extended

Form 3160-3
(July 1992)

OPER. OGRID NO. 1784
PROPERTY NO. 9316
POOL CODE 51683
EFF. DATE 11/8/96
API NO. 30-025-31853

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

UNITED S
DEPARTMENT OF
BUREAU OF LAND

SEP

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 [ ]

2. NAME OF OPERATOR
POGO PRODUCING COMPANY (Richard Wright)

3. ADDRESS AND TELEPHONE NO.
P.O. BOX 10340 MIDLAND, TEXAS 79702-7340 Ph. 505-682-6822

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface
610' FNL & 660' FEL Sec. 26 T22S-R32E Lea Co. New Mexico
At proposed prod. zone Same

5. LEASE DESIGNATION AND SERIAL NO.
NM-2379

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

7. UNIT AGREEMENT NAME
---

8. FARM OR LEASE NAME, WELL NO.
Covington "A" Federal # 19

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT
Red Tank - Bone Spring

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 26 T22S-R32E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 30 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) 610

16. NO. OF ACRES IN LEASE
1280

17. NO. OF ACRES ASSIGNED TO THIS WELL
40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH
9200'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3753" GR.

22. APPROX. DATE WORK WILL START*
As soon as approved

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
26"	20" Conductor	NA	40'	Cement/Redi-Mix to Surface
14 3/4"	H-40 10 3/4"	32.7 #	800'	650 Sx. Circulate to surface
9 7/8"	J-55,N-80 7 5/8"	26.4 #	4600'	1300 Sx. Circulate to surface
6 3/4"	J-55,N-80 4½"	11.6 #	9200'	950 Sx. top Cement 3600'

1. Drill 26" hole to 40'. Set 40' of 20" Conductor cement to surface with Redi-mix.
2. Drill 14 3/4" hole to 800' Run and set 800' of 10 3/4" 32.7# H-40 ST&C casing. Cement with 650 Sx Class "C" cement + additives, circulate cement to surface.
3. Drill 9 7/8" hole to 4600'. Run and set 4600' of 7 5/8" 26.4# ST&C casing. 1450' N-80, 3000' of J-55, 150' of N-80. Cement with 800 Sx. Halco Light + additives tail in with 500 Sx. Premium cement + additives, circulate cement to surface.
4. Drill 6 3/4" hole to 9200'. Run and set 9200' of 4½" 11.6 # LT&C casing,1600' of N-80, 4800' of J-55, 2800' N-80. Cement with 500 Sx. Halco Light + additives tail in with 450 Sx. Premium Plus + additives, estimate top of cement 3600'

IN 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.

24.
SIGNED Joe T Ramirez TITLE Agent DATE 09/14/96

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE Approval Subject to General Requirements and Special Stipulations Attached

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/ Gary Bowers TITLE Area Manager DATE

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

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 1-1-89

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator: POGO PRODUCING CO.			Lease: COVINGTON "A" FEDERAL	Well No.: 19
Unit Letter: A	Section: 26	Township: 22 SOUTH	Range: 32 EAST NMPM	County: LEA
Actual Footage Location of Well: 610 feet from the NORTH line and 660 feet from the EAST line				
Ground Level Elev.: 3752.8'	Producing Formation: BONE SPRINGS		Pool: RED TANK BONE SPRINGS	Dedicated Acreage: 40 Acres

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

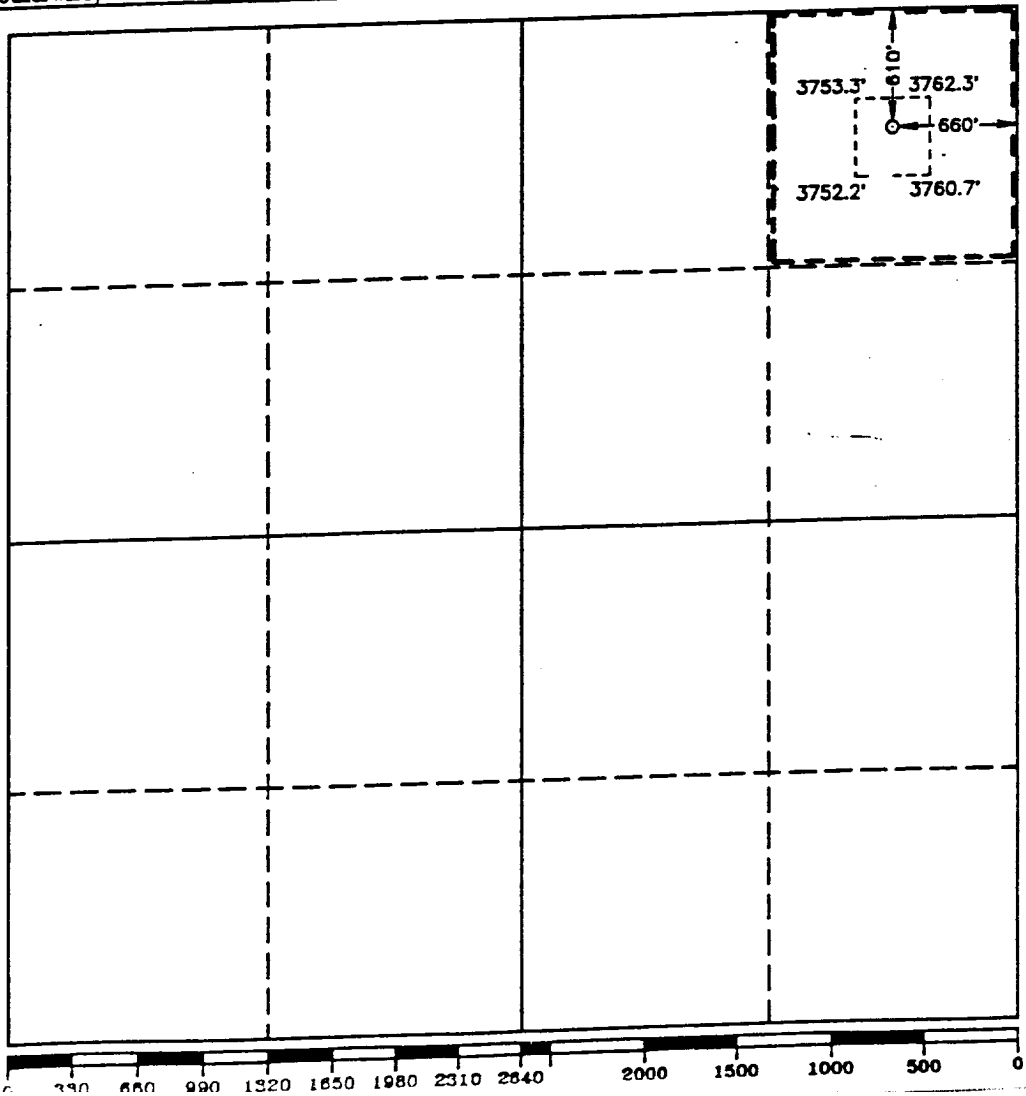
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☐ No If answer is "yes" type of consolidation _____

