Ferm 3160-3 (July 1992)

New Mexico Oil Conservation Division, District I

1625 N. French Drive BBMIT IN TRIPLICATE UNITED STATES Jobbs, NM 88240 (Other instructions on

reverse side)

FORM APPROVED OMB NO. 1004-0136

DEC 2 8 2005

DATE

Expires: February 28, 1995 DEPARTMENT OF THE INTERIOR 5. LEASE DESIGNATION AND SERIAL NO. **BUREAU OF LAND MANAGEMENT** NM-69377 6. IF INDIAN, ALLOTTEE OR TRIBE NAME APPLICATION FOR PERMIT TO DRILL OR DEEPE 1a. TYPE OF WORK DRILL XX DEEPEN [7. UNIT AGREEMENT NAME b. TYPE OF WELL MULTIPLE ___ SINGLE GAS WELL OIL X OTHER 8. FARM OR LEASE NAME, WELL NO. 2. NAME OF OPERATOR Red Tank 28 Federal Pogo Producing Company 9. API WELL NO. 3. ADDRESS AND TELEPHONE NO. 30-025-36061 10. FIELD AND POOL OR WILDCAT 79702-7340 (432) 685-8100 P. O. Box 10340, Midland, TX 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) Red'Tank Bone Spring AND SURVEYOR AREA 330' FSL & 660' FEL, Section 28,T22S,R32E At proposed prod. zone Same Sec 12. COUNTY OF PARISH 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 13. STATÉ \Lea Count Approximately 25 miles East of Carlsbad New Mexico NM: 15. DISTANCE FROM PROPOSED* 16. NO. OF ACRES IN LEASE 17. NO. OF ACRES ASSIGNED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drig. unit line, if any) TO THIS WELL 330' 320 19. PROPOSED DEPTH 18. DISTANCE FROM PROPOSED LOCATION* 20. ROTARY OR CABLE TOOLS 3. F. TO NEAREST WELL, DRILLING, COMPLETED, 1650' 89001 OR APPLIED FOR, ON THIS LEASE, FT. Rotary 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 22. APPROX. DATE WORK WILL START* When approved 3598' GR 23 PROPOSED CASING AND CEMENTING PROGRAM Carlebod Controlled Water Bashi SIZE OF HOLE GRADE, SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH QUANTITY OF CEMENT 40' 25" Conductor NA Cmt to surface w/ Redi-mix 54.5 1000' 17-1/2" <u>J-55, 13-3/8</u> 1000 sks - circ to surface 11" 32 4700' 1800 sks - circ to surface J-55, 8-5/8 17 & 15.5 89001 7-7/8" J-55, 5-1/21200 sks - est TOC 3000' 1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface w/ Redi-mix. 2. Drill 17-1/2" hole to 1000'. Run & set 1000' of 13-3/8" 54.5# J-55 ST&C csg. Cmt w/ 1000 sks Cl "C" cmt + 2% CaCl2 + 1/4# Flocele/sk. Circ cmt to surface. 3. Drill 11" hole to 4700'. Run & set 4700' of 8-5/8" csg as follows: 500' of 8-5/8" 32# S-80 ST&C csg, 4200' of 8-5/8" 32#, J-55 ST&C. Cmt w/ 1800 sks Cl "C" cmt + 2% CaCl2 + 1/4# Flocele/sk. Circ cmt to surface. 4. Drill 7-7/8" hole to 8900'. Run & set 8900' 5-1/2" csg as follows: 2900' of 5-1/2" 17#, J-55, LT&C, 5000' of 5-1/2" 15.5# J-55 LT&C, 1000' of 5-1/2" 17# J-55 LT&C. Cmt in two stages, DV tool @ ±6200'. Cmt 1st stage w/ 600 sks Cl "H" Remium Plus controlled stage cmt w/ 600 sks Cl "H" cmt + add. Est TOC 3000' FS. General requirements and SPECIAL STIPULATIONS 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 Sr. Eng Tech 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:

*See Instructions On Reverse Side APPROVAL FOR 1 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.

/s/ Joe G. Lara

FIELD MANAGER

DISTRICT I P.O. Box 1980, Hobbs, NM 86241-1980

State of New Mexico

Energy, Minerals and Natural Resources Department

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

State Lease - 4 Copies

DISTRICT II P.O. Drawer DD, Artesia, NM 58211-0719

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Fee Lease - 3 Copies

DISTRICT IV

DISTRICT III

P.O. BOX 2068, SANTA PE, N.M. 87504-2088

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name	
30-025-3777	51683	RED TANK - BONE SPRING	
Property Code	Prop	Well Number	
—17271 9342	RED TANK	2	
0GRID No.	-	ator Name	Elevation
17891		CING COMPANY	3598'

Surface Location

	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	١
ı	P	28	22-S	32-E		330	SOUTH	660	EAST	LEA	I
											*

