Form 3160-3
(July 1992)

RESUBMITTAL
New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE (Other instructions on reverse side)

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.: NM-~~77059~~ 106915
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT AGREEMENT NAME:

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ]

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

8. FARM OR LEASE NAME, WELL NO.: Proximity 30 Federal #2 (13272)

2. NAME OF OPERATOR: Pogo Producing Company (17891)

9. API WELL NO.: 30-025-37596

3. ADDRESS AND TELEPHONE NO.: P. O. Box 10340, Midland, TX 79702-7340 432-685-8100

10. FIELD AND POOL, OR WILDCAT: East Livingston Ridge Delaware

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 330' FNL & 330' FWL, Section 30
At proposed prod. zone: Same Unit D

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Section 30, T22S, R32E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 30 miles East of Carlsbad, New Mexico

12. COUNTY OR PARISH: Lea County
13. STATE: NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drlg. unit line, if any): 330'

16. NO. OF ACRES IN LEASE: 630

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.: 1650'

19. PROPOSED DEPTH: 8600'

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3590.5' 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
17-1/2	13-3/8	54.5	850	Sufficient to Circulate
11	8-5/8	32	4500	Sufficient to Circulate
7-7/8	5-1/2	15 & 17	8600	1200 sks

After setting production casing, pay zone will be perforated and stimulated as necessary.

See attached for: Supplemental Drilling Data
BOP Sketch
Surface Use and Operations Plan

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. Operation Tech DATE 09/22/05

(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:

/s/ Joe G. Lara ACTING FIELD MANAGER KZ 12/9/05

APPROVED BY _____ TITLE _____ DATE _____

*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.

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-8

OIL CONSERVATION DIVISION

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator	Lease	Well No.
POGO PRODUCING CO.	PROXIMITY "30" FEDERAL	2

Unit Letter	Section	Township	Range	County
D	30	22 SOUTH	32 EAST NMPM	LEA

Actual Footage Location of Well:
330 feet from the NORTH line and 330 feet from the WEST line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3590.5'	Delaware	Und. East Livingston Ridge (Del)	40 Acres

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

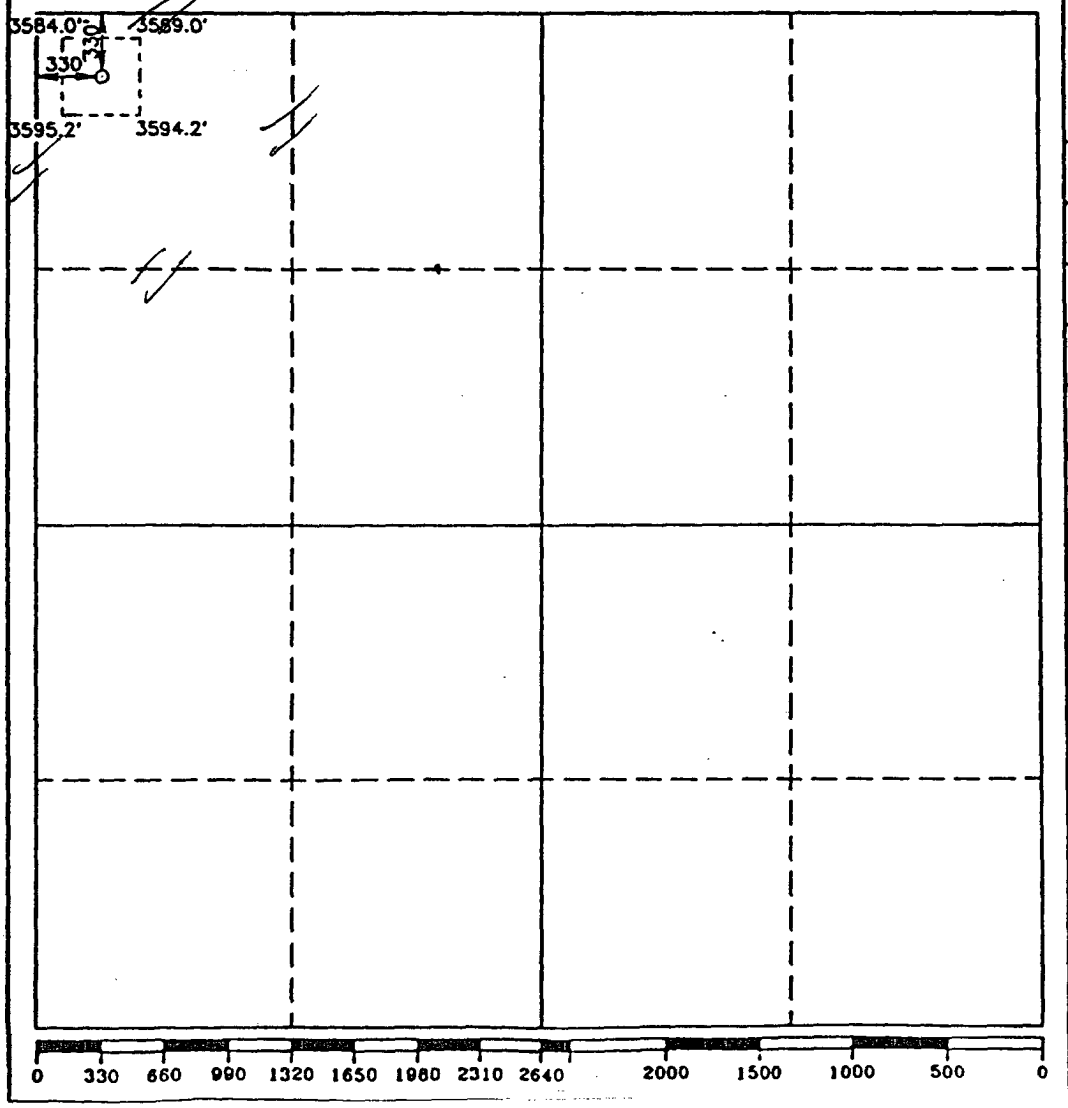
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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.

James M.C. Ritchie, Jr.
Signature

Printed Name
Agent
Position
Pogo Producing Company
Company
July 27, 1993
Date

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
JUNE 22, 1993
Signature & Seal of Professional Surveyor

GARY L. JONES
NEW MEXICO
7977

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

1111

SUPPLEMENTAL DRILLING DATA

POGO PRODUCING COMPANY
PROXIIMITY "30" FEDERAL WELL NO. 2

1. SURFACE FORMATION: Quaternary.

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Rustler Anhydrite	800'
Delaware Lime	4600'
Cherry Canyon	5600'
Brushy Canyon	7300'

3. ANTICIPATED POSSIBLE HYDROCARBON BEARING ZONE:

Delaware	Oil

4. PROPOSED CASING AND CEMENTING PROGRAM:

CASING SIZE	SETTING DEPTH FROM	TO	WEIGHT	GRADE	JOINT
13 3/8"	0	850'	54.5#	J-55	STC
8 5/8"	0	1000'	32#	J-55	STC
"	1000'	2200'	24#	J-55	STC
"	2200'	4500'	32#	J-55	STC
5 1/2"	0	1000'	17#	J-55	LTC
"	1000'	6000'	15.5#	J-55	LTC
"	6000'	8600'	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 850' in 17-1/2" hole. Casing to be cemented with 500 sacks of Light cement tailed in with 200 sacks of Class "C". Cement to circulate.

8 5/8" casing is to be set at approximately 4500' in 11" hole. Casing is to be cemented with 1200 sacks of Light cement tailed in with 200 sacks of Class "C". Cement to circulate.

5 1/2" casing is to be set at 8600' in 7 7/8" hole. Casing is to be cemented with 600 sacks of Class "H" cement tailed in with 700 sx Class "C". 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.

6. CIRCULATING MEDIUM:

Surface to 850 feet:	Fresh water spud mud. Viscosity 30 to 36 as required for hole cleaning.
850 feet to 4500 feet:	Brine conditioned as necessary for control of viscosity. Weight 9.8 to 10.0. PH 9 to 10. Viscosity 32 to 36.
4500 feet to T.D.:	Water based drilling fluid conditioned as necessary for control of weight, viscosity, ph and water-loss. Weight ~~9 to 10~~ 8.5 ppg. Visocity 38 - 45. ph 9-10. Filtrate while drilling pay zone ~~6-15~~ (GJS) per telecon w/R.Wright 7/11/95

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.

