Form 3160-3
(July 1992)

OPER. OGRID NO. 17891
PROPERTY NO. 32755
POOL CODE 39380
EFF. DATE 8/28/03
API NO. 30-025-36386

Division

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

UNITED S
DEPARTMENT OF
BUREAU OF LAND

APPLICATION FOR PERMI

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

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

5. LEASE DESIGNATION AND SERIAL NO.: NM-63994

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: ---

7. UNIT AGREEMENT NAME: ---

8. FARM OR LEASE NAME, WELL NO.: PLATINUM "5" FEDERAL # 1

2. NAME OF OPERATOR: POGO PRODUCING COMPANY (RICHARD WRIGHT 915-685-8140)

9. API WELL NO.:

3. ADDRESS AND TELEPHONE NO.: P.O. BOX 10340 MIDLAND, TEXAS 79702-7340 (915-695-8100)

10. FIELD AND POOL, OR WILDCAT: LIVINGSTON RIDGE DELAWARE SE

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 580' FNL & 330' FWL SECTION 5 T23S-R32E LEA CO. NM
At proposed prod. zone: SAME

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: SECTION 5 T23S-R32E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: Approximately 28 miles East of Carlsbad New Mexico

12. COUNTY OR PARISH: LEA CO. | 13. STATE: NEW MEXICO

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
330'	960	40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
1.2 miles	8600'	ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3523' 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
25"	Conductor	NA	40'	Cement to surface with Redi-mix.
17½"	J-55 13 3/8"	54.5	850'	900 Sx. Circulate cement to surface.
11"	J-55 8 5/8"	32	4400'	1200 Sx " " " "
7 7/8"	J-55 5½"	17 & 15.5	8600'	1200 Sx. " " " "

1. Drill 25" hole to 40'. Set40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 17½" hole to 850'. Run and set 850' of 13 3/8" 54.5# J-55 ST&C casing. Cement with 900 Sx. of Class "C" cement + 2% CaCl, + ¼# Flocele/Sx. Circulate cement to surface.
3. Drill 11" hole to 4400'. Run and set 4400' of 8 5/8" 32# J-55 ST&C casing. Cement with 1200 Sx. of Class "C" cement + 2% CaCl, + ¼# Flocele/Sx. circulate cement to surface.
4. Drill 7 7/8" hole to 8600'. Run and set 8600' of 5½" casing as follows: 2600' of 5½" 17# J-55 LT&C, 5000' of 5½" 15.5# J-55 LT&C, 1000' of 5½" 17# J-55 LT&C. Cement in 3 stages DV Tools at 5800'± & 3800'±. Cement with 1200 Sx of Class "H" cement + additives circulate cement to surface.

Capitan Controlled Water Basin

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

RECEIVED AUG 2003 Hobbs OCD

ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED Cesar T Garcia TITLE Agent DATE 06/17/03

(This space for Federal or State office use)

PERMIT NO. ___ APPROVAL DATE ___

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY /S/ JOE G. LARA TITLE Acting FIELD MANAGER DATE AUG 26 2003

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

...e 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

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

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

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
30-025-36386	39380	LIVINGSTON RIDGE DELAWARE SOUTHEAST

Property Code	Property Name	Well Number
32755	PLATINUM 5 FEDERAL	1

OGRID No.	Operator Name	Elevation
17891	POGO PRODUCING COMPANY	3523'

Surface Location

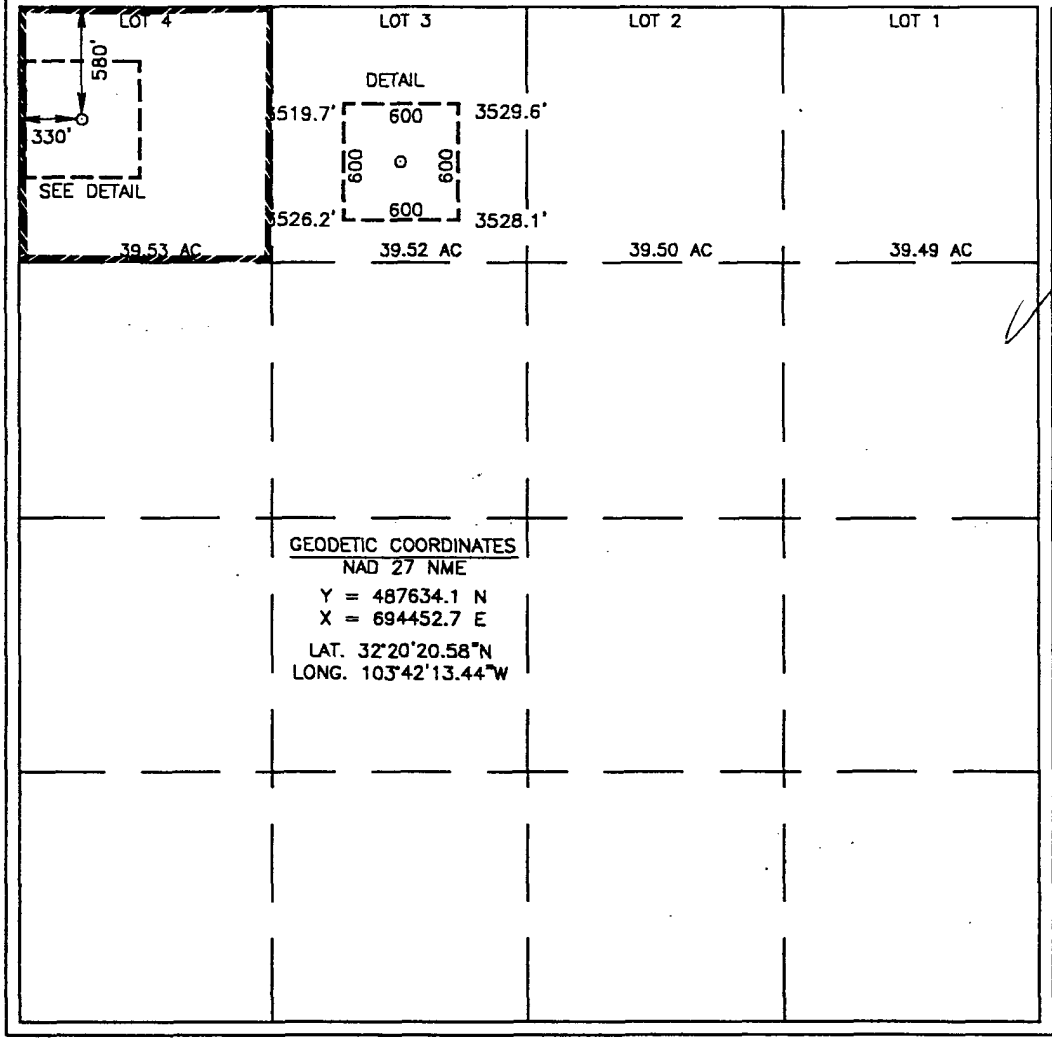
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	5	23-S	32-E		580'	NORTH	330'	WEST	LEA

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



OPERATOR CERTIFICATION

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

Joe T. Janica
Signature

Joe T. Janica
Printed Name

Agent
Title

06/17/03
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 belief.