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary. _____

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature: Richard L. Wright

Printed Name: Richard L. Wright

Position: Division Operations Supr.

Company: POGO PRODUCING COMPANY

Date: November 18, 1992

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: OCTOBER 1, 1992

Signature & Seal of Professional Surveyor

GARY L. JONES
NEW MEXICO
REGISTERED PROFESSIONAL LAND SURVEYOR

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

92-11-1407

APPLICATION TO DRILL

POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL # 19
610' FNL & 660' FEL SEC. 26
T22S-R32E LEA CO. NM

In response to questions asked under Section II B of Bulletin NTL-6, the following information is provided for your consideration:

1. Location: 610' FNL & 660' FEL SEC. 26 T22S- R32E LEA CO. NM
   New Mexico

2. Elevation Above Sea Level: 3753' GR.

3. Geologic Name of Surface Formation: Quaternery Aeolian Deposits

4. Drilling Tools and Associated Equipment: Conventional rotary drilling rig using mud for the circulation medium.

5. Proposed Drilling Depth: 9200'

6. Estimated Geological Marker Tops:

Anhydrite	900'	Brushy Canyon	7400'
Delaware Lime	4800'	Bone Spring	8800'
Cherry Canyon	6100'		

7. Possible Mineral Bearing Formation:

Delaware	Oil
Bone Spring	Oil

8. Casing Program:

Hole Size	Intreval	OD Csg	Weight	Thread	Collar	Grade	Cond.
14 3/4"	0-800'	10 3/4"	32.7#	8-R	ST&C	H-40	New
9 7/8"	0-4600'	7 5/8"	26.4	8-R	ST&C	J-55 N-80	New
6 3/4"	0-9200'	4½"	11.6	8-R	ST&C	J-55 N-80	N ew

APPLICATION TO DRILL

POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL # 19
610' FNL & 660' FEL SEC. 26
T22S-R32E LEA CO. NM

9. Cementing and Setting Depth:

20" Conductor	Set 40' of 20" conductor & cement to surface with Redi-Mix.
10 3/4" Surface	Set 800' of 10 3/4" casing cement with 600 Sx. Class "C" + additives circulate to surface.
7 5/8" Intermediate	Set 4600' of 7 5/8" casing cement with 800 Sx. Halco Light + additives, tail in with 500 Sx. Premium cement C additives circulate to surface.
4½" Production	Set 9200' of casing cement with 500 Sx. Halco Light + additives, tail in with 450 Sx. Premium Plus + additives Top cement 3600'.

10. Pressure Control Equipment: Exhibit "E". A Blow-out Preventer (no less than 900 series 3000 psi working pressure) consisting of double ram type preventer with bag type preventer. Units will be hydraulically operated. Exhibit "E-1" Choke Manifold and Closing Unit. Blind rams on top, pipe rams on bottom to correspond with size of drill pipe in use. BOP will be nippled up on 10 3/4"casing and remain on well until casing is run and cemented. BOP will be tested as well as choke manifold. BOP will be worked at least once each day while drilling and blind ram will be worked on trips when no drill pipe is in hole. Flow sensor PVT, full opening stabbing valve and upper kelley cock will be utilized. No pressures greater than 3700 psi anticipated.

11. Proposed Mud Circulating System:

Depth	Mud Wt.	Mud Visc.	Fluid Loss	Type Mud
0-800'	8.4-8.6	29-36	NC	Fresh water spud mud Paper to control seepage
800-4600'	10-10.6	28-30	NC	Brine water use paper for seepage and lime for pH control
4600-9200'	8.4-8.6	28-36	NC	Fresh water Use fresh water Gel for viscosity and paper for seepage control.

