APPLICATION TO DRILL

POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL # 26
UNIT "H" SECTION 35
T22S-R32E LEA CO. NM

12. Testing, Logging and Coring Program:

- A. Open hole logs: Dual Induction, SNP-Density, Gamma Ray, Caliper from TD to 4600'.
- B. Gamma Ray, Caliper, Neutron from 4600' to surface.
- C. Mud logger on hole from 4600' to TD.
- D. No cores or DST's are planned at this time.

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 4250 PSI, estimated BHT -160° .

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.