June 05, 2003
Date Surveyed A.W.B

Signature & Seal of Professional Surveyor

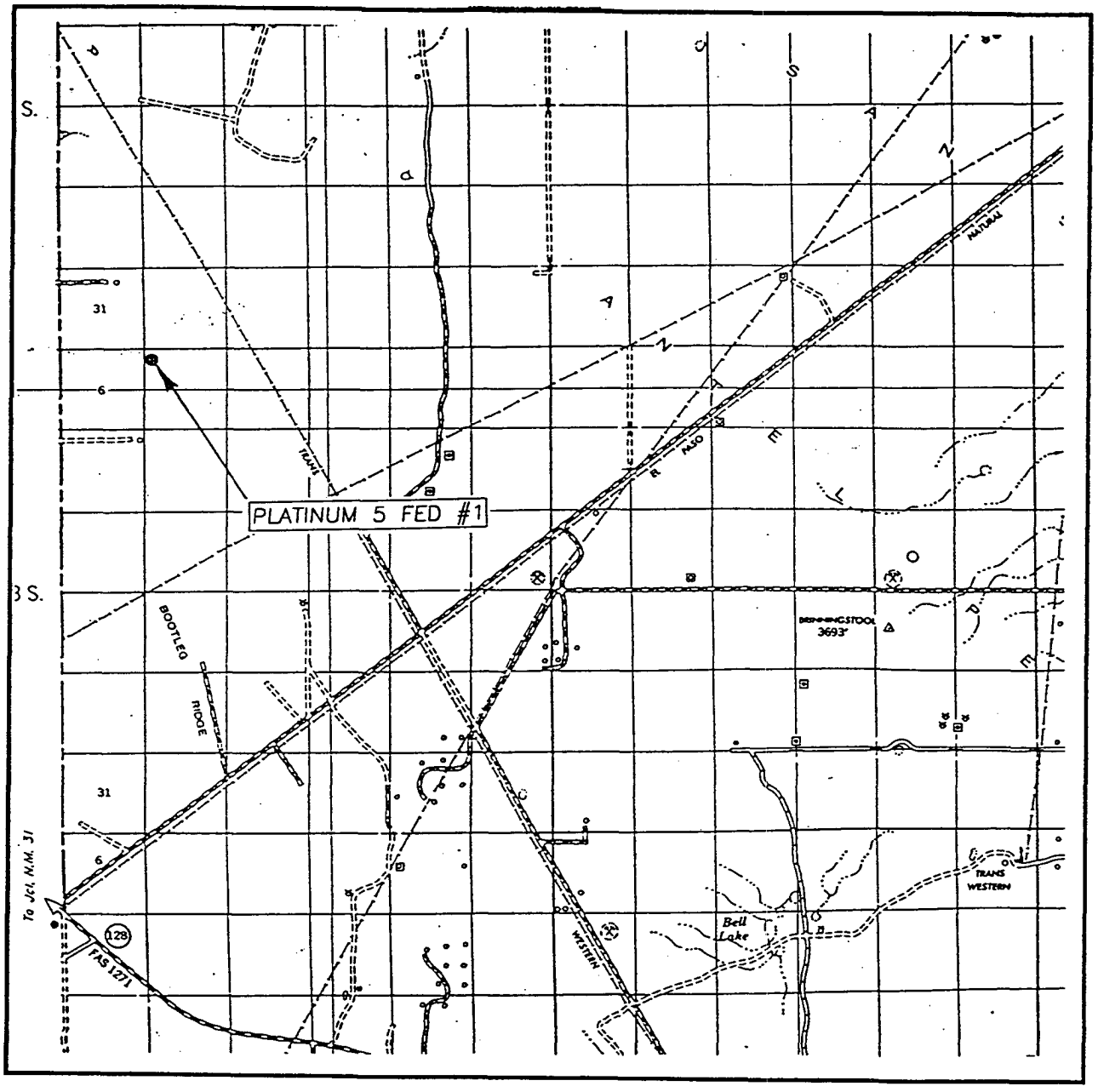
Gary L. Eidson 6/9/03

03.11.0552

Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12641

EXHIBIT "A"

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 5 TWP. 23-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 580' FNL & 330' FWL

