OPER. OGRID NO. 17891
PROPERTY NO. 9316
POOL CODE 51683
EFF. DATE 10/1/96
API NO. 30-025-33614

Form 3160-3
(July 1992)

UNITE[D STATES] ...ATE* ...on

DEPARTMENT ...

BUREAU OF L...

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

APPLICATION FOR PER...

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ]

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

2. NAME OF OPERATOR
Pogo . Producing Co. (Richard Wright)

3. ADDRESS AND TELEPHONE NO.
P.O. Box 10340 Midland, Texas 79702 Ph. 915-682-6822

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface
1980' FSL & 990' FWL SEC. 25 T22S-R32E Lea Co. New Mexico
At proposed prod. zone
Same Unit L

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
29 miles west of Eunice New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 990'

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.: 990'

19. PROPOSED DEPTH: 9200'

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3764 GR

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

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 # 7

9. API WELL NO.
30-025-32035

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

12. COUNTY OR PARISH: Lea Co.

13. STATE: NM

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
26"	20" Conductor	~~31 Wall Thick~~	~~40'~~	~~Cement to surface W/Redi-mix~~
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'. run 40' of 20" conductor pipe and cement to surface W/Redi-mix.

2. Drill 14 3/4" hole to 800'. Run and set 800' of 10 3/4" H-40 32.7# 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" J-55 & N-80 26.4# ST&C casing. Cement with 1300 Sx. of cemrnt circulate cement to surface.

4. Drill6 3/4" hole to 9200'. Run and set 9200' of 4½" J-55 & N-80 11.6# LT&C casing. Cement with 950 Sx. of cement, bring the top of cement back to 3600'.

5. Construct Power Line North along road from existing line to well #7, lay a flow line along road and e isting ROW to central battery.

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 08/21/96

(This space for Federal or State office use)

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 /s/ JOAN R. FLOREZ TITLE Acting Area Manager DATE SEP 26 1996

*See Instructions On Reverse Side

... it is a crime for any person knowingly and willfully to make to any department or agency of the

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
30-025-33614	51683	RED TANK BONE SPRING

Property Code	Property Name	Well Number
009316	COVINGTON A FEDERAL	7

OGRID No.	Operator Name	Elevation
17891	POGO PRODUCING COMPANY	3764'

Surface Location

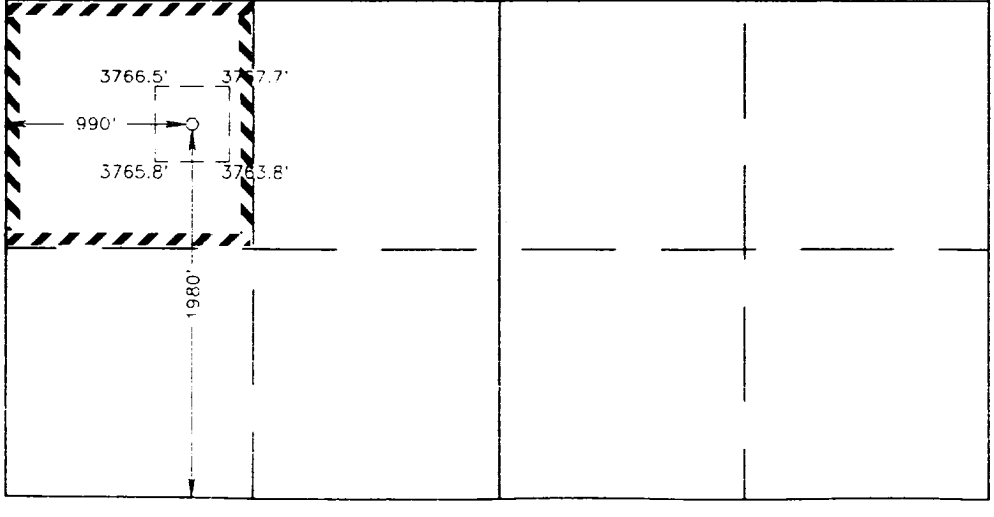
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	25	22 S	32 E		1980	SOUTH	990	WEST	LEA

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.

Joe T Janica
Signature

Joe T. Janica
Printed Name

Agent
Title

08/15/96
Date

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.

