Form 3160-3
(July 1992)

OPER. OGRID NO. 17891
PROPERTY NO. 9316
POOL CODE 51683
EFF. DATE
API NO. 30-025-33199

DEPART
BURE

APPLICATION F

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

1a. TYPE OF WORK
DRILL [X]

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

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 #15

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.25 T22S R32E

2. NAME OF OPERATOR
POGO PRODUCING COMPANY (RICHARD WRIGHT)

3. ADDRESS AND TELEPHONE NO.
P.O. 10340 MIDLAND, TEXAS 79702 Phone 915-682-6822

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface
330' FNL & 1300' FEL SEC. 25 T22S-R32E LEA CO. NM
At proposed prod. zone
same

UNORTHODOX LOCATION: Subject to Like Approval By State

12. COUNTY OR PARISH
Lea Co.

13. STATE
N.M.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 30 miles East of Carlsbad, N.M.

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
330'

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.
600'

19. PROPOSED DEPTH
9200'

20. ROTARY OR CABLE TOOLS
ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3748' 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
25"	20" Conductor	NA	40'	Cement to surface w/Redi-Mix
14-3/4"	H-40 10-3/8"	32.75 10 3/4'	800'	600 sx Circulate to surface
9-7/8"	J-55 7-5/8"	26.4	4600'	1300 sx " " "
6-3/4"	J-55 N-80 4½"	11.6	9200'	950 sx Est. Top cement 3600'

Change of Location from 330/N & 990/E

1. Drill 25" hole to 40'. Set 40' of 20" conductor and cement to surface w/Redi-mix.
2. Drill 14-3/4" hole to 800'. Run & set 800' of 10-3/4" H-40 32.75# ST&C casing. Cement with 600 sx. Class "C" Halco Light, tail in with 200 sx Class "C" + 2% CaCl. Circulate cement to surface.
3. Drill 9-7/8" hole to 4600'. Run & set 4600' of 7-5/8" J-55 & N-80 26.4# LT&C casing. Cement with 1100 sx class "C" Halco Light + 10% salt, tailin with 200 sx Class "C" premium cement + 1% CaCl. Circulate cement to surface.
4. Drill 6-3/4" hole to 9200'. Run & set 9200' of 4½" J-55 & N-80 11.6# LT&C casing. Cement with 700 sx Class "H" Halco light, tailin with 250 sx of Class "H" premiun cement + additives. Estimated top of cement 3600'.

NSL-3833

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. Janica TITLE Agent DATE 05/10/97

(This space for Federal or State office use)
Subject to General Requirements and Special Stipulations attached

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 (ORIG. SGD.) TONY J. FERGUSON TITLE ADM, MINERALS DATE JUN 25 1997

*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.

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

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

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

☑ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-025-33199	51683	RED TANK BONE SPRING

