-12003, 8-11-03)