Sufficient mud materials to maintain mud properties, meet lost circulation and weight increase requirements will be kept at the well site at all times. In order to log well and run casing the viscosity may have to be raised and the water loss lowered.

APPLICATION TO DRILL

POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL # 19
610' FNL & 660' FEL SEC. 26
T22S-R32E LEA CO. NM

12. Testing, Logging and Coring Program:

A. Mud logger will be on hole beginning at 4600' to TD.

B. No cores or DST'S are planned.

C. Open hole logs will be run. Dual-Induction,Gamma Ray, Caliper, Density and CNL.

13. Potential Hazards:

No abnormal pressures or temperatures are expected. Hydrogen Sulfide gas may be encountered, H_2S detectors will be in place to detect any presence. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used. Estimated BHP 3700 PSI, estimated BHT 145° .

14. Anticipated Starting Date and Duration of Operation:

Road and location construction will begin after BLM approval of APD. Anticipated spud date as soon as approved. Drilling expected to take 20 days. If production casing is run an additional 30 days to complete and construct surface facility and place well on production.

15. Other Facets of Operations:

After running casing, cased hole gamma ray neutron collar logs will be run from total depth over possible pay intervals. The Bone Spring pay will be perforated and stimulated. 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. All testing will be done in daylight hours.
   B. Exhausts will be watered
   C. Flare line will be equipped with an electric ignitor or a propane pilot light in case gas reaches the surface.
   D. If location is near any dwelling a closed D.S.T. will be performed.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

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
COVINGTON "A" FEDERAL # 19
610' FNL & 660' FEL SEC. 26
T22S-R32E LEA CO. NM

1. EXISTING ROADS: Area maps, Exhibit "B" is a reproduction of Lea Co. 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 New Mexico take US Highway 62-180 towards Carlsbad New Mexico go 38 miles to Co Road C-29, turn South and go 14 miles to Mills Ranch Road, turn East and follow lease road 7.2 miles turn South go 1.3 miles turn East and follow road .3 miles to location is on North side of road.

   C. The construction of flow lines and powerlines will be along existing roads or Right of Ways.

2. PLANNED ACCESS ROADS No access road is necessary for this well.

   A. he access road will be crowned and ditched to a 12'00" wide travel surface with a 40' right-of-way.

   B. Gradient on all roads will be less tha 5.00%.

   C. No turnouts will be 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"

   A. Water wells - Water well 2.2 miles North Northwest of well.

   B. Disposal wells - None known

   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 Pogo Producing Company will furnish plats showing the production and storage facility.

5. LOCATION AND TYPE OF WATER SUPPLY:

Water will be purchased locally from a commercial source and trucked over the access roads or piped in flexible lines laid on top of the ground.

6. SOURCE OF CONSTRUCTION MATERIAL:

If possible construction will be obtained from the excavation of drill site, if additional material is needed it will be purchased from a local source and transported over the access route as shown on Exhibit"C".

7. METHODS OF HANDLING WASTE MATERIAL:

A. Drill cuttings will be disposed of in the reserve pit.

B. All trash, junk and other waste material will be contained in trash cages or 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 supplier including broken sacks.

D. Sewage from living quaters will drain into holes with a minium depth of 10'. These holes will be covered during drilling and will be back filled upon completion. A Porta-John will be provided for the rig crews. This equipment will be properly maintained during the drilling operations and removed upon completion of the well.

E. Remaining drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for breaking out. In the event that drilling fluids do not evaporate in a reasonable time they will be hauled off by transports and be disposed of at a state approved disposal facility. Later pits will be broken out to speed drying. Water produced during testing will be put in reserve pits. Any oil or condensate produced will be stored in test tanks until sold and hauled from the site.

8. ANCILLARY FACILITIES:

A. No camps or airstrips to be constructed.

9. WELL SITE LAYOUT:

A. Exhibit "D" shows rig site layout.

B. This exhibit shows proposed location of reserve and sump pits and living facilities.

C. Mud pits in the active circulating system will be steel pits and the reserve pit is proposed to be unlined, unless subsurface conditions encountered during construction indicate that lining is needed for lateral containment of fluids.

D. If needed, the reserve pit will be lined with polyethylene. The pit liner will be of 6 mil thickness, The pit liner will extend a minimum of 2' over the reserve pit dikes where the liner will be anchored down, with dirt or other suitable means.

E. The reserve pit will be fenced in three sides with four strands of barbed wire during drilling and completion phases.The fuurth side will be fenced after all drilling operations have ceased. If the well is a producer, the reserve pit fences will be removed. The reserve pit area and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirments.

10. PLANS FOR RESTORATION OF SURFACE:

Rehabilitation of the locarion and reserve pit will start in a timely manner after all drilling operations have ceased. The type of reclama--tion will depend on wheather the well is a producer or a dry hole.

However in any event, the reserve pit will be allowed to dry properly after fluid is removed and disposed of in accordance eith Article 7.B as previously noted. The pit area will be leveled and contoured to conform it 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 inudation of the locations pad and surface facilities. After the area has been shaped and contoured , topsoil from the spoil area will be placed over thr disturbed area to the extent possible. Revegetation procedures will comply with BLM requirements.

If well is a dry hole, the pad and road will be contoured to match the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM requirements.

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
COVINGTON "A" FEDERAL #19
610' FNL & 660' FEL SEC.26
T22S-R32E LEA CO. NM

11. OTHER INFORMATION

A. Topography consists of sand dunes with a slight regional dip to the West. Soil supports native grasses mesquites and miniature oaks.