Property Code	Property Name	Well Number
009316	COVINGTON "A" FEDERAL	15

OGRID No.	Operator Name	Elevation
17891	POGO PRODUCING COMPANY	3748

Surface Location

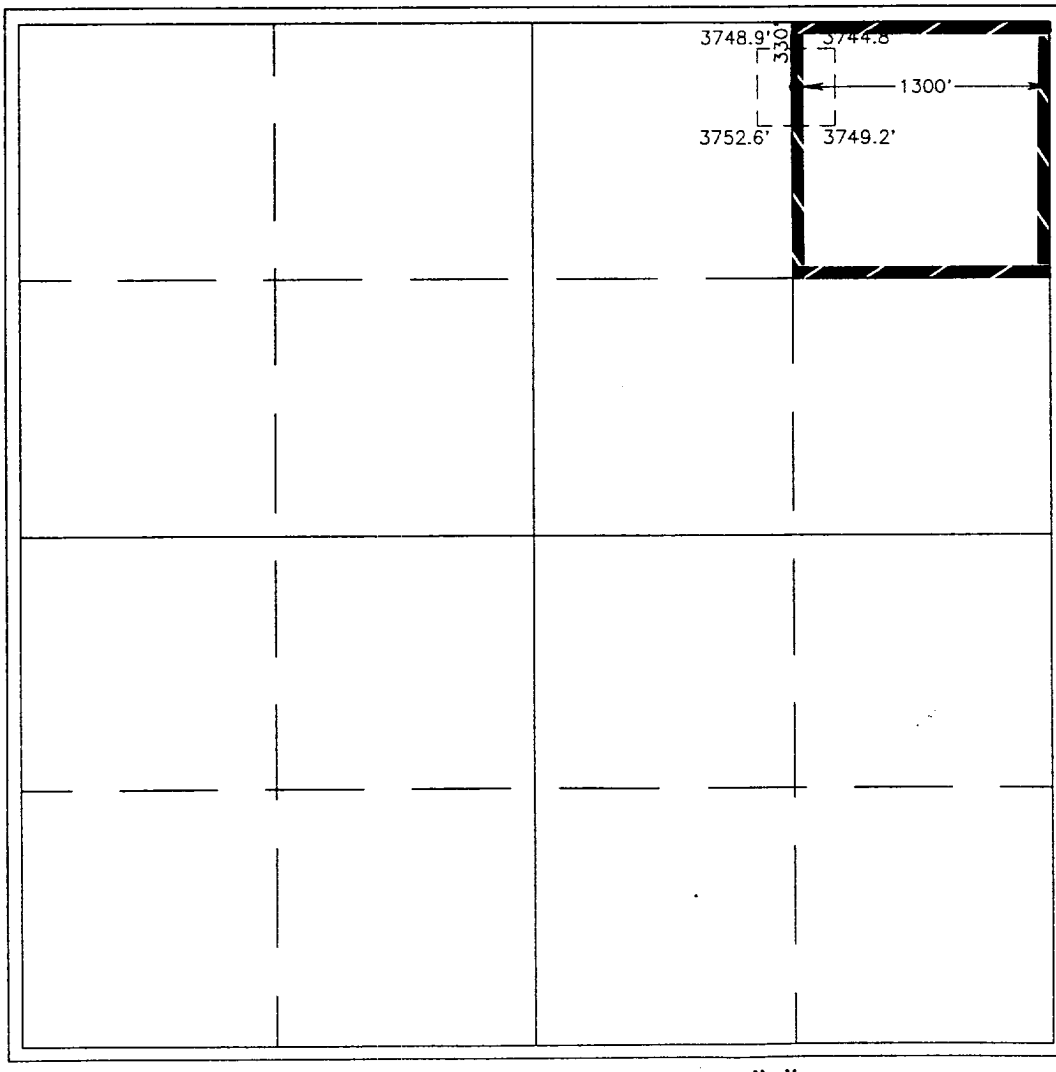
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	25	22 S	32 E		330	NORTH	1300	EAST	LEA

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.

Signature: Joe T. Janica

Printed Name: Joe T. Janica

Title: Agent

Date: 05/10/97

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.

Date Surveyed: APRIL 17, 1997

Signature & Seal of Professional Surveyor: Ronald J. Eidson 4-21-97

NEW MEXICO 3239 REGISTERED PROFESSIONAL SURVEYOR

97-11-0688

Certificate No. JOHN W. WEST 676
RONALD J. EIDSON 3239
GARY L. JOSON 12641

EXHIBIT "A"

APPLICATION TO DRILL

POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL # 15
UNIT "A" SECTION 25
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: 330' FNL & 1300' FEL , SEC. 25 T22S-R32E Lea Co. NM

2. Elevation above sea level: 3748' GR.

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

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

5. Proposed drilling depth: 9200'

6. Estimated tops of geological markers:

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

7. Possible mineral bearing formations:

Delaware	Oil
Bone Spring	Oil

8. Casing program:

HOLE SIZE	INTERVAL	OD CSG	WEIGHT	THREAD	COLLAR	GRADE	COND.
25"	0-40'	20"	.31 Wall	NA	NA	NA	New
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	LT&C	J-55 & N-80	New
6 3/4"	0-9200'	4½"	11.6	8-R	LT&C	J-55 & N-80	New

APPLICATION TO DRILL

POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL # 15
UNIT "A" SECTION 25
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 PROD. 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.

12. Testing, Logging and Coring Program:

A. Mud logger will be on hole from 4650' 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 20-25 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 igniter 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.