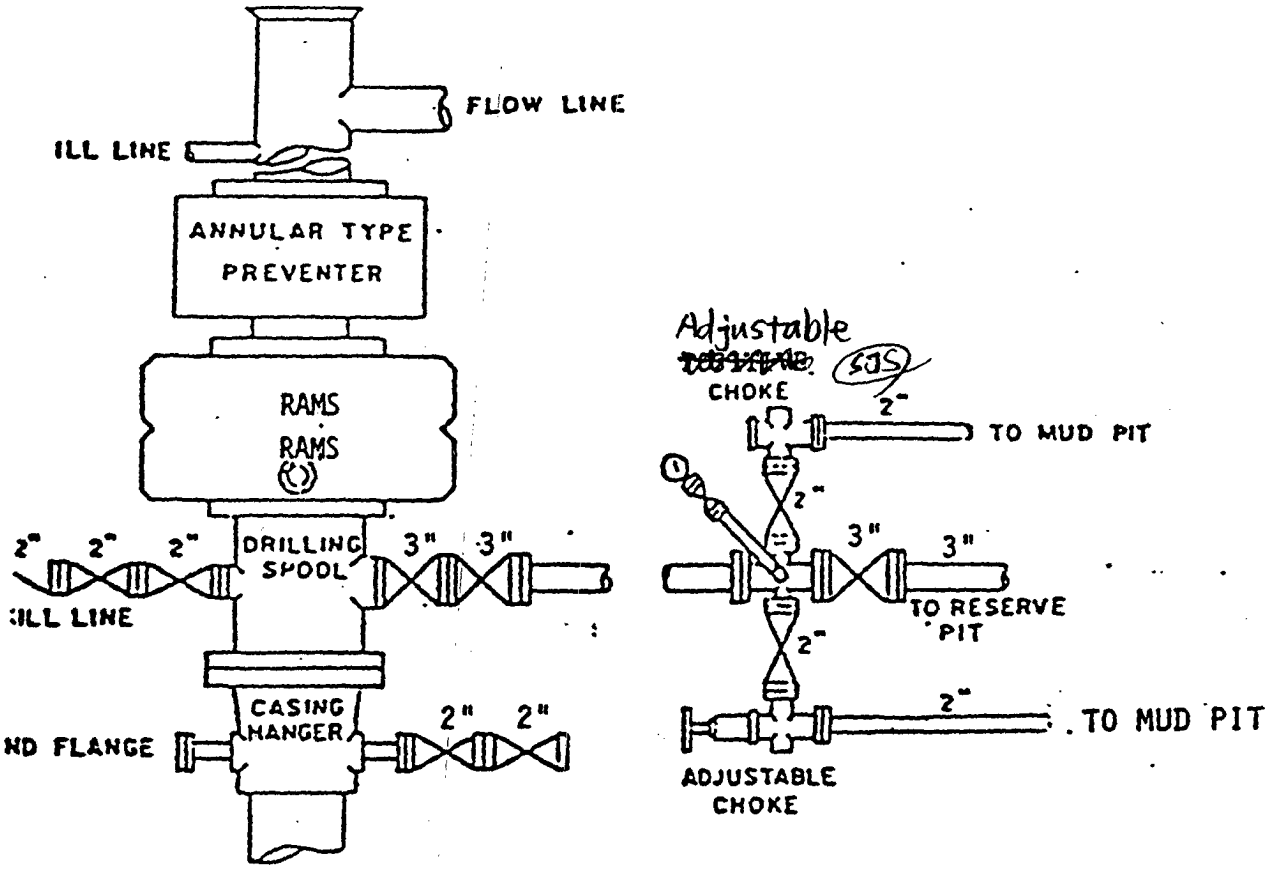
No coring is planned.

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

None anticipated.
Expected bottom hole pressure is approximately 3700 psi.
Expected bottom hole temperture is approximately 130 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.



BOP STACK

3000 PSI WORKING PRESSURE

BOP ARRANGEMENT

SURFACE USE AND OPERATIONS PLAN

FOR

POGO PRODUCING COMPANY
PROXIMITY "30" FEDERAL WELL NO. 2
330'FNL & 330' FWL OF SECTION 30,T-22S, R-32E
LEA COUNTY, NEW MEXICO

LOCATED: 30 miles east of Carlsbad, New Mexico.

FEDERAL LEASE NUMBER: NM-77059

LEASE DATE: September 1, 1988

ACRES IN LEASE: 630.

RECORD LESSEE: Pogo Producing Company

SURFACE OWNERSHIP: Federal.

GRAZING PERMITTEE: J.C. Mills
P.O. Drawer "G"
Abernathy, Texas 79311

POOL: Undesignated East Livingston Ridge (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

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A. Production Facilities will be located on well # 1.

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 26, T-22S, 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 southwest.

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

C. Flora and Fauna: The vegatative cover is moderate and includes mesquite, javelina bush, 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
(915) 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.

5/31/95
Date:

James M.C. Ritchie, Jr.
Agent

SURFACE USE PLAN

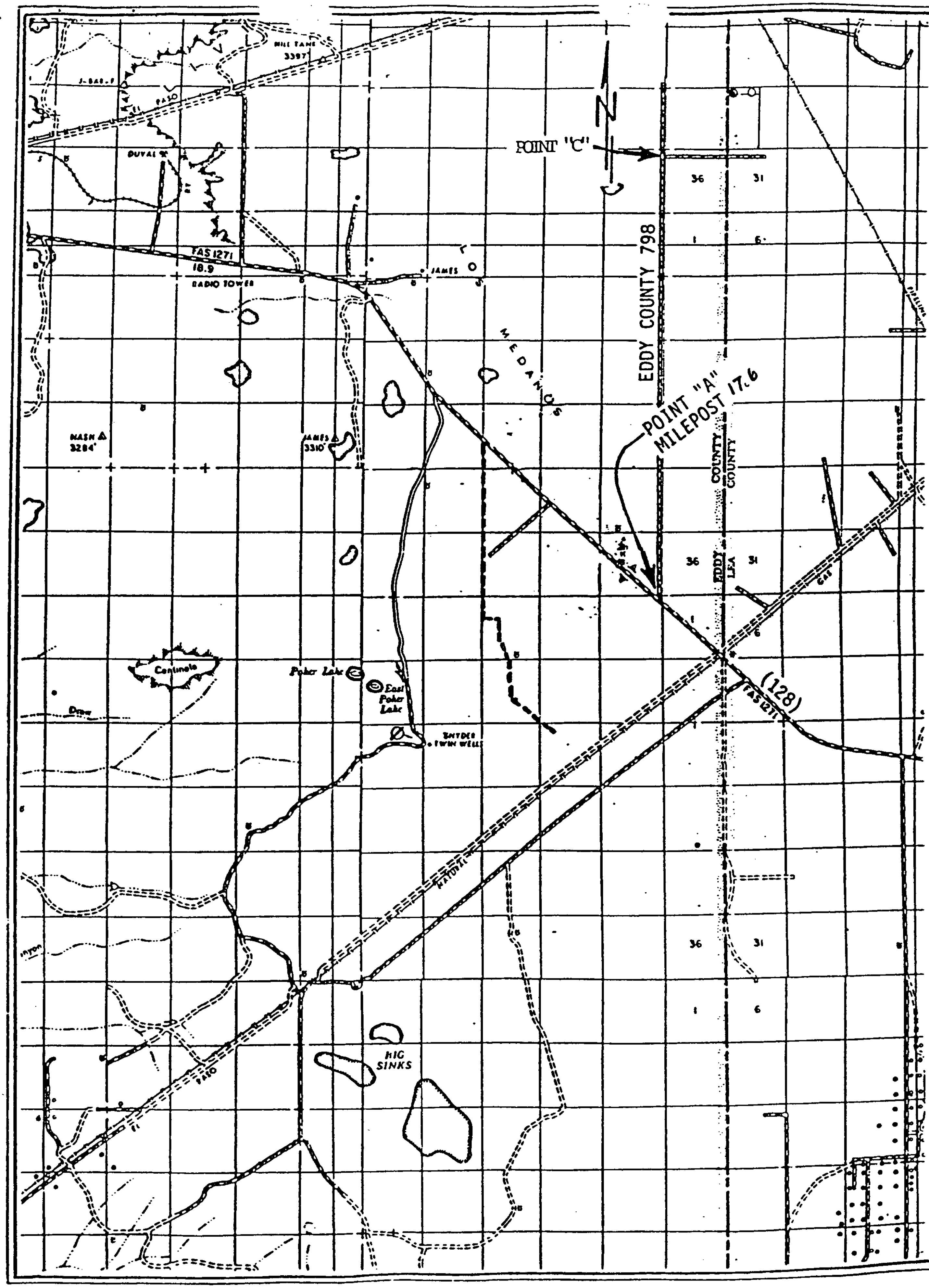
POGO PRODUCING COMPANY
Proximity 30 Federal #2
UNIT D SECTION 30, T22S, R32E
LEA COUNTY, NM

