Form 3160-3
(November 1983)
(formerly 9-331C)

N.M. OIL CONS. COMMISSION
P.O. BOX 1980
HOBBS, NEW MEXICO 88240

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

30-025-32437

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: NM-81272

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WORK: DRILL ☒ DEEPEN ☐ PLUG BACK ☐

7. UNIT AGREEMENT NAME:

b. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ OTHER — SINGLE ZONE ☒ MULTIPLE ZONE ☐

8. FARM OR LEASE NAME: PRIZE FEDERAL

2. NAME OF OPERATOR: POGO PRODUCING COMPANY

9. WELL NO.: 5

3. ADDRESS OF OPERATOR: P. O. BOX 10340, MIDLAND, TEXAS

10. FIELD AND POOL, OR WILDCAT: UNDES. RED TANK BONE SPRINGS

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 660' FNL AND 660' FEL OF SECTION 27
At proposed prod. zone: Unit A

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: SEC.27, T.22 S., R.32 E.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 30 MILES WEST OF EUNICE, NEW MEXICO

12. COUNTY OR PARISH: LEA COUNTY

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
660'	640	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**
1220'	9000'	ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3662.8' GR

22. APPROX. DATE WORK WILL START*: UPON APPROVAL

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	54.5#	800'	SUFFICIENT TO CIRCULATE
11"	8-5/8"	32#	4600'	SUFFICIENT TO CIRCULATE
7-7/8"	5-1/2"	17#	9000'	TO TIE BACK TO 3600'

AFTER SETTING PRODUCTION CASING, PAY ZONE WILL BE PERFORATED AND STIMULATED AS NECESSARY.

SEE ATTACHED FOR: SUPPLEMENTAL DRILLING DATA
BOP SKETCH
SURFACE USE AND OPERATIONS PLAN
HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

OPER. OGRID NO. 017891
PROPERTY NO. 13460
POOL CODE 51683
EFF. DATE 3-1-94
API NO. 30-025-32437

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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 Richard L. Wright TITLE Division Operations Mgr. DATE December 23, 1993

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY Timothy P. O'Brien TITLE (acting) AREA MANAGER DATE FEB 25 1994

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

*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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator	Lease	Well No.
POGO PRODUCING CO.	PRIZE FEDERAL	5

Unit Letter	Section	Township	Range	County
A	27	22 SOUTH	32 EAST NMPM	LEA

Actual Footage Location of Well:
660 feet from the NORTH line and 660 feet from the EAST line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3662.8'	BONE SPRINGS	UNDES. RED TANK BONE SPRINGS	40 Acres

