Form 3160-3, OHUBONS TRIPLICATE. (July 1992) FORM APPROVED N.M. DPV:Districe on UNITED STATES OMB NO. 1004-0136 DEPARTMENT OF THE INTERNAL Grand Avenue Expires: February 28, 1995 5. LEASE DESIGNATION AND SERIAL NO. BUREAU OF LAND MANAGEMANTESIA, NM 88210 APPLICATION FOR PERMIT TO DRILL OR DESPEN NM-57273 6. IF INDIAN, ALLOTTEE OR TRIBE NAME Ia. TYPE OF WORK DRILL X. DEEPEN [7. UNIT AGREEMENT NAME b. TIPE OF WELL WELL X 2. NAME OF OPERATOR 8. FARM OR LEASE NAME WELL RECEIVED PALLADIUM "7" FEDERAL # 4 POGO PRODUCING COMPANY (RICHARD WRIGHT 3. ADDRESS AND TELEPHONE NO 9. AT WELL NO. 30-015- 3281 P.O. BOX 10340 MIDLAND, TEXAS 79702-7340 4. LOCATION OF WELL (Report location clearly and in accordance with any State (9\3<u>5</u>685-8100) 10. FIELD AND POOL, OR WILDCAT SAND DUNES DELAWARE SOUTH **E12020** 660' FNL & 2310' FWL SECTION 7 T24S-R31E 11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA EDDY CO. At proposed prod. zone SAME SECTION 7 T24S-R31E 14. DINTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Socretary's Potash 12. COUNTY OR PARISH | 13. STATE Approximately 15 miles East Southeast of Carlsbad New Mexico - 15. DISTANCE FROM PROPUSED*

LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.

(Also to Dearest drig, unit line, if any)

Compared to the compar EDDY CO. NEW MEXICO 17. NO. OF ACRES ASSIGNED TO THIS WILL 18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT. 40 19. PROPOSED DEPTH 20. ROTART OR CABLE TOULS 1500' 85001 21. ELEVATIONS (Show whether DF, RT, GR, etc.) ROTARY 22. APPROX. DATE WORK WILL START* 3472 Carlsbed Controlled Water Basimhen APPROVED 23. PROPOSED CASING AND CEMENTING PROGRAM SIZE OF ROLE GRADE SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH 25" QUANTITY OF CEMENT Conductor 20" NA 40 Cement to surface with Redi-mix H - 4013 3/8" 48 975 11" 1050 Sx. circulate to surface J-55 8 5/8" 32 4150 1200 Sx 7 7/8" 11 J-55 515" 17 & 15.5 8500' 1750 Sx. 3 stages TOC surface 1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix. 2. Drill $17\frac{1}{2}$ " hole to 975'. Run and set 975' of 13 3/8" 48# H-40 ST&C casing. Cement with 800 Sx. of 65/35/6 Class "C" POZ-GEL, tail in with 250 Sx of Class "C" cement + 2% CaCl, + $\frac{1}{2}$ # Flocele/Sx. , circulate cement to surface. 3. Drill 11" hole to 4150'. Run and set 4150' of 8 5/8" 32# J-55 ST&C casing. Cement with 1000 Sx. of 65/35/6 Class "C" POZ-GEL: + 5% Salt, tail in with 200 Sx. of Class "C" cement + 2% CaCl, circulate cement to Esurface. 4. Drill 7 7/8" hole to 8500'. Run and set $5\frac{1}{2}$ " casing as follows: 2500' of $5\frac{1}{2}$ " $17\frac{1}{2}$ J-55 LT&C, 5000' of $5\frac{1}{2}$ " 15.5# J-55 LT&C, 1000' of $5\frac{1}{2}$ " 17# J-55 LT&C casing. Cement in 3 stages with DV Tools at 8500' & 3700'±. Cement 1st stage with 650 Sx. of Class "H" cement + additives, 2nd stage cement with 600 Sx. of Class "C" cement + 8# of Gilsonite/Sx., 3rd stage cement with 400 Sx. of 65/35/6 Class "C" POZ-GEL, tail in with 100 Sx. of Class "C" \pm 1% CaCl, circulate cement to 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 partinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any, SIGNED 03/22/03 (This space for Federal or State office use) APPROVAL SUBJECT TO General requirements and PERMIT NO. Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject less subject les subjec SPECIAL STIPULATIONS /s/ Richard A. Whitley ACTING MAY 2 3 2003 APPROVED BY

*See Instructions On Reverse Side APPHOVAL 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 P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised February 10, 1994 Submit to Appropriate District Office

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

OIL CONSERVATION DIVISION

P.O. Box 2088

State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 67410

DISTRICT IV

Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT P.O. BOX 2088, SANTA PE, N.M. 87504-2058 ☐ AMENDED REPORT API Number Pool Code Pool Name 53818 SAND DUNES DELAWARE SOUTH Property Code Property Name Well Number PALLADIUM 7 FEDERAL 4 OGRID No. Operator Name Elevation 17891 POGO PRODUCING COMPANY 3472