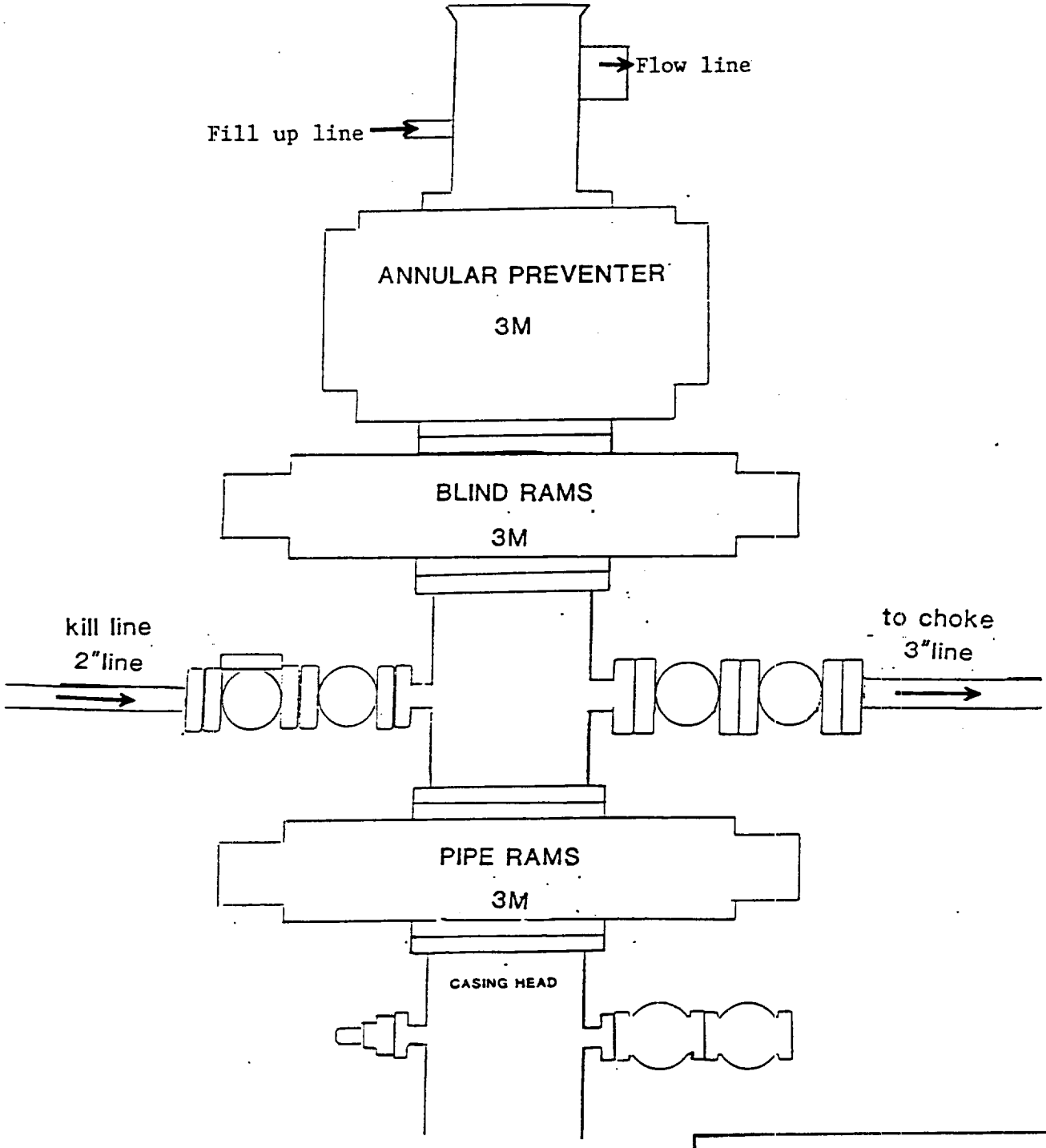


EXHIBIT "E"
B.O.P. SKETCH TO BE USED ON

POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL # 15
UNIT "A" SECTION 25
T22S-R32E LEA CO. NM