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, are true and correct; and that the work associated with the operations proposed herein will be performed by Pogo Producing Company, its' Contractors/Subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

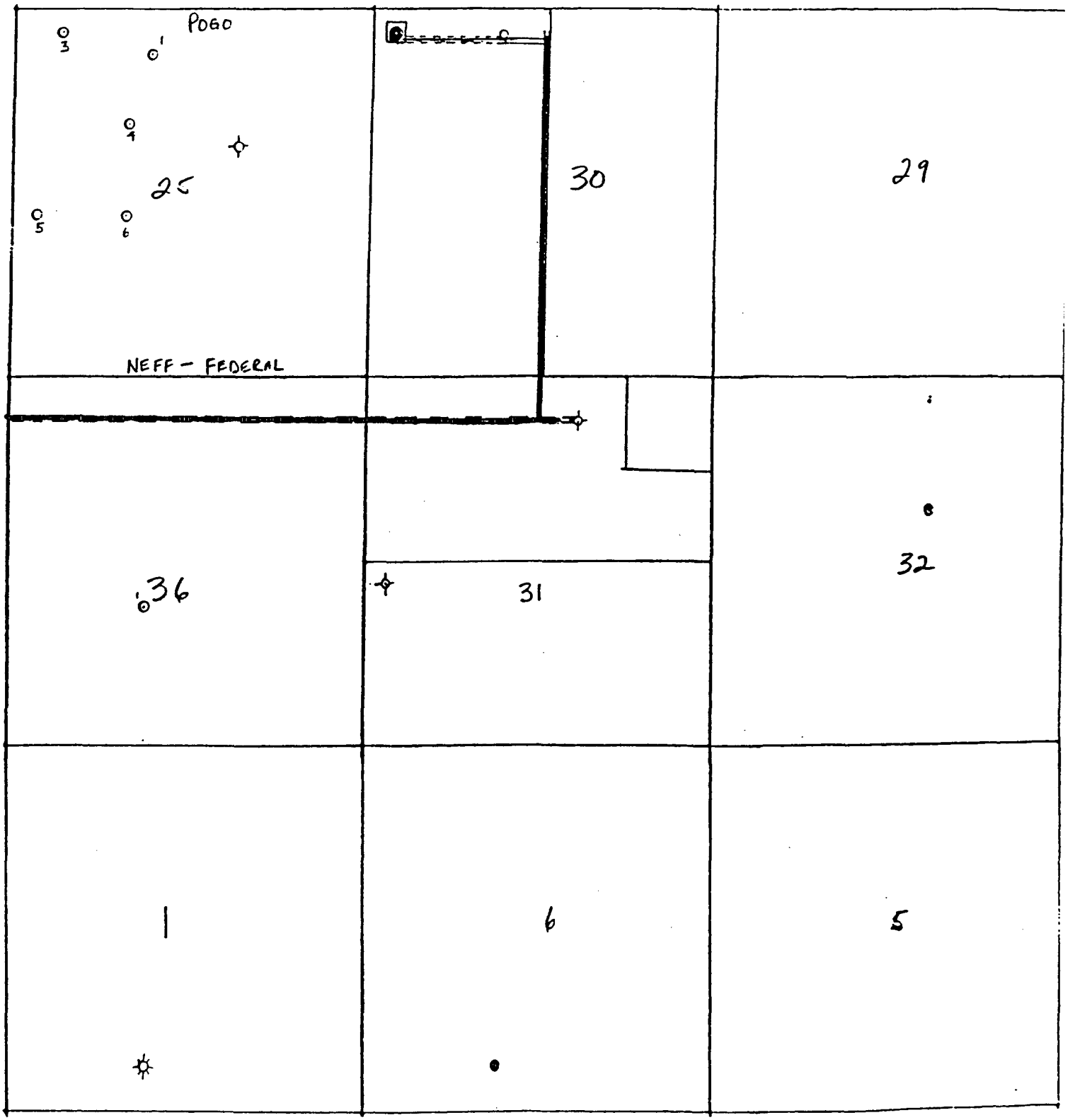
Name: Richard Wyatt

Title: Dir OPRs Mgr

Date: 11-2-05



POINT "C"
EDDY COUNTY 798
POINT "A"
MILEPOST 17.6
EDDY COUNTY
LEA COUNTY
(128)
FAS 1271
FAS 1271
18.9
RADIO TOWER
JAMES
MEDANOS
NASH
3284'
JAMES
3310'
Poker Lake
East Poker Lake
Continole
SNYDER TWIN WELLS
BIG SINKS
HILL TANK
3397'
DUVAL
36
31
1
6
36
31
1
6
36
31
1
6



- DRY Hole
- PRODUCER
- PROPOSED WELL
- EXISTING ROAD
- NEW ROAD

EXHIBIT "B"

Proximity "30" Federal Well No. 2
330' FNL & 330' FWL of Sec. 30, T-22S, R-32E
Lea County, New Mexico

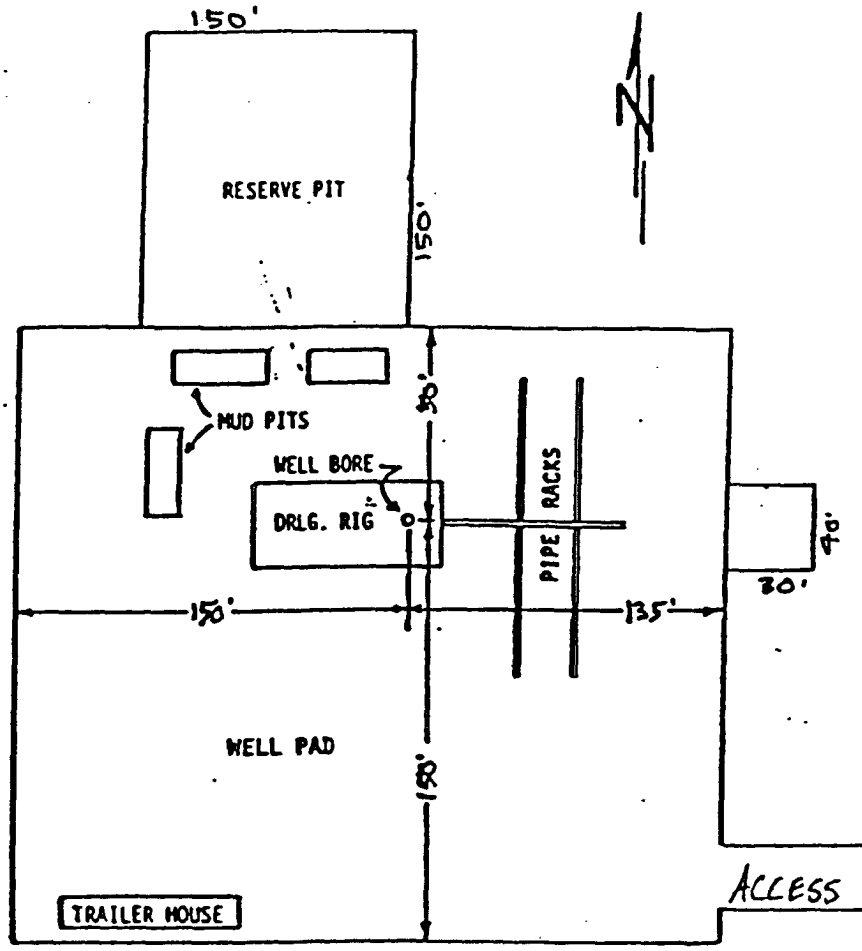


EXHIBIT "C"
Pogo Producing COmpany
Proximity "30" Federal Well No. 2
330' FNL & 330' FWL of Sec. 30, T-22S, R-32E
Lea County, New Mexico
DRILLING RIG LAYOUT
SCALE: None