AUGUST 13, 1996
Date Surveyed

CDG

Signature & Seal of Professional Surveyor

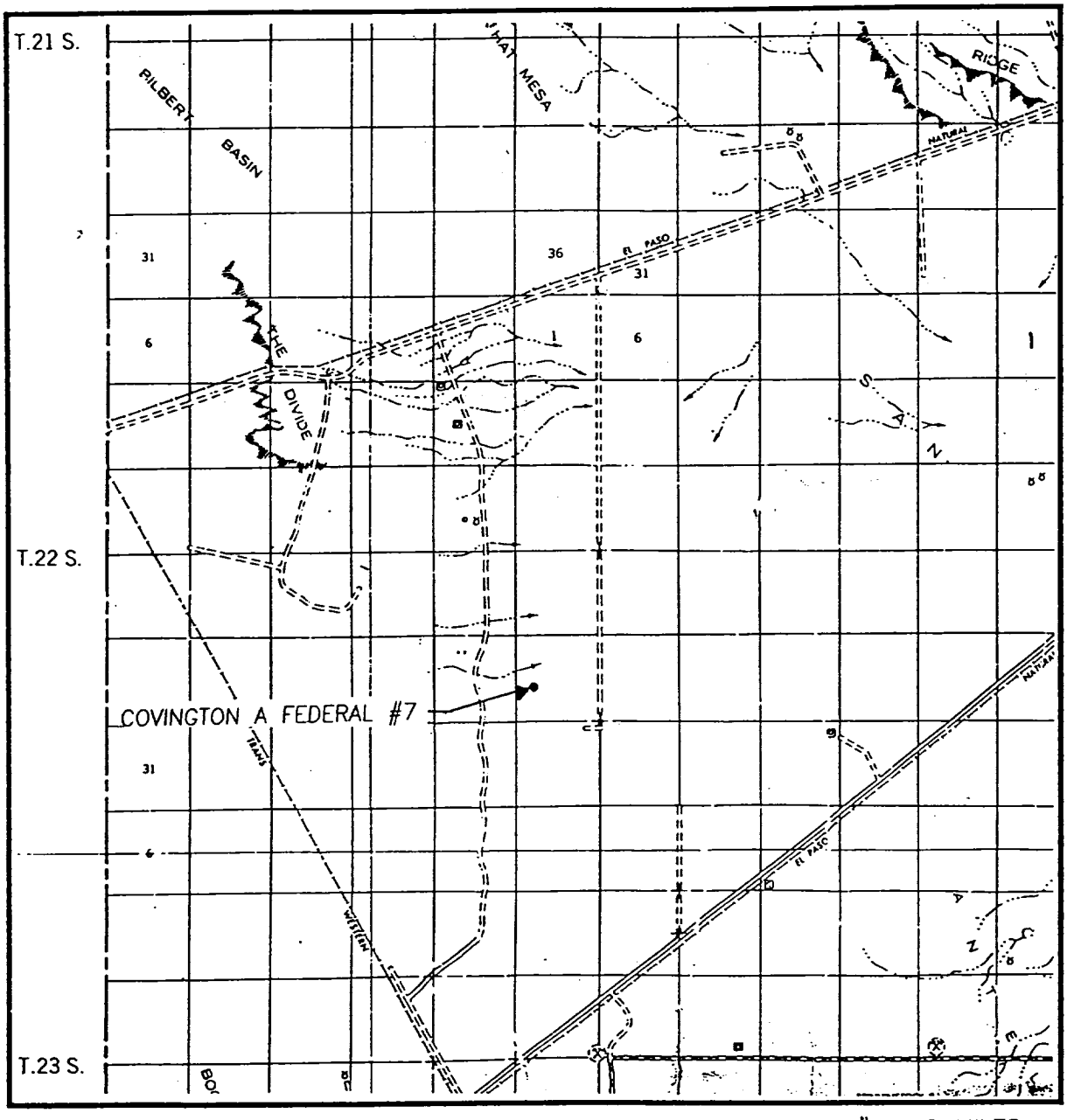
RONALD J. EIDSON
NEW MEXICO
3239
REGISTERED PROFESSIONAL SURVEYOR

8-15-96

96-11-1078

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

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 25 TWP. 22-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1980' FSL & 990' FWL

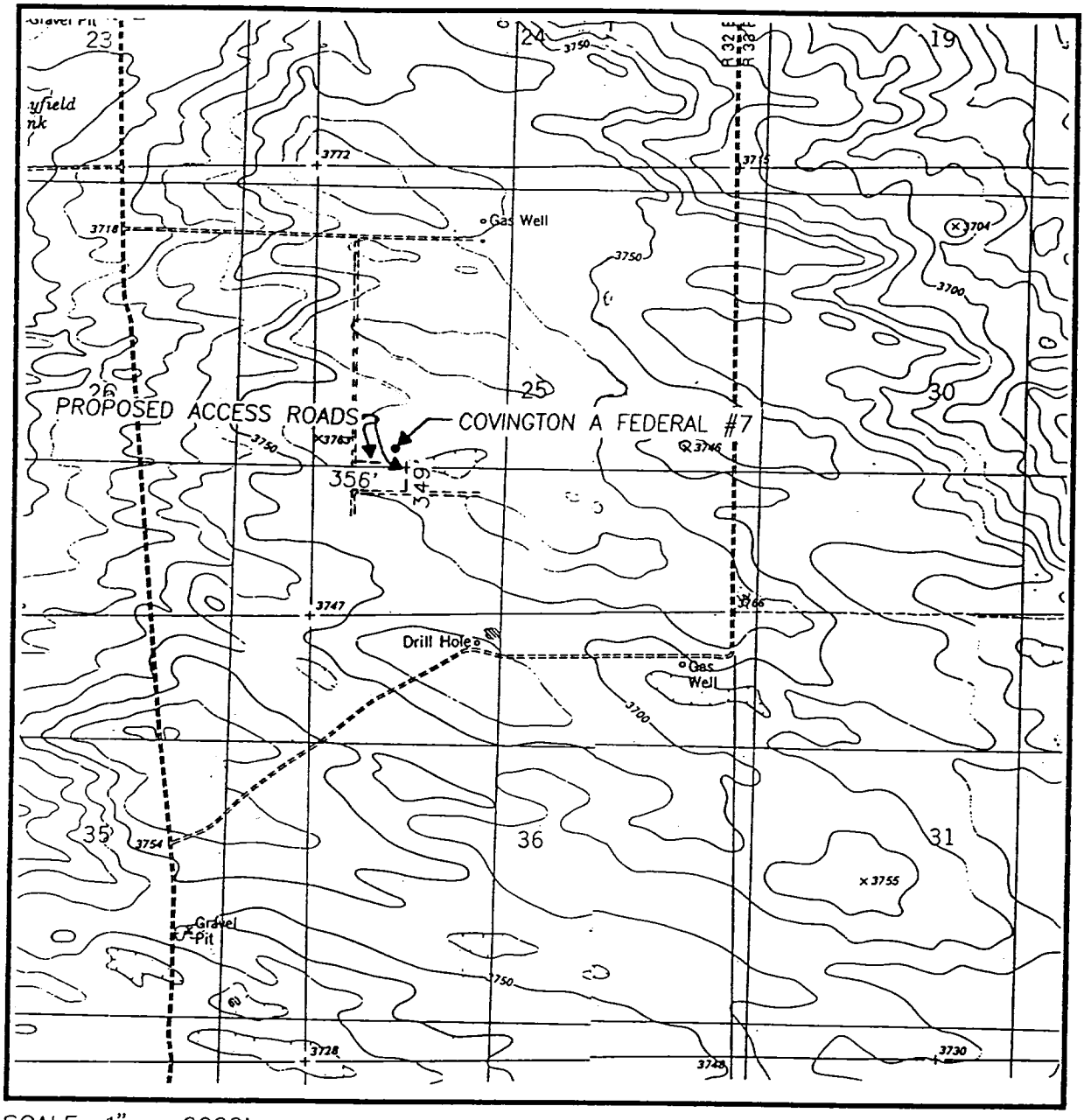
ELEVATION 3764'

