

If earthen pits are used in

RESUBMITTAL

Form 3  
(July 11)

association with the drilling of this  
well, an OCD pit permit must be  
obtained prior to pit construction.

S  
INTERIOR  
CEMENT

SUBMIT IN TRIPLICATE\*  
(Other instructions on  
reverse side)

OCD-ARTESIA

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

33486

b. TYPE OF WELL

OIL  
WELL ☒

GAS  
WELL ☐

OTHER

SINGLE  
ZONE ☐

MULTIPLE  
ZONE ☐

2. NAME OF OPERATOR

Pogo Producing Company

17891

3. ADDRESS AND TELEPHONE NO.

P.O. Box 10340, Midland, TX 79702-7340

432-685-8100

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*

At surface 990' FNL & 890' FWL, Section 23

At proposed prod. zone

same

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

Approximately 16 miles Southeast of Malaga New Mexico

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drip, unit line, if any)

890

16. NO. OF ACRES IN LEASE

1280

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

40

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

1400

19. PROPOSED DEPTH

6300

20. ROTARY OR CABLE TOOLS

Rotary

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

2917' GR

22. APPROX. DATE WORK WILL START\*

when approved

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25	Conductor	NA	40	Cmt to surface w/ Redi-mix
17-1/2	13-3/8 H-40	48	650	655 sks - circ to surface
11	8-5/8 J-55	32 & 24	2800	1200 sks - circ to surface
7-7/8	5-1/2 J-55	15.5	6300	1500 sks - circ to surface

1. Drill 25" hole to 40'. Set 40' of 20" conductor and cement to surface with Redi-mix.
2. Drill 17-1/2" hole to 650'. Run & set 650' of 13-3/8" 48# H-40 ST&C csg. Cmt w/ 655 sks CI "C" cmt + 2% CaCl2 + 1/4# Flocele/sx. Circulate cmt to surface.
3. Drill 11" hole to 2800'. Run & set 2800' of 8-5/8" 24# & 32# J-55 ST&C csg. Cmt w/ 1200 sks CI "C" + add. Circulate cmt to surface.
4. Drill 7-7/8" hole to 6300'. Run & set 6300' 5-1/2" 15.5# J-55 ST&C csg. Cmt in 3 stages. DV tools @ 4000'± & 2000'±. Cmt 1<sup>st</sup> stage w/ 400 sks CI "C" cmt + additives, 2<sup>nd</sup> stage cmt w/ 600 sks CI "C" cmt + additives, 3<sup>rd</sup> stage cmt w/ 500 sks CI "C" + add. Circ cmt to surface.

Witness Surface Casing

Controlled Controlled Water Basin

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

IN ABOVE SPACE DESCRIBE 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

Cathy Wright

TITLE

Sr Eng Tech

DATE

03/10/06

(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 subject lease which would entitle the applicant to conduct operations thereon.  
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

/s/ James Stovall

TITLE

ACTING  
FIELD MANAGER

DATE

APR 19 2006

\*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001, makes 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  
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II  
811 South First, Artesia, NM 88210

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

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 96053	Pool Name E... WILDCAT; Bone Springs
Property Code	Property Name CIMARRON "23" FEDERAL	Well Number 4
OGRID No. 17891	Operator Name POGO PRODUCING COMPANY	Elevation 2917'

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	23	26 S	29 E		990	NORTH	890	WEST	EDDY

