N.M. OIL CONS. COMMISSION
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HOBBS, NEW MEXICO 88240
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Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.: NM-81272
6. If Indian, Allottee or Tribe Name:
7. If Unit or CA, Agreement Designation:

1. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other
8. Well Name and No.: PRIZE FEDERAL WELL NO.1
2. Name of Operator: POGO PRODUCING COMPANY
9. API Well No.: 30-025-31624
3. Address and Telephone No.: P.O. BOX 10340, MIDLAND, TEXAS 79702 (915-682-6822)
10. Field and Pool, or Exploratory Area: WEST RED TANK DELAWARE
4. Location of Well (Footage, Sec., T., R., M., or Survey Description): 660' FROM SOUTH LINE AND 1650' FROM EAST LINE OF SECTION 27, T.22 S., R.32 E., NMPM
11. County or Parish, State: LEA COUNTY, NEW MEXICO

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
☒ Notice of Intent	☐ Abandonment	☐ Change of Plans
☐ Subsequent Report	☐ Recompletion	☐ New Construction
☐ Final Abandonment Notice	☐ Plugging Back	☐ Non-Routine Fracturing
	☐ Casing Repair	☐ Water Shut-Off
	☐ Altering Casing	☐ Conversion to Injection
	☒ Other APD UPDATE	☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

INTENT IS TO UPDATE THE APD TO COVER DEVELOPMENTS SINCE THE ORIGINAL FILING.

THE FOLLOWING ARE ATTACHED:

1. AN UPDATED "SUPPLEMENTAL DRILLING DATA".
2. A REVISED EXHIBIT "B" SHOWING EXISTING ROADS AND THE PLANNED NEW ROAD (APPROXIMATELY 40 FEET IN LENGTH), THE EXISTING ELECTRIC LINE (FROM WHICH ELECTRIC POWER FOR THIS WELL WILL BE TAKEN AT THE EXISTING POLE ADJACENT ON THE EAST SIDE OF THE PLANNED WELL PAD), AND THE PLANNED FLOW LINE ROUTE (ALONGSIDE THE EXISTING ROAD) EXTENDING FROM THE WELL TO THE TANK BATTERY LOCATED ON THE WELL PAD AT WELL NO. 2. ALL CONSTRUCTION WORK FOR THE NEW PART OF THE ACCESS ROAD AND FOR THE ELECTRIC POWER LINE EXTENSION WILL BE WITHIN THE ORIGINAL 400 BY 400 FOOT WORK AREA PREVIOUSLY ARCHAEOLOGICALLY CLEARED.
3. A REVISED EXHIBIT "C" SHOWING THE DRILLING RIG TO V-DOOR NORTH.
4. A "HYDROGEN SULFIDE DRILLING OPERATIONS PLAN".

14. I hereby certify that the foregoing is true and correct

Signed Richard L. Wright Title Division Operations Mgr. Date May 11, 1995

(This space for Federal or State office use)

Approved by Jhon L Blicka Title Acting/ AREA MANAGER Date MAY 26 1995

Conditions of approval, if any:

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.

*See Instruction on Reverse Side

SUPPLEMENTAL DRILLING DATA

POGO PRODUCING COMPANY

PRIZE FEDERAL WELL NO. 1

1. SURFACE FORMATION: Quaternary.

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Anhydrite	800'
Delaware Lime	4700'
Cherry Canyon	6100'
Brushy Canyon	7400'
Bone Springs	8800'

3. ANTICIPATED POSSIBLE HYDROCARBON BEARING ZONES:

Delaware	Oil

4. PROPOSED CASING AND CEMENTING PROGRAM:

CASING SIZE	SETTING DEPTH FROM	TO	WEIGHT	GRADE	JOINT
13-3/8"	0	800'	54.5#	J-55	STC
8-5/8"	0	4300'	32#	J-55	STC
"	4300'	4500'	32#	S-80	STC
5-1/2"	0	1000'	17#	N-80	LTC
"	1000'	7000'	17#	J-55	LTC
"	7000'	9000'	17#	N-80	LTC

MINIMUM DESIGN FACTORS: COLLAPSE 1.1 BURST 1.1 TENSION 1.2

13-3/8" casing to be cemented with 500 sacks of light cement tailed in with 200 sacks of Class "C" with 2% CaCl. Cement to circulate.