B. The surface is used mainly for grazing livestock and access to oil and gas wills. Grazing lessee is J.C. Mills, P.O. Box 190, Abernathy, Texas 79322.

C. An Archeological survey will be conducted and copies will be sent to the BLM, Carlsbad Resource Area, in Carlsbad, N.M.

D. There are no dwellings or habitation within three miles of this location.

12. OPERATOR'S REPRESENTATIVE

Field representative to contact regarding compliance with surface use plan:

Before Construction:

Tierra Exploration Inc.
P.O. Box 2188
Hobbs, New Mexico 88241
Office Phone 505-392-2112
Joe T. Janica

During and after construction:

Pogo Producting Company
P.O. Box 10340
Midland, Texas 79702
Office Phone 915-682-6822
Mr. Richard Wright

13. CERTIFICATION: I hereby certify that I, or persons under my direct supervision,have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist that the statements made in this plan are to the best of my knowledge, are true and correct; and that the work associated with the operations proposed herein will be performed by Pogo Producing Company, it's contractors/subcontractors in conformity with this plan and the terms and conditions underwhich it is approved. This statement is subject to the provision od 18 U.S.C. 1001 for the filing of a false statement.

NAME: Joe T Janica

DATE: 09/14/96

TITLE: AGENT

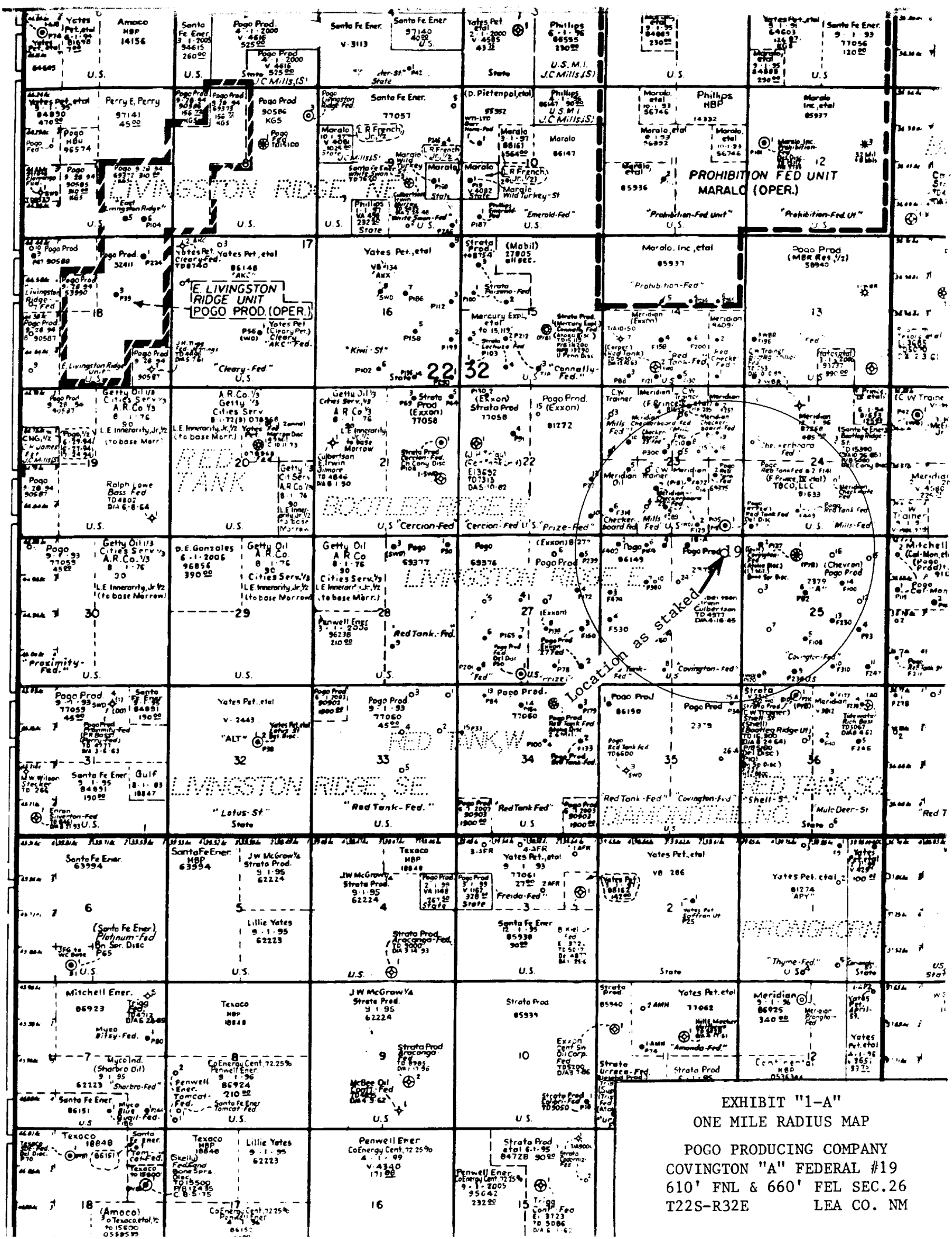


EXHIBIT "1-A"
ONE MILE RADIUS MAP

POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL #19
610' FNL & 660' FEL SEC.26
T22S-R32E LEA CO. NM