OPERATOR POGO PRODUCING COMPANY

LEASE COVINGTON A FEDERAL

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
BOOTLEG RIDGE – 10'
TIP TOP WELLS – 10'

SEC. 25 TWP. 22-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1980' FSL & 990' FWL

ELEVATION 3764'

OPERATOR POGO PRODUCING COMPANY

LEASE COVINGTON A FEDERAL

U.S.G.S. TOPOGRAPHIC MAP
BOOTLEG RIDGE, TIP TOP WELLS, N.M.

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117

APPLICATION TO DRILL

POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL # 7
1980' FSL & 990' FWL SEC. 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: 1980' FSL & 990' FWL SEC. 25 T22S-R32E Lea Co. NM

2. Elevation above sea level:

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.
26"	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	ST&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 # 7
1980' FSL & 990' FWL SEC. 25
T22S-R32E LEA CO. NM

9. Cementing & Casing setting depth:

20" Conductor	Set 40' of 20" conductor and cement to surface with Redi-Mix.
10 3/4" Surface	Set 800' of 10 3/4" H-40 32.75# ST&C casing cement with 650 Sx. of cement + additives, circulate cement to surface.
7 5/8" Intermediate	Set 4600' of 7 5/8" J-55 26.4# ST&C casing cement with 1300 Sx of cement + additives circulate cement to surface.
4½" Production	Set 9200' of 4½" J-55 & N-80 11.6# LT&C casing cement with 950 Sx. cement + additives. Bring top of cement back to 3600' verify with log or temp. survey.

10. Pressure Control Equipment:

Exhibit "E" shows a 900 Series 3000 PSI working pressure double ram type Blow Out preventor, hydraulically operated. Exhibit "E-1" shows the choke manifold and closing unit. Blind rams on top and pipe rams on bottom to corrospond with the drill pipe size being used. The BOP will be nippled up on the 10 3/4" casing and remain on the hole till the casing is run and cemented. The BOP will be tested after each string of casing is run and will be worked at least once each day while drilling and blind rams will be worked when drill pipe is out of hole. Flow sensor, PVT, full opening stabbing valve and upper kelley cock will be utilized.

11. Proposed Mud Circulating System:

Depth	Mud Wt.	Mud Visc.	Fluid Loss	Type Mud
0-800'	8.6	29-34	NC	Fresh water Spud Mud
800-4600'	10-10.5	28-30	NC	Brine water paper for Seepage control.
4600-9200'	10-10.5	28-34	NC	Fresh water mud use paper for seepage control

Sufficient mud materials to maintain mud properties, meet lost circulation and weight increase requirments 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.


SEP 1988
Received
Hobbs
OCD

APPLICATION TO DRILL

POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL #7
1980' FSL & 990' FWL SEC.25
T22S-R32E LEA CO. NM

12. Testing, Logging and Coring Program:

A. Mud logger on from 4600' ± to TD.
B. DST'S possible as shows dictate.
C. No cores are planned.
D. Open hole electric logs include Dual-Induction,Gamma Ray, Density CNL and caliper.

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 3500 PSI, estimated BHT 135° .

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 #7
1980' FSL & 990' FWL SEC.25
T22S-R32E LEA CO. NM

1. EXISTING ROADS. Area map, Exhibit "B" is a reproduction of the New Mexico General Hi-way Co. Map. Exhibit "C" is a reproduction of a topographic map. Existing roads and proposed roads are shown on each exhibit. All roads will be maintained in a condition equal to or better than existed prior to start of construction.

   A. Exhibit "A" shows the proposed developement well as staked.
   B. From Hobbs N.M. take US Highway 62-180 West towards Carlsbad, go 38 Mi. to Co. Road C-29, turn South, go 14 mi. to Mills Ranch Road, turn East follow lease road Northeast, Southeast, then East for 7.2 mi., turn South and go for 1.3 mi. turn East on caliche road, go.5 mi, turn South go .5 mi to location, turn East, go .1 mi turn North to location.
   C. Construct a powerline from location along road to existing powerline about 400'.
   D. Lay a pipeline along road and existing ROW to a tank battery located at well # 9 (990' FSL & 1980' FWL Sec. 25)

2. PLANNED ACCESS ROADS - Approximately 300' of new road will be constructed.

   A. the 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 Lopography.

3. LOCATION OF EXISTING WELLS IN A ONE-MILE RADIUS EXHIBIT "A-1"

   A. Water wells - None known
   B. Disposal wells - None known
   C. Drilling wells - None Known
   D. Producing wells - See Exhibit "A-1"
   E. Abandoned wells - See Exhibit "A-1"


SEP 1996

4. If, upon completion, the well is a producer, Pogo Producing Company will furnish maps or plats showing On Well Pad facilities and Off well Pad facilities (if needed) on a Sundry Notice before construction of these facilities starts.