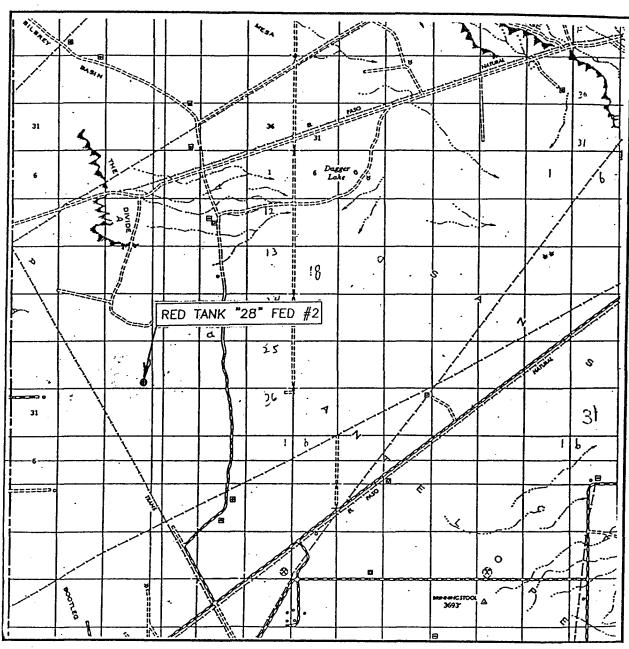
Bottom Hole Location If Different From Surface

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

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

		N AFFROVED B1 1B	
			OPERATOR CERTIFICATION
{	- [I hereby certify the the information
			contained herein is true and complete to the best of my knowledge and belief.
			Cast Janin
			Signature
			Joe T. Janica Printed Name
_			Agent
			Title 09/16/02
1	1		Date
	1		
			SURVEYOR CERTIFICATION
			I hereby certify that the well location shown
	1		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 belief.
,	1		AUGUST 26, 2002
		į	Date Surveyed with the Signature & Seal of Sig
	+	/ ~~ /	Signature & Seal of Professional Sitveyor
,	I DETAIL	1	I JOYN MENTEN
	3599.1' 3601.5'	SEE DETAIL	hara h Endom 8/29/02
1	0	F	02.11.0622
	3596.1' 3602.0'	o - 660° -	Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641
		1.9.	Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641

VICINITY MAP



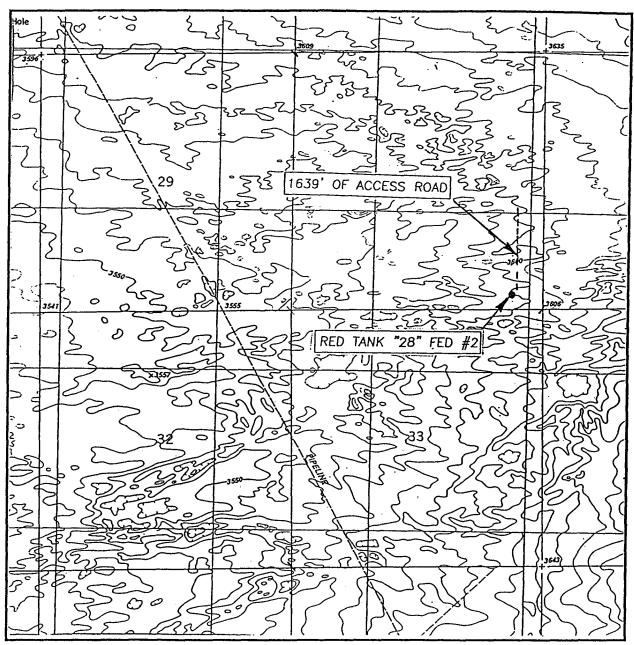
SCALE: 1" = 2 MILES

SEC. <u>28</u> TWP. <u>22-S</u> RGE. <u>32-E</u>
SURVEYN.M.P.M.
COUNTYLEA
DESCRIPTION 330' FSL & 660' FEL
ELEVATION 3598'
OPERATOR POGO PRODUCING COMPANY
LEACE RED TANK "28" FEDERAL

JOHN WEST SURVEYING HOBBS, NEW MEXICO (505) 393-3117



LOCATION VERIFICATION MAP



SCALE: 1'' = 2000'

CONTOUR INTERVAL: 10' BOOTLEG RIDGE, N.M.

SEC. <u>28</u> IWP. <u>22-5</u> RGE. <u>32-E</u>
SURVEYN.M.P.M.
COUNTYLEA
DESCRIPTION 330' FSL & 660' FEL
ELEVATION 3598'
OPERATOR POGO PRODUCING COMPANY
LEASE RED TANK "28" FEDERAL
U.S.G.S. TOPOGRAPHIC MAP

JOHN WEST SURVEYING HOBBS, NEW MEXICO (505) 393-3117

APPLICATION TO DRILL

POGO PRODUCING COMPANY
RED TANK "28 FEDERAL # 2
UNIT "P" SECTION 28
T22S-R32E LEA CO. NM

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. <u>Location:</u> 330' FSL & 660' FEL SEC. 28 T22S-R32E LEA CO. NM
- 2. Elevation above Sea Level: 3598' GR.
- 3. Geologic name of surface formation: Quaternery Aeolian Deposits.
- 4. <u>Drilling tools and associated equipment:</u> Conventional rotary drilling rig using drilling mud as a circulating medium for solids removal from hole.
- 5. Proposed drilling depth: 8900'
- 6. Estimated tops of geological markers:

Basal Anhydrite	4210'	Cherry Canyon	5539 1
Delaware Lime	4670 '	Brushy Canyon	6793 '
Bell Canyon	4732	Bone Spring	8618'