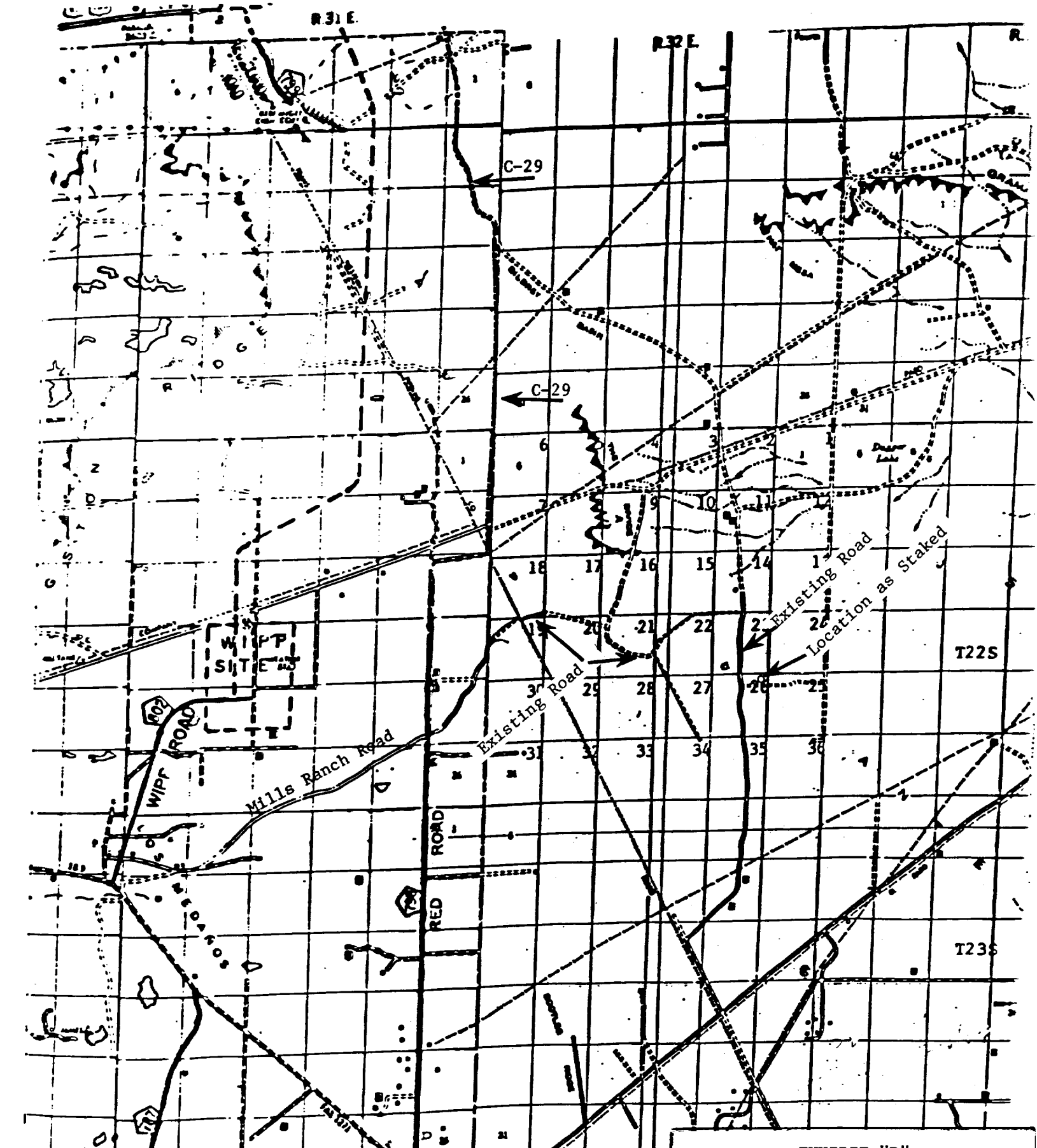


EXHIBIT "B"
LOCATION & ACCESS ROAD MAP

POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL #19
610' FNL & 660' FEL SEC.26
T22S-R32E LEA CO. NM