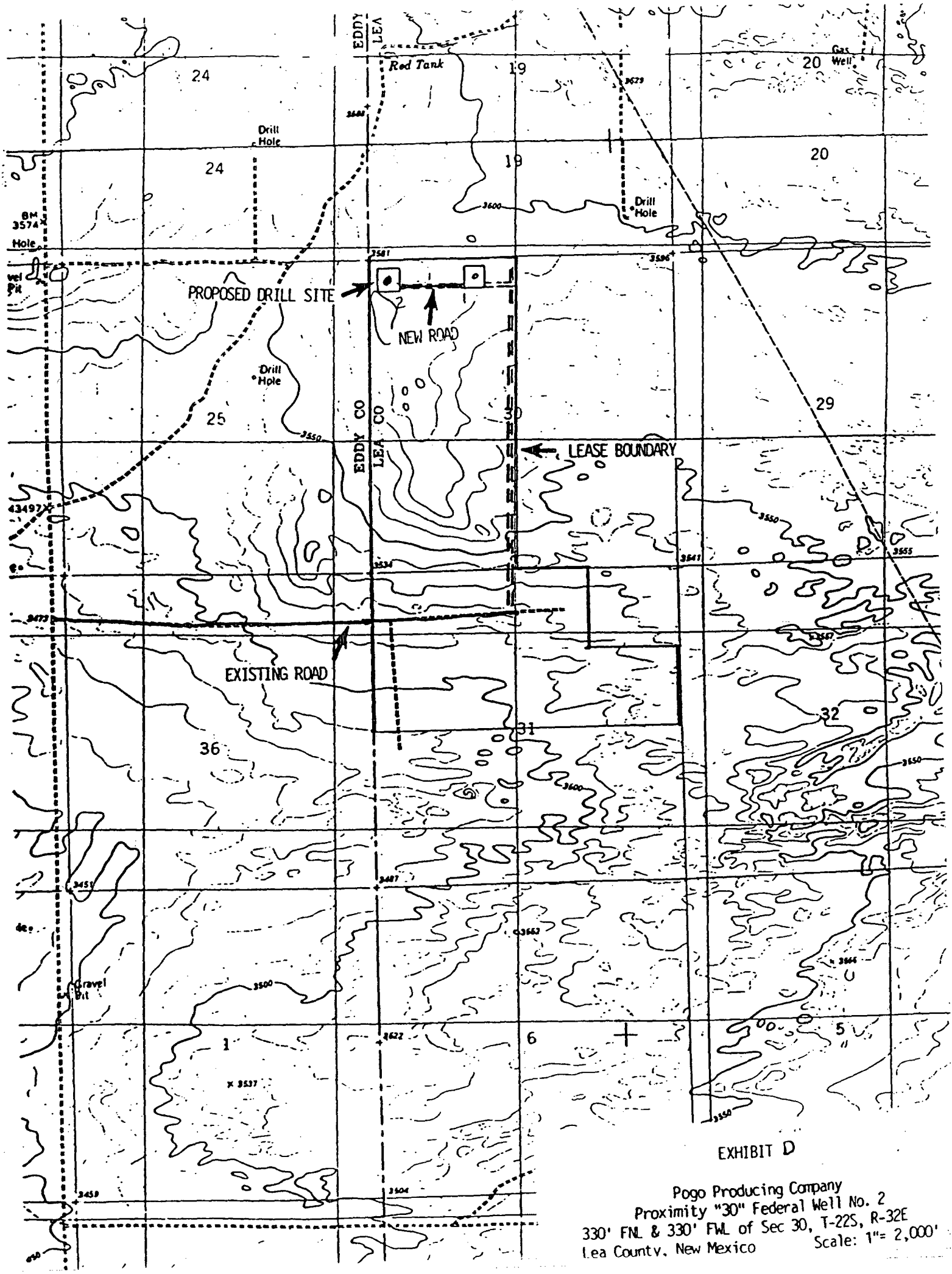


EXHIBIT D

Pogo Producing Company
Proximity "30" Federal Well No. 2
330' FNL & 330' FWL of Sec 30, T-22S, R-32E
Lea County, New Mexico
Scale: 1"= 2,000'

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

Proximity "30" Federal Well #2

APPLICABILITY:

The provisions of this plan are effective when drilling operations are conducted in areas where zones may be penetrated that are known to contain, or may be reasonably expected to contain, hydrogen sulfide gas in concentrations of 100 parts per million or more.

TRAINING REQUIREMENTS:

A. When conducting drilling operations in an area where hydrogen sulfide gas might be encountered, all personnel at the well site will have had proper training in the following areas:

1. The hazards and characteristics of hydrogen sulfide gas (H_2S).
2. Toxicity of hydrogen sulfide and sulfur dioxide.
3. Hydrogen sulfide gas detectors, warning systems, evacuation procedures, and proper use and maintenance of personal protective equipment.
4. Proper rescue procedures, first aid, and artificial respiration.

B. In addition, supervisory personnel will be trained in the following areas:

1. The effects of hydrogen sulfide on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well, and blowout prevention and well control procedures.
3. The contents and requirements of the Hydrogen Sulfide Drilling Operations Plan and the Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable hydrogen sulfide zone (within 3 days or 500 feet) and weekly hydrogen sulfide and well control drills for all personnel in each crew. The initial training session will include a review of the site specific Hydrogen Sulfide Drilling Operations Plan and the Public Protection Plan. This plan will be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

WELL SITE DIAGRAM:

A. Attached is a detailed well site diagram showing:

- Drilling rig orientation
- Prevailing wind direction (Southwest)
- Location of briefing areas
- Location of Caution/Danger Signs
- Location of hydrogen sulfide monitors
- Location of wind direction Indicators

HYDROGEN SULFIDE SAFETY EQUIPMENT:

A. All safety equipment and systems will be installed, tested, and deemed operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone reasonably expected to contain hydrogen sulfide.

B. During drilling operations, a flare line will be routed from the BOP manifold to the reserve pit. Should suspected sour gas be vented through the flair line, a flare pistol will be used to ignite the flare.

C. Protective equipment for essential personnel will be installed and maintained as follows:

1. 30-minute air packs will be maintained on the rig floor and near the briefing area.

2. 30-minute work units will be maintained at the H2S trailer and/or on the rig floor.

3. 30-minute escape units will be maintained on the rig floor.

4. 300 cu.ft. air cylinders will be maintained in the H2S trailer.

5. Associated breathing air equipment will also be installed and maintained.

6. Hydrogen sulfide monitor will be located in the dog house on the rig floor with sensors placed on the rig floor, at the bell nipple, the shale shaker, and in the pit area.

7. An audible/visual alarm will be located near the dog house on the rig floor.

VISUAL WARNING SYSTEMS:

A. High visibility Caution/Danger signs will be posted on roads providing direct access to the well location.

B. Green, yellow, and red condition flags to be displayed to denote Normal Conditions, Potential Danger, and Danger, H2S Present.

C. Wind socks to be located at the protection center and in the pit area to continuously indicate wind direction.

CIRCULATING MEDIUM:

A. Drilling fluid to be conditioned to minimize the volume of H2S circulated to the surface.

SPECIAL WELL CONTROL EQUIPMENT:

A. In addition to the normal BOP stack and choke manifold, a drilling head will be used to help control an H2S contaminated drilling fluid.