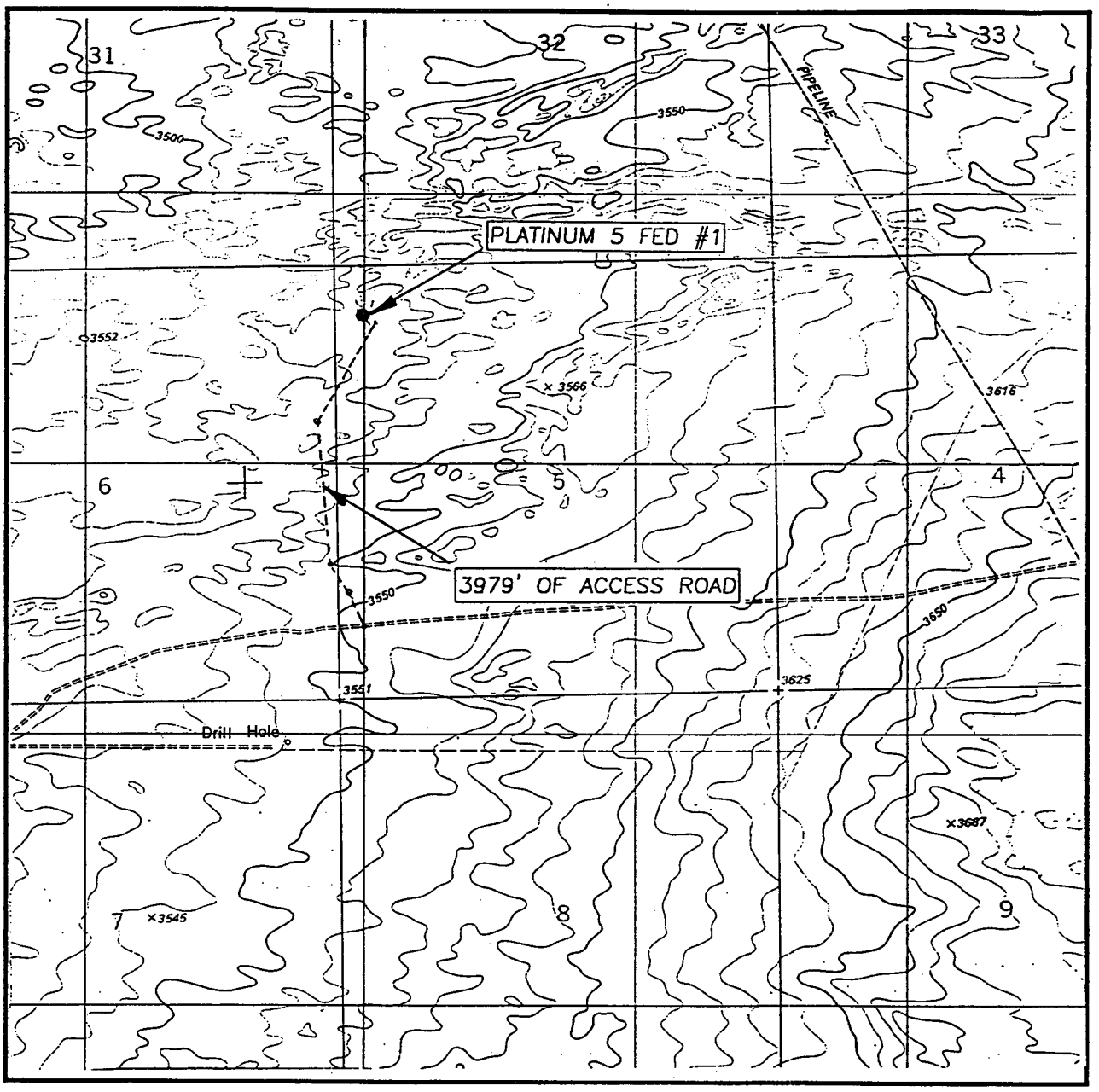
ELEVATION 3523'

OPERATOR POGO PRODUCING COMPANY

LEASE PLATINUM 5 FEDERAL

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

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

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

SEC. 5 TWP. 23-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 580' FNL & 330' FWL

ELEVATION 3523'

OPERATOR POGO PRODUCING COMPANY

LEASE PLATINUM 5 FEDERAL

U.S.G.S. TOPOGRAPHIC MAP
BOOTLEG RIDGE, N.M

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

APPLICATION TO DRILL

POGO PRODUCING COMPANY
PLATINUM "5" FEDERAL # 1
UNIT "D" SECTION 5
T23S-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. Location: 580' FNL & 330' FWL SECTION 5 T23S-R32E LEA CO. NM

2. Elevation above Sea Level: 3523' GR.

3. Geologic name of surface formation: Quaternery Aeolian Deposits.

4. Drilling tools and associated equipment: Conventional rotary drilling rig using drilling mud as a circulating medium for solids removal from hole.

5. Proposed drilling depth: 8600'

6. Estimated tops of geological markers:

Basal Anhydrite	4320'	Cherry Canyon	5500'
Delaware Lime	4580'	Brushy Canyon	6760'
Bell Canyon	4630'	Bone Spring	8530'

7. Possible mineral bearing formations:

Cherry Canyon	Oil	Bone Spring.	Oil
Brushy Canyon	Oil		

8. Casing program:

Hole size	Interval	OD of casing	Weight	Thread	Collar	Grade
25"	0-40'	20"	NA	NA	NA	Conductor
17½"	0-850'	13 3/8"	54.5	8-R	ST&C	J-55
11"	0-4400'	8 5/8"	32	8-R	ST&C	J-55
7 7/8"	0-8600'	5½"	17 & 15.5	8-R	LT&C	J-55

APPLICATION TO DRILL

POGO PRODUCING COMPANY
PLATINUM "5" FEDERAL # 1
UNIT "D" SECTION 5
T23S-R32E LEA CO. NM

9. CASING CEMENTING & SETTING DEPTH:

20"	Conductor	Set 40' of 20" conductor and cement to surface with Redi-mix.
13 3/8"	Surface	Set 850' of 13 3/8" 54.5# J-55 ST&C casing. Cement with 900 Sx. of Class "C" cement + 2% CaCl, + ¼# Flocele/Sx. Circulate cement to surface.
8 5/8"	Intermediate	Set 4400' of 8 5/8" 32# J-55 ST&C casing. Cement with 1200 Sx. of Class "C" cement + 2% CaCl, + ¼# Flocele/Sx. Circulate cement to surface.
5½"	Production	Set 8600' of 5½" casing as follows: 2600' of 5½" 17# J-55 LT&C, 5000' of 5½" 15.5# J-55 LT&C, 1000' of 5½" 17# J-55 LT&C. Cement in 3 stages with DV Tools at 5800'± & 3800'±. Cement with 1200 Sx. of Class "H" cement + additives, circulate cement to 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 13 3/8" 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. Exhib "E-1" shows a hydraulically operated closing unit and a 3" 3000 PSI choke manifold with dual adjustable chokes. No abnormal pressures or temperatures are expected.

11. PROPOSED MUD CIRCULATING SYSTEM:

DEPTH	MUD WT.	VISC.	FLUID LOSS	TYPE MUD SYSTEM
40-850'	8.4-8.7	29-38	NC	Fresh water spud mud add paper to control seepage.
850-4400'	10.0-10.2	29-38	NC	Brine water add paper to control seepage and use high viscosity sweeps to clean hole.
4400-8600'	8.4-8.7	29-40	NC*	Fresh water use fresh water Gel to control viscosity. Use high viscosity sweeps to clean hole.

* If water loss is required to condition hole in order to run logs, run casing or to take DST's or cores use a Dris-pac Polymer system to accomplish these requirements.

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
PLATINUM "5" FEDERAL # 1
UNIT "D" SECTION 5
T23S-R32E LEA CO. NM

12. LOGGING, CORING, AND TESTING PROGRAM:

A. Open hole logs: Intermediate hole Dual Laterolog, SNP, LDT, GAmma Ray, Caliper 4400' to surface. Production Hole: Run Dual Induction , SNP, LDT, Gamma Ray, Caliper from TD to 4400'.