7. Possible mineral bearing formations:

Brushy Canyon

Oil

Bone Spring

Oil

8. Casing program:

Hole size	Interval	OD of casing_	Weight	Thread	Collar	Grade	
25"	0-40	20"	NA	NA	NA	Conductor	
17 ¹ 2''	0-1000'	13 3/8"	54.5	8-R	ST&C	J-55	
8 5/8"	0-4700'	8 5/8"	32	8-R	ST&C	S-80 J-55	
5½'	0-8900'	5½"	17 & 15.5	8-R	LT&C	J-55	

APPLICATION TO DRILL

POGO PRODUCING COMPANY
RED TANK "28 FEDERAL # 2
UNIT "P" SECTION 28
T22S-R32E LEA CO. NM

9. CASING SETTING & CEMENTING:

20"	Conductor	Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
13 3/8"	Surface	Set 1000' of 13 3/8" 54.5# J-55 ST&C casing. Cement with 1000 Sx. of Class "C" cement + additives, circulate cement to surface.
8 5/8"	Intermediate	Set 4700' of 8 $5/8$ " $32\#$ S-80 & J-55 ST&C casing. Cement with 1800 Sx. of Class "C"C cement + 2% CaCl + $\frac{1}{2}\#$ Flocele/Sx. circulate cement to surface.
5½"	Production	Set 8900' of $5\frac{1}{2}$ " casing as folloes: 2900' of $5\frac{1}{2}$ " 17# 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 2 stages. Cement 1st stage with 600 Sx. of Class "H" Premium Plus + additives Cement 2nd stage with 600 Sx. of Class "H" cement plus additives. DV tool to be at 6200'±. estimate top of 3000' from surface.

10. PRESSURE CONTROL EQUIPMENT: Exhibit "E" shows a 900 Series 3000 PSI working pressure B.O.P. consisting of an annular bag type preventor, middle blind rams and bottom pipe rams. The B.O.P. will be nippled up on the 95/8" casing and tested to API specifications. The B.O.P. will be operated at least once in each 24 hour period and the blind rams will be operated when drill pipe is out of hole on trips. Full opening stabbing valve and upper kelly cock will be utilized. Exhit "E-1" shows a hydraulically operated closing unit and a 2" 3000 PSI choke manifold with dual adjustable chokes. No abnormal pressures or temperatures are expected.

11. PROPOSED MUD CIRCULATING SYSTEM:

DEPTH	MCD WI.	VISC.	····FLUID LO	SS TYPE MUD SYSTEM
40-1000'	8.4-8.7	29-34	NC	Fresh water spud mud add paper to control seepage.
1000-4700'	10.0-10.3	29-36	NC	Brine water use paper to control seepage and high viscosity sweeps to clean hole.
4700-8900'	8.4-8.7	29-38	NC	Fresh water use fresh water Gel for viscosity control & High viscosity sweeps to clean hole. If water loss is required use a Polymer mud system.

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/or water loss may have to be adjusted to meet these needs.

APPLICATION TO DRILL

POGO PRODUCING COMPANY
RED TANK "28 FEDERAL # 2
UNIT "P" SECTION 28
T22S-R32E LEA CO. NM

12. LOGGING, CORING, & TESTING PROGRAM:

- A. Open hole logs: Run Dual Induction, SNP, LDT, CNL, Gamma Ray, CAliper from TD back to 47000'.
- B. Cased hole logs: Run Gamma Ray, Neutron log from 4700' to surface. Run a collar locator log across pay interval after the production casing is run.
- C. Mud logger will be on hole from 4700' to TD. No DST's or cores are planned.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. There is no known presence of $\rm H^2S$ in this area. If $\rm H^2S$ 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 4250 PSI, and Estimated BHT 170°.

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 30 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 <u>Bone Spring</u> formation will be perforated and stimulated in order to establish production. The well will be swab tested and potentialed as an oil well.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

- 1. All Company and Contract personnel admitted on location must be trained by a qualified H₂S safety instructor to the following:
 - A. Characteristics of H₂S
 - B. Physical effects and hazzards
 - C. Proper use of safety equipment and life support systems.
 - D. Principle and operation of H2S detectors, warning system and briefing areas.
 - E. Evacuation procedure, routes and first aid.
 - F. Proper use of 30 minute pressure demand air pack.
- 2. H₂S Detection and Alarm Systems
 - A. H₂S 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, H2S 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.

- 8. Drilling contractor supervisor will be required to be familiar with the effects H2S has on tubular goods and other mechanical equipment.
- 9. If H₂S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas seperator will be brought into service along with H₂S scavengers if necessary.

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- 1. EXISTING ROADS: Area maps, Exhibit "B" is a reproduction of a County General Highway Map. Exhibit "C" is a reproduction of a USGS Topographic Map, showing existing roads 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 Hobbs take U.S. Hi-way 62-180 west toward Carlsbad New Mexico go 38 miles to CR-29 turn South go 14 miles to MILLs Ranch Road, Turn Left go 5.2 miles to disposal well on the North side of road, turn Right and go .85 miles to well # 5 bear Southwest and go to well # 6 in section 28 turn south on new lease road go .3 miles to location.
 - C. Lay flowline and construct powerline along road R-O-W as shown on Exhibit "F".
- 2. PLANNED ACCESS ROADS: Approximately .3 miles of road will be constructed.
 - A. The access road will be crowned and dirched to a 12'00" wide travel surface with a 40' right-of-way.
 - B. Gradient on all roads will be less than 5.00%.
 - C. Turn outs will be constructed as necessary.
 - D. If needed, road will be surfaced with a minimum of 4" of caliche. This material will be obtained from a local source.
 - E. Centerline for the new access road has been flagged. Earthwork will be as required by field conditions.
 - F. Culverts in the access road will not be used. The road will be constructed to utilize low water crossings for drainage as required by the Topography.
- 3. LOCATION OF EXISTING WELLS IN A ONE-MILE RADIUS EXHIBIT "A-1"

