RESUBMITTAL

H-06-06 5/1/06 To: B Hunt

Form 3160-3 (July 1992) 1841

SUBMIT IN TRIPLICATE* (Other instructions on reverse side)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.: NM-29234

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] SECRETARY'S POTASH

7. UNIT AGREEMENT NAME: 13902

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

8. FARM OR LEASE NAME, WELL NO.: Sundance "9" Federal #6

2. NAME OF OPERATOR: Pogo Producing Company 17891

9. API WELL NO.: 30-015-34999

3. ADDRESS AND TELEPHONE NO.: P. O. Box 10340, Midland, TX 79702-7340

RECEIVED JUL - 3 2006 OCD-ARTESIA

10. FIELD AND POOL, OR WILDCAT: Dunes; Delaware, West

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 1980' FSL & 660' FWL, Section 9
At proposed prod. zone:

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Section 9, T24S, R31E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 20 miles east of Loving, NM

12. COUNTY OR PARISH: Eddy

13. STATE: NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
660'	40	40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	19. PROPOSED DEPTH	20. ROTARY OR CABLE TOOLS
1320'	8500'	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)	22. APPROX. DATE WORK WILL START*
3481' GL	when approved

23. PROPOSED CASING AND CEMENTING PROGRAM — CARLSBAD CONTROLLED WATER BASIN

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2	13-3/8	54.5	~~550~~ 765	Sufficient to circulate WITNESS
11	8-5/8	32 & 24	4100	Sufficient to circulate
7-7/8	5-1/2	15.5 & 17	8500	1200 sks (tie back) TIE BACK

AFTER SETTING PRODUCTION CASING, PAY ZONE WILL BE PERFORATED STIMULATED AS NECESSARY.

SEE ATTACHED FOR: SUPPLEMENTAL DRILLING DATA
BOP SKETCH
SURFACE USE AND OPERATIONS PLAN

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

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 04/28/06

(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/ Linda S. C. Rundell TITLE STATE DIRECTOR DATE JUN 22 2006

*See Instructions On Reverse Side

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.

Sec 17 39.5

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

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator	Lease	Well No.
POGO PRODUCING CO.	SUNDANCE 9 FED	6

Unit Letter	Section	Township	Range	County
L	9	24 SOUTH	31 EAST NMPM	EDDY

Actual Footage Location of Well:
1980 feet from the SOUTH line and 660 feet from the WEST line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3481'	DELAWARE	Sand Dunes; Delaware, W (S3815)	40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