B. Mud logger may be rigged up on hole at 4400'.

C. Cores and DST's may be run as shows dictate.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. There is no known presence of H^2S in this area. If 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 4400 PSI, and Estimated BHT 160°.

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 25 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 Bone Spring 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 H_2S safety instructor to the following:

   A. Characteristics of H_2S
   B. Physical effects and hazzards
   C. Proper use of safety equipment and life support systems.
   D. Principle and operation of H_2S detectors, warning system and briefing areas.
   E. Evacuation procedure, routes and first aid.
   F. Proper use of 30 minute pressure demand air pack.

2. H_2S Detection and Alarm Systems

   A. H_2S 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, H_2S present in dangerous concentration. Only emergency personnel admitted to location.

5. Well control equipment

   A. See exhibit "E"

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 location is near any dwelling a closed D.S.T. will be performed.

8. Drilling contractor supervisor will be required to be familiar with the effects H_2S has on tubular goods and other mechanical equipment.

9. If H_2S 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 H_2S scavengers.if necessary.

SURFACE USE PLAN

POGO PRODUCING COMPANY
PLATINUM "5" FEDERAL # 1
UNIT "D" SECTION 5
T23S-R32E LEA CO. NM

1. EXISTING ROADS & PROPOSED ROADS: Area maps; Exhibit "B" is a reproduction of a County General Hi-way Map. Exhibit "C" is a reproduction of a USGS Topographic Map, showing existing 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 New Mexico take U.S. Hi-way 62-180 West toward Carlsbad New Mexico, go 39± miles to CR-29, turn South and go 16.4 miles, turn East go 1.3 miles bear Left go 1.2 miles to new lease road, turn Left (North) follow road .8 miles to location.

   C. Surface facilities will be constructed on location if the well is completed as a producer.

2. PLANNED ACCESS ROADS: Approximately .8 miles of new road will be constructed.

   A. The access roads will be crowned and ditched to a 12' wide travel surface with a 40' Right-of-Way.

   B, Gradient of all roads will be less than 5.00%.

   C. If turn-outs are necessary they will be constructed.

   D. If needed roads will be surfaced with a mimimum of 4" of caliche. This material will be obtained from a local source.

   E. Center-line for new roads will be flagged. Earth-work will be will be done as field conditions require.

   F. Culverts will be placed in the access road if they are necessary. The roads will be constructed to utilaze low water crossings for drainage as required by topography.

3. LOCATIONS OF EXISTING WELLS IN A ONE MILE RADIUS. EXHIBIT "A-1"

   A. Water wells - One approximately 2 miles Southeast.

   B. Disposal wells - One approximately 1 mile North Northeast.

   C. Drilling wells - None known

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

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

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. If additional routes are needed a Sundry report will be submitted to obtain approval for flowlines and/or powerlines.

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.

9. WELL SITE LAYOUT:

A. Exhibit "D" shows the proposed well site layout.

B. This Exhibit shows the location of reserve pit, sump pits, and living facilities.

C. Mud pits in the active circulating system will be steel pits and the reserve pits will be unlined unless subsurface conditions encontered during pit construction indicate that a plastic liner is required to contain lateral migration.

D. If needed the reserve pits will be lined with polyethelene. The pit liner will be no less than 6 mils thick and the liner will be extended at least 3 feet over the top of the dikes and secured in place to keep edge of liner in place.

E. The reserve pit will be fenced on three sides and fenced with four strands of barbed wire during drilling and completionphases. The 4th side will be fenced after drilling operations are complete and the drilling rig has moved out.If the well is a producer the mud pits will remain fenced in until the mud has dried up enough to break out the pits and reclaimed according to BLM requirements.

10. PLANS FOR RESTORATION OF SURFACE:

Rehabilitation of the location and reserve pits will be allowed to dry properly, fluids may be moved and disposed of in accordance with article 7-E 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 furture erosion. In case of the well completed as a producer the drilling pad will be necessary to construct production facilities. After the area has been shaped and contoured top soil from the spoil pile will be placed over the disturbed area to the extent possible so that revegetation procedures can be accomplished to comply with the BLM specifications.

If the well is a dry hole the pad and road area will be contoured to match the existing terrain. Top soil will be spread to the extent possible and revegetation will be carried out according to the BLM specifications.

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
PLATINUM "5" FEDERAL # 1
UNIT "D" SECTION 5
T23S-R32E LEA CO. NM

11. OTHER INFORMATION:

A. Topography consists of sand dunes with a slight dip to the West. Deep sandy soil supports shinnery oak, native grasses, and an occasional mesquite tree.

B. Surface is owned by the U.S. Government and is administered by the Bureau of Land Management. The surface is used for grazing livestock and the production of oil and gas.

C. An archaeological survey will be conducted on the location and access roads. This report will be filed with The Bureau of Land Management in the Carlsbad field office.

D. There are no dwellings in the near vicinity of this location.

12. OPERATORS REPRESENTIVES:

Before construction:

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

During and after construction:

POGO PRODUCING COMPANY
P.O. BOX 10340
MIDLAND, TEXAS 79702-7340
OFFICE Ph. 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 roads, and that I am fimiliar 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 it's contractors/subcontractors is in compformity 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 report.