Α.	water wells	-	None known
В.	Disposal wells	-	One approximately 1.2 miles Northwest.
c.	Drilling wells	_	None Known

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

POGO PRODUCING COMPANY
RED TANK "28" FEDERAL # 2
UNIT "P" SECTION 28
T22S-R32E LEA CO. NM

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 quaters 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 furthed 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.

SURFACE USE PLAN

POGO PRODUCING COMPANY
RED TANK "28" FEDERAL # 2
UNIT "P" SECTION 28
T22S-R32E LEA CO. NM

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 previously noted procedures will apply to those areas which are not required for production facilities.

SURFACE USE PLAN

POGO PRODUCING COMPANY
RED TANK "28" FEDERAL # 2
UNIT "P" SECTION 28
T22S-R32E LEA CO. NM

11. OTHER INFORMATION:

- A. Topography consists of sand dunes with a slight dip toward the West. Deep sandy soil supports native grasses, mesquite, and shinnery Oak.
- B. Surface is owned by the Bureau of Land Management U.S. Department of Interior. Surface is used for grazing of livestock and is leased to ranchers for this purpose.
- C. An archaeological survey will be conducted and copies of the survey will be filed in the Carlsbad Office of The Bureau of Land Management.
- D. There are no dwellings or habitation within three miles of this location.

12. OPERATORS REPRESENTIVE:

Before construction:

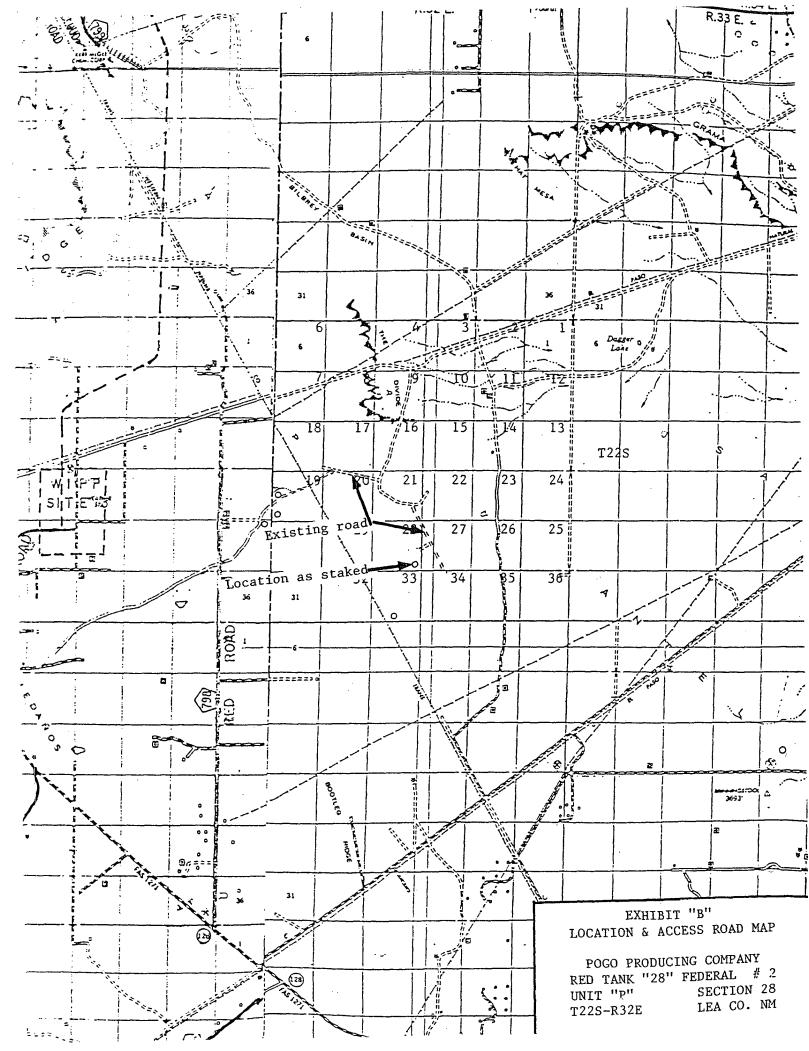
TIERRA EXPLORATION INC.
P.O. BOX 2188
HOBBS, NEW MEXICO 88241
OFFICE PHONE 505-391-8503
JOE T. JANICA