5. LOCATION AND TYPE OF WATER SUPPLY

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

6. SOURCE OF CONSTRUCTION MATERIALS

If needed, construction materials will be obtained from the drill site's excavations or from a local source. These materials will be transported over the access route as shown on Exhibit "A".

7. METHODS FOR HANDLING WASTE DISPOSAL

A. 1. Drill cuttings will be disposed of in the reserve pit.

2. Trash, waste paper, and garbage will either be contained in a fenced trash trailer or in a trash pit, fenced with mesh wire to prevent wind-scattering during storage. When the rig moves out, all trash and debris left at the site will be contained to prevent scattering and will be buried at least 36" deep within a reasonable period of time.

3. Salts remaining after completion of the well will be picked up by the supplier, including broken sacks.

4. Sewage from trailer houses will drain into holes with minimum depth of 10'00". These holes will be covered during drilling and backfilled upon completion. A "porta John" will be provided for the rig crews. This will be properly maintained during the drilling operations and removed upon completion of the well.

B. Remaining drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for backfilling. In the event drilling fluids will not evaporate in a reasonable period of time they will be transported by tank truck to a state approved disposal site.

Water produced during testing of the well will be disposed of in the reserve pit. Oil produced during testing of the well will be stored in test tanks until sold and hauled from the site.

8. ANCILLARY FACILITILS

No camps or airstrips will be constructed.

9. WELL SITE LAYOUT

A. Exhibit "D" shows the proposed well site layout.

B. This exhibit indicated 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 condition encountered during pit construction indicate that lining is needed for lateral containment of fluids.

D. If needed, the reserve pit is to be lined with polyethylene. The pit liner will be 6 mils thick. Pit liner will extend a minimum 2'00" over the reserve pits dikes where the liner will be anchored down.

E. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. The fourth side will be fenced after all drilling operations have ceased. If the well is a producer, the reserve pit fence will be torn down. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

10. PLANS FOR RESTORATION OF SURFACE

Rehabilitation of the location and reserve pit will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole.

However, in either event, the reserve pit will be allowed to dry properly, and fluid removed and disposed of in accordance with Article 7.B as previously noted. The pit area will then be leveled and contoured to conform to 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 inundation of the location's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

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

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 #7
1980' FSL & 990' FWL SEC.25
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 mainlu for grazing livestock. Surface is owned by The Department of Interior, BLM, Grazing lessee is J.C. Mills of Abernathy, Texas P.O. Box 190 79331

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:	During and after Construction
Tierra Exploration Inc.	Pogo Producing Company
P.O. Box 2188	P.O. Box 10340
Hobbs, NM 88241	Midland, Tx 79702
Office Phone: 505-392-2112	Office Phone: 915-682-6822
Joe T. Janica	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, its' Contractors/ Subcontractors in conformity with this plan and the terms and conditions underwhich it is approved. This statement is subject to the provision of 18 U.S.C. 1001 for the filing of a false statement.