NAME : Joe T Janica
DATE : 06/17/03
TITLE : Agent

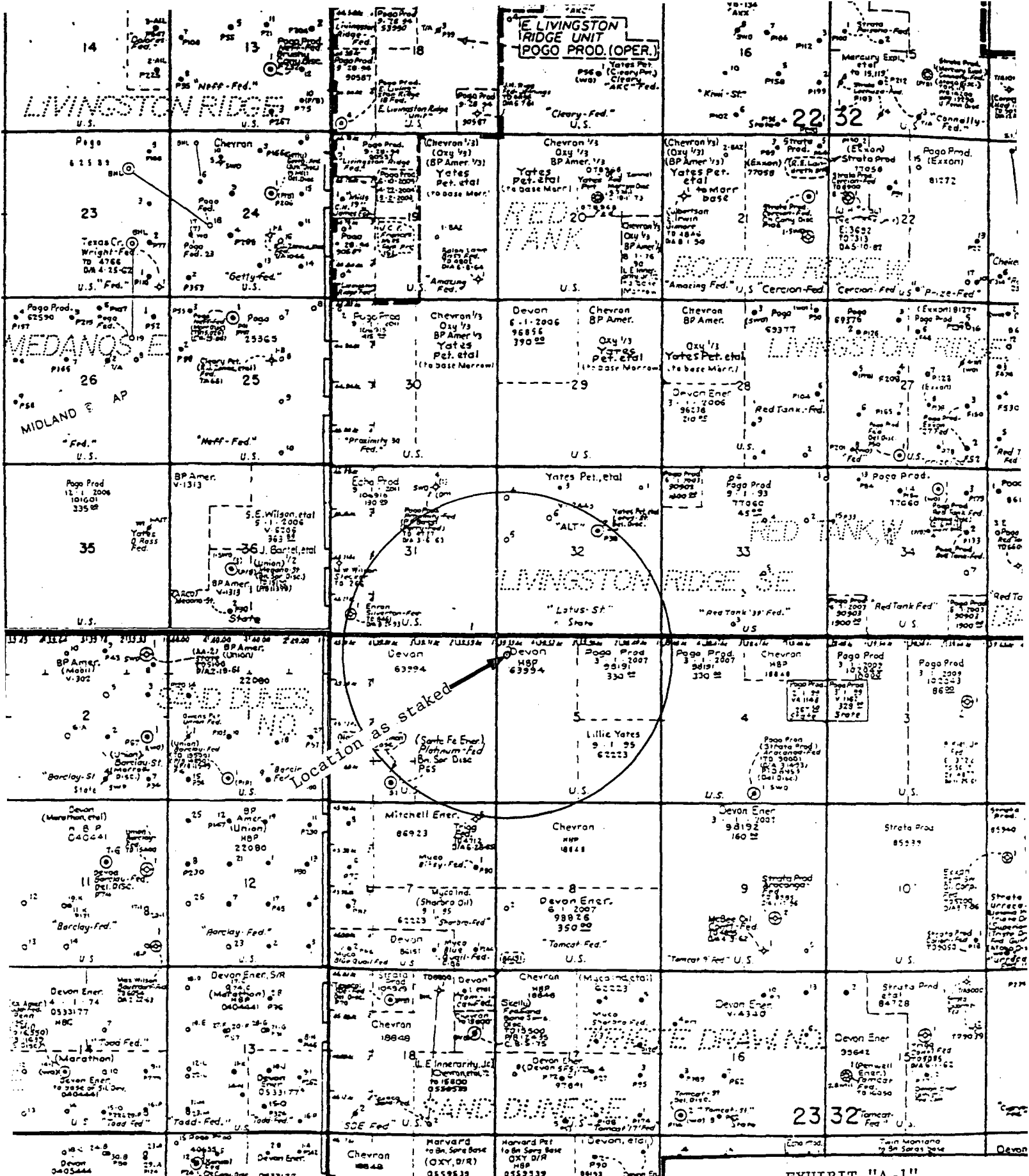


EXHIBIT "A-1"
ONE MILE RADIUS MAP

POGO PRODUCING COMPANY
PLATINUM "5" FEDERAL # 1
UNIT "D" SECTION 5
T23S-R32E LEA CO. NM

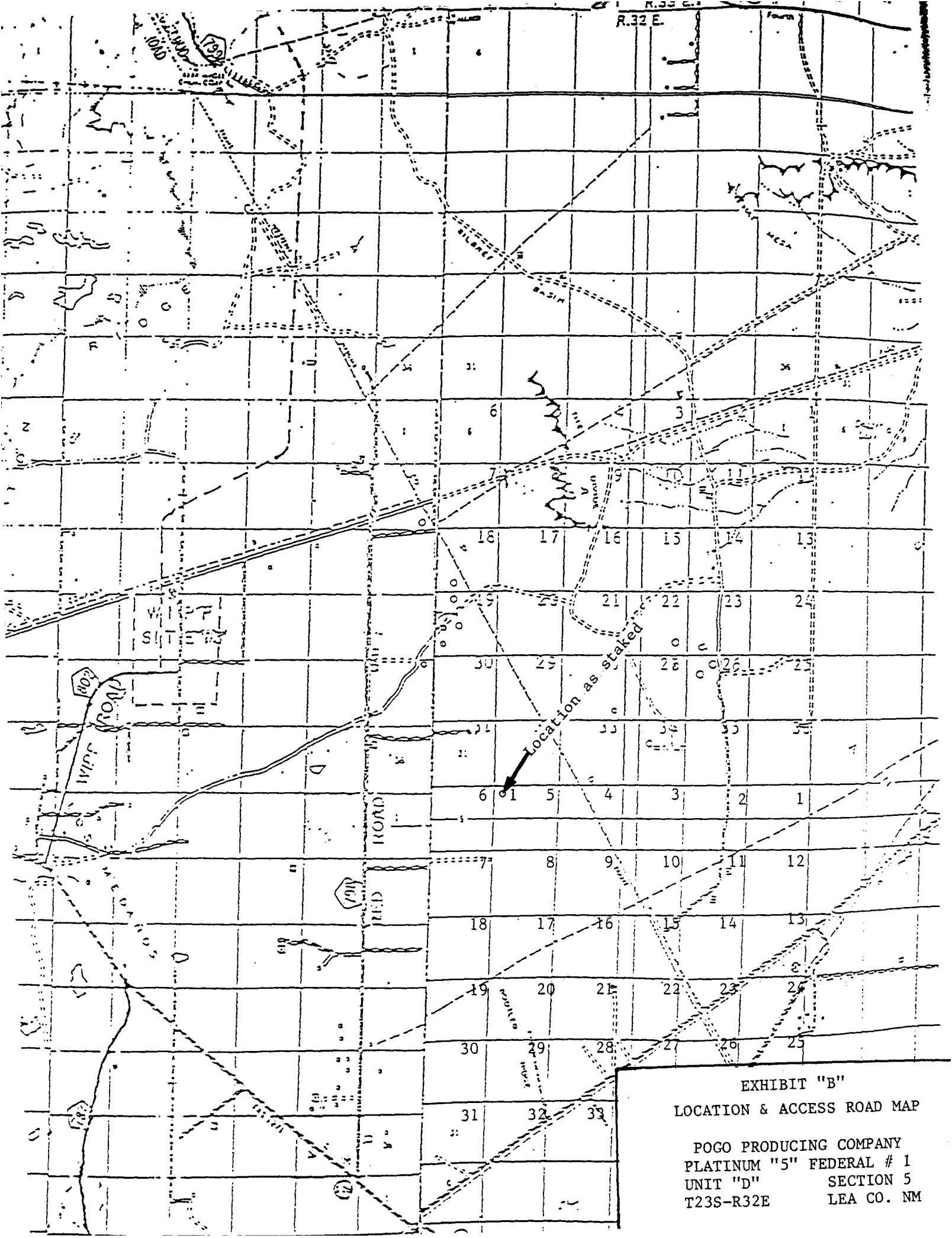


EXHIBIT "B"