WELL TESTING:

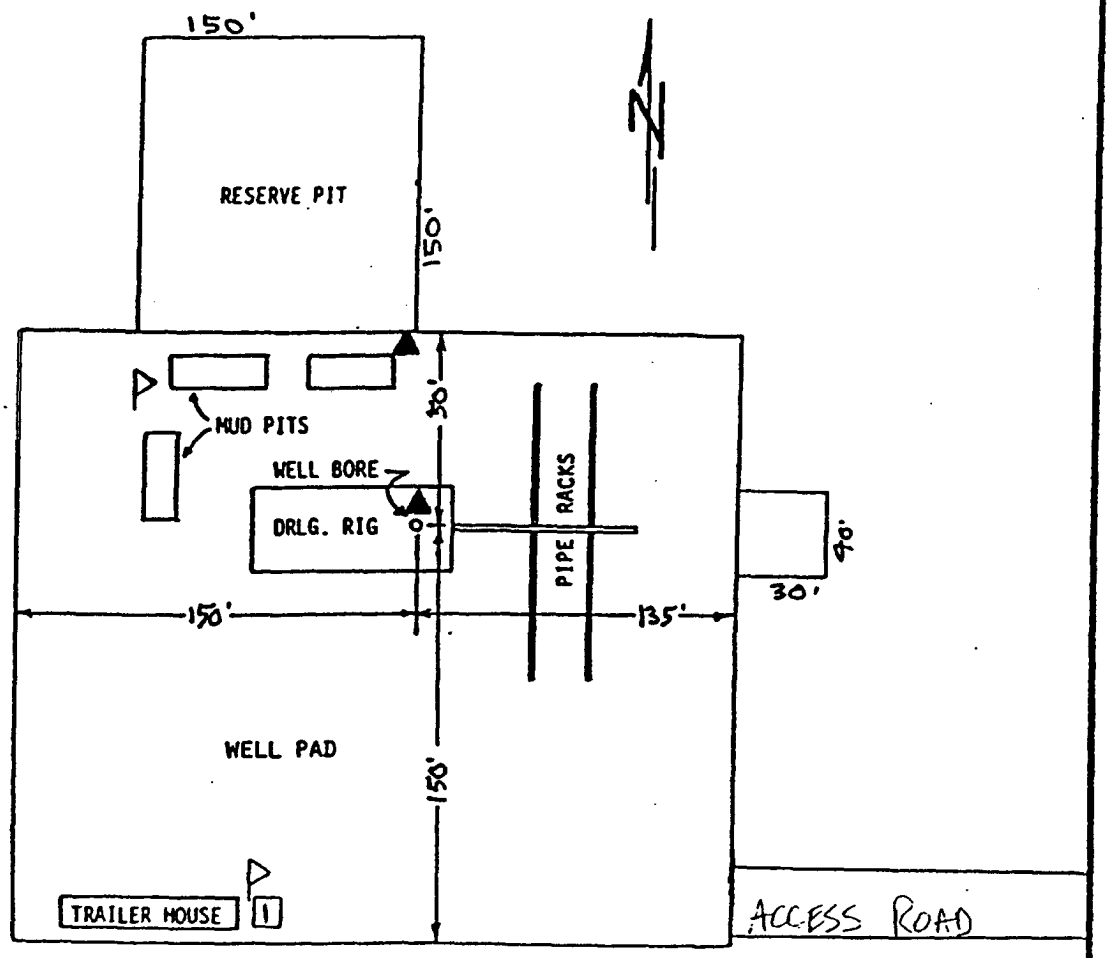
A. Drill stem testing of zones known, or reasonably expected, to contain hydrogen sulfide in concentrations of 100 ppm or more will use the closed chamber method of testing.

COMMUNICATION:

A. Radio communication will be available at the drilling rig and also in company vehicles.

ADDITIONAL INFORMATION:

A. Additional information concerning Emergency Reaction Steps, Ignition Procedures, Training Requirements, and Emergency Equipment Requirements will be available on location at the well site.



Caution/Danger Sign - At entrance to Well Pad

Breifing Area

Breifing Area - Primary

H_2S Monitor

Wind Sock

Prevailing Wind Direction - Southwest

EXHIBIT "C"

Pogo Producing Company
Proximity "30" Federal well #2
330' FNL & 330' FWL of Sec. 30, T-22S, R-32-E
Lea County, New Mexico

DRILLING RIG LAYOUT
SCALE: None

SPECIAL DRILLING STIPULATIONS

THE FOLLOWING DATA IS REQUIRED ON THE WELL SIGN

Operator's Name Pogo Producing Co. Well Name & No. Proximity 30 Federal #2
Location 330 F N L & 330 F W L Sec. 30, T. 22 S, R 32 E.
Lease No. NMX-106915 County Lea State New Mexico

The Special stipulations check marked below are applicable to the above described well and approval of this application to drill is conditioned upon compliance with such stipulations in addition to the General Requirements. The permittee should be familiar with the General Requirements, a copy of which is available from a Bureau of Land Management office. EACH PERMITTEE HAS THE RIGHT OF ADMINISTRATIVE APPEAL TO THESE STIPULATIONS PURSUANT TO TITLE 43 CRF 3165.3 AND 3165.4.

This permit is valid for a period of one year from the date of approval or until lease expiration or termination whichever is shorter.

I. SPECIAL ENVIRONMENT REQUIREMENTS

(X) Lesser Prairie Chicken (stips attached)
( ) San Simon Swale (stips attached)
( ) Flood plain (stips attached)
( ) Other

II. ON LEASE - SURFACE REQUIREMENTS PRIOR TO DRILLING

(X) The BLM will monitor construction of this drill site. Notify the (X) Carlsbad Field Office at (505) 234-5972 ( ) Hobbs Office (505) 393-3612, at least 3 working days prior to commencing construction.

(X) Roads and the drill pad for this well must be surfaced with 6 inches of compacted caliche.

( ) All topsoil and vegetation encountered during the construction of the drill site area will be stockpiled and made available for resurfacing of the disturbed area after completion of the drilling operation. Topsoil on the subject location is approximately _____inches in depth. Approximately _____cubic yards of topsoil material will be stockpiled for reclamation.

( ) Other.

III. WELL COMPLETION REQUIREMENTS

( ) A Communlitization Agreement covering the acreage dedicated to the well must be filed for approval with the BLM. The effective date of the agreement must be prior to any sales.

(X) Surface Restoration: If the well is a producer, the reserve pit(s) will be backfilled when dry, and cut-and-fill slopes will be reduced to a slope of 3:1 or less. All areas of the pad not necessary for production must be re-contoured to resemble the original contours of the surrounding terrain, and topsoil must be re-distributed and re-seeded with a drill equipped with a depth indicator (set at depth of ½ inch) with the following seed mixture, in pounds of Pure Live Seed (PLS), per acre.

( ) A. Seed Mixture 1 (Loamy Sites)
Side Oats Grama (*Bouteloua curtipendula*) 5.0
Sand Dropseed (*Sporobolus cryptandrus*) 1.0

( ) B. Seed Mixture 2 (Sandy Sites)
Sand Dropseed (*Sporobolus crptandrus)* 1.0
Sand Lovegrass (*Eragostis trichodes*) 1.0
Plains Bristlegrass (*Setaria magrostachya*) 2.0

( ) C. Seed Mixture 3 (Shallow Sites)
Side oats Grama (*Boute curtipendula*) 1.0

( ) D. Seed Mixture 4 (Gypsum Sites)
Alkali Sacaton (*Sporobollud airoides*) 1.0
Four-Wing Saltbush (*Atriplex canescens*) 5.0

(X) OTHER SEE ATTACHED SEED MIXTURE

Seeding should be done either late in the fall (September 15 - November 15, before freeze up, or early as possible the following spring to take advantage of available ground moisture.

( ) Other.

RESERVE PIT CONSTRUCTION STANDARDS

The reserve pit shall be constructed entirely in cut material and lined with 6 mil plastic.

Mineral material extracted during construction of the reserve pit may be used for development of the pad and access road as needed. Removal of any additional material on location must be purchased from BLM.

Reclamation: Reclamation of this type of deep pit will consist of pushing the pit walls into the pit when sufficiently dry to support track equipment. The pit liner is NOT TO BE RUPTURED to facilitate drying; a ten month period after completion of the well is allowed for drying of the pit contents.

The pit area must be contoured to the natural terrain with all contaminated drilling mud buried with at least 3 feet of clean soil. The reclaimed area will then be seeded as specified in this permit.

OPTIONAL PIT CONSTRUCTION STANDARDS

The reserve pit may be constructed in predominantly fill material if:

(1) Lined as specified above and

(2) A borrow/caliche/gravel pit can be constructed immediately adjacent to the reserve pit and it capable of containing all reserve pit contents. The mineral material removed in the process can be used for pad and access road construction. However, a material sales contract must be purchased from the BLM prior to removal of the material.

Reclamation of the reserve pit consists of bulldozing all reserve pit contents and contaminants into the borrow pit and covering with a minimum of 3 feet of clean soil material. The entire area must be recontoured, all trash removed, and reseeded as specified in this permit.

CULTURAL

Whether or not an archaeological survey has been completed and notwithstanding that operations are being conducted as approved, the lessee/operator/grantee shall notify the BLM immediately if previously unidentified cultural resources are observed during surface disturbing operations. From the time of the observation, the lessee/operator/grantee shall avoid operations that will result in disturbance to these cultural resources until directed to processed by BLM.