NAME: Joe T Janica

DATE: 08/21/96

TITLE: AGENT

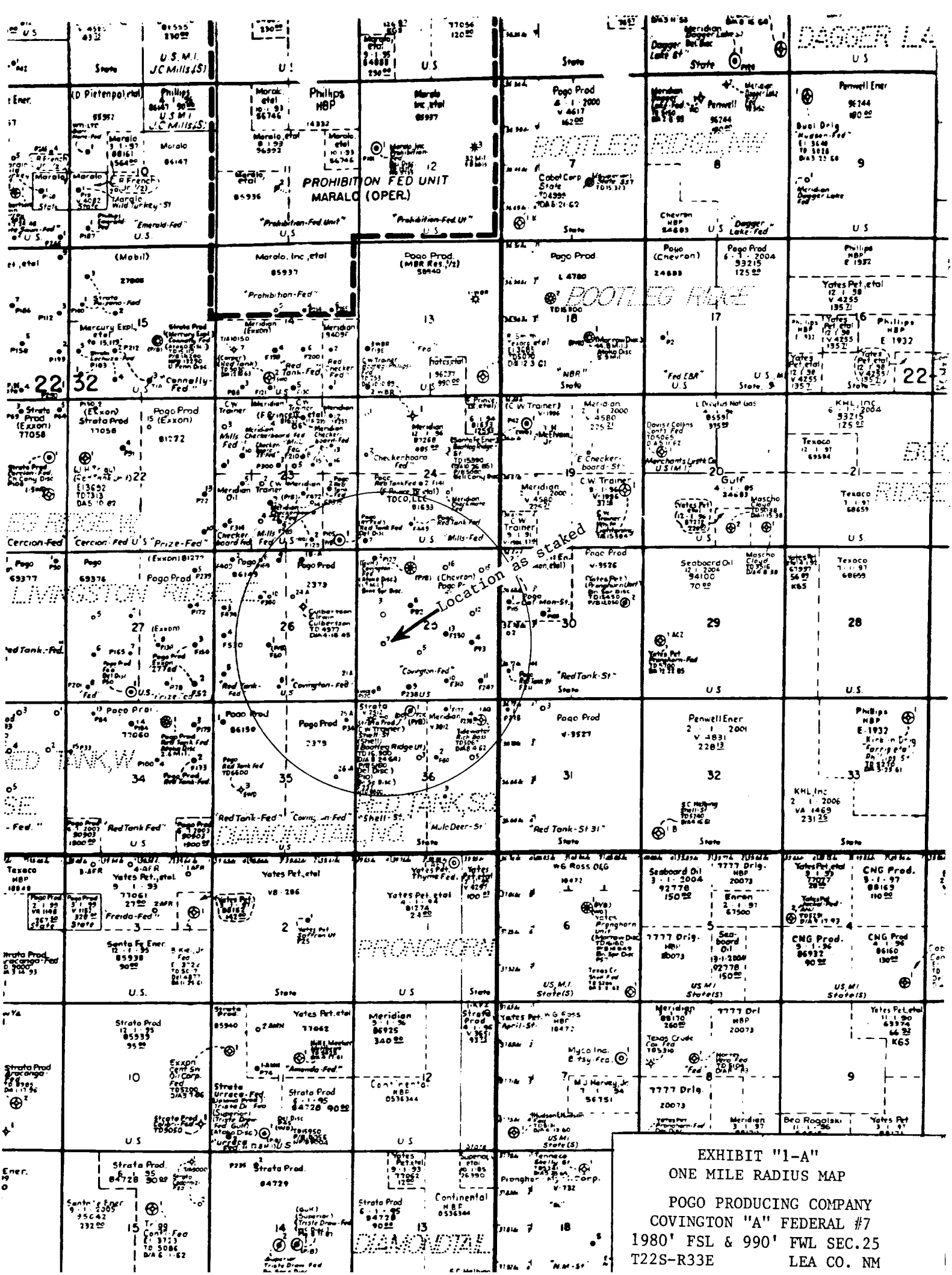


EXHIBIT "1-A"
ONE MILE RADIUS MAP

POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL #7
1980' FSL & 990' FWL SEC.25
T22S-R33E LEA CO. NM

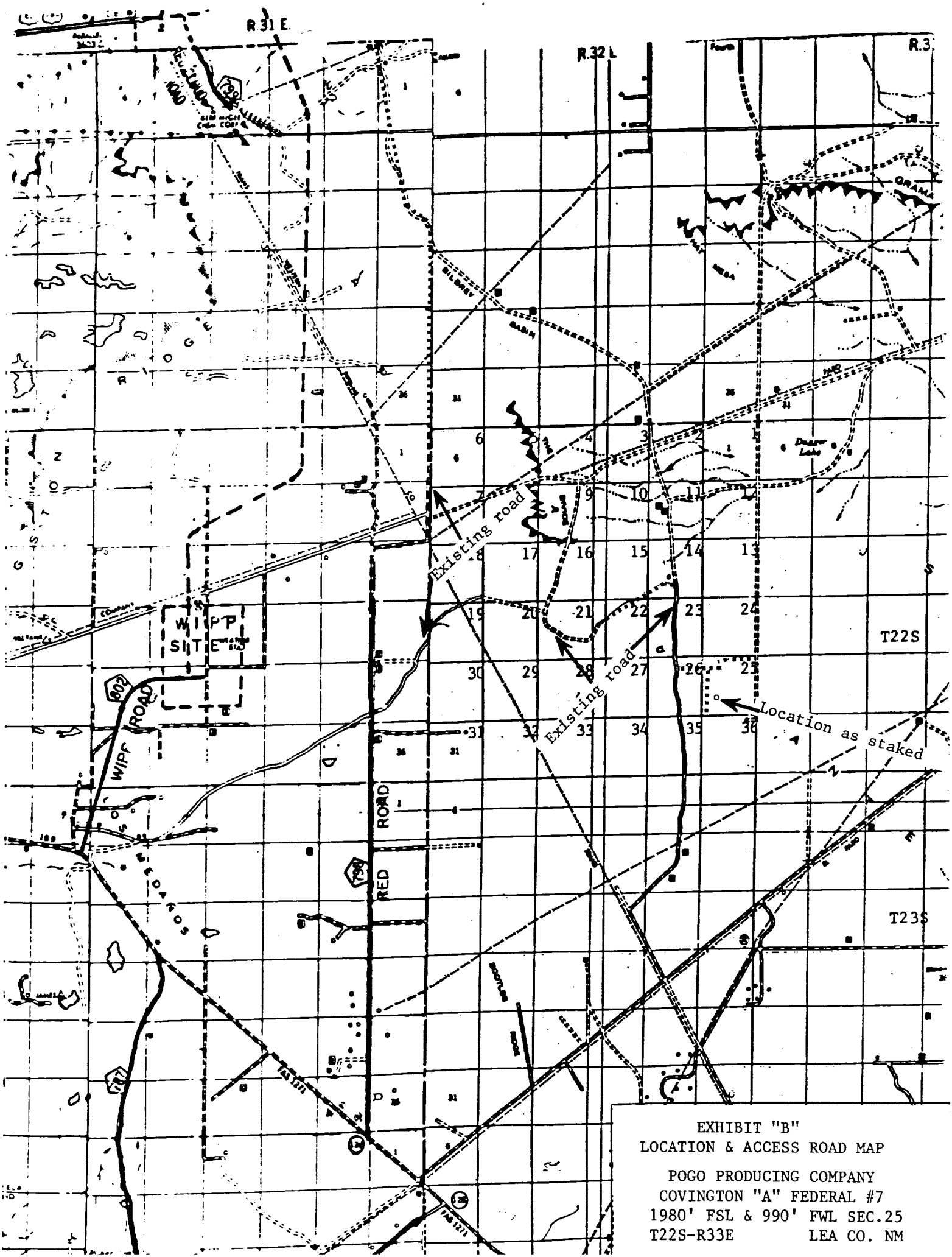
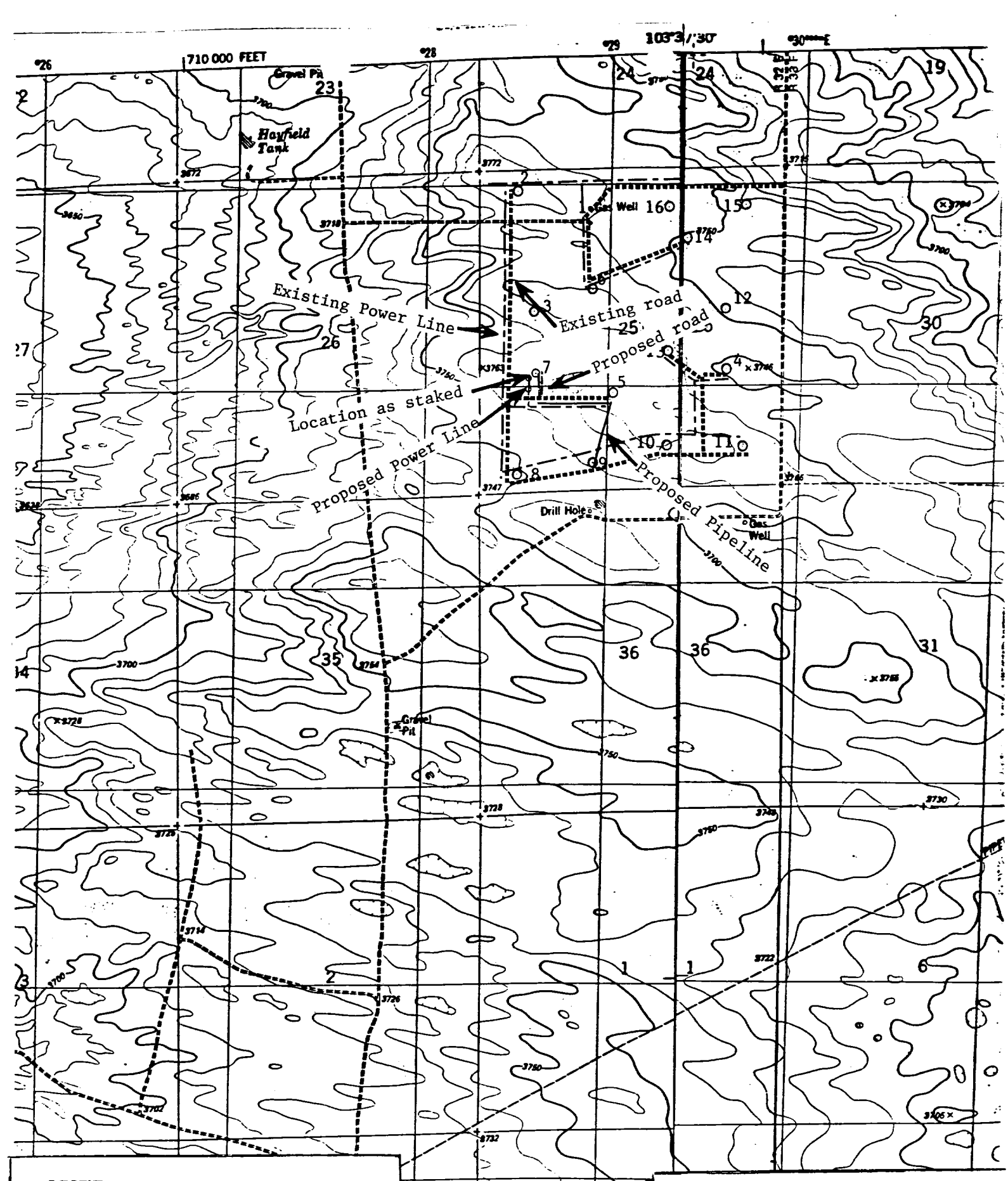