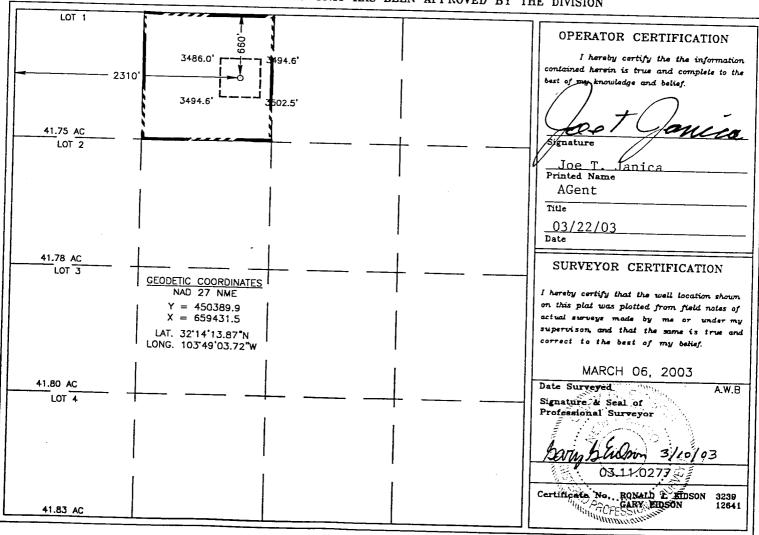
Surface Location

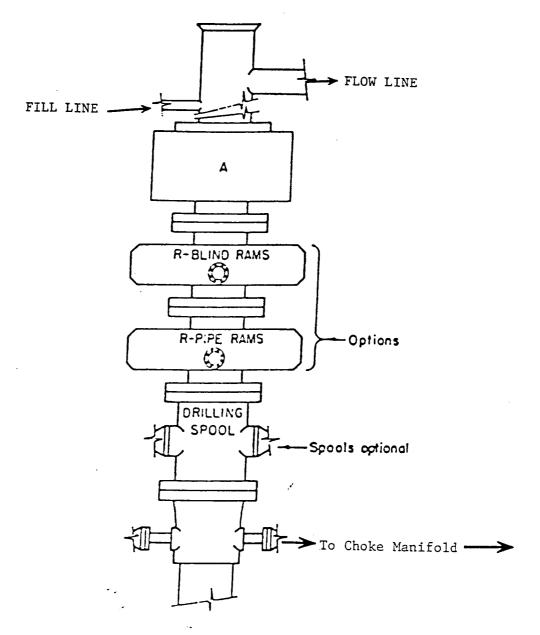
	777 1 4 37									
	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	No-42 (C-42 1)			
J	С	7	24-S	71 -		ľ	North/South line	Feet from the	East/West line	County
ĺ			24-3	121-6		660'	NORTH	2310'	WEST	EDDY
Bottom Hole Location If Different From Sunf.										

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.	- 1					- Com Suitace					
Consolidation Code Order No.		UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
			Joint o	r Infill Co	nsolidation	Code Ore	der 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





ARRANGEMENT SRRA

900 Series 3000 PSI WP

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

POGO PRODUCING COMPANY
PALLADIUM "7" FEDERAL # 4
UNIT "C" SECTION 7
T24S-R31E EDDY CO. NM



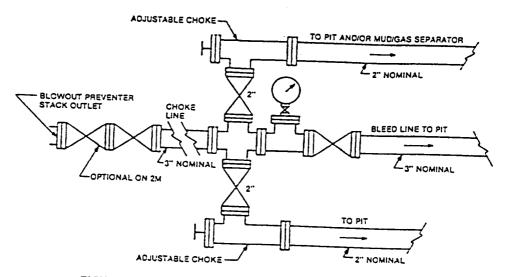


FIGURE K41. Typical choke manifold assembly for 2M and 3M rated working pressure service — surface installation.

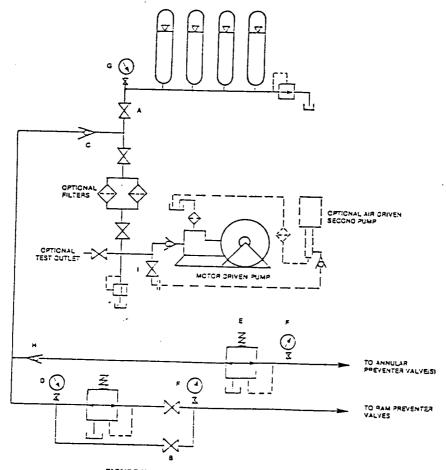


FIGURE K6-1. The ichematic sketch of an accumulator system shows required and optional components.

EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

POGO PRODUCING COMPANY
PALLADIUM "7" FEDERAL # 4
UNIT "C" SECTION 7
T24S-R31E EDDY CO. NM