TRASH PIT STIPS

All trash, junk, and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

EXHIBIT B

BLM Serial No.: NM-106915
Company Reference: Pogo Producing Co.

Seed Mixture for LPC Sand/Shinnery Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

Species	lb/acre
Plains Bristlegrass	5lbs/A
Sand Bluestem	5lbs/A
Little Bluestem	3lbs/A
Big Bluestem	6lbs/A
Plains Coreopsis	2lbs/A
Sand Dropseed	1lbs/A
**Four-winged Saltbush	5lbs/A

* This can be used around well pads and other areas where caliche cannot be removed.

*Pounds of pure live seed:

Pounds of seed **x** percent purity **x** percent germination = pounds pure live seed

PRAIRIE CHICKENS

No surface use is allowed during the following time periods; unless otherwise specified, this stipulation does not apply to operation and maintenance of production facilities.

On the lands following lands: All of Section 30 T. 22 S., R. 32 E.

For the purpose of: Protecting Prairie Chickens:

Drilling for oil and gas, and 3-D geophysical exploration operations will not be allowed in Lesser Prairie Chicken Habitat during the period of March 15 through June 15, each year. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 a.m. and 9:00 a.m. The 3:00 a.m. and 9:00 a..m. restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during the period. Additionally, no new drilling will be allowed within up to 200 meters of leks know at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: POGO Producing Company
Well Name & No: Proximity 30 Federal No 02
Location: Surface: 330' FNL & 330' FWL, Sec.30, T. 22 S. R. 32 E.
Lease: NMNM ~~77059~~ 106915
Lea 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: 13 ⅜ inch; 8 ⅝ inch; 5 ½ inch.

C. BOP Tests should be activated prior to drilling into the (JL)

2. A Hydrogen Sulfide (H2S) Drilling Plan ~~is not required for this wellbore, however some regional~~ Delaware and Bone Springs formations which may contain H2S and the operator shall verify all rig personnel are trained in H2S safety awareness in regards to identifying and using caution with possible H2S .

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 ⅜ inch shall be set at **850 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 8 ⅝ inch Intermediate casing is to **circulate to surface.**

3. The minimum required fill of cement behind the 5 ½ inch Production casing is to **cover all H-C potential formations by at least 200 feet..**

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 ⅜ 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.

2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be ~~2 M~~ 3M psi. (JL)

III. Pressure Control (continued):

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.

Ggourley 9/28/05

BLM Serial Number: NM-106915
Company Reference: Pogo Producing Co.
Well No. & Name: Proximity 30 Federal #2

STANDARD STIPULATIONS FOR PERMANENT RESOURCE ROADS
CARLSBAD FIELD OFFICE

A copy of the grant and attachments, including stipulations and map, will be on location during construction. BLM personnel may request to view a copy of your permit during construction to ensure compliance with all stipulations.

The holder/grantee/permittee shall hereafter be identified as the holder in these stipulations. The Authorized Officer is the person who approves the Application for Permit to Drill (APD) and/or Right-of-Way (ROW).

GENERAL REQUIREMENTS

A. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

B. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976, as amended (15 U.S.C. 2601, *et. seq.*) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized by this grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation and Liability Act, Section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the Authorized Officer concurrent with the filing of the reports to the involved Federal agency or State government.

C. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, *et. seq.* or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, *et. seq.*) on the right-of-way (unless the release or threatened release is wholly unrelated to the right-of-way holder's activity on the right-of-way). This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

D. If, during any phase of the construction, operation, maintenance, or termination of the road, any oil or other pollutant should be discharged, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil of other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages to Federal lands resulting there from, the Authorized Officer may take such measures as deemed necessary to control and cleanup the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any liability or responsibility.

E. The holder shall minimize disturbance to existing fences and other improvements on public domain surface. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times.

The holder will make a documented good-faith effort to contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence.

F. The Holder shall ensure that the entire right-of-way, including the driving surface, ditching and drainage control structures, road verges and any construction sites or zones, will be kept free of the following plant species: Malta starthistle, African rue, Scotch thistle and salt cedar.

Holder agrees to comply with the following stipulations:

1. ROAD WIDTH AND GRADE

The road will have a driving surface of 14 feet (all roads shall have a minimum driving surface of 12 feet, unless local conditions dictate a different width). The maximum grade is 10 percent unless the box below is checked. Maximum width of surface disturbance from construction will be 30 feet.

/__/ Those segments of road where grade is in excess of 10% for more than 300 feet shall be designed by a professional engineer.

2. CROWNING AND DITCHING

Crowning with materials on site and ditching on one side of the road on the uphill side will be required. The road cross-section will conform to the cross section diagrams in Figure 1. If conditions dictate, ditching may be required for both sides of the road; if local conditions permit, a flat-bladed road may be considered (if these conditions exist, check the appropriate box below). The crown shall have a grade of approximately 2% (i.e., 1" crown on a 12' wide road).

/_X_/ Ditching will be required on both sides of the roadway as shown on the attached map or as staked in the field.

/__/ Flat-blading is authorized on segment(s) delineated on the attached map.

3. DRAINAGE

Drainage control shall be ensured over the entire road through the use of borrow ditches, outsloping, insloping, natural rolling topography, lead-off (turnout) ditches, culverts, and/or drainage dips.

A. All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval for lead-off ditches shall be determined according to the following table, but may be amended depending upon existing soil types and centerline road slope (in %):

SPACING INTERVAL FOR TURNOUT DITCHES

Percent slope	Spacing interval
0% - 4%	400' - 150'
4% - 6%	250' - 125'
6% - 8%	200' - 100'
8% - 10%	150' - 75'

A typical lead-off ditch has a minimum depth of 1 foot below and a berm 6 inches above natural ground level. The berm will be on the down-slope side of the lead-off ditch. The ditch end will tie into vegetation whenever possible.

For this road the spacing interval for lead-off ditches shall be at

/_x_/ 400 foot intervals.

/__/ ____ foot intervals.

/__/ locations staked in the field as per spacing intervals above.

/__/ locations delineated on the attached map.

B. Culvert pipes shall be used for cross drains where drainage dips or low water crossings are not feasible. The minimum culvert diameter must be 18 inches. Any culvert pipe installed shall be of sufficient diameter to pass the anticipated flow of water. Culvert location and required diameter are shown on the attached map (Further details can be obtained from the Roswell District Office or the appropriate Resource Area Office).

C. On road slopes exceeding 2%, drainage dips shall drain water into an adjacent lead-off ditch. Drainage dip location and spacing shall be determined by the formula:

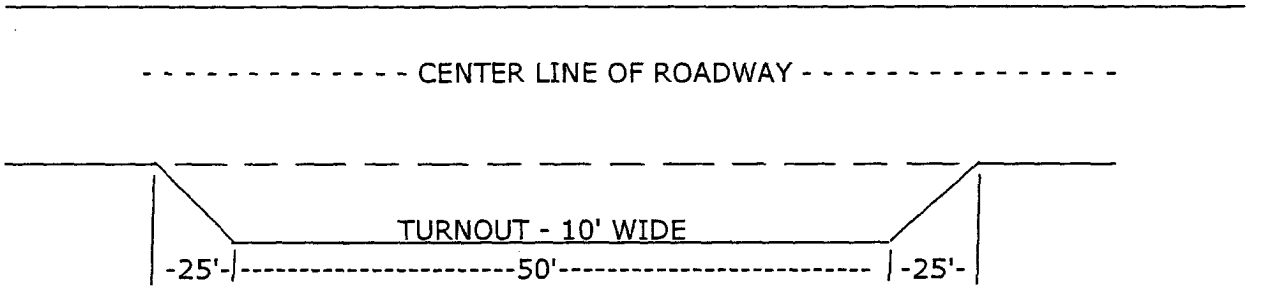
$$\text{spacing interval} = \frac{400'}{\text{slope}} + 100'$$

road slope in %

Example: 4% slope: spacing interval = $\frac{400}{4}$ + 100 = 200 feet

4. TURNOUTS

Unless otherwise approved by the Authorized Officer, vehicle turnouts will be required. Turnouts will be located at 2000-foot intervals, or the turnouts will be intervisible, whichever is less. Turnouts will conform to the following diagram:



STANDARD TURNOUT - PLAN VIEW

5. SURFACING

Surfacing of the road or those portions identified on the attached map may, at the direction of the Authorized Officer, be required, if necessary, to maintain traffic within the right-of-way with caliche, gravel, or other surfacing material which shall be approved by the Authorized Officer. When surfacing is required, surfacing materials will be compacted to a minimum thickness of six inches with caliche material. The width of surfacing shall be no less than the driving surface. Prior to using any mineral materials from an existing or proposed Federal source, authorization must be obtained from the Authorized Officer.