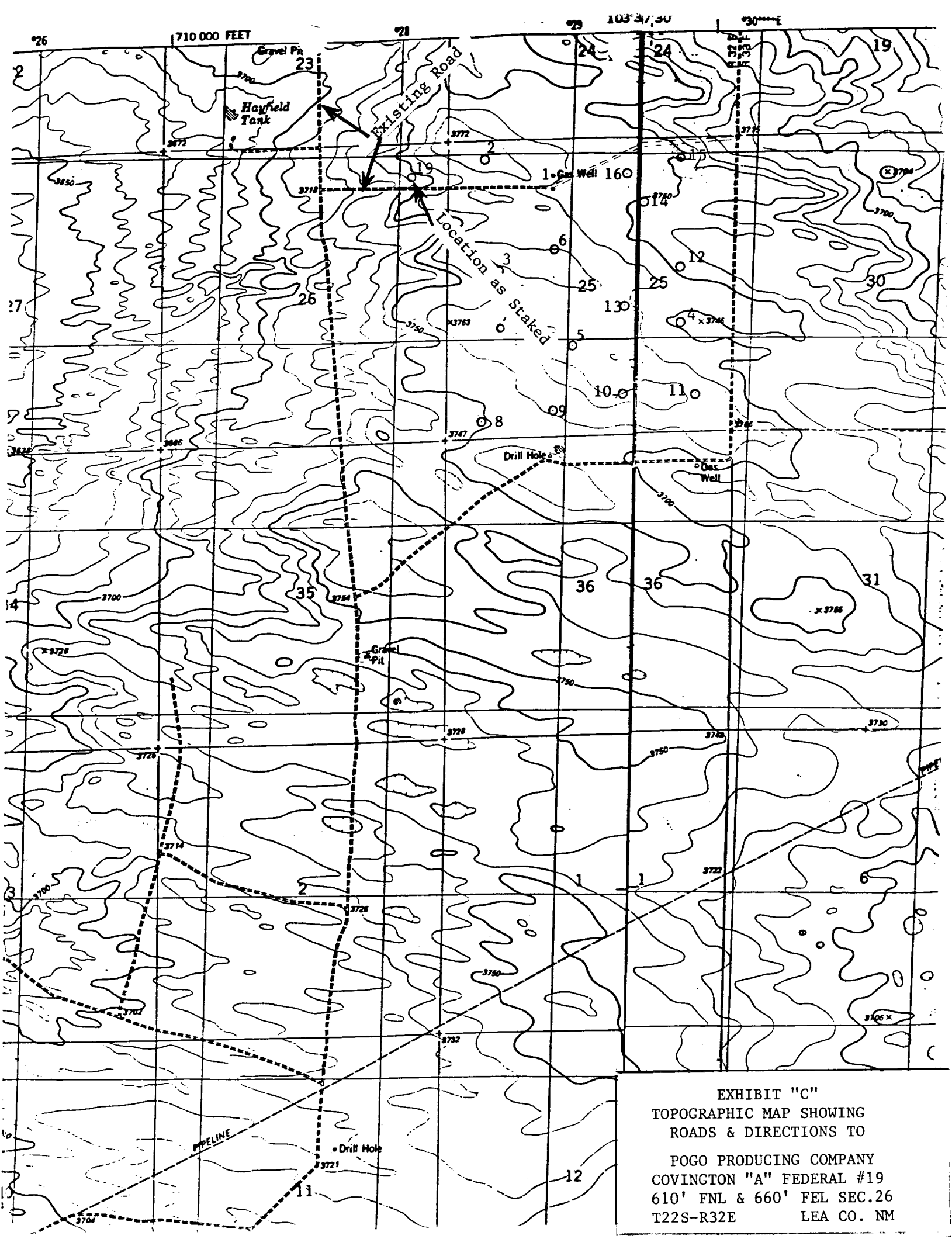
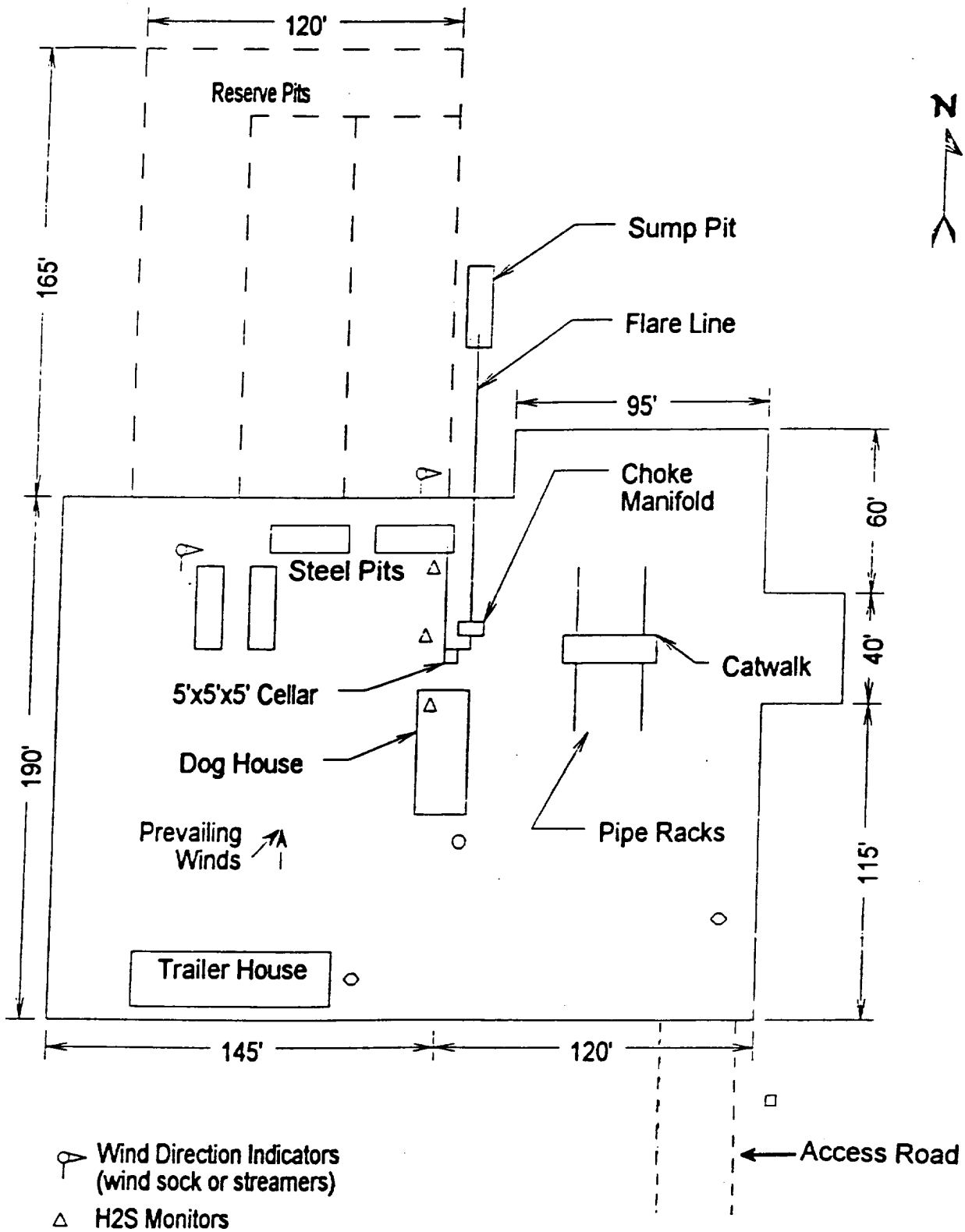