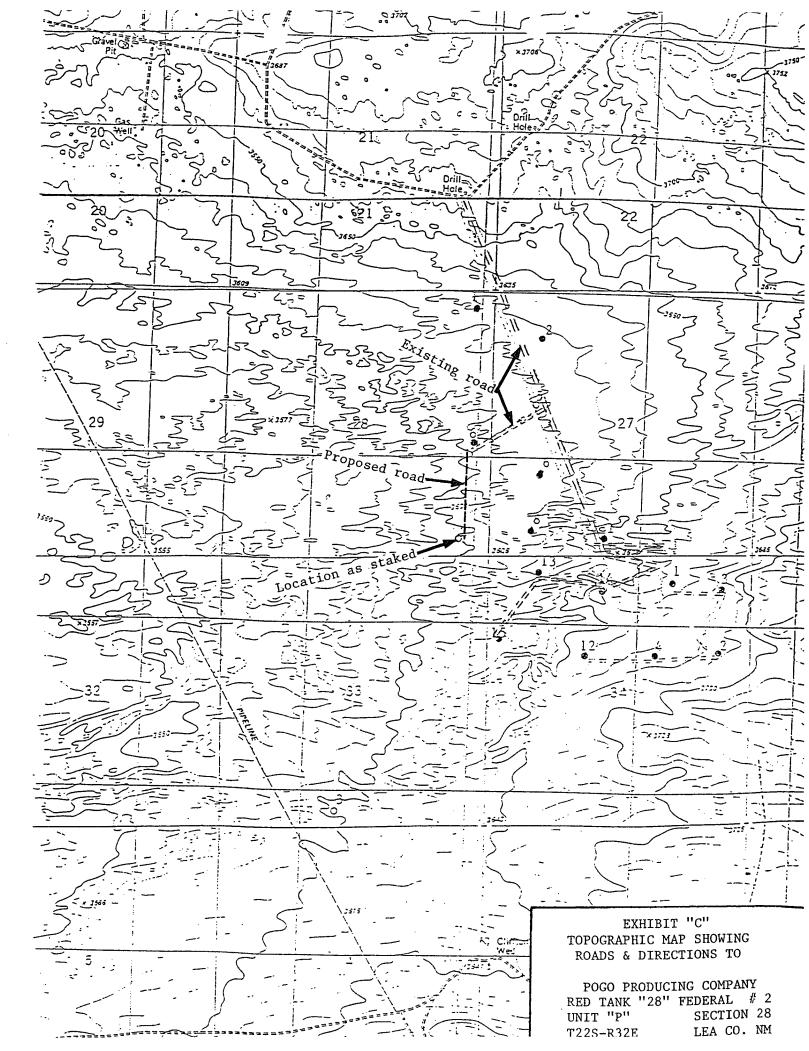
During and after construction:

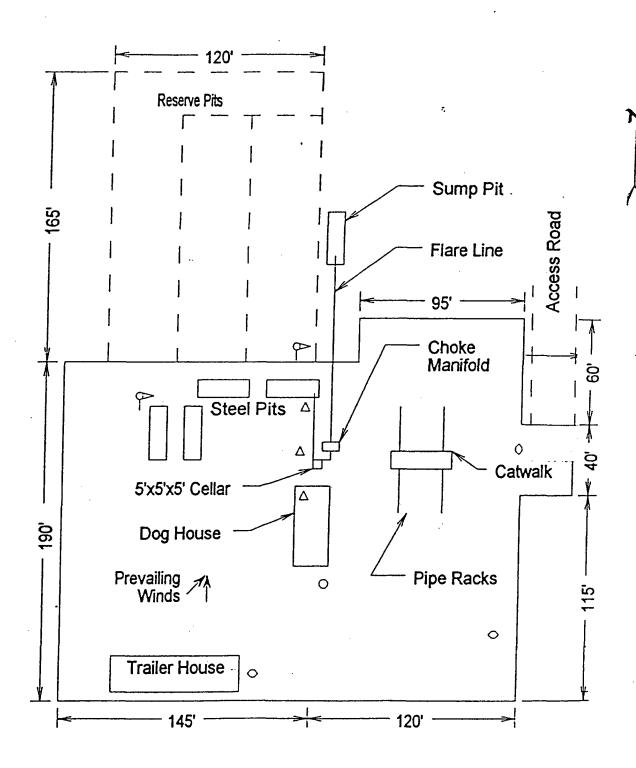
POGO PRODUCING COMPANY
P.O. BOX 10340
MIDLAND, TEXAS 79702-7340
OFFICE PHONE 915-685-8100
MR. RICHARD WRIGHT 915-685-8140

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, its contractors/subcontractors is in the 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 statement.

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NAME	: <u>() </u>	P/	Her	120
DATE	:/	094	16/02	
TITLE	: Ager	nt _		

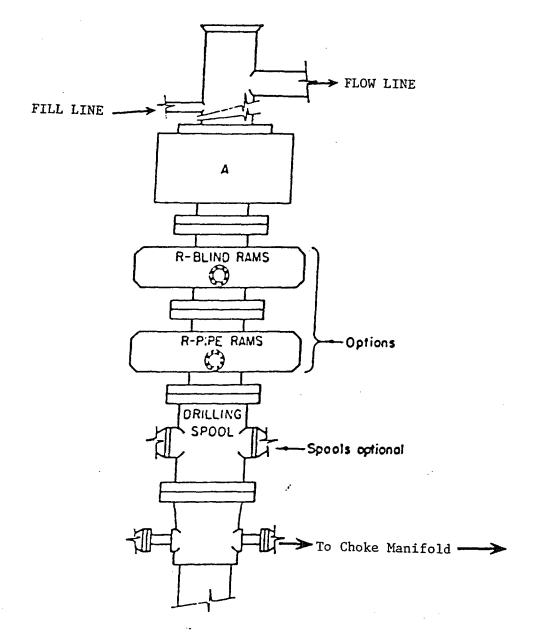






- Wind Direction Indicators (wind sock or streamers)
- △ H2S Monitors (alarms at bell nipple and shale shaker)
- Briefing Areas
- O Remote BOP Closing Unit
- Sign and Condition Flags