8-5/8" casing to be cemented with 1200 sacks of light cement with 10% salt tailed in with 200 sacks of premium cement with 1% CaCl. Cement to circulate.

5-1/2" production casing is to be cemented with approximately 500 sacks

of light cement followed by 400 sacks of premium cement. Cement to tie back to 3600 feet.

If, during drilling operations, need for stage cementing of casing is indicated, staging tool(s) will be run and positioned to best suit hole conditions at time casing is run.

Cement volumes may be adjusted and cement may have lost circulation and/or other additives depending on hole conditions at the time casing is run.

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.

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

6. CIRCULATING MEDIUM:

Surface to 800 feet: Fresh water base fluid with gel and paper sweeps for hole cleaning.
Mud wgt 8.4 ppg - 8.6 ppg
Viscosity 28 - 32 seconds per quart.

800 feet to 4500 feet: Brine water base fluid with salt gel and paper sweeps for hole cleaning.
Mud wgt 10.0 ppg - 10.2 ppg
Viscosity 28 - 32 seconds per quart.

4500 feet to T.D.: Fresh water base fluid with gel and paper sweeps for hole cleaning.
Mud wgt 8.4 ppg - 8.6 ppg
Viscosity 28 - 32 seconds per quart.

7. AUXILIARY EQUIPMENT:

A mud logging trailer will be in use while drilling below the interdediate casing.

8. TESTING, LOGGING, AND CORING PROGRAM:

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 and GR-DLL logs.

No coring is planned.

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

No abnormal pressures or temperatures are expected.

Expected bottom hole pressure is about 3600 psi.

Expected bottom hole temperature is about 125 degrees Fahr.

