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DISTRICT I
P.O. Box 1990, Hobbs, NM 88241-1990

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT II
P.O. Drawer 88, Artesia, NM 88211-0718

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-35720	Pool Code 96638-72650	Pool Name Boatleg Ridge NORTH DIAMOND TAIL-MORROW
Property Code 9316	Property Name COVINGTON FEDERAL	Well Number 40
OGRID No. 166111-17849	Operator Name POGO PRODUCING COMPANY	Elevation 3767'

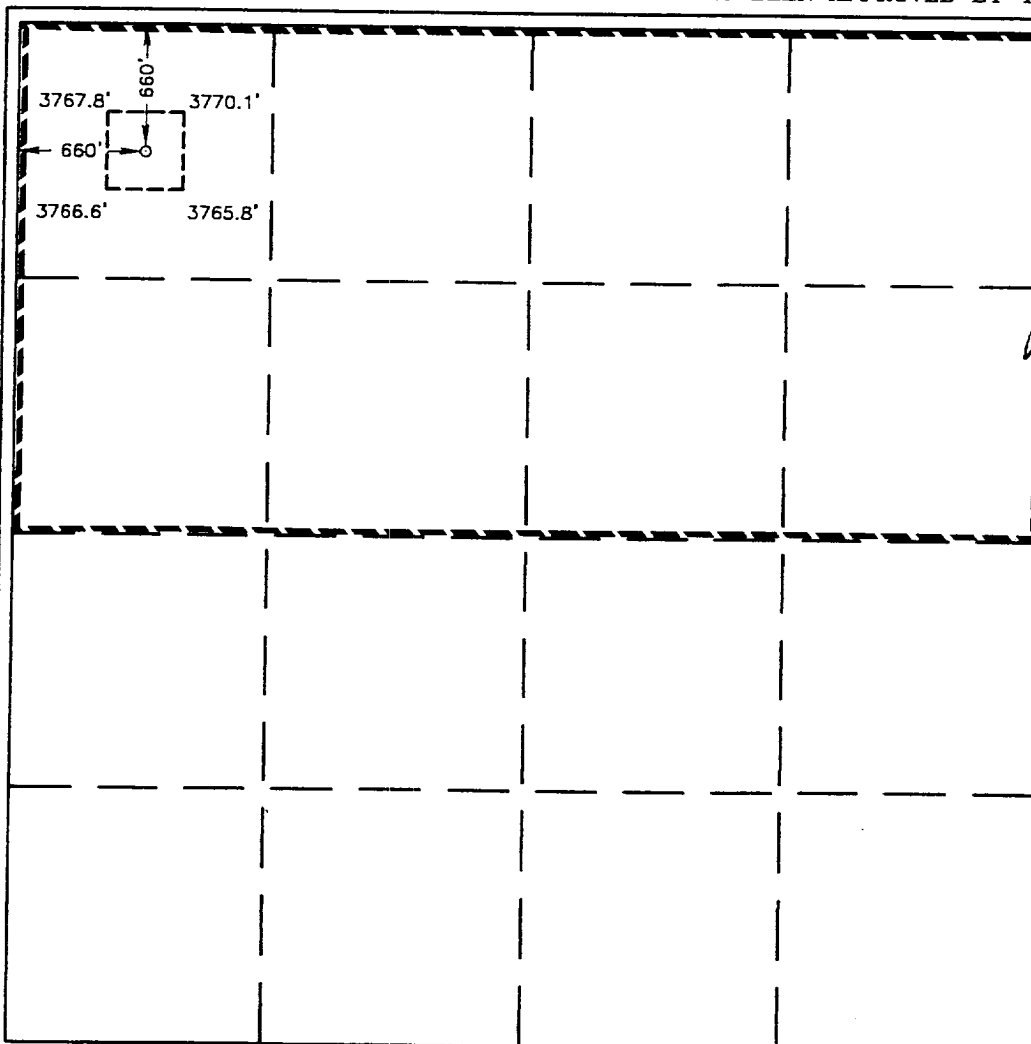
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	25	22-S	32-E		660	NORTH	660	WEST	LEA