EXHIBIT "D"
RIG LAY OUT PLAT



ARRANGEMENT SRRA

900 Series 3000 PSI WP

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



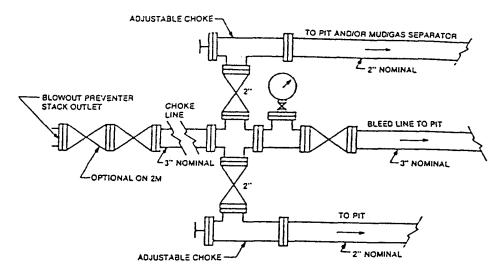


FIGURE K4-1. Typical choke manifold assembly for 2M and 3M rated working pressure service — surface installation.

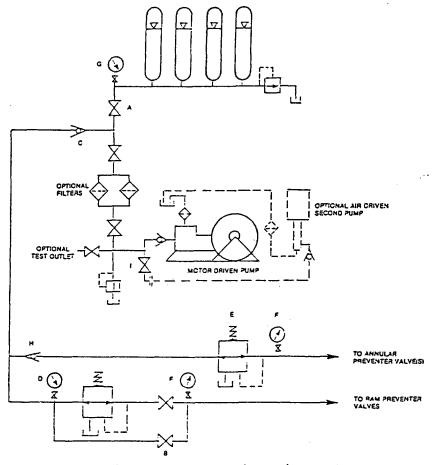
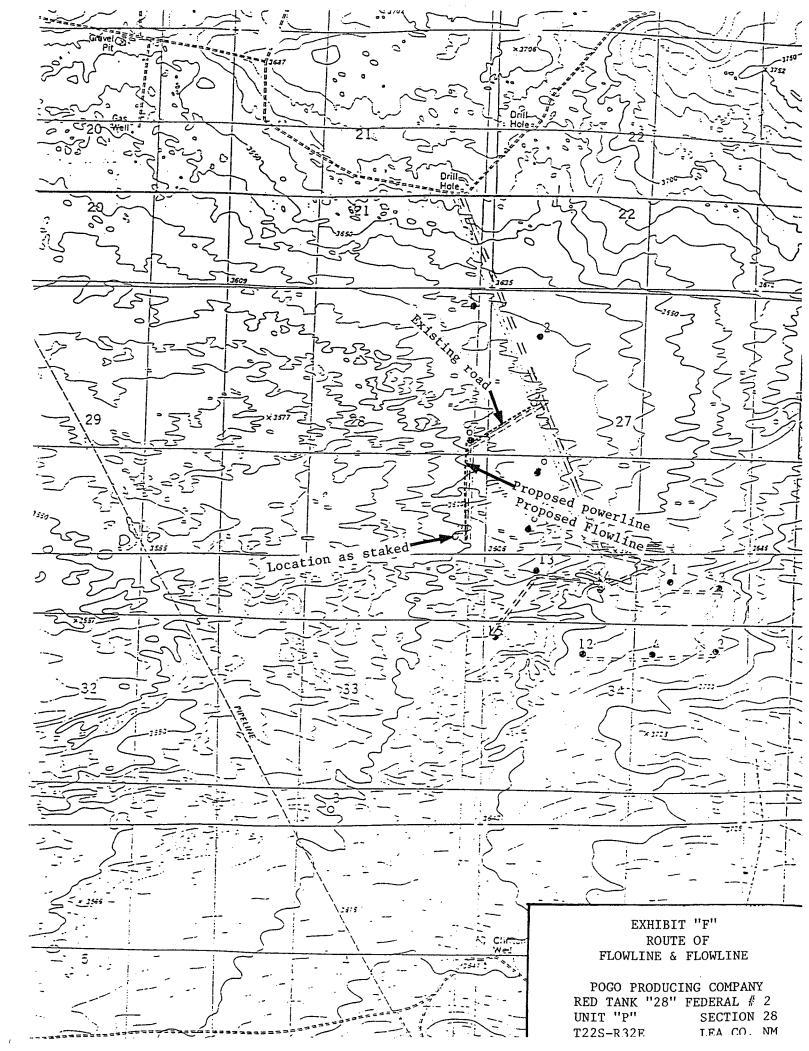


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT



SPECIAL DRILLING STIPULATIONS

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J	1	11		- 1	٠,	.,	Ί.	л	ハ	.,	v	v	1	Ι,	٧,	J	_]	┙	1	٦.	1	_	1	1	o	٠,	N	л.		J	u	1	T/		ш	,	١.	J.	ĮΝ		L J	L	L	•	¥¥	_	_ ا	بار	/ h	נכ	. •	Jl	٠,

Operator's Name Pogo Producing Co. Well Name & No. Red Tank 28 Federal #2
Location 330 FSL & 660 FEL Sec. 28 , T. 22 S, R 32 E.
Lease No. NM-69377 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) () 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 with6 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 approximatelyinches in depth. Approximatelycubic yards of topsoil material will be stockpiled for reclamation.
() Other.
III. WELL COMPLETION REQUIREMENTS
() A Communitization 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 $\frac{1}{2}$ 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 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
() 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.