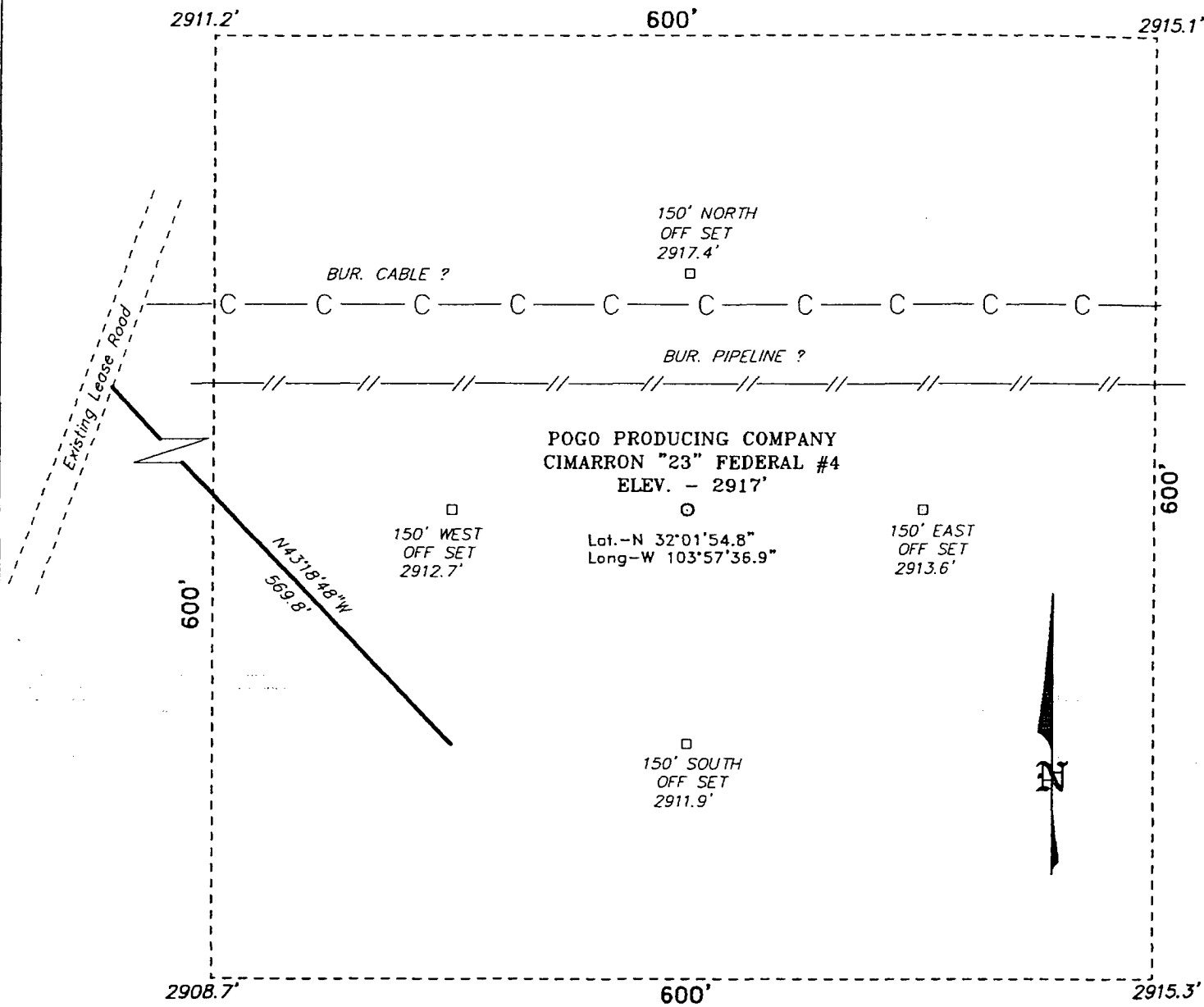
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

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

	<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 06/03/04 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>APRIL 30, 2004 Date Surveyed Signature &amp; Seal of Professional Surveyor <i>Gary L. Jones</i> W.O. No. 4236 Certificate No. Gary L. Jones 7977 JLP BASIN SURVEYS</p>
EXHIBIT "A"	

SECTION 23, TOWNSHIP 26 SOUTH, RANGE 29 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF CO. RD. 726 AND CO. RD.  
725, GO NORTHEAST ON CO. RD. 725 FOR 1.0  
MILES TO PROPOSED LEASE ROAD.