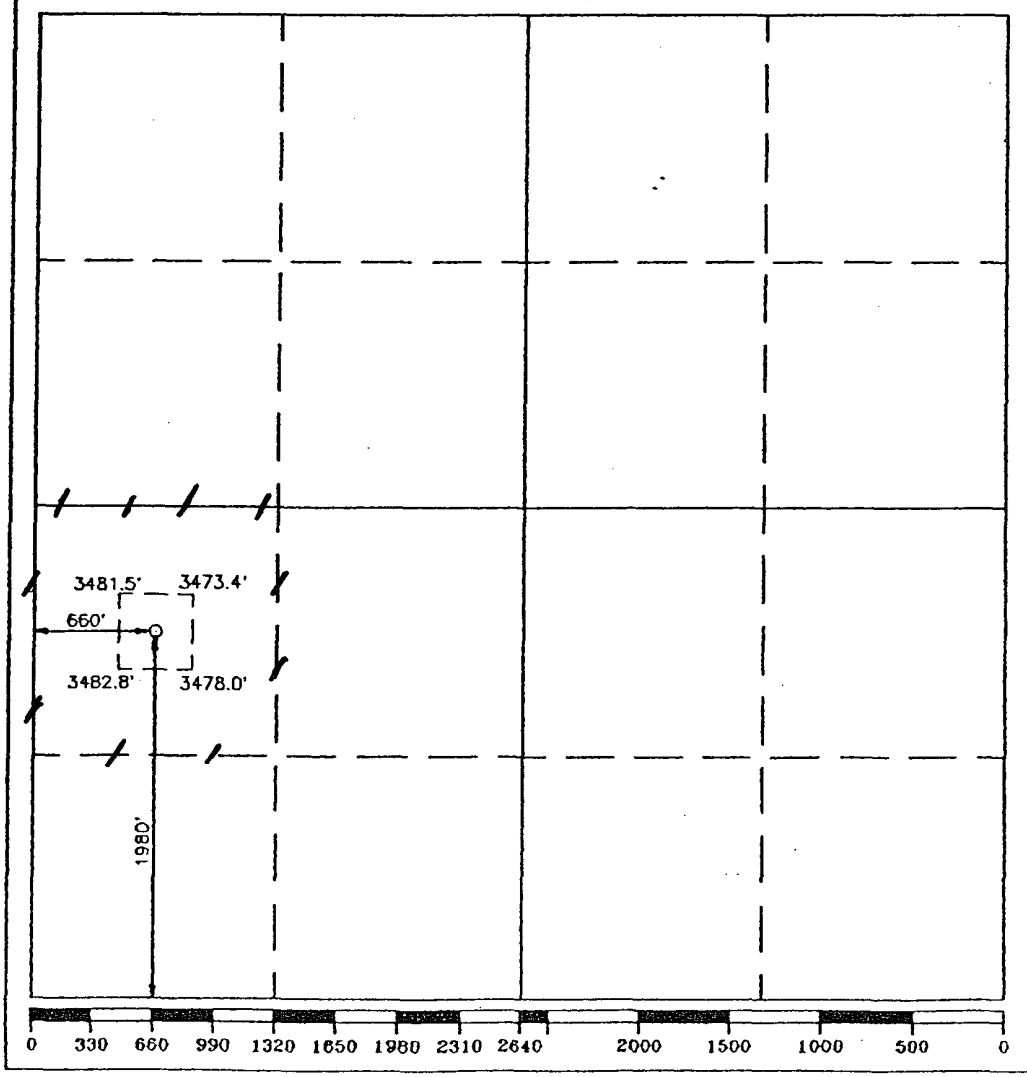
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☐ No If answer is "yes" type of consolidation _____

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary. _____

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature: James M.C. Ritchie Jr

Printed Name: JAMES M.C. Ritchie Jr

Position: AGENT

Company: POGO Producing Co.

Date: 2/22/94

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 supervison, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
JANUARY 14, 1993

Signature & Seal of Professional Surveyor

GARY L. JONES
NEW MEXICO
7977
REGISTERED PROFESSIONAL SURVEYOR

Certificate No. JOHN W. WEST 676
RONALD J. EIDSON 3239
GARY L. JONES 7977

93-11-0091

SURFACE USE AND OPERATIONS PLAN

FOR

POGO PRODUCING COMPANY
SUNDANCE "9" FEDERAL , WELL # 6
1980' FSL & 660' FWL of SECTION 9, T-24S, R-31E
EDDY COUNTY, NEW MEXICO

LOCATED: 20 miles east southeast of Loving, New Mexico.

FEDERAL LEASE NUMBER: NM-29234

LEASE DATE: November 1, 1985

ACRES IN LEASE: 40

RECORD LESSEE: Pogo Producing Company

SURFACE OWNERSHIP: Federal.

GRAZING PERMITTEE: J.R. Engineering
P.O. Box 12237
Odessa, Texas 79768
(915) 362-0373

POOL: Wildcat (Delaware)

POOL RULES: Statewide. 40 acres for oil.

EXHIBITS: A. Road Map

B. Plat showing Existing wells and Existing roads

C. Drilling Rig Layout

D. Topo Plat

1. EXISTING ROADS

A. Exhibit "A" is a portion of a road map showing the location of the proposed well as staked. The proposed well site can be reached by going south of Carlsbad on 285 towards Loving. Turn left on highway 31, go to Jal, New Mexico turn-off on highway 128. Turn right and go 12.8 miles east to blacktop on right. Turn right and go 3.3 miles south to Pogo Producing Company's Sundance "9" Federal # 3. From this well, keep going south another 2600'. The proposed location will be 500' to the east.