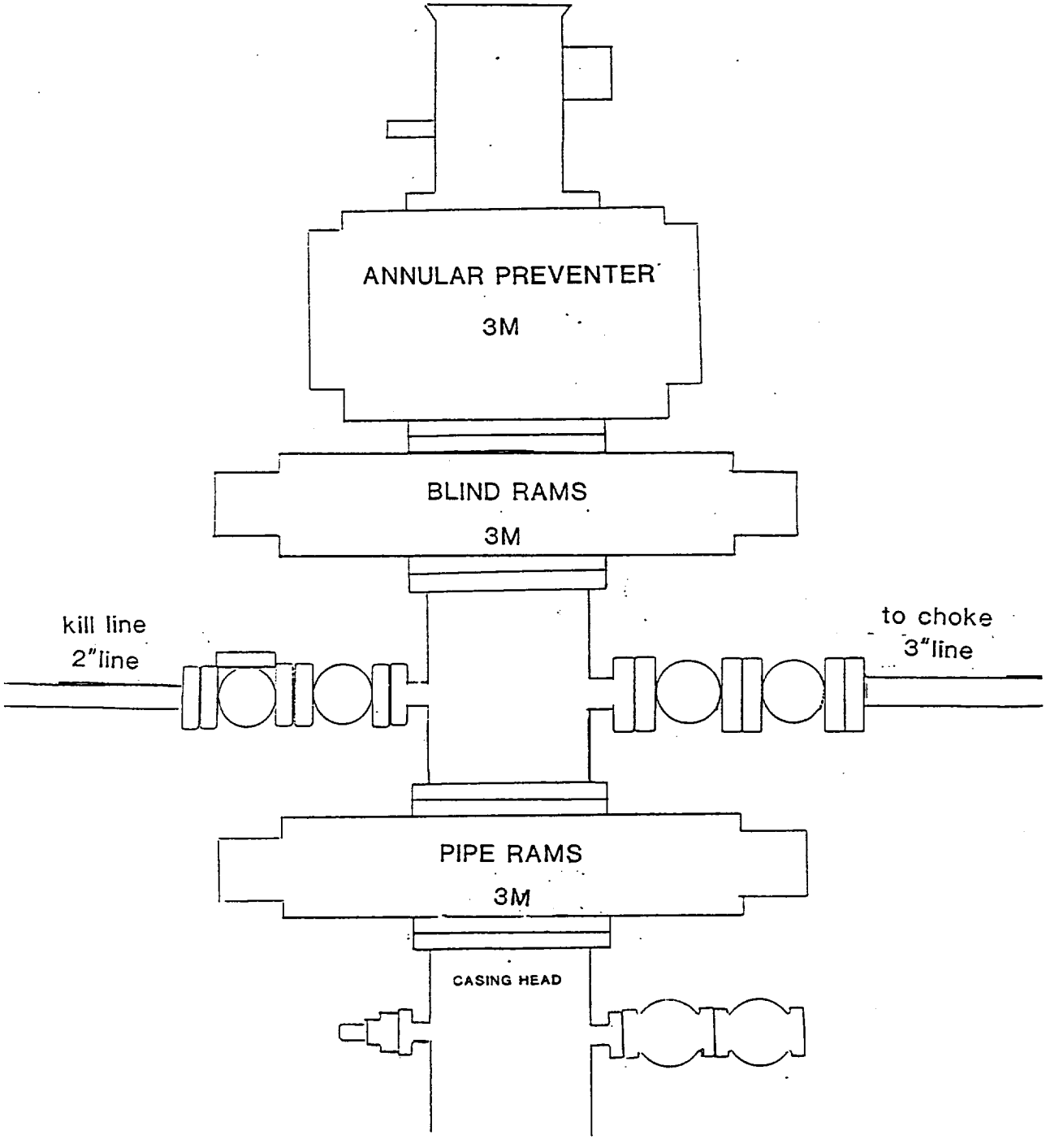
No hydrogen sulfide gas is expected. The production stream of Pogo Producing Company's wells in this area have been tested specifically for hydrogen sulfide gas and test results were negative. However, since it is possible that low-volume hydrogen sulfide gas may be present in permeable water zones of the Castile formation, drilling operations below the surface casing will be in accordance with the attached "HYDROGEN SULFIDE DRILLING OPERATIONS PLAN" until intermediate casing is set and cemented and this possible source of hydrogen sulfide gas is cased off.

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.