EXHIBIT "C"
TOPOGRAPHIC MAP SHOWING
ROADS & DIRECTIONS TO

POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL #19
610' FNL & 660' FEL SEC.26
T22S-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 LAYOUT PLAT

POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL #19
610' FNL & 660' FEL SEC.26
T22S-R32E LEA CO. NM

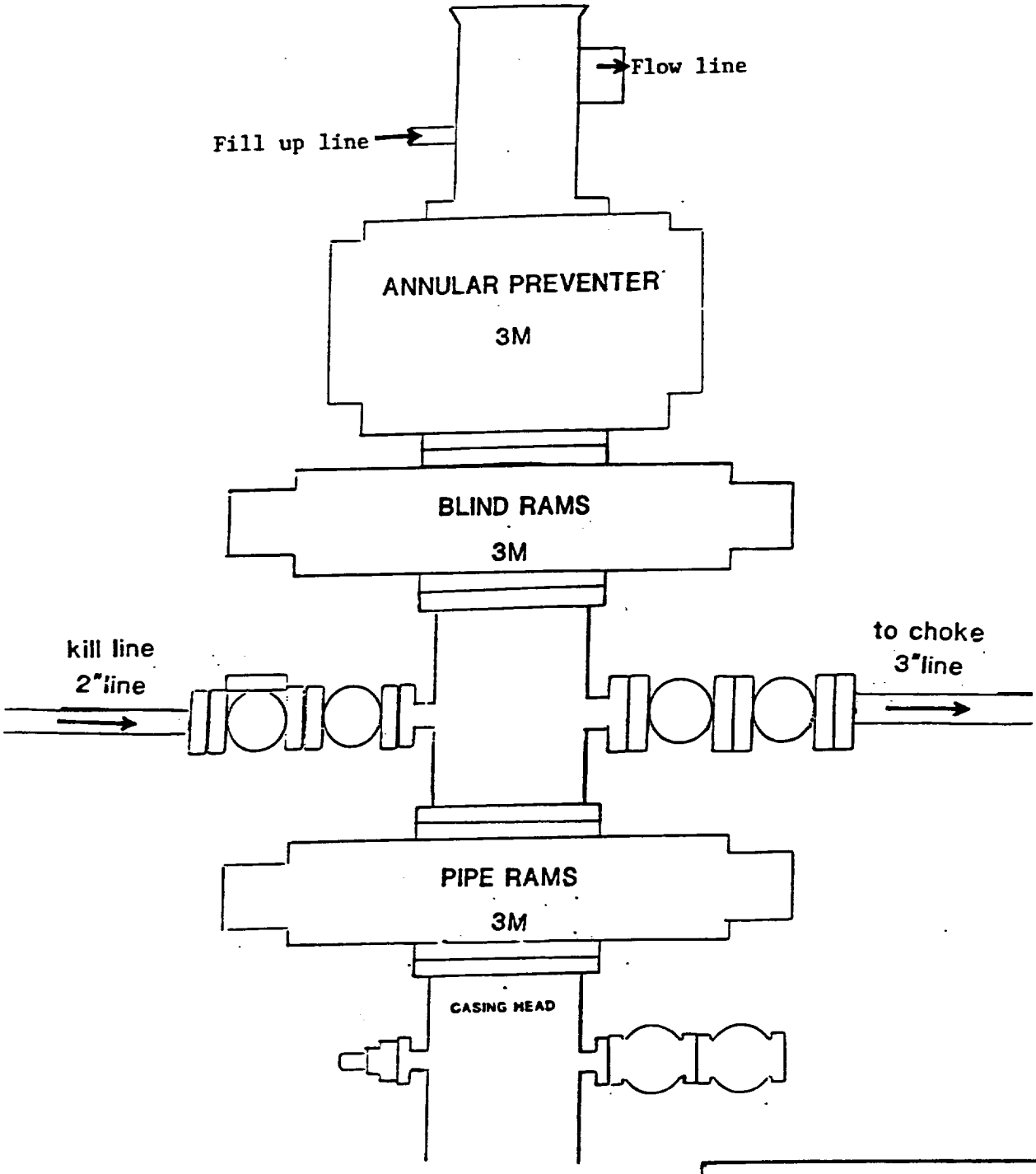
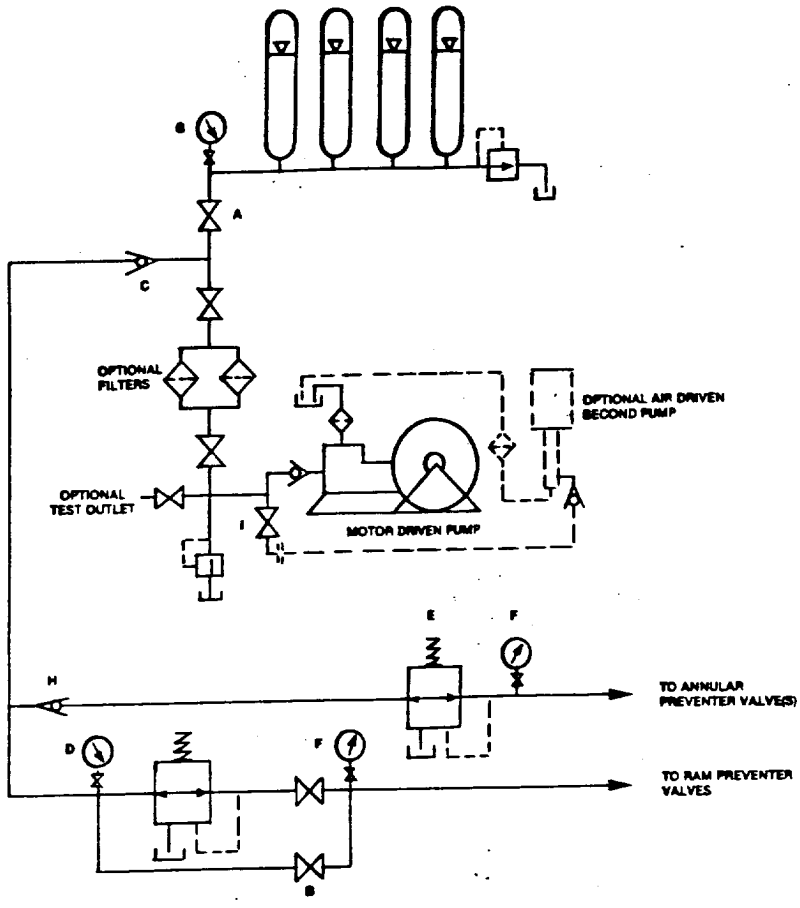