B. Exhibit "B" shows existing pertinent roads in the vicinity of the proposed reentry. Existing roads are color coded.

2. PLANNED ACCESS ROADS:

A. Length and Width: The planned access road will be 12' wide and approximately 500' long. See Exhibit "B".

B. Surfacing Material: Caliche. Compacted and watered.

C. Maximum Grade: Approximately one percent.

D. Turnouts: Not needed.

E. Drainage Design: The access road will be crowned so the water will run off to the sides.

F. Culverts: None needed.

G. Cuts and Fills: None necessary.

H. Gates and Cattle Guards: Not needed. No fences involved.

3. LOCATION OF EXISTING WELLS:

A. Existing wells in the immediate area are shown on Exhibit "B".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A. Production from this well will be delivered to a lease tank battery located on the well pad of well No. 3. The flowline will be 3" SDR-7 polyethylene pipe laid on the ground and extend, as shown on Exhibit "B", west and then north along archeologically approved road. Anticipated flow line pressure is about 60 psi.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. It is not planned that a water well will be drilled. Water necessary for drilling operations will be purchased and trucked to the well site, or will be moved to the well site by a temporary pipeline laid on the ground alongside existing and proposed roads.

6. SOURCE OF CONSTRUCTION MATERIAL:

A. Caliche needed for construction work will be taken, if present, from a pit opened on-site within the 400' X 450' work area. Otherwise, caliche will be taken from an existing pit located on Federal land in the NE1/4NE1/4 of Section 4, T-24S, R-31E, Eddy County, New Mexico, and will be trucked to the well site over existing and proposed roads. Location of caliche pit is shown on Exhibit "A".

7. METHODS OF HANDLING WASTE MATERIAL:

A. Drill cuttings will be disposed of in the drilling pits.

B. Drilling fluids will be allowed to evaporate in the drilling pits until pits are dry.

C. All trash, junk, and other waste material will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill.

D. Water produced during test will be disposed of in the drilling pits.

E. Oil produced during tests will be stored in test tanks until sold.

8. ANCILLARY FACILITIES:

A. None necessary.

9. WELL SITE LAYOUT:

A. Exhibit "C" shows relative location and dimensions of the well pad, mud pits, reserve pit and the location of major drilling rig components.

B. Clearing and levelling of the well site will be required.

C. The pad and pit area is staked and flagged.

10. PLANS FOR RESTORATION OF THE SURFACE:

A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location will be cleaned of all trash and junk to leave the well site in an as aesthetically pleasing condition as possible.

B. Any unguarded pits containing fluids will be fenced until the pits are dry.

C. After abandonment, all equipment, trash and junk will be removed and the well site will be cleaned. Any special rehabilitation and/or special revegatation requirements of the surface management agency will be complied with and will be accomplished as rapidly as possible.

11. OTHER INFORMATION:

A. Topography: The land surface in the area is undulating and duny. In the immediate area of the well site, land slope is to the northeast.

B. Soil: Top soil at the well site is sand.

C. Flora and Fauna: The vegatative cover is moderate and includes mesquite, shinnery oak, yucca, weeds and range grasses. Wildlife in the area is that typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, dove and quail.

D. Ponds and Streams: There are no rivers, ponds, lakes or streams in the area.

E. Residences and Other Structures: There are no occupied dwellings or other structures within a mile of the proposed well site.

F. Archaeological, Historical, and Cultural Sites: An archeological reconnaissance is to be accomplished and a report furnished.