POGO PRODUCING COMPANY

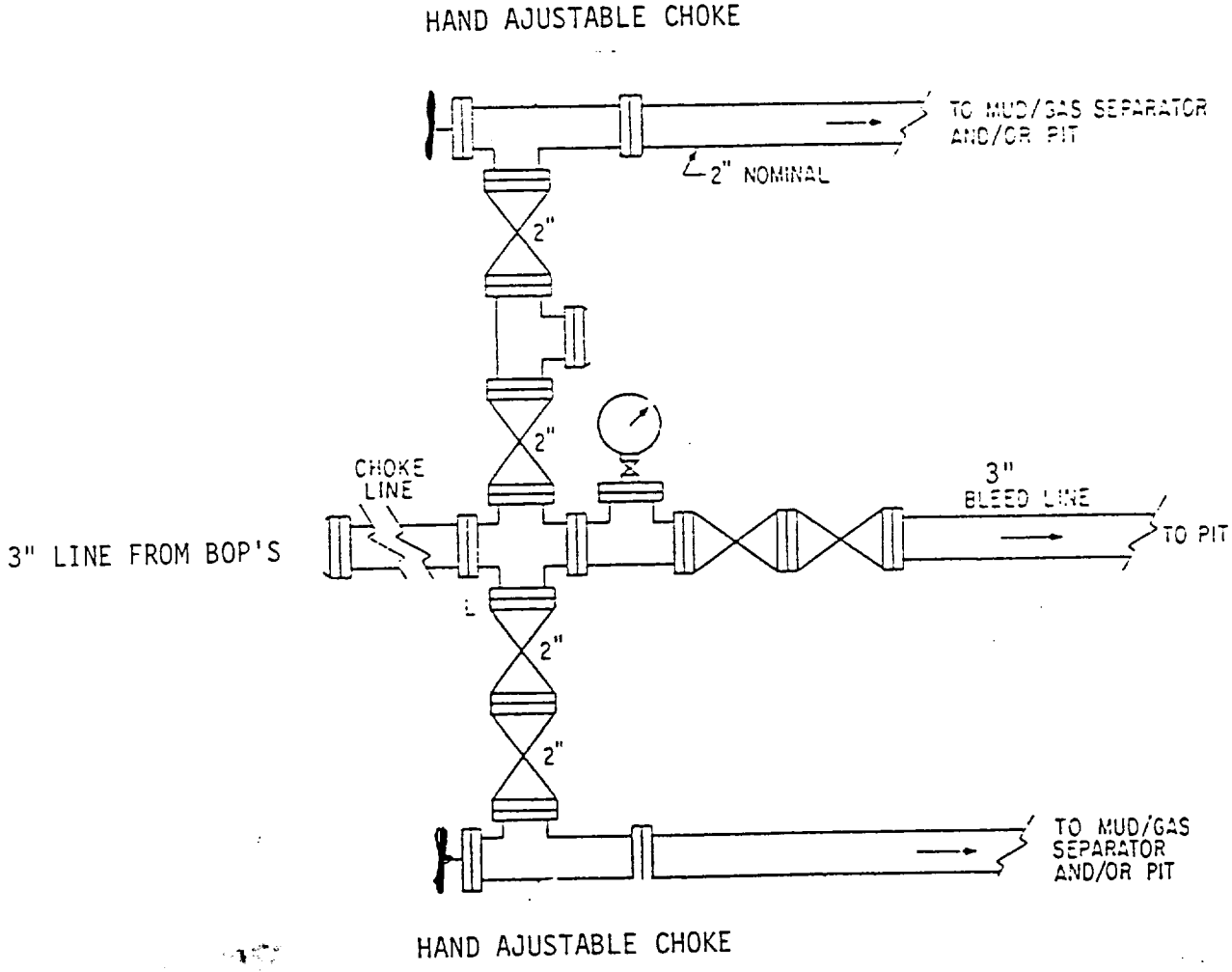
PRIZE FEDERAL WELL NO. 1

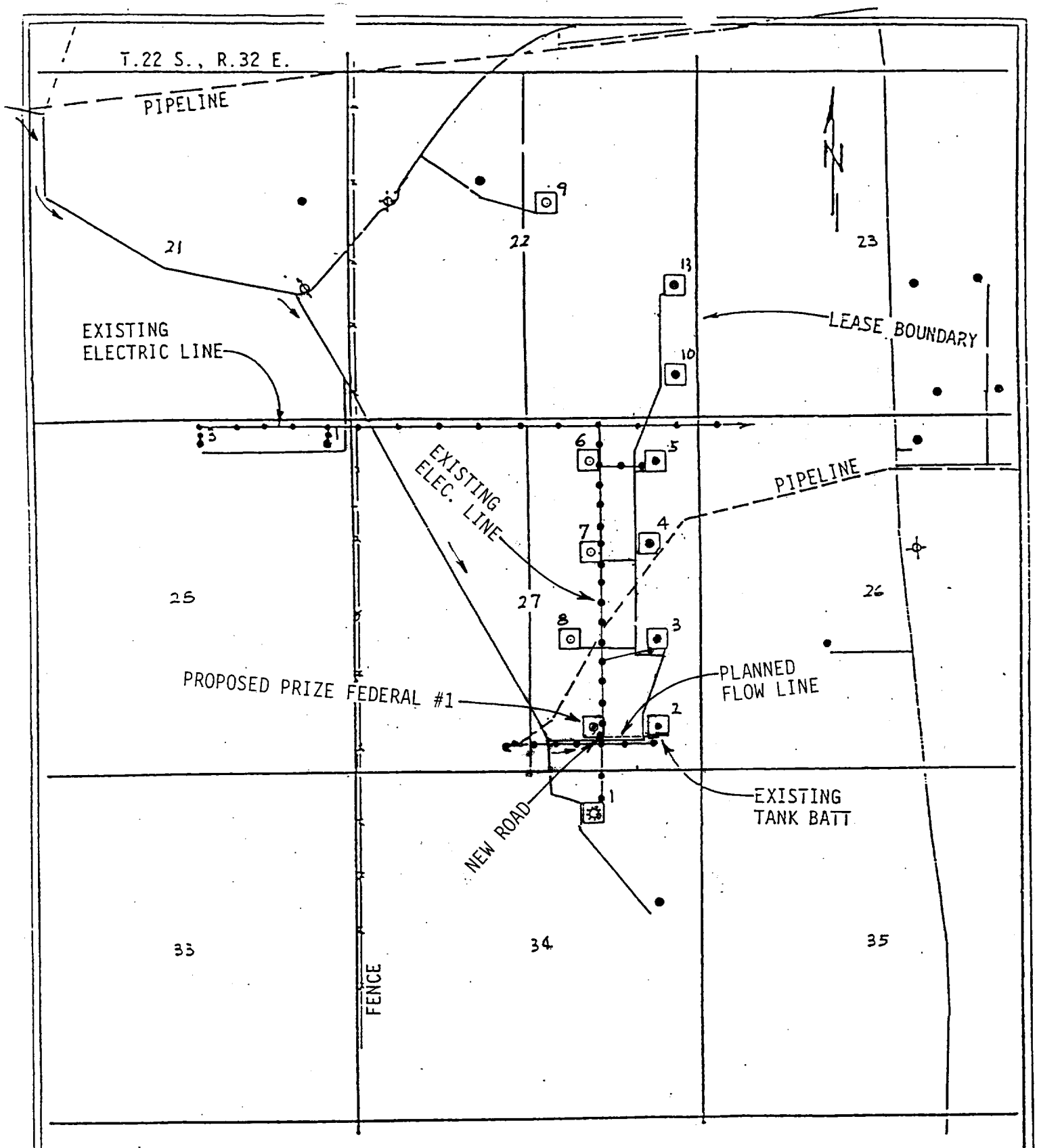


POGO PRODUCING CO

3M CHOKE MANIFOLD

PRIZE FEDERAL WELL NO. 1





LEGEND:

- Oil Well
- Plugged Well
- Proposed Well
- Existing Caliche Road
- Proposed New Road
- Flow Line

EXHIBIT "B"

POGO PRODUCING COMPANY
PRIZE FEDERAL WELL NO. 1
660'FSL & 1650'FEL SEC.27, T.22 S., R.32 E.
LEA COUNTY, N.M. SCALE: 1" = 2000'