**BASIN SURVEYS** P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 4236

Date: 05-04-2004

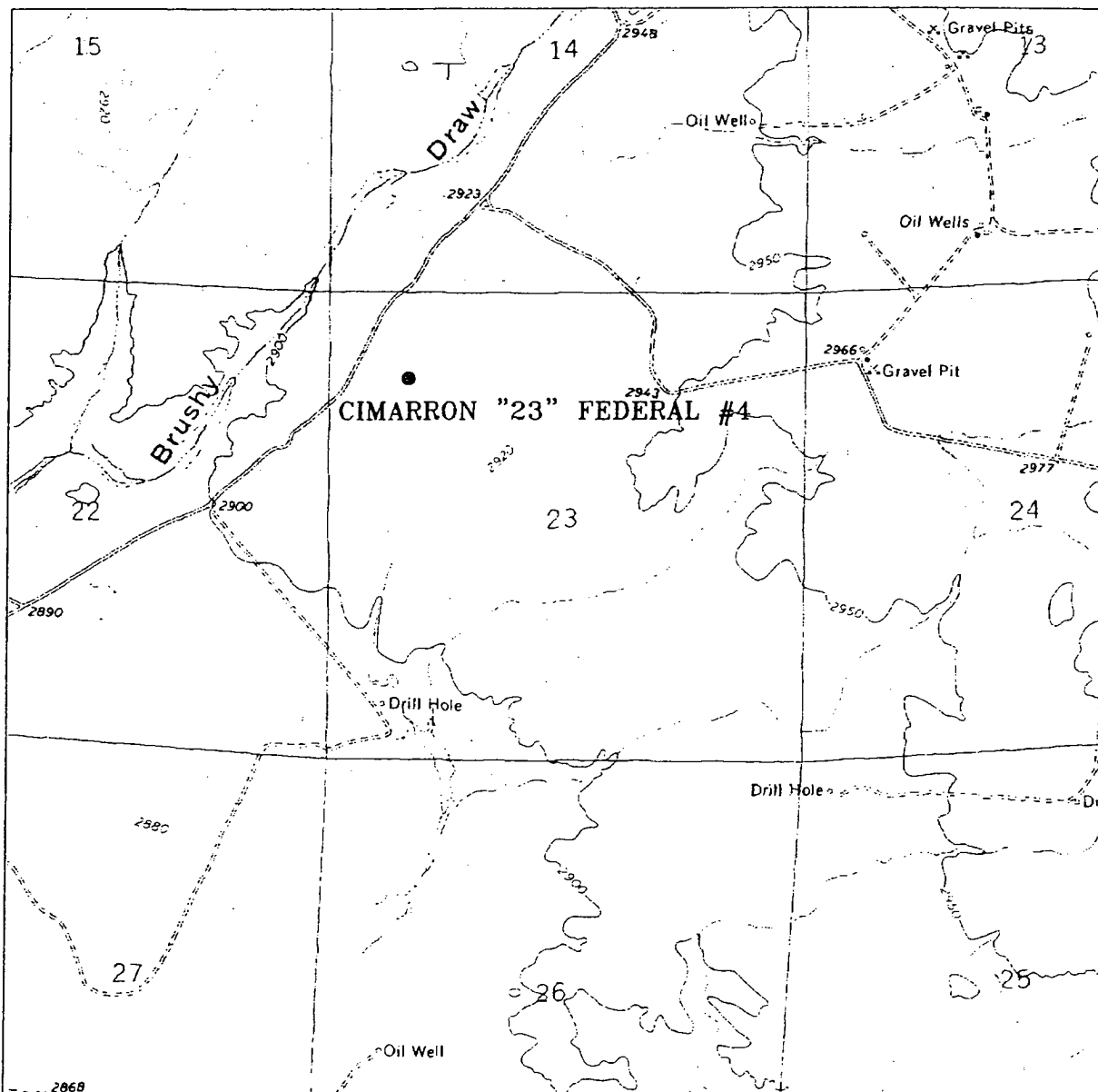
**POGO PRODUCING CO.**

REF: CIMARRON "23" FEDERAL #4 / Well Pad Topo

THE CIMARRON "23" FEDERAL #4 LOCATED 990' FROM  
THE NORTH LINE AND 890' FROM THE WEST LINE OF  
SECTION 23, TOWNSHIP 26 SOUTH, RANGE 29 EAST,  
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 05/30/04

Sheet 1 of 1 Sheets



## CIMARRON "23" FEDERAL #4

Located at 990' FNL and 890' FWL

Section 23, Township 26 South, Range 29 East,  
N.M.P.M., Eddy County, New Mexico.

**basin  
surveys**

focused on excellence  
in the oilfield

P.O. Box 1736  
1120 N. West County Rd.  
Hobbs, New Mexico 88241  
(505) 393-7316 - Office  
(505) 392-3074 - Fax  
basinsurveys.com

W.D. Number: 4236AA - JLP CD#1

Survey Date: 04/30/04

Scale: 1" = 2000'

Date: 05/03/04

**POGO  
PRODUCING  
COMPANY**

In response to questions asked under Section II of Bulletin NTL-6 the following information on the above well is provided for your consideration.

1. Location: 990' FNL & 890' FWL SECTION 23 T26S-R29E EDDY CO. NM
2. Elevation above Sea Level: 2917' GR.
3. Geologic name of surface formation: Quaternary Aeolian Deposits.
4. Drilling tools and associated equipment: Conventional rotary drilling rig using drilling mud as a circulating medium for solids removal from hole.
5. Proposed drilling depth: 6300'

6. Estimated tops of geological markers:

Basal Anhydrite	2776'	Cherry Canyon	3914'
Delaware Lime	2979'	Brushy Canyon	5176'
Bell Canyon	3080'	Bone Spring	6900'

7. Possible mineral bearing formations:

Brushy Canyon	Oil
---------------	-----

8. Casing program:

Hole size	Interval	OD of casing	Weight	Thread	Collar	Grade
25"	0-40	20"	NA	NA	NA	Conductor
17½"	0- <sup>650'</sup> <del>600'</del>	13 3/8"	48#	8-R	ST&C	H-40
11"	0-2800'	8 5/8"	24 & 32#	8-R	ST&C	J-55
7 7/8"	0-6300'	5½"	15.5#	8-R	ST&C	J-55