EXHIBIT "B"
LOCATION & ACCESS ROAD MAP

POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL #7
1980' FSL & 990' FWL SEC.25
T22S-R33E LEA CO. NM



LEGEND:

..... Existing Roads

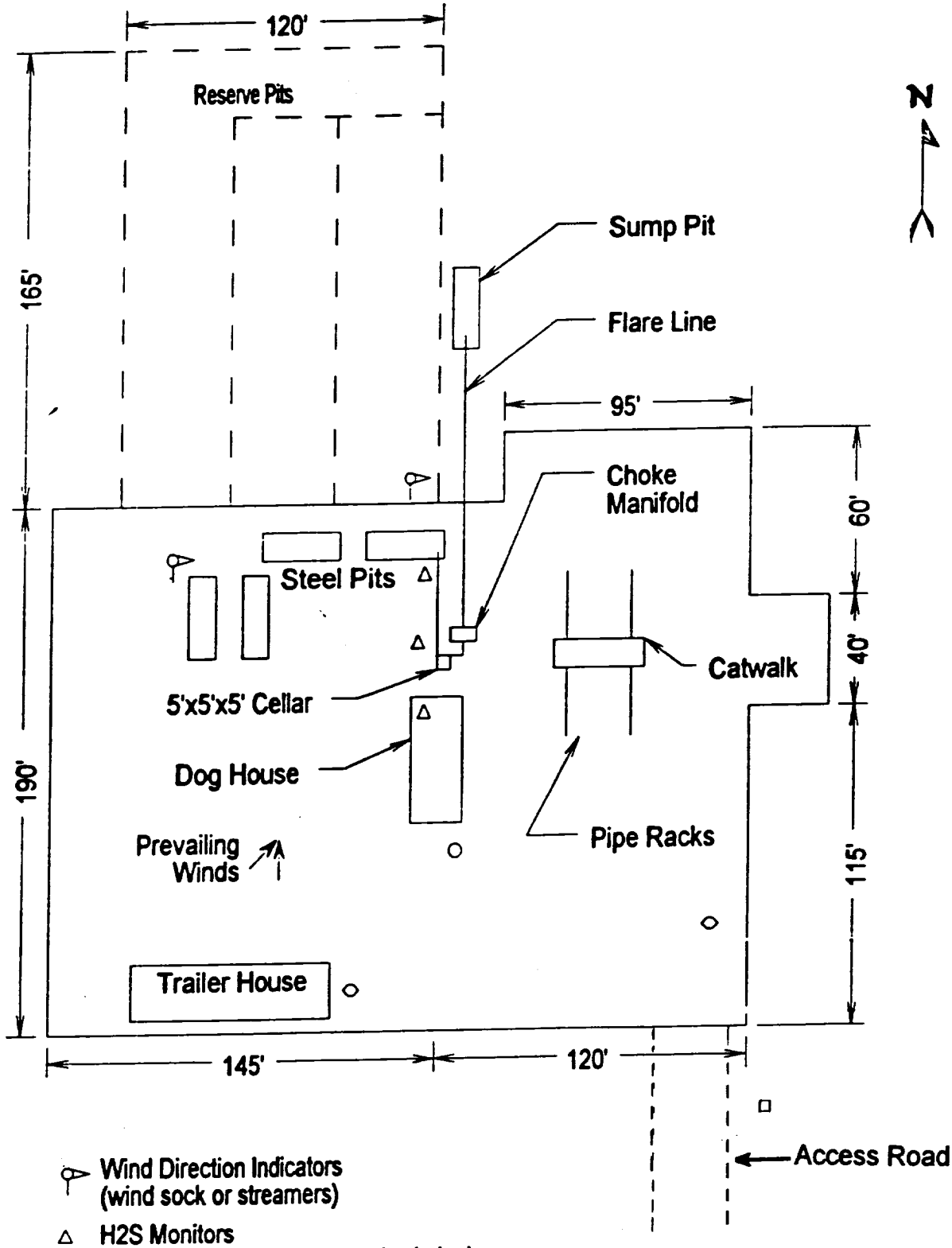
------ Proposed Roads

-.--.- Power Lines

-o-o-o- Proposed Power Lines

EXHIBIT "C"
TOPOGRAPHIC MAP SHOWING
ROADS & DIRECTIONS TO

POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL #7
1980' FSL & 990' FWL SEC25



- 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 #7
1980' FSL & 990' FWL SEC 25
T22S-R33E LEA CO. NM

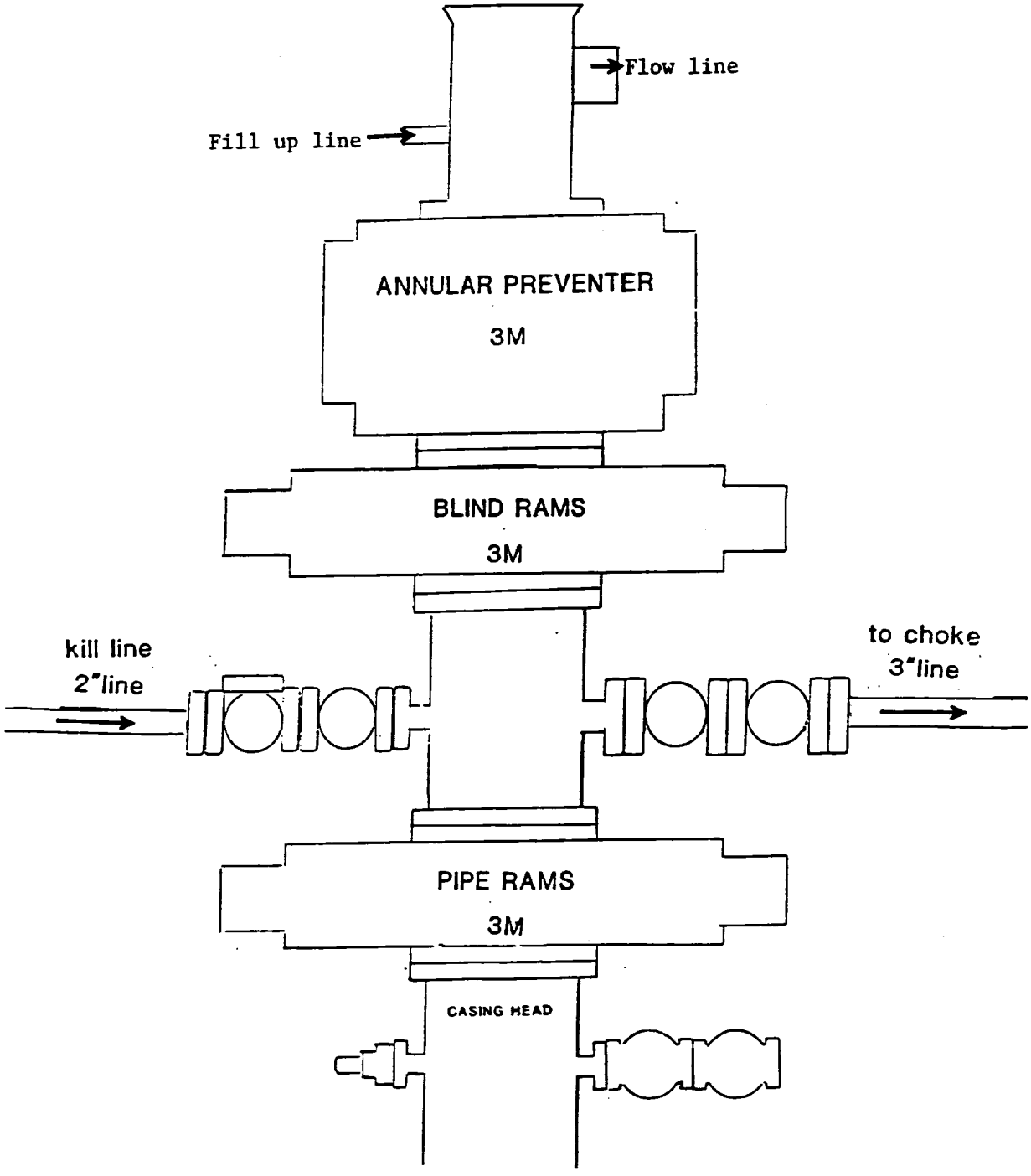
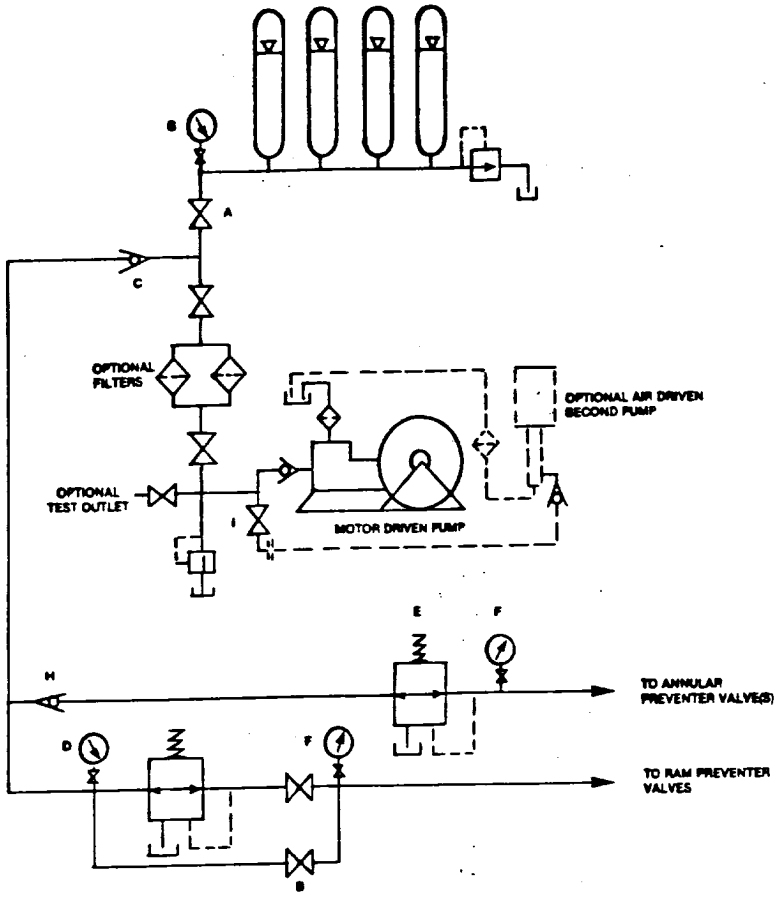