G. Land Use: Grazing and wildlife habitat.

H. Surface Ownership: Federal

12. OPERATOR'S REPRESENTATIVE:

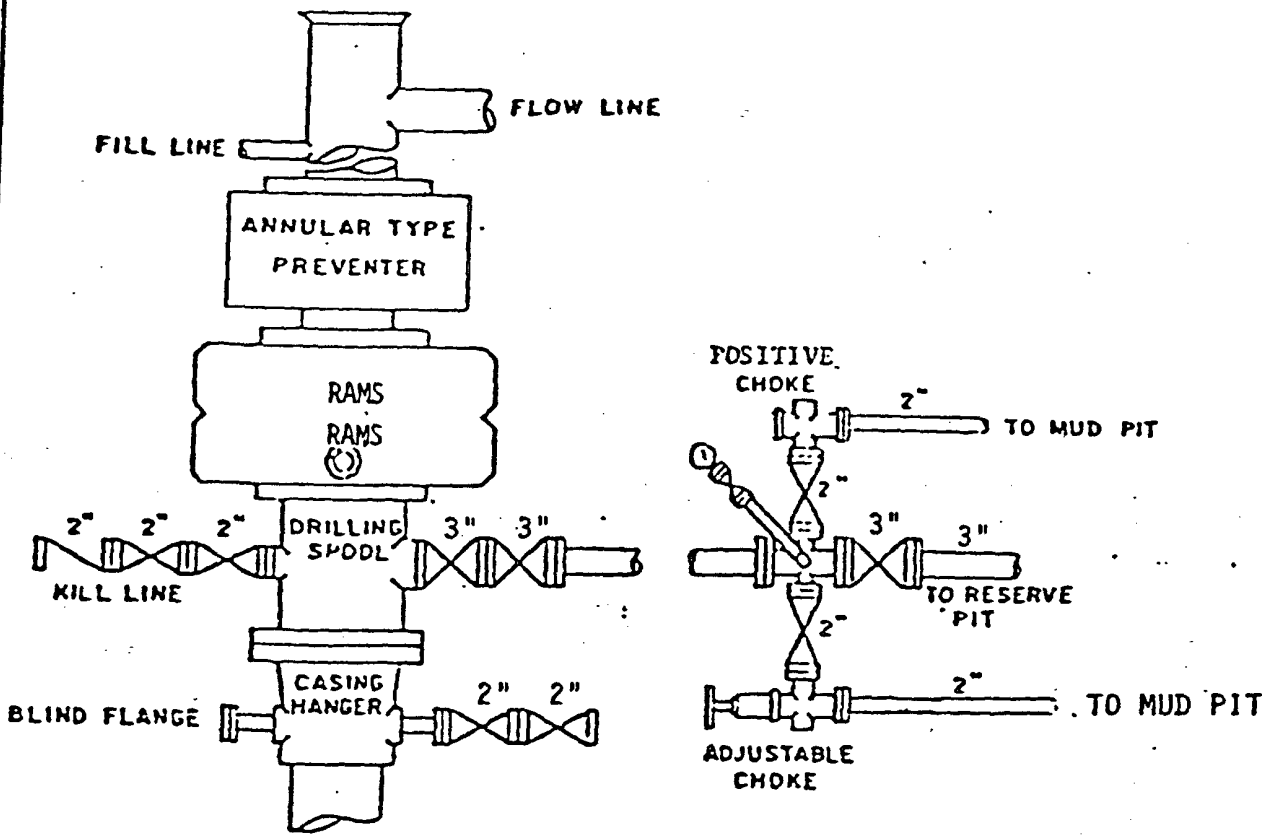
Richard L. Wright
Division Operations Manager
Pogo Producing Company
P.O. Box 10340
Midland, Texas 79702
432-685-8100

13. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Pogo Producing Company and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 19 U.S.C. 1001 for the filing of a false statement.

4-28-06
Date:

Richard L. Wright
Division Operations Manager



BOP STACK

3000 PSI WORKING PRESSURE

BOP ARRANGEMENT

SUPPLEMENTAL DRILLING DATA

POGO PRODUCING COMPANY
SUNDANCE "9" FEDERAL WELL NO. 6

1. SURFACE FORMATION: Quaternary.

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Rustler Anhydrite	550'
Delaware	4100'
Cherry Canyon	5000'
Brushy Canyon	6300'

3. ANTICIPATED POSSIBLE HYDROCARBON BEARING ZONE:

Brushy Canyon	Oil

4. PROPOSED CASING AND CEMENTING PROGRAM:

CASING SIZE	SETTING DEPTH FROM	TO	WEIGHT	GRADE	JOINT
13 3/8"	0	~~550'~~ 765'	54.5#	J-55	STC
8 5/8"	0	1000'	32#	J-55	STC
"	1000'	2200'	24#	J-55	STC
"	2200'	4100'	32#	J-55	STC
5 1/2"	0	1000'	17#	J-55	LTC
"	1000'	6000'	15.5#	J-55	LTC
"	6000'	8500'	17#	N-80	LTC

MINIMUM DESIGN FACTORS: Collapse 1.125 Burst 1.1 Tension 1.7

13 3/8" casing is to be set at approximately 550' in 17-1/2" hole. Casing to be cemented with 300 sacks of Light cement tailed in with 200 sacks of Class "C", 2% CaCl. Cement to circulate.