# 9. CASING CEMENTING & SETTING DEPTH:

- |         |              |   |
|---------|--------------|---|
| 20"     | Conductor    | Set 40' of 20" conductor pipe and cement to surface with Redi-mix.  |
| 13 3/8" | Surface      | Set <sup>650</sup> 600' of 13 3/8" 48# H-40 ST&C casing, Cement with 655 Sx. of Class "C" cement + 2% CaCl <sub>2</sub> + 1/4# Flocele/Sx. Circulate cement to surface.   |
| 8 5/8"  | Intermediate | Set 2800' of 8 5/8" 32# J-55 ST&C casing. Cement with 1200 Sx. of Class "C" cement + additives, circulate cement to surface.  |
| 5 1/2"  | Production   | Set 6300' of 5 1/2" 15.5# J-55 ST&C casing. Cement in 3 stages with DV Tools at 4000' & 2000'. Cement 1st stage with 400 Sx. of Class "C" cement + additives. cement 2nd stage with 600 Sx. of Class "C" cement + additives, cement 3rd stage with 500 Sx. of Class "C" cement plus additives, circulate cement to surface. |
10. Pressure Control Equipment: Exhibit "E" shows a 2000 PSI working pressure B.O.P. consisting of Pipe Rams, Blind Rams, a Pack Off and a bell nipple. Exhibit shows a 3000 PSI choke manifold. The B.O.P. will be nipped up on the 8 5/8" casing and remain on the hole to TD. After the B.O.P. is installed it will be tested to API specifications and will be operated at least once each 24 hour period and blind rams will be operated when drill pipe is out of hole. Full opening stabbing valve and kelly cock will be utilized. Exhibit "E-1" shows a 3000 PSI choke manifold. No abnormal pressures or temperatures are expected in this well, as none were encountered in off-set wells.

# 11. PROPOSED MUD CIRCULATING SYSTEM:

DEPTH	MUD WT.	VISC.	FLUID LOSS	TYPE MUD SYSTEM
40- <sup>650</sup> 600'	8.4-8.7	29-34	NC	Fresh water Spud mud add paper to control seepage
<sup>650</sup> 600-2800'	10.0-10.2	29-38	NC	Brine water using paper to control seepage and high viscosity sweeps to clean hole.
2800-6300'	10.0-10.2	29-38	NC*	Brine water use paper to control seepage and high viscosity sweeps to clean hole.

\* Water loss may have to be reduced in order to run open hole logs, casing, and possibly cut cores and run DST's.

Sufficient mud materials will be kept on location at all times in order to combat lost circulation, or unexpected kicks. In order to run DST's, open hole logs, and casing, viscosity, and water loss may have to be adjusted to meet these needs.

12. LOGGING, CORING, AND TESTING PROGRAM:

- A. Open hole logs: Dual Laterolog, CNL, LDT, Gamma Ray, Caliper from TD back to 8 5/8" casing shoe. Cased hole Gamma Ray, Neutron from the 8 5/8" casing shoe back to surface.
- B. Mud logger may be placed on the hole at 2800' and remain on hole to TD.
- C. No cores or DST's are planned at this time.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. There is no known presence of H<sup>2</sup>S in this area. If H<sup>2</sup>S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 1600 PSI, and Estimated BHT 140°.

14. ANTICIPATED STARTING DATE AND DURATION OF OPERATION:

Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon after BLM approval and as soon as a rig will be available. Move in operation and drilling is expected to take 9 days. If production casing is run then an additional 30 days will be needed to complete well and construct surface facilities and/or lay flowlines in order to place well on production.

15. OTHER FACETS OF OPERATIONS:

After running casing, cased hole Gamma Ray, Neutron Collar logs will be run from TD back to all possible productive zones. The Brushy Canyon formation will be perforated and stimulated in order to establish production. The well will be swab tested and potentialized as an oil well.

## HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

1. All Company and Contract personnel admitted on location must be trained by a qualified H<sub>2</sub>S safety instructor to the following:
  - A. Characteristics of H<sub>2</sub>S
  - B. Physical effects and hazards
  - C. Proper use of safety equipment and life support systems.
  - D. Principle and operation of H<sub>2</sub>S detectors, warning system and briefing areas.
  - E. Evacuation procedure, routes and first aid.
  - F. Proper use of 30 minute pressure demand air pack.
2. H<sub>2</sub>S Detection and Alarm Systems
  - A. H<sub>2</sub>S detectors and audio alarm system to be located at bell nipple, end of blooie line (mud pit) and on derrick floor or doghouse.
3. Windsock and/or wind streamers
  - A. Windsock at mudpit area should be high enough to be visible.
  - B. Windsock at briefing area should be high enough to be visible.
  - C. There should be a windsock at entrance to location.
4. Condition Flags and Signs
  - A. Warning sign on access road to location.
  - B. Flags to be displayed on sign at entrance to location. Green flag, normal safe condition. Yellow flag indicates potential pressure and danger. Red flag, danger, H<sub>2</sub>S present in dangerous concentration. Only emergency personnel admitted to location.
5. Well control equipment
  - A. See exhibit "E" & "E-1"
6. Communication
  - A. While working under masks chalkboards will be used for communication.
  - B. Hand signals will be used where chalk board is inappropriate.
  - C. Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephoned will be available at most drilling foreman's trailer or living quarters.
7. Drillstem Testing
  - A. Exhausts will be watered.
  - B. Flare line will be equipped with an electric ignitor or a propane pilot light in case gas reaches the surface.
  - C. If the location is near to a dwelling a closed DST will be performed.



1. EXISTING ROADS & PROPOSED ROADS: Area maps; Exhibit "B" is a reproduction of a County General Hi-way Map. Exhibit "C" is a reproduction of a USGS Topographic Map, showing existing and proposed roads. All existing roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications.