EXHIBIT "E"
B.O.P. SKETCH TO BE USED ON

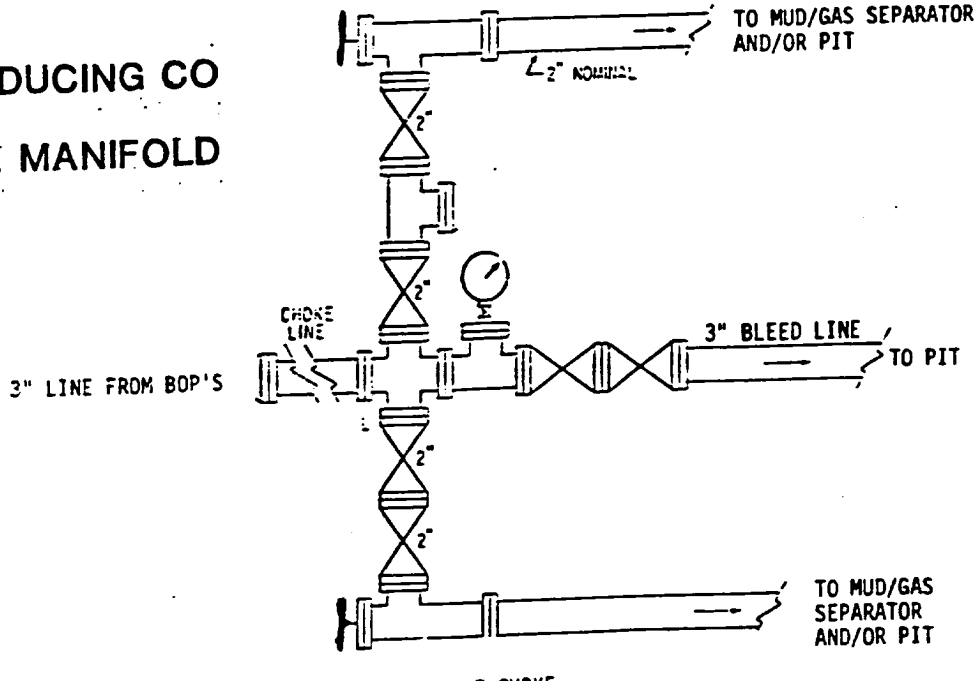
POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL #7
1980' FSL & 990' FWL SEC 25
T22S-R33E LEA CO NM



HAND AJUSTABLE CHOKE

POGO PRODUCING CO

3M CHOKE MANIFOLD



HAND AJUSTABLE CHOKE

EXHIBIT "1-E"
CHOKE MANIFOLD & CLOSING UNIT

POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL #7
1980' FSL & 990' FWL SEC 25
T22S-R33E LEA CO NM