OCD-ARTESIA

Form 3160-5 (April 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OM B No. 1004-013

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Lease Seria	al No.
M-3846	4

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5. N SUNDRY NOTICES AND REPORTS ON WELLS OCD-ARTESIA Do not use this form for proposals to drill or to re-enter an abandoned well. Her Form of the Control of the Proposals to drill or to re-enter an abandoned well. 6. If Indian, Allottee or Tribe Name 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE- Other instructions on reverse side. 1. Type of Well X Oil Well Gas Well Other 8. Well Name and No. Pure Gold A Federal #17 2. Name of Operator Pogo Producing Company 9. API Well No. 3a Address 3b. Phone No. (include area code) 30-015-35310 432-685-8100 P.O. Box 10340, Midland, TX 79702 10. Field and Pool, or Exploratory Area Sand Dunes Delaware West 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State 2090' FSL & 660' FEL, Section 21, T23S, R31E Eddy County, NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Deepen Production (Start/Resume) Water Shut-Off Notice of Intent Alter Casing Reclamation Well Integrity Fracture Treat Extend APD Casing Repair New Construction Recomplete Subsequent Report Change Plans Temporarily Abandon Plug and Abandon Final Abandonment Notice Convert to Injection Plug Back 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 recomplete 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 recompletion 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.) Pogo Producing Company respectfully request permission to extend the APD for the above captioned well. Pogo plans on including this well in the drilling schedule for next year. 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Title Cathy Wright Sr. Eng Tech Signature Date 09/21/07 THIS SPACE FOR FEDERAL OR STATE OFFICE USE DEC. Conditions of approval, if any, are and the Approval the soll loes not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease

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

which would entitle the applicant to conduct operations thereon.

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME: POGO PRODUCING CO.

LEASE NO.: NM-38464

WELL NAME & NO.: | PURE GOLD A FEDERAL 17

SURFACE HOLE FOOTAGE: | 2090' FSL & 660' FEL

LOCATION: | Section 21, T. 23 S., R 31 E., NMPM

COUNTY: Eddy County, New Mexico

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 2 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

Eddy County

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822

- 1. 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.
- 2. When floor controls are required, (3M or Greater) controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
- 3. Gamma-Ray/Neutron logs shall be run from the base of the Salado formation to the surface. The logs shall be run at a speed which allows the logs to be legible and no faster than manufactures of the logging tools recommended speed. (R-111-P area only)

B. CASING

1. The 13-3/8 inch surface casing shall be set at approximately 550 feet or 25 feet into the top of the Rustler Anhydrite and cemented to the surface.

2.

- a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
- b. Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement).
- c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
- d. If cement falls back, remedial action will be done prior to drilling out that string.
- 3. The minimum required fill of cement behind the <u>8-5/8</u> inch intermediate casing is:
 - Cement to surface. If cement does not circulate see B.1.a-d above. Casing to be set not less than 100 feet and not more than 600 feet below the salt. Intermediate casing should be set in the Basal Anhydrite or Lamar Limestone at approximately 4100 feet.
- 4. The minimum required fill of cement behind the <u>5-1/2</u> inch production casing is:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.
- 4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
- 5. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17. A 2000 (2M) psi BOPE system has been approved per Sundry Notice dated 3/13/07.

- 2. The appropriate BLM office shall be notified a minimum of 2 hours in advance for a representative to witness the tests.
 - a. The tests shall be done by an independent service company.
 - b. The results of the test shall be reported to the appropriate BLM office.
 - c. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
 - d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

Engineer on call phone (after hours): Carlsbad: (505) 706-2779

LB 10/25/07