A. Exhibit "A" shows the proposed well site as staked.

B. From Malaga New Mexico take U.S. Hi-way 285 South for 12.6 miles to Co. Road 725 (Whitethorn Road) turn Left (East) go 4.2 miles bear Right on Co Road 725 go 4.4 miles turn Right go 600'± to location on the Left side of road.

C. Exhibit "F" shows the anticipated routes of flowlines and roads into these well locations.

2. PLANNED ACCESS ROADS: Approximately 700' of new road will be constructed.

A. The access roads will be crowned and ditched to a 12' wide travel surface with a 40' Right-of-Way.

B. Gradient of all roads will be less than 5.00%.

C. If turn-outs are necessary they will be constructed.

D. If needed roads will be surfaced with a minimum of 4" of caliche. This material will be obtained from a local source.

E. Center-line for new roads will be flagged. Earth-work will be will be done as field conditions require.

F. Culverts will be placed in the access road if they are necessary. The roads will be constructed to utilize low water crossings for drainage as required by topography.

3. LOCATIONS OF EXISTING WELLS IN A ONE MILE RADIUS. EXHIBIT "A-1"

A. Water wells - One approximately 1 mile west of location.

B. Disposal wells - None known

C. Drilling wells - None known

D. Producing wells - As shown on Exhibit "A-1"

E. Abandoned wells - As shown on Exhibit "A-1"

4. If on completion this well is a producer the operator will lay pipelines and construct powerlines along existing road R-O-W's or other existing R-O-W's. Possible routes of pipelines, flowlines and powerlines are shown on Exhibit "F".

5. LOCATION AND TYPE OF WATER SUPPLY:

Water will be purchased locally from a commercial source and trucked over the access roads or piped to location in flexible lines laid on top of the ground.

6. SOURCE OF CONSTRUCTION MATERIAL:

If possible construction material will be obtained from the excavation of drill site, if additional material is needed it will be obtained from a local source and transported over the access roads as shown on Exhibit "C".

7. METHODS OF HANDLING WASTE MATERIAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. All trash, junk and other waste material will be contained in trash cages or trash bins to prevent scattering. When the job is completed all contents will be removed and disposed of in a approved sanitary land fill.
- C. Salts remaining after completion of well will be picked up by the supplier, including broken sacks.
- D. Waste water from living quarters will be drained into holes with a minium of 10'. These holes will be covered during drilling and will be back filled when the well is completed. A Porto-John will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- E. Remaining drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry enough to be broken out for furthred drying. If the drilling fluids do not evaporate in a reasonable time they will be hauled off by transports to a state approve disposal site. Later pips will be broken out to speed drying. Water produced during completion will be put in reserve pits. Oil and condensate produced will be put in storage tanks and sold.

8. ANCILLARY FACILITIES:

- A. No camps or air strips will be constructed on location.

9. WELL SITE LAYOUT

- A. Exhibit "D" shows the proposed well site layout.
- B. This exhibit indicated proposed location of reserve and sump pits and living facilities.
- C. Mud pits in the active circulating system will be steel pits & the reserve pit is proposed to be unlined unless subsurface condition encountered during pit construction indicate that lining is needed for lateral containment of fluids.
- D. If needed, the reserve pit is to be lined with polyethelene. The pit liner will be 6 mils thick. Pit liner will extend a minimum 2'00" over the reserve pits dikes where the liner will be anchored down.
- E. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. The fourth side will be fenced after all drilling operations have ceased. If the well is a producer, the reserve pit fence will be torn down. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

10. PLANS FOR RESTORATION OF SURFACE

Rehabilitation of the location and reserve pit will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole.

However, in either event, the reserve pit will be allowed to dry properly, and fluid removed and disposed of in accordance with Article 7.B as previously noted. The pit area will then be leveled and contoured to conform to the original and surrounding area. Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

If the well is a dry hole, the pad and road area will be contoured to match the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

Should the well be a producer, the prviously noted procedures will apply to those areas which are not required for production facilities.

11. ADDITIONAL INFORMATION:

- A. Topography consists of low lying hills with a dip of 1-5% to the Northwest drainage is into Brushy Draw, an intermittent tributary of the Pecos River. Soil consists of calcareous gravelly , sandy loam. Vegetation consists of creosotebush, Acacia, Prickley Pear, Barrel Cactus, Broom Snakeweed, Mesquite Yucca and native grasses.
- B. The surface is owned by The U.S. Department of Interior and is administered by The Bureau of Land Management. The surface is used for the grazing of livestock and the production of Oil & Gas.
- C. An archaeological survey will be conducted on the location and roads. A report of findings will be in a report that will be filed with The Bureau of Land Management in the Carlsbad Field office in Carlsbad New Mexico.
- D. There are no dwellings in the near vicinity of this location.