A sales contract for the removal of mineral materials (caliche, sand, gravel, fill dirt, etc.) from an authorized pit, site, or on location must be obtained from the BLM prior to using any such mineral material from public lands. Contact the BLM solid minerals staff for the various options to purchase mineral material.

6. CATTLEGUARDS

Where used, all cattleguard grids and foundation designs and construction shall meet the American Association of State Highway and Transportation Officials (AASHTO) Load Rating H-20, although AASHTO U-80 rated grids shall be required where heavy loads (exceeding H-20 loading), are anticipated (See BLM standard drawings for cattleguards). Cattleguard grid length shall not be less than 8 feet and width of not less than 14 feet. A wire gate (16-foot minimum width) will be provided on one side of the cattleguard unless requested otherwise by the surface user.

7. MAINTENANCE

The holder shall maintain the road in a safe, usable condition. A maintenance program shall include, but not be limited to blading, ditching, culvert installation, culvert cleaning, drainage installation, cattleguard maintenance, and surfacing.

8. PUBLIC ACCESS

Public access along this road will not be restricted by the holder without specific written approval being granted by the Authorized Officer. Gates or cattleguards on public lands will not be locked or closed to public use unless closure is specifically determined to be necessary and is authorized in writing by the Authorized Officer.

9. CULTURAL RESOURCES

Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the authorized officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to the proper mitigation measures will be made by the authorized officer after consulting with the holder.

10. SPECIAL STIPULATIONS:

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒
Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Pogo Producing Company Telephone: 432-685-8100 e-mail address: wrightc@pogoproducing.com
Address: P.O. Box 10340, Midland, TX 79702-7340
Facility or well name: Proximity 30 Fed #2 API #: 30-025-37596 U/L or Qtr/Qtr D Sec 30 T 22S R 32E
County: Lea Latitude 32:21:55N Longitude 103:40:18W NAD: 1927 ☒ 1983 ☐
Surface Owner: Federal ☒ State ☐ Private ☐ Indian ☐

Pit	**Below-grade tank**
Type: Drilling ☒ Production ☐ Disposal ☐ Workover ☐ Emergency ☐ Lined ☒ Unlined ☐ Liner type: Synthetic ☒ Thickness 12 mil Clay ☐ Pit Volume 16000 bbl	Volume: ____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes ☐ If not, explain why not.

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more X	(20 points) (10 points) (0 points)	0
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes No X	(20 points) (0 points)	0
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more X	(20 points) (10 points) (0 points)	0
	Ranking Score (Total Points)		0

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if your are burying in place) onsite ☐ offsite ☐ If offsite, name of facility_____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface_____ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

I hereby certify that the information above is true and complete to the best of my knowledge and belief. **I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.**

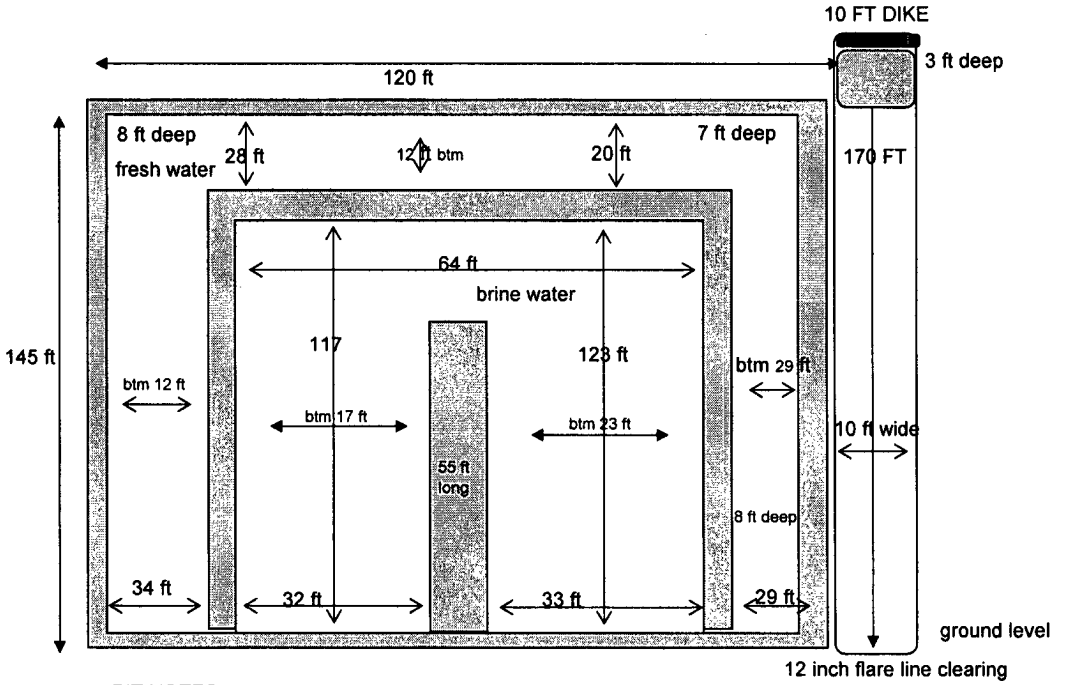
Date: 12/15/05
Printed Name/Title Cathy Wright, Sr Eng Tech Signature Cathy Wright

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:
Printed Name/Title PAUL F. KAUTZ PETROLEUM ENGINEER Signature _____ Date: DEC 19 2005

POGO Producing Company
Proximity 30 Federal #2
Approximate Pit Dimensions

D/30/22S/32E, Lea County, New Mexico



PIT NOTES:

Pit will be lined with 12 mil Black plastic w/ UV protection.
Pit walls are 6 ft to 8 ft wide.
Pit is 8 ft deep below ground level plus 2 ft walls
Pit walls are 2 ft above ground level.
Caliches mined from pit used to make Well Pad.
Fresh Water volume to ground level = ± 7950 bbls
Brine Water volume to ground level = ± 7730 bbls
12 inch Flare line laid on gradual descending graded ROW away from rig to avoid fluid trapping
Fresh water well = (Nad 27) 32° 23' 14" N & 103° 38' 43" W "Published data"
This well produces from a depth greater than 100 ft.