LOCATION & ACCESS ROAD MAP

POGO PRODUCING COMPANY
PLATINUM "5" FEDERAL # 1
UNIT "D" SECTION 5
T23S-R32E LEA CO. NM

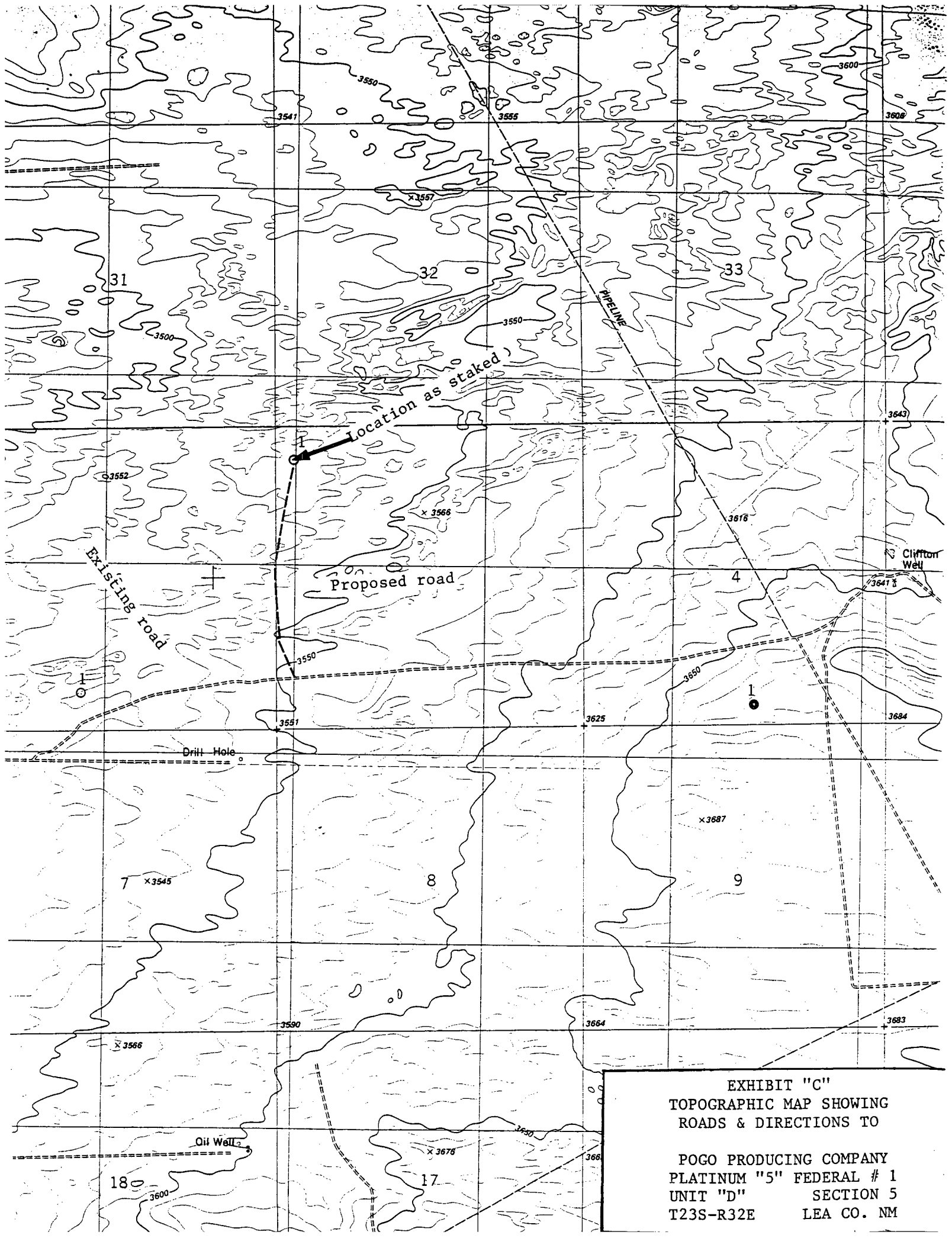
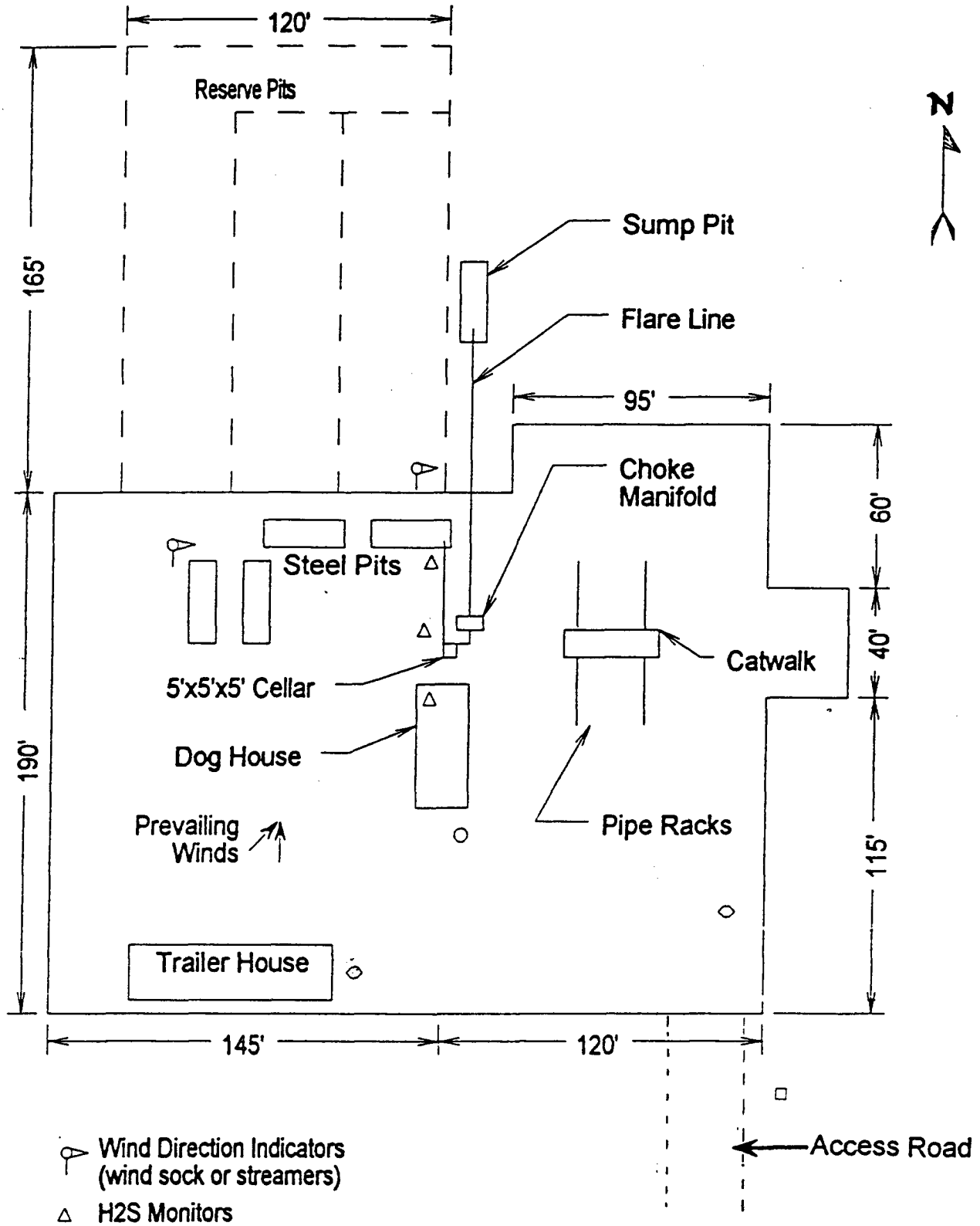