<u>Reclamation</u>: 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.

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 described below: All of Section 28 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.

Bureau of Land Management Carlsbad Field Office

SENM-S-22 December 1997

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Pogo Producing Company Well No. 2 - Red Tank 28 Federal

Location: 330' FSL & 660' FEL sec. 28, T. 22 S., R. 32 E.

Lease: <u>NM-69377</u>

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at (505) 393-3612 in sufficient time for a representative to witness:

A. Spudding

- B. Cementing casing: <u>13-3/8</u> inch <u>8-5/8</u> inch <u>5-1/2</u> inch
- 2. A Hydrogen Sulfide Contingency Plan should be activated prior to drilling in the <u>Cherry Canyon</u> formation. A copy of the plan shall be posted at the drilling site.
- 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. Include the API No. assigned to well by NMOCD on the subsequent report of setting the first casing string.

II. CASING:

- 1. 13-3/8 inch surface casing should be set at approximately 1000 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 this 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. Minimum required fill of cement behind the <u>8-5/8</u> inch intermediate casing is <u>sufficient to circulate to the surface</u>.
- 3. Minimum required fill of cement behind the <u>5-1/2</u> inch production casing is <u>sufficient to tie back 200 feet into</u> the 8-5/8 inch intermediate casing set at approximately 4700 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 intermediate 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 <u>13-3/8</u> inch surface casing, the minimum working pressure of the blowout preventer and related equipment (BOPE) shall be <u>2000</u> psi. Before drilling below the <u>8-5/8</u> inch intermediate casing, the minimum working pressure of the blowout preventer and related equipment (BOPE) shall be <u>3000</u> psi.
- 3. The BOPE shall be installed before drilling below the <u>8-5/8</u> inch intermediate 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 Hobbs Office at 414 West Taylor, Hobbs, New Mexico 88240.
- 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.

BLM Serial Number: NM-69377

Company Reference: pogo Producing Co. Well No. & Name: Red Tank 28 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:

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.

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).

	Ditching will be required on both sides of the roadway as sho tached map or as staked in the field.	own on the
//	Flat-blading is authorized on segment(s) delineated on the att	ached 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

/_400) foot intervals.
	_ foot intervals.
 // locat	tions staked in the field as per spacing intervals above.
 / / locat	tions delineated on the attached map.

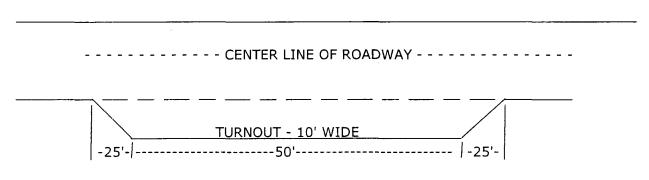
- B. Culvert pipes shall be used for cross drains where drainage dips or low water crossings are not feasible. The minimum culvert diameter must be 18 inches. Any culvert pipe installed shall be of sufficient diameter to pass the anticipated flow of water. Culvert location and required diameter are shown 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:

Example: 4% slope: spacing interval = 400 + 100 = 200 feet

4

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

Form C-144

March 12, 2004

Pit or Below-Grade Tank Registration or Closure
Is pit or below-grade tank covered by a "general plan"? Yes No 🔀

	elow-grade tank 🔀 Closure of a pit or below-grade	
Operator: Pogo Producing Company Telephone: Address: P. O. Box 10340, Midland, TX 79702-Facility or well name: Red Tank 28 Fed #2 API#: 32-20 County: Lea Latitude 32:21:21.92Longitude 103	-7340 25 -31 72	25 R 32E
Pit Type: Drilling ★ Production □ Disposal □ Workover □ Emergency □ Lined ★ Unlined □ Liner type: Synthetic Thickness 12 mil Clay □ Volume 16000 bbl	Below-grade tank Volume:bbl Type of fluid: Construction material: Double-walled, with leak detection? Yes If 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 X	(20 points) (10 points) (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes Reconstruction X	(20 points) (0 points) O
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)
	Ranking Score (Total Points)	0
If this is a pit closure: (1) attach a diagram of the facility showing the pit's onsite offsite If offsite, name of facility end date. (4) Groundwater encountered: No Yes If yes, show depth and a diagram of sample locations and excavations.	(3) Attach a general description of remedial act	ion taken including remediation start date and
I hereby certify that the information above is true and complete to the best of been/will be constructed or closed according to NMOCD guidelines , a Date: 02/28/06 Printed Name/Title Cathy Wright, Sr Eng Tech Your certification and NMOCD approval of this application/closure does not otherwise endanger public health or the environment. Nor does it relieve the regulations. Approva MAR 2 9 2006	general permit , or an (attached) alternative O Signature	CD-approved plan . f the pit or tank contaminate ground water or
Date:Printed Name/Title	Signature	

Great Circle Calculator.

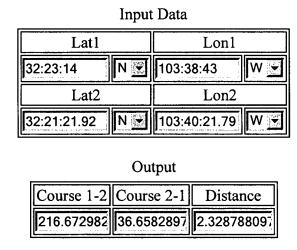
By Ed Williams

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.