12. OPERATION'S REPRESENTATIVES:

Before Construction:

TIERRA EXPLORATION, INC.  
P.O. BOX 2188  
HOBBS, NEW MEXICO 88241  
OFFICE Ph. 505-391-8503  
JOE T. JANICA

During and after Construction:

POGO PRODUCING COMPANY  
P.O. BOX 10340  
MIDLAND, TEXAS 79702-7340  
RICHARD WRIGHT  
OFFICE Ph. 432-685-8140

13. CERTIFICATION: I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and the access roads, and that I am familiar with the conditions which currently exist, that the statements made in this plan are to the best of my knowledge are true and correct, and that the work associated with the operations proposed herein will be performed by POGO PRODUCING COMPANY it's contractors/subcontractors is in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for the filing of a false report.

NAME :

Joe T. Janica

DATE :

06/03/04

TITLE :

Agent

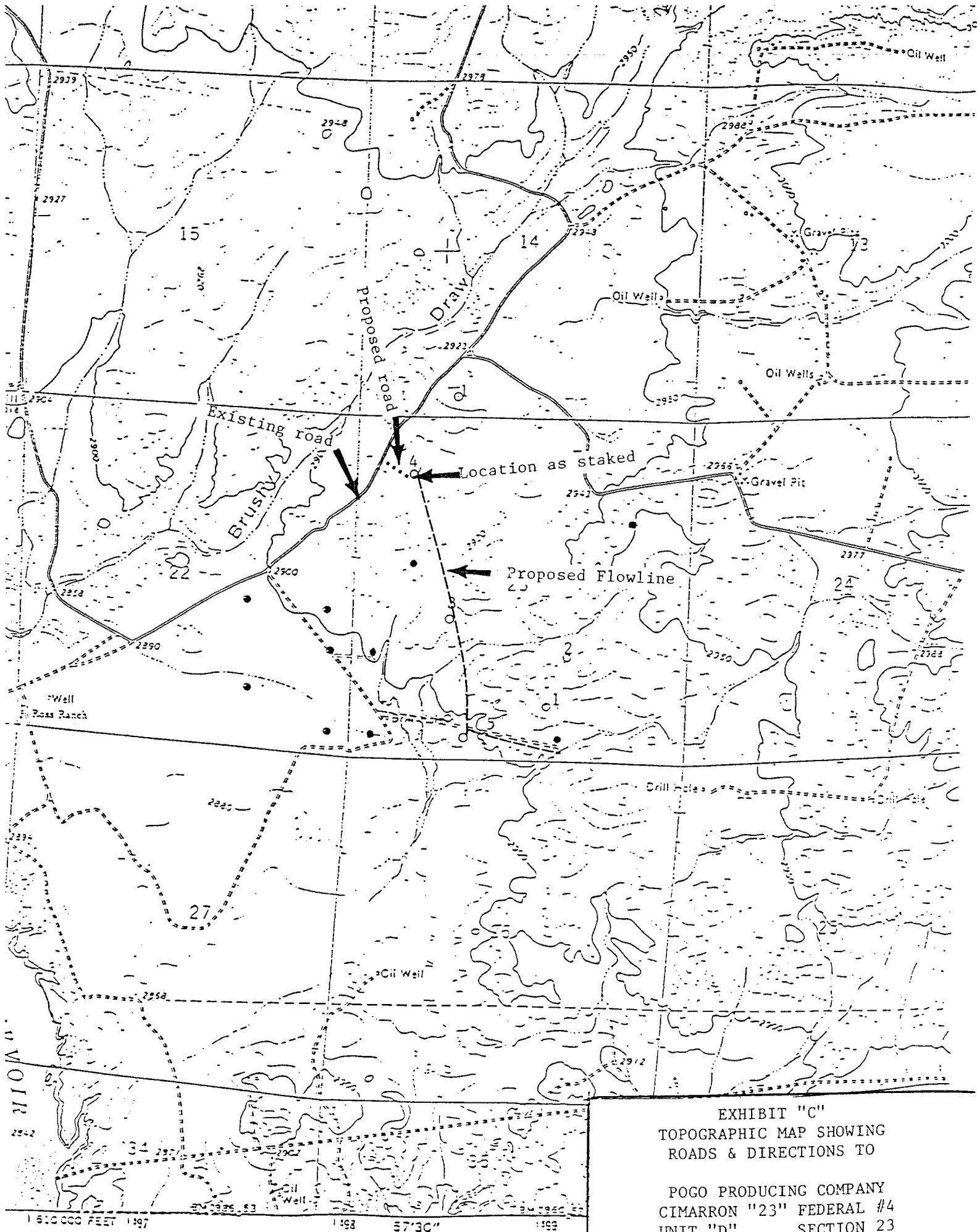


EXHIBIT "C"  
TOPOGRAPHIC MAP SHOWING  
ROADS & DIRECTIONS TO

POGO PRODUCING COMPANY  
CIMARRON "23" FEDERAL #4  
UNIT "D" SECTION 23  
T26S-R29E EDDY CO. NM

CIMARRON 23 FED # 4

# BOP SCHEMATIC

11" 2M

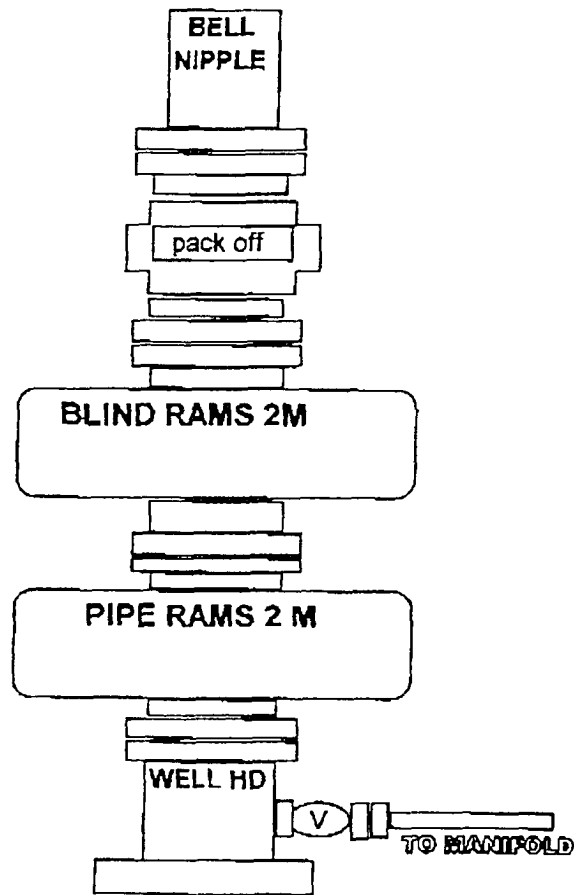


EXHIBIT "E"  
SKETCH OF B.O.P. TO BE USED ON

POGO PRODUCING COMPANY  
CIMARRON "23" FEDERAL #4  
UNIT "D" SECTION 23  
T26S-R29E EDDY CO. NM

CIMARRON 23 FED # 4

# CHOKE MANIFOLD

3000 PSI WP

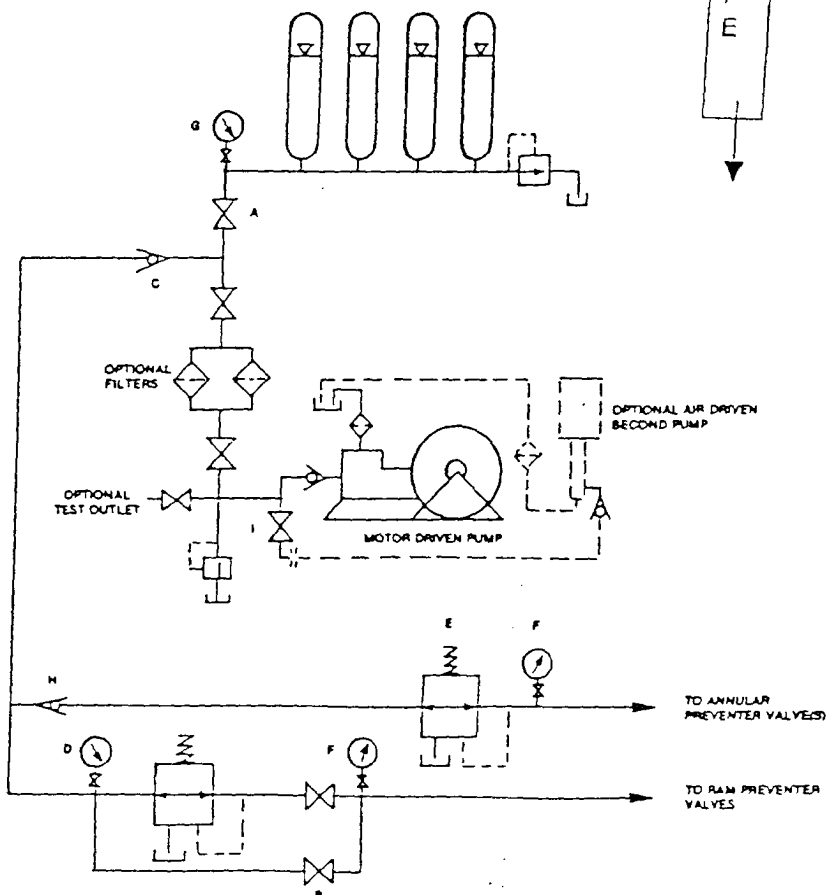
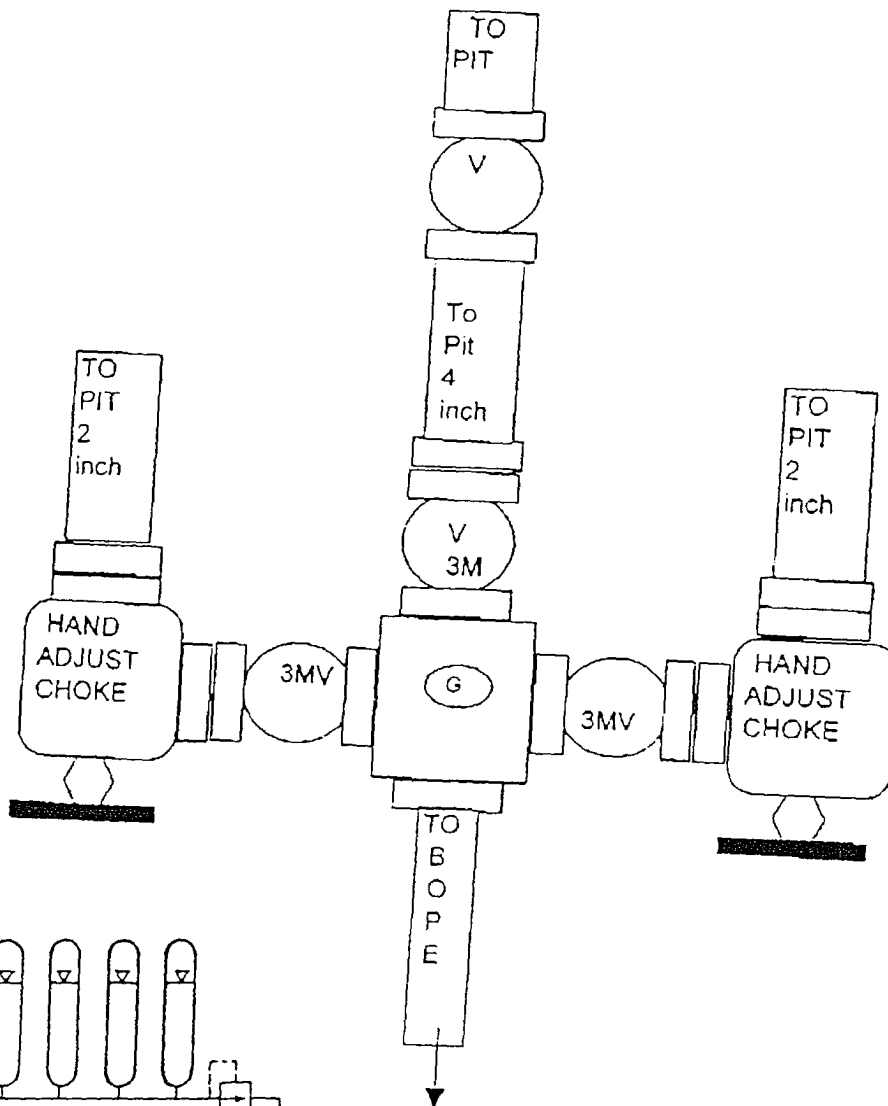