EXHIBIT "C"
TOPOGRAPHIC MAP SHOWING
ROADS & DIRECTIONS TO

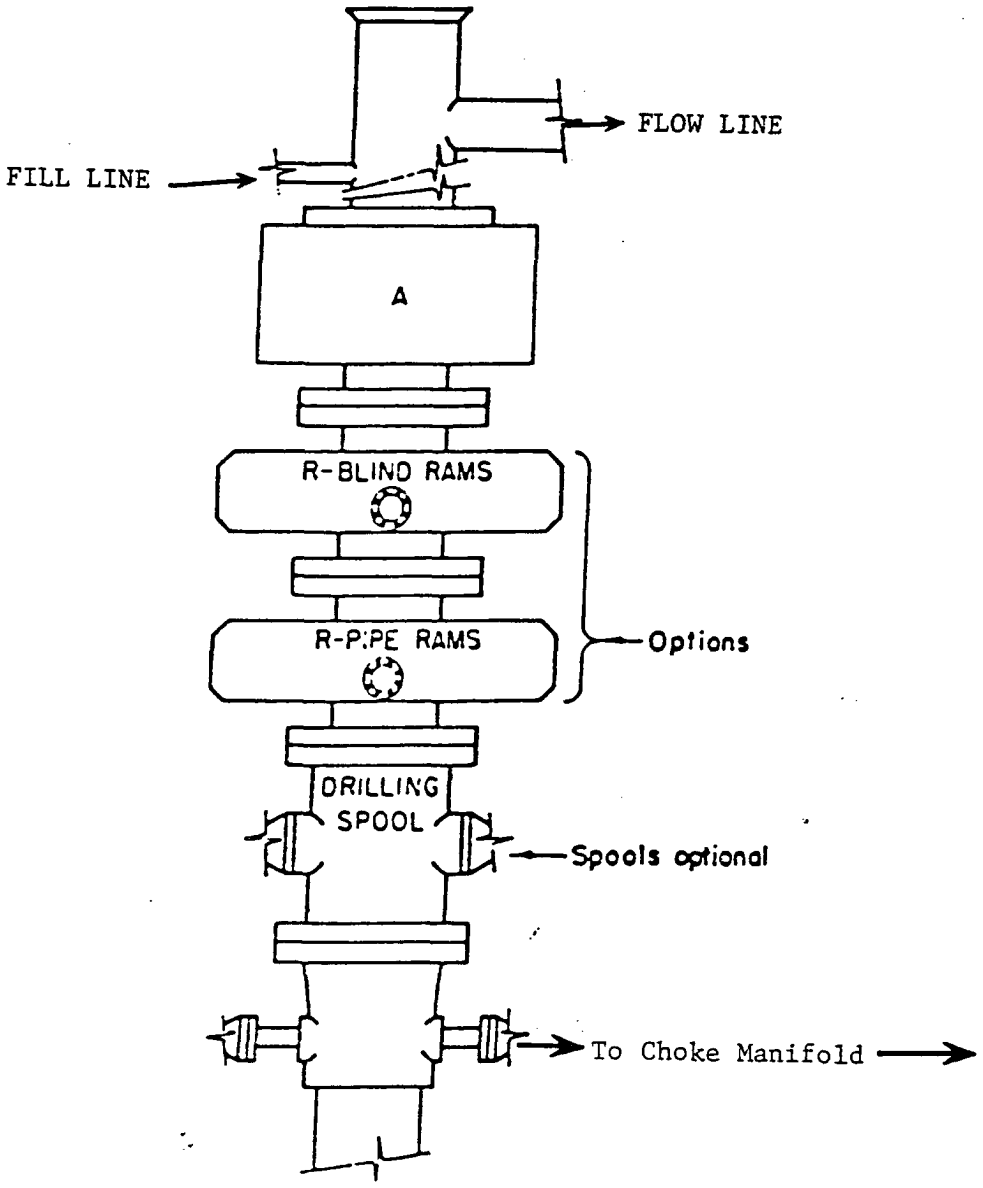
POGO PRODUCING COMPANY
PLATINUM "5" FEDERAL # 1
UNIT "D" SECTION 5
T23S-R32E LEA CO. NM