Pit equals approx 16000 bbls

Water Resources

Data Category: Site Information | Geographic Area: New Mexico | go

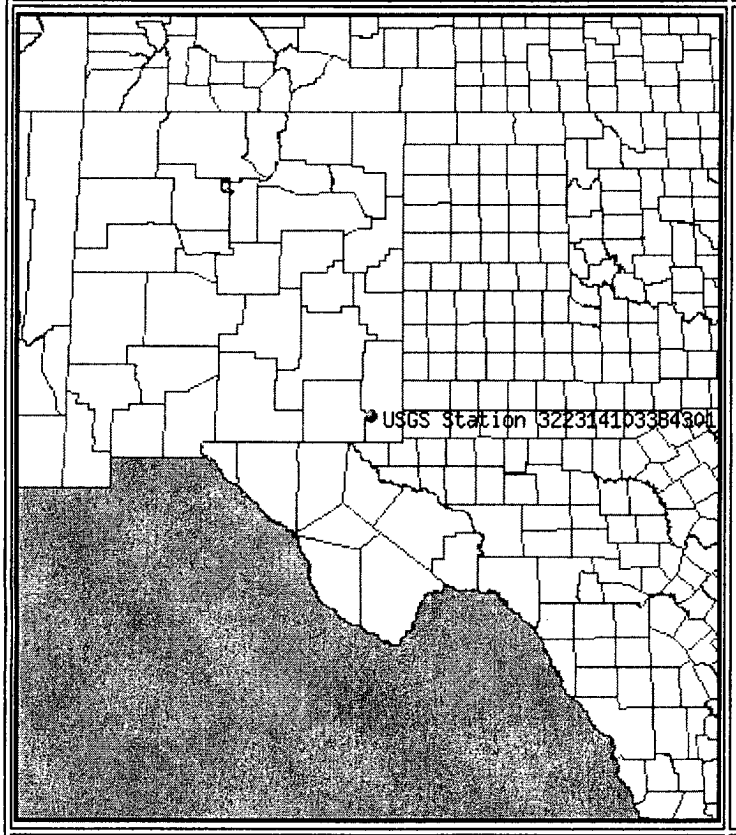
Site Map for New Mexico

USGS 322314103384301 22S.32E.14.32322

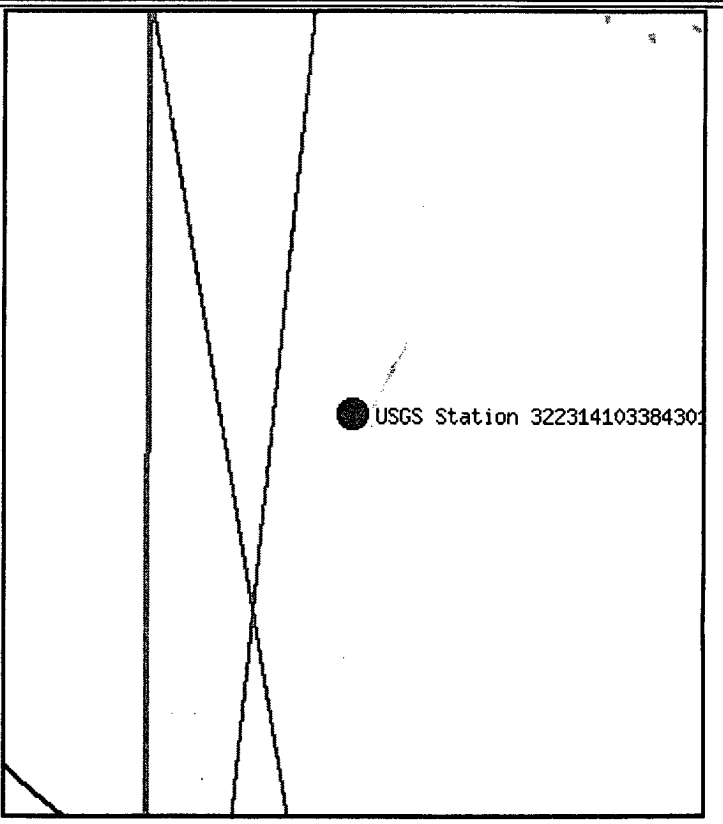
Available data for this site | site map | GO

Lea County, New Mexico
Hydrologic Unit Code
Latitude 32°23'14", Longitude 103°38'43" NAD27
Land-surface elevation 3,717.00 feet above sea level NGVD29
The depth of the well is 435 feet below land surface.
This well is completed in the SANTA ROSA SANDSTONE (231SNRS) local aquifer.

Location of the site in New Mexico.



Site map.



ZOOM IN 2X, 4X, 6X, 8X, or ZOOM OUT 2X, 4X. 6X. 8X.

Maps are generated by US Census Bureau TIGER Mapping Service.

Questions about data New Mexico NWISWeb Data Inquiries
Feedback on this website New Mexico NWISWeb Maintainer

Top
Explanation of terms

NWIS Site Inventory for New Mexico: Site Map
http://waterdata.usgs.gov/nm/nwis/nwismap?

Retrieved on 2005-12-15 12:14:00 EST
Department of the Interior, U.S. Geological Survey
USGS Water Resources of New Mexico

Water Resources

Data Category: Ground Water | Geographic Area: New Mexico | go

Ground-water levels for New Mexico

Search Results -- 1 sites found

Search Criteria

site_no list = • 322314103384301

Save file of selected sites to local disk for future upload

USGS 322314103384301 22S.32E.14.32322

Available data for this site: Ground-water: Levels | GO

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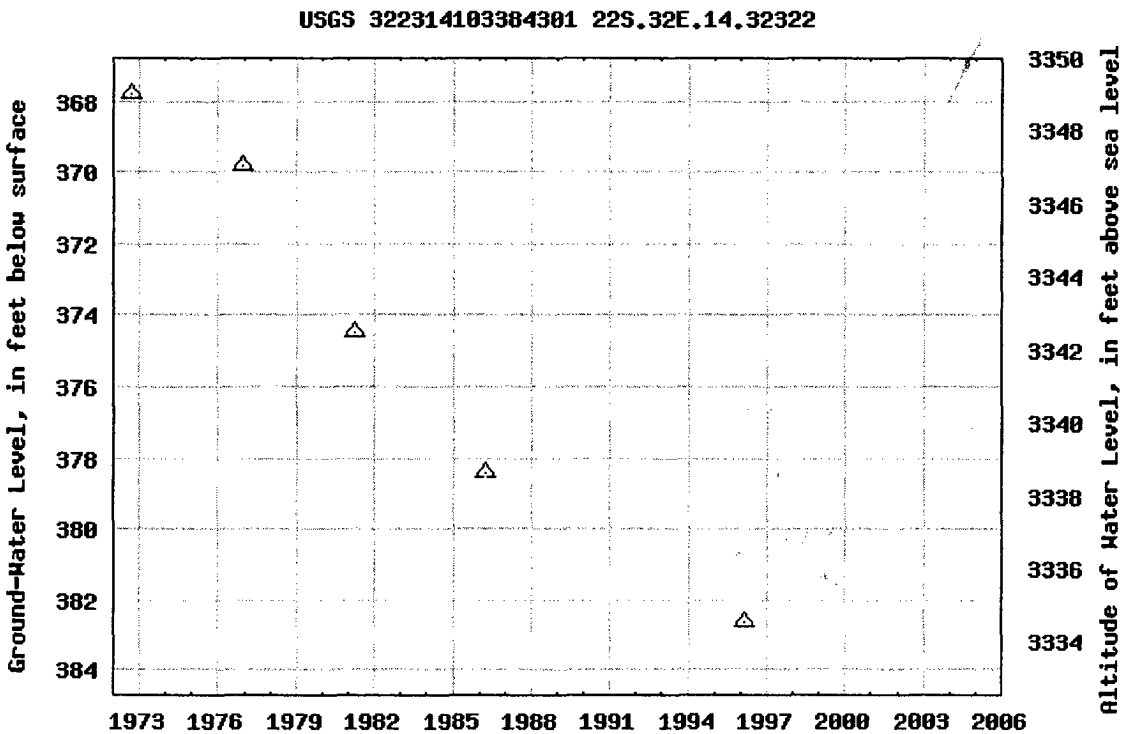
Output formats

- Table of data
- Tab-separated data
- Graph of data
- Reselect period



Breaks in the plot represent a gap of at least one calendar year between two consecutive points.
Download a presentation-quality graph

Questions about data New Mexico NWISWeb Data Inquiries
Feedback on this website New Mexico NWISWeb Maintainer

Top
Explanation of terms

Great Circle Calculator.

By Ed Williams

You need Javascript enabled if you want this page to do anything useful! For Netscape, it's under Options/Network Preferences/Languages.

Compute true course and distance between points.

Enter lat/lon of points, select distance units and earth model and click "compute". Lat/lons may be entered in DD.DD, DD:MM.MM or DD:MM:SS.SS formats.

Note that if either point is very close to a pole, the course may be inaccurate, because of its extreme sensitivity to position and inevitable rounding error.

Input Data

Lat1		Lon1	
32:23:14	N	103:38:43	W
Lat2		**Lon2**	
32:22:07.6	N	103:43:16.7	W

Output

Course 1-2	Course 2-1	Distance
253.993075	73.9523627	4.00828124

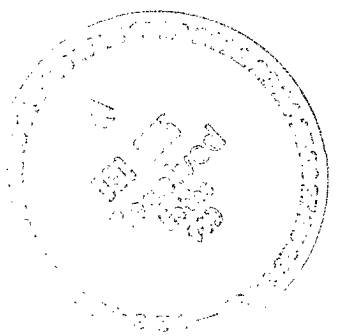
Distance Units: nm Earth model: Spherical (1'=1nm)

Compute Reset

Compute lat/lon given radial and distance from a known point

Enter lat/lon of initial point, true course and distance. Select distance units and earth model and click "compute". Lat/lons may be entered in DD.DD, DD:MM.MM or DD:MM:SS.SS formats.

Note that the starting point cannot be a pole.



Input data

Lat1		Lon1	
0:00.00	N	0:00.00	W
Course 1-2		Distance 1-2	
360		0.0	