EXHIBIT "E-1"  
CHOKE MANIFOLD & CLOSING UNIT

POGO PRODUCING COMPANY  
CIMARRON "23" FEDERAL #4  
UNIT "D" SECTION 23  
T26S-R29E EDDY CO. NM

## STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

OPERATOR NAME: POGO PRODUCING COMPANY

ADDRESS; P.O. BOX 10340

CITY,STATE, & ZIP: MIDLAND, TEXAS 79702-7340

The above operator accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below.

Lease No: NM-11038

Well name: CIMARRON "23" FEDERAL 3,4,5  
PITA "14" FEDERAL # 1

Legal Description of land: Section 14 & 23 T26S-R29E EDDY CO. NM.

Bond coverage: BLANKET

B.L.M. Bond File No.: WY-0405

Authorized Signature

*Joe T. Janica*

Title: AGENT

Date: 06/07/04



## CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Pogo Producing Company  
Well Name & No: Cimarron 23 Federal No. 04  
Location: Surface 990' FNL & 890' FWL, Sec.23, T. 26 S. R. 29 E.  
Lease: NMNM 11038  
Eddy County, New Mexico

.....

### I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Roswell Field Office, 2909 West Second St., Roswell, NM 88201, (505) 627-0272 for wells in Chaves and Roosevelt Counties; the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822 for wells in Eddy County; and the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (505) 393-3612 for wells in Lea County, in sufficient time for a representative to witness:

A. Spudding

B. Cementing casing: 8 5/8 inch; 5 1/2 inch;

C. BOP Tests

2. A Hydrogen Sulfide (H<sub>2</sub>S) Drilling Plan is not required for this well bore. However, some Delaware wells in the section to the SE has some H<sub>2</sub>S in produced gas. The operator shall confirm that all personnel and rig hands are known to have H<sub>2</sub>S safety awareness training. Caution shall be taken as to exposed gas from the return flow line and any signs of H<sub>2</sub>S presence.

3. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

4. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.

5. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

### II. CASING:

1. The 13 5/8 inch shall be set at 650 Feet with cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.

2. The minimum required fill of cement behind the 5 1/2 inch Production casing is to circulate to surface.

### III. PRESSURE CONTROL:

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the 13 5/8 inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

**(III Cont):**

2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 2 M psi.

3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the test.

- The test shall be done by an independent service company
- The results of the test shall be reported to the appropriate BLM office.
- Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures.
- Use of drilling mud for testing is not permitted since it can mask small leaks.
- Testing must be done in safe workman-like manner. Hard line connections shall be required.
- Both low pressure and high pressure testing of BOPE is required.

**G. Gourley 3/23/06 RFO**