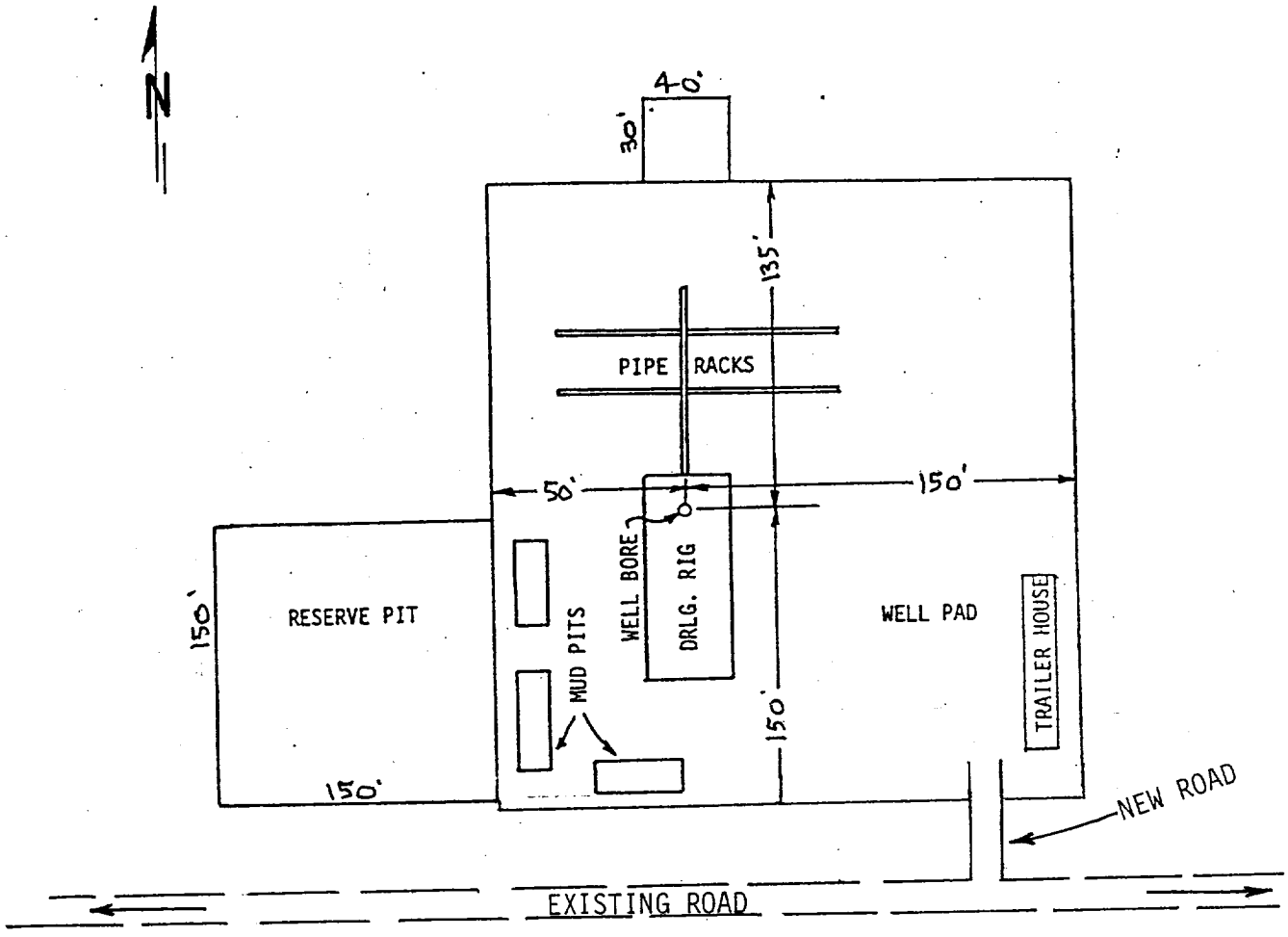


EXHIBIT "C"

POGO PRODUCING COMPANY
PRIZE FEDERAL WELL NO. 1

DRILLING RIG LAYOUT
SCALE: None

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

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 (H2S).
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:

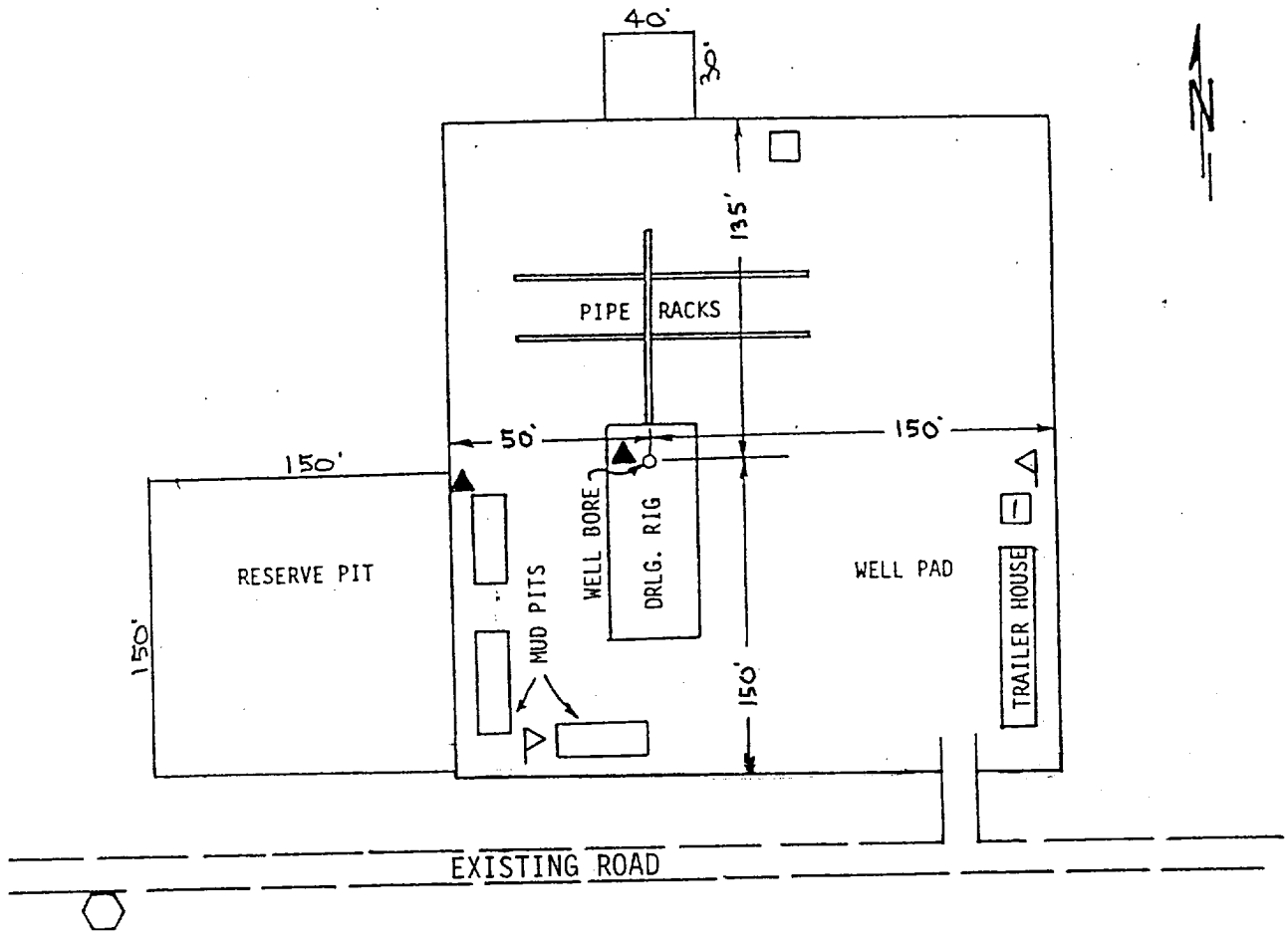
A. Drill stem testing of zones known, or reasonably expected, to contain hydrogen sulfide in concentrations of 100 ppm or more will use the closed chamber method of testing.

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.



LEGEND:

- Caution/Danger Sign
- Briefing Area
- Briefing Area - Primary
- H2S Monitor
- Wind Sock

Prevailing Wind Direction - Southwest

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN
DRILL SITE DIAGRAM

POGO PRODUCING COMPANY
PRIZE FEDERAL WELL NO. 1

SCALE: None