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

EXHIBIT "D"
RIG LAY OUT PLAT

POGO PRODUCING COMPANY
PLATINUM "5" FEDERAL # 1
UNIT "D" SECTION 5
T23S-R32E LEA CO. NM

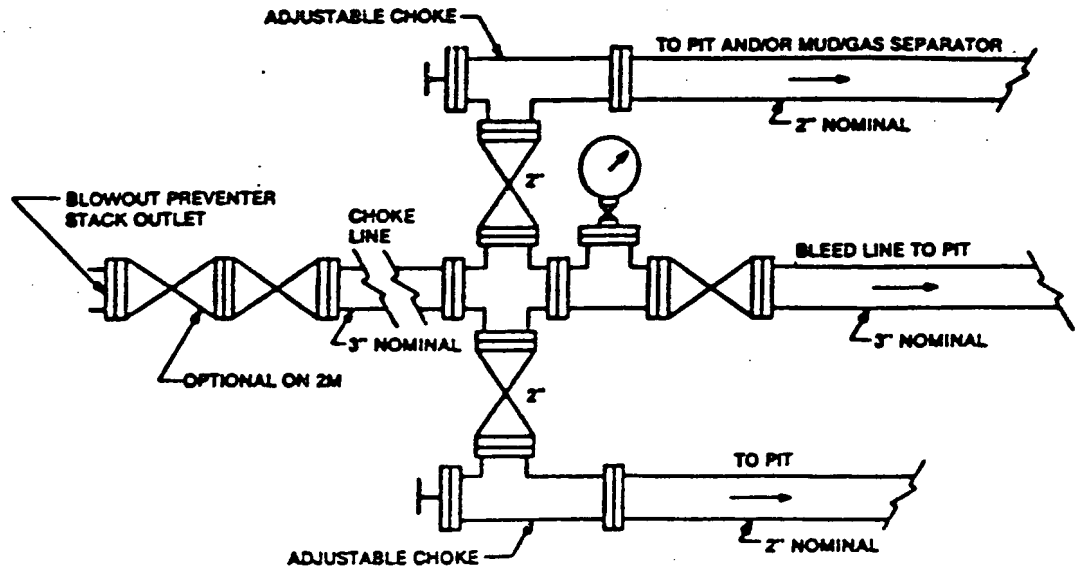


ARRANGEMENT SRRA

900 Series
3000 PSI WP

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

POGO PRODUCING COMPANY
PLATINUM "5" FEDERAL # 1
UNIT "D" SECTION 5
T23S-R32E LEA CO. NM



Typical choke manifold assembly for 3M WP system

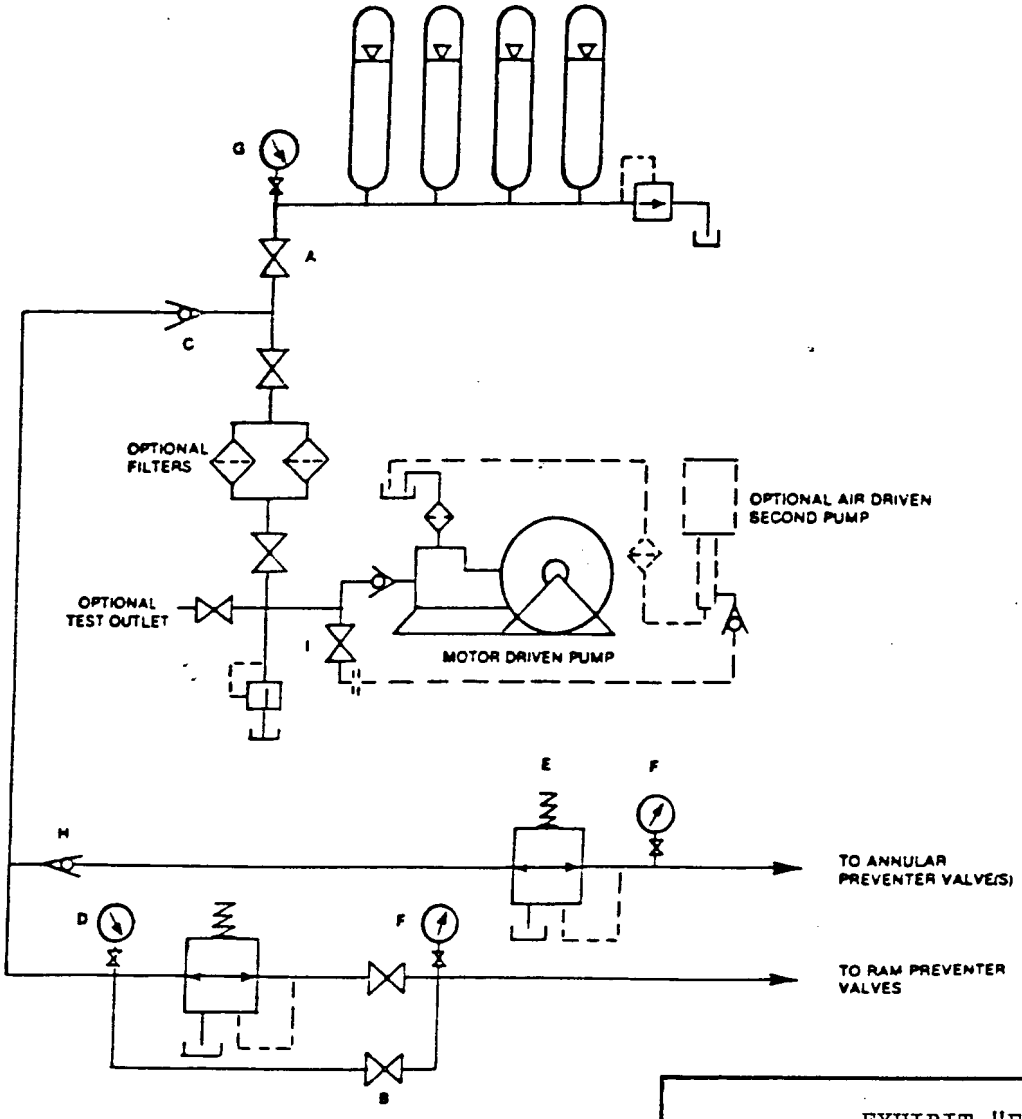


EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

POGO PRODUCING COMPANY
PLATINUM "5" FEDERAL # 1
UNIT "D" SECTION 5
T23S-R32E LEA CO. NM

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

OPERATOR NAME: POGO PRODUCING COMPANY

ADDRESS; P.O. BOX 10340

CITY,STATE, & ZIP: MIDLAND, TEXAS 79702-7340

The above operator accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below.

Lease No: NM-63994

Well name: PLATINUM "5" FEDERAL # 1

Legal Description of land: SECTION 5 T23S-R32E LEA CO. NM.

Bond coverage: BLANKET

B.L.M. Bond File No.: 29771

Authorized Signature

Title: AGENT Joe T. Janica

Date: 07/30/03