8 5/8" casing is to be set at approximately 4100' in 11" hole. Casing is to be cemented with 1000 sacks of Light cement tailed in with 200 sacks of Class "C", 1% CaCl. Cement to circulate.

5 1/2" casing is to be set at 8500' in 7 7/8" hole. Casing is to be cemented with 300 sx of Light cement followed by 900 sacks of Class "H" cement . Cement to tie back to 8 5/8" casing.

5. PRESSURE CONTROL EQUIPMENT:

Blowout prevention equipment, while drilling the 11" hole, will be either a 3000 psi working pressure double ram type preventer or a 3000 psi working pressure annular type preventer.

Blowout prevention equipment, while drilling below the 8 5/8" casing seat, will be a 3000 psi working pressure BOP stack. A BOP sketch is attached.

6. CIRCULATING MEDIUM:

Surface to ~~550~~ 765' feet:	Fresh water spud mud. Viscosity 30 to 36 as required for hole cleaning.
~~550~~ 765' feet to 4100 feet:	Brine conditioned as necessary for control of viscosity. Weight 9.8 to 10.0. PH 9 to 10. Viscosity 32 to 36.
4100 feet to T.D.:	Water based drilling fluid conditioned as necessary for control of weight, viscosity, ph and water-loss. Weight 9 to 10. Visocity 38 - 45. ph 9-10. Filtrate while drilling pay zone 6-15.

7. AUXILIARY EQUIPMENT:

A mudlogging trailer will be used while drilling below Intermediate casing.

8. TESTING, LOGGING, AND CORING PROGRAMS:

Drill Stem tests will be made when well data indicate a test is warranted.

It is planned that electric logs will include GR-CNL- Density logs ans GR-DLL logs.

No coring is planned.

9. ABNORMAL PRESSURES, TEMPERTURES, OR HYDROGEN SULFIDE GAS:

None anticipated.
Expected bottom hole pressure is approximately 3500 psi.
Expected bottom hole temperture is approximately 125 degrees Fahr

10. ANTICIPATED STARTING DATE:

It is planned that operations will commence upon approval of this application, with drilling and completion operations lasting about 30 days.

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Pogo Producing Company **Well No.** 6 - Sundance 9 Federal
Location: 1980' FSL & 660' FWL **sec.** 9, **T.** 24 S., **R.** 31 E.
Lease: NM-29234

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at (505) 234-5972 in sufficient time for a representative to witness:

A. Spudding

B. Cementing casing: 13-3/8 inch 8-5/8 inch 5-1/2 inch

2. 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.

3. Include the API No. assigned to well by NMOCD on the subsequent report of setting the first casing string.

4. Gamma-Ray/Neutron logs shall be run from the base of the Salado formation to the surface; cable speed not to exceed 30 feet per minute.

II. CASING:

1. 13-3/8 inch surface casing should be set **at approximately 765 feet in the Rustler Anhydrite above the top of the Salt,** below usable water and circulate cement to the surface. If cement does not circulate to the surface, the BLM Carlsbad Field 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. Minimum required fill of cement behind the 8-5/8 inch salt protection casing is **sufficient to circulate to the surface.**

3. Minimum required fill of cement behind the 5-1/2 inch production casing is **sufficient to tie back surface 200 feet into the 8-5/8 salt protection casing se at approximately 4100 feet.**

III. PRESSURE CONTROL:

1. Before drilling below the 13-3/8 inch surface casing, the blowout preventer assembly shall consist of a minimum of One Annular Preventer or Two Ram-Type Preventers and a Kelly Cock/Stabbing Valve. Before drilling below the 8-5/8 inch salt protection casing, the blowout preventer assembly shall consist of a minimum of One Annular Preventer, Two Ram-Type Preventers, and a Kelly Cock/Stabbing Valve.

2. Before drilling below the 13-3/8 inch surface casing, minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 2000 psi. Before drilling below the 8-5/8 inch salt protection casing, minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 3000 psi.

3. The BOPE shall be installed before drilling below the 8-5/8 inch salt protection casing and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

A. The results of the test will be reported to the BLM Carlsbad Field Office at 620 East Greene Street, Carlsbad, New Mexico 88220-6292.

B. 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.

C. Testing must be done in a safe workman like manner. Hard line connections shall be required.