EXHIBIT "E"
B.O.P. SKETCH TO BE USED ON

POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL #19
610' FNL & 660' FEL SEC.26
T22S-R32E LEA CO. NM



POGO PRODUCING CO

3M CHOKE MANIFOLD

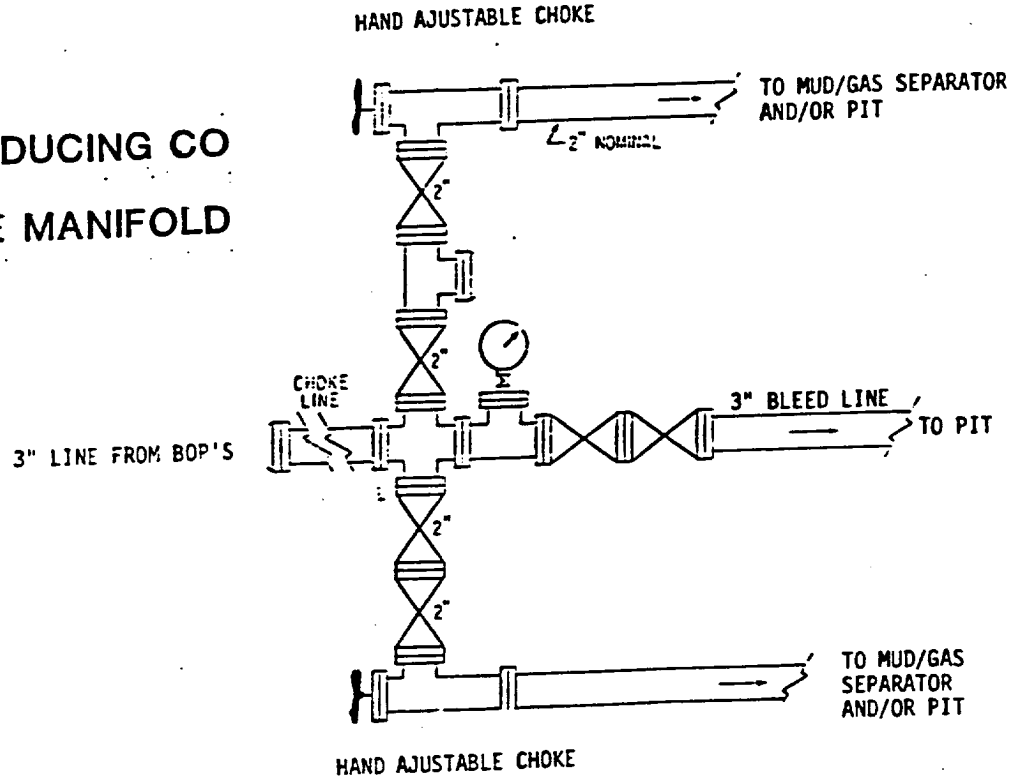


EXHIBIT "1-E"
CHOKE MANIFOLD & CLOSING UNIT

POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL #19
610' FNL & 660' FEL SEC.26
T22S-R32E LEA CO. NM