OCD-HOBBS

Form 3160-5 (April 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OM B No. 1004-0137 Expires: March 31, 2007

| BUREAU OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS ON WELLS | | 5 Lease Serial No NM-90812 |
|--|---|--|
| Do not use this form for proposals to drill abandoned well. Use Form 3160-3 (APD) for | or to re-enter an | 6. If Indian, Allottee or Tribe Name |
| SUBMIT IN TRIPLICATE- Other instructions on reverse side. | | 7. If Unit or CA/Agreement, Name and/or No. |
| . Type of Well Gas Well Other | | 8. Well Name and No. |
| 2. Name of Operator Pogo Producting Company | | Mesa Verde 8 Federal #1H |
| Pogo Producing Company 3a Address 3b. Phone No. (include area code) | | 9. API Well No. 30-025-38226 |
| 3a. Address 3b. Phone No. (include area code) P.O. Box 10340, Midland, TX 79702 432-685-8100 | | 10. Field and Pool, or Exploratory Area |
| Location of Well (Footage, Sec., T., R., M., or Survey Description) | | Mesa Verde Bone Spring |
| " Security of the same of section of the section of | | 11. County or Parish, State |
| 1980' FSL & 1650' FWL, Section 8, T24S, R32E | | Lea County, NM |
| 12. CHECK APPROPRIATE BOX(ES) TO INDICA | TE NATURE OF NOTICE, | REPORT, OR OTHER DATA |
| TYPE OF SUBMISSION | TYPE OF ACTION | |
| Acidize Deepe | en Production | (Start/Resume) Water Shut-Off |
| | re Treat Reclamation | |
| | Construction Recomplete | |
| | and Abandon Temporarily | |
| Final Abandonment Notice Convert to Injection Plug I | Back Water Dispo | osal |
| testing has been completed. Final Abandonment Notices shall be filed only determined that the site is ready for final inspection) Pogo Producing Company respectfully requestabove captioned well. Pogo plans on include | after all requirements, including recest permission to ex | tend the APD for the |
| vear | } | drilling schedule for next |
| APPROVE | ED | The Hole |
| Vear | ED , | APPROVED FOR MONTH PERIO |
| APPROVE OCT 2 3 2000 GARY GOURLEY PETROLEUM ENGIN | ED , | APPROVED - OJ COLOROZZOZZOZZOZZ |
| APPROVE OCT 2 3 2000 GARY GOURLEY PETROLEUM ENGIN | ED , | APPROVED - OJ COLOROZZOZZOZZOZZ |
| APPROVE OCT 2 3 2007 GARY GOURLEY PETROLEUM ENGIN 14. Ihereby certify that the foregoing is true and correct Name (Printed/Typed) | ED | APPROVED FOR WONTH PERIO |
| APPROVE OCT 2 3 2000 GARY GOURLEY PETROLEUM ENGIN 14. Ihereby certify that the foregoing is true and correct Name (Printed/Typed) Cathy Wright | ED Title Date | APPROVED FOR MONTH PERIO Sr. Eng Tech 09/21/07 |
| APPROVE OCT 2 3 2000 GARY GOURLEY PETROLEUM ENGIN 14. Ihereby certify that the foregoing is true and correct Name (Printed/Typed) Cathy Wright Signature APPROVE GARY GOURLEY PETROLEUM ENGIN Language Cathy Wright Signature All All All All All All All A | Title Date RAL OR STATE OFFI | APPROVED FOR MONTH PERIO Sr. Eng Tech 09/21/07 |

which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Instructions on page 2)

GWW

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME: Pogo Producing Company

LEASE NO.: | NMNM - 90812

WELL NAME & NO.: 1H – Mesa Verde "8" Federal

SURFACE HOLE FOOTAGE: 1980' FSL & 0330' FEL BOTTOM HOLE FOOTAGE 1980' FSL & 1650' FWL

LOCATION: Section 8, T. 24 S., R 32 E., NMPM

COUNTY: Lea County, New Mexico

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

a. Spudding well

b. Setting and/or Cementing of all casing strings

c. BOPE tests

Lea County

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (505) 393-3612

- 1. Although Hydrogen Sulfide has not been reported in this section, it is always a possible hazard. It has been reported in the Township to the north. If Hydrogen Sulfide is encountered, please report measured amounts to the BLM.
- 2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
- 3. When floor controls are required, (3M or Greater) controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

B. CASING

- 1. The 13-3/8 inch surface casing shall be set a minimum of 25 feet into the Rustler Anhydrite at approximately 850 feet and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
 - b. Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement).
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial action will be done prior to drilling out that string.

Possible lost circulation in the Delaware and Bone Spring formations. Possible water flows in the Salado, Castile, Delaware, and Bone Spring formations.

- 2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:
 - ⊠ Cement to surface. If cement does not circulate see B.1.a-d above.
- 3. The minimum required fill of cement behind the 5-1/2 inch production casing is:
 - Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification. **Operator estimating TOC at 4000'.**
- 4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

- 2. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. The tests shall be done by an independent service company.
 - b. The results of the test shall be reported to the appropriate BLM office.
 - c. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
 - d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

Engineer on call phone (after hours): Carlsbad: (505) 706-2779

WWI 103107