Distance Uni	ts: nm 🔀	Earth model:	Spherical (1'=1nm)	X
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



Water Resources

Data Category: Ground Water

Geographic Area: New Mexico

go

Ground-water levels for New Mexico

Search Results -- 1 sites found

Search Criteria

• 322314103384301 site no list =

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

Lea County, New Mexico

Hydrologic Unit Code

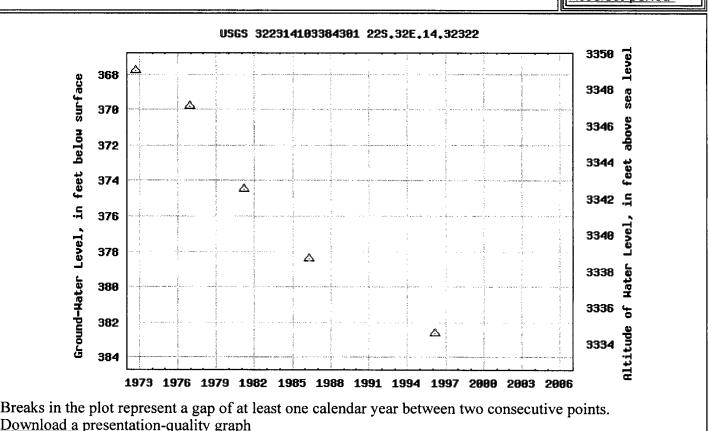
Latitude 32°23'14", Longitude 103°38'43" NAD27

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.

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



Questions about data

New Mexico NWISWeb Data Inquiries Feedback on this websiteNew Mexico NWISWeb Maintainer

Top Explanation of terms



Water Resources

Data Category: Geographic Area: Site Information 😾 New Mexico

Site Map for New Mexico

USGS 322314103384301 22S.32E.14.32322

Available data for this site

site map GO

Lea County, New Mexico

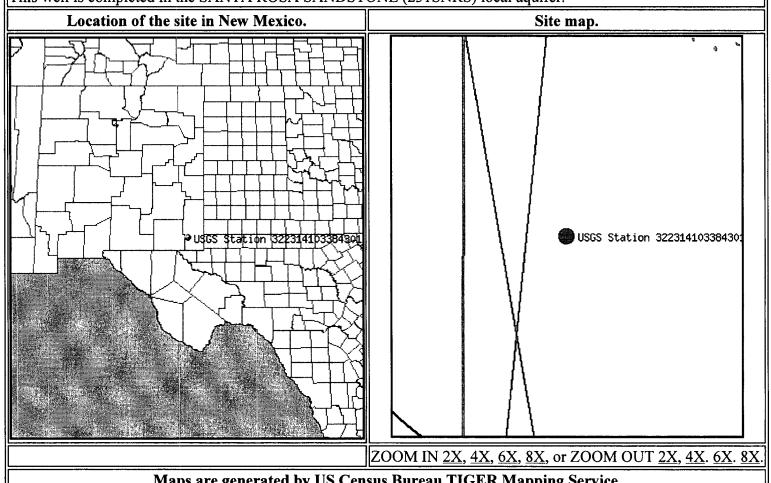
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Maps are generated by <u>US Census Bureau TIGER Mapping Service.</u>

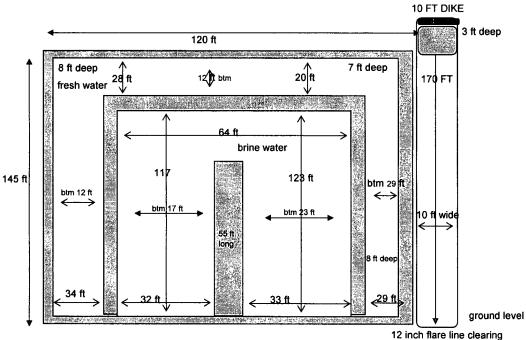
Questions about data New Mexico NWISWeb Data Inquiries Feedback on this website New Mexico NWISWeb Maintainer NWIS Site Inventory for New Mexico: Site Map http://waterdata.usgs.gov/nm/nwis/nwismap?

Explanation of terms

Retrieved on 2006-02-28 11:01:43 EST Department of the Interior, U.S. Geological Survey **USGS Water Resources of New Mexico**

POGO Producing Company Red Tank 28 Federal #2 **Approximate Pit Dimensions**

P/28/22S/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 = \pm 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

Sent: Tue 3/28/2006 10:17 AM

The sender of this message has requested a read receipt. Click here to send a receipt.

Mull, Donna, EMNRD

From:

Phillips, Dorothy, EMNRD

To:

Mull, Donna, EMNRD

Cc:

Subject:

RE: Financial Assurance Requirement

Attachments:

All have blanket bonds and do not appear on Jane's list.

From: Mull, Donna, EMNRD

Sent: Tuesday, March 28, 2006 8:52 AM

To: Phillips, Dorothy, EMNRD

Cc: Macquesten, Gail, EMNRD; Sanchez, Daniel J., EMNRD

Subject: Financial Assurance Requirement

Dorothy, Is the Financial Assurance Requirement for these Operators OK?

Range Operating New Mexico Inc (227588) Pogo Producing Co (17891) Yates Petroleum Corp (25575) Gruy Petroleum Management Co (162683) Elk Oil Co (7147) Paladin Energy Corp (164070) Mark L Shidler Inc (14096)

Please let me know. Thanks Donna