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

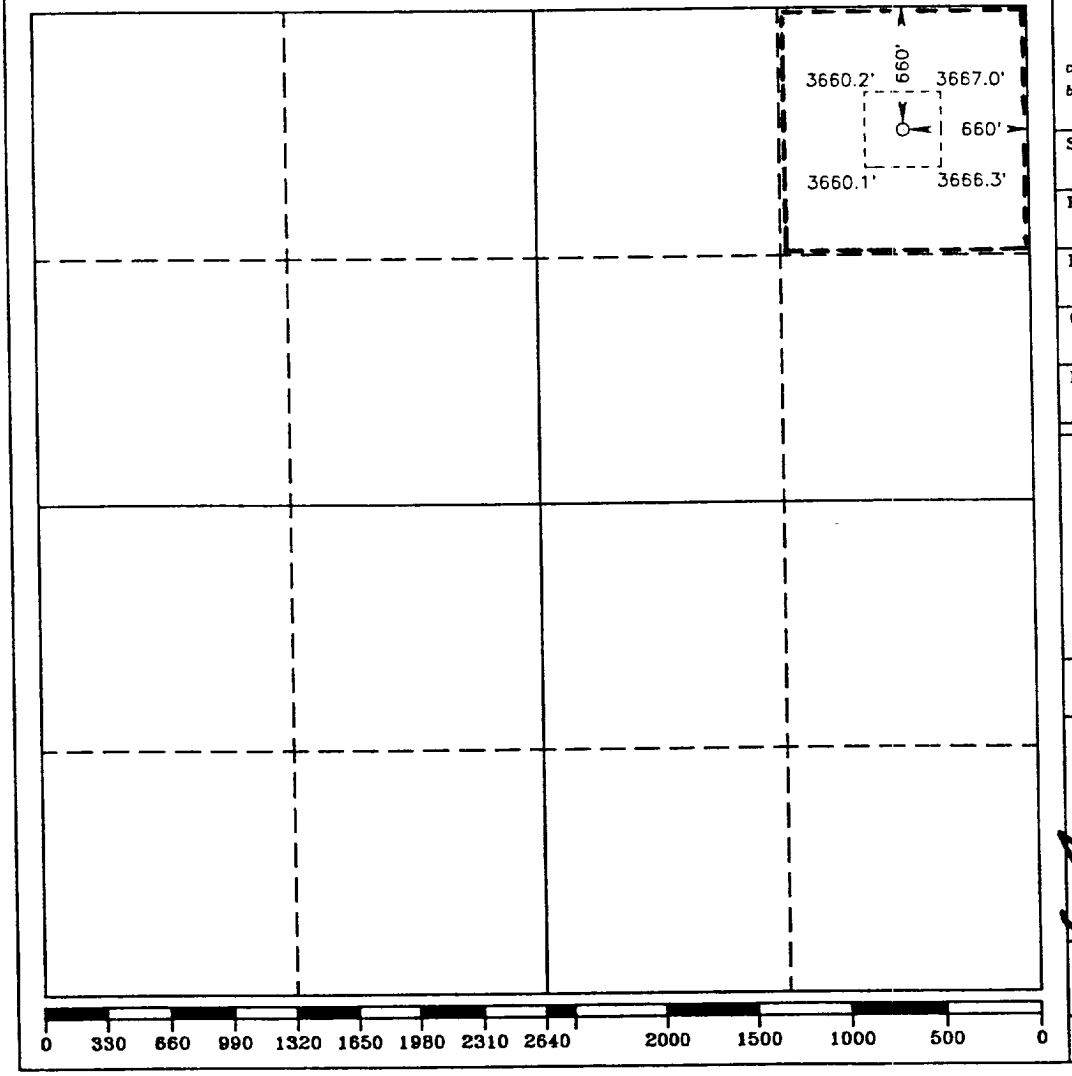
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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 the 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 Mgr.

Company: POGO PRODUCING COMPANY

Date: December 23, 1993

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: MAY 12, 1993

Signature & Seal of Professional Surveyor

GARY L. JONES
NEW MEXICO
7977
REGISTERED PROFESSIONAL LAND SURVEYOR

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

93-11-0865

SUPPLEMENTAL DRILLING DATA

POGO PRODUCING COMPANY

PRIZE FEDERAL WELL NO. 5

1. SURFACE FORMATION: Quaternary.

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Anhydrite	850'
Delaware Lime	4800'
Cherry Canyon	6100'
Brushy Canyon	7400'
Bone Springs	8800'

3. ANTICIPATED POSSIBLE HYDROCARBON BEARING ZONES:

Delaware	Oil
Bone Springs	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'	4600'	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 1.125 BURST 1.1 TENSION 1.7

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 spud mud. Viscosity 30 to 36 as required for hole cleaning.

800 feet to 4600 feet: Brine conditioned as necessary for control of viscosity. Weight 9.8 to 10. pH 9 to 10. Viscosity 32 to 36.

4600 feet to T.D.: Water base drilling fluid conditioned as necessary for control of weight, viscosity, pH and water-loss. Weight 9 to 10. Viscosity 38-45. pH 9 to 10. Filtrate while drilling pay zone 6 to 15.

7. AUXILIARY EQUIPMENT:

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

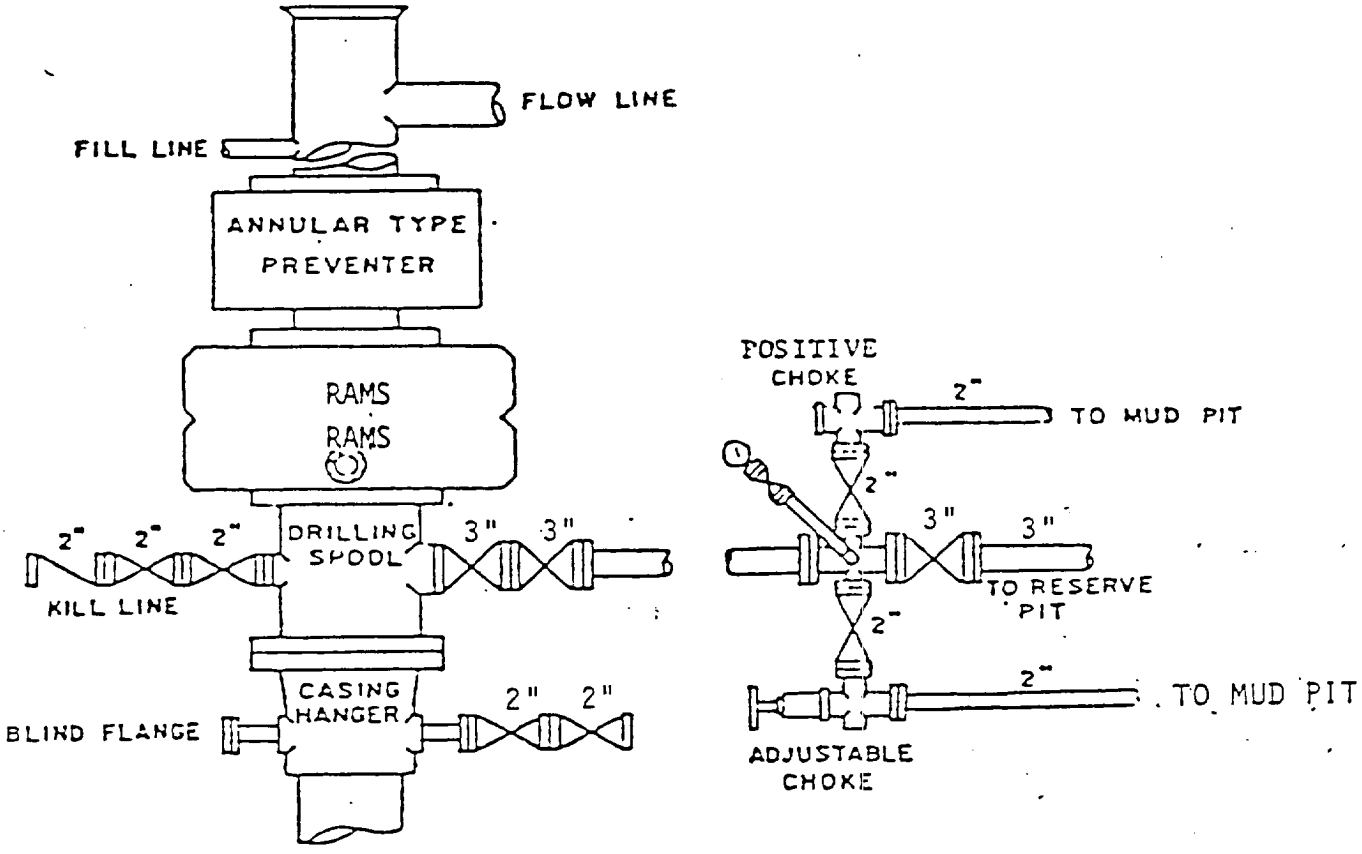
Expected bottom hole pressure is about 3600 psi.

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.



BOP STACK

3000 PSI WORKING PRESSURE

BOP ARRANGEMENT