Bottom Hole Location If Different From Surface

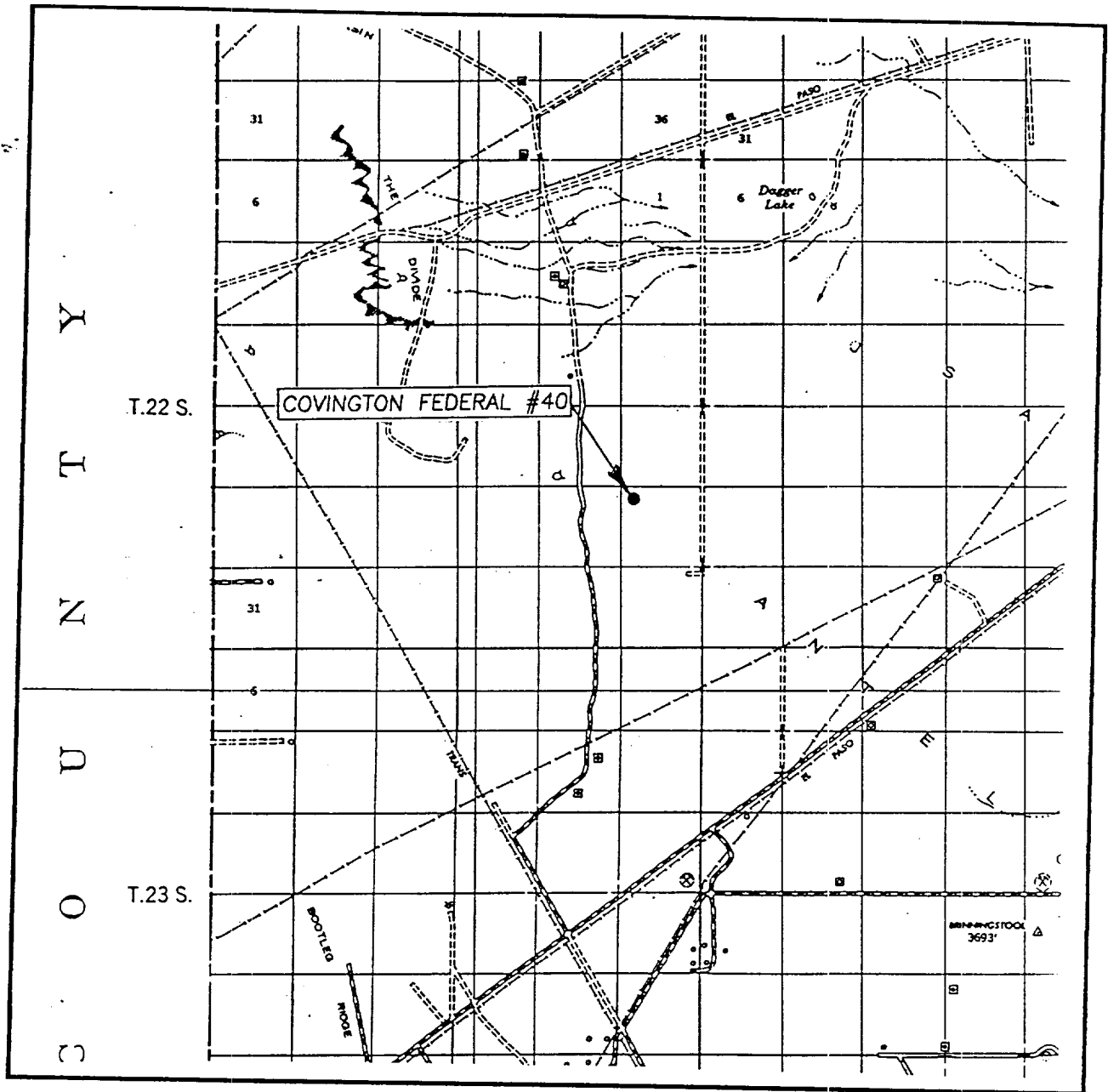
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.						

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 that the information contained herein is true and complete to the best of my knowledge and belief.	
<i>Joe T. Janica</i>	
Signature	
Joe T. Janica	
Printed Name	
Agent	
Title	
05/07/01	
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 supervision, and that the same is true and correct to the best of my belief.	
APRIL 12, 2001	
Date Surveyed	AWB
Signature & Seal of Professional Surveyor	
<i>Ronald J. Eidson</i> 04/16/01	
01-11-0470	
Certificate No.	RONALD J. EIDSON 3239 GARY EIDSON 12641

VICINITY MAP



SCALE: 1" = 2 MILES

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

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 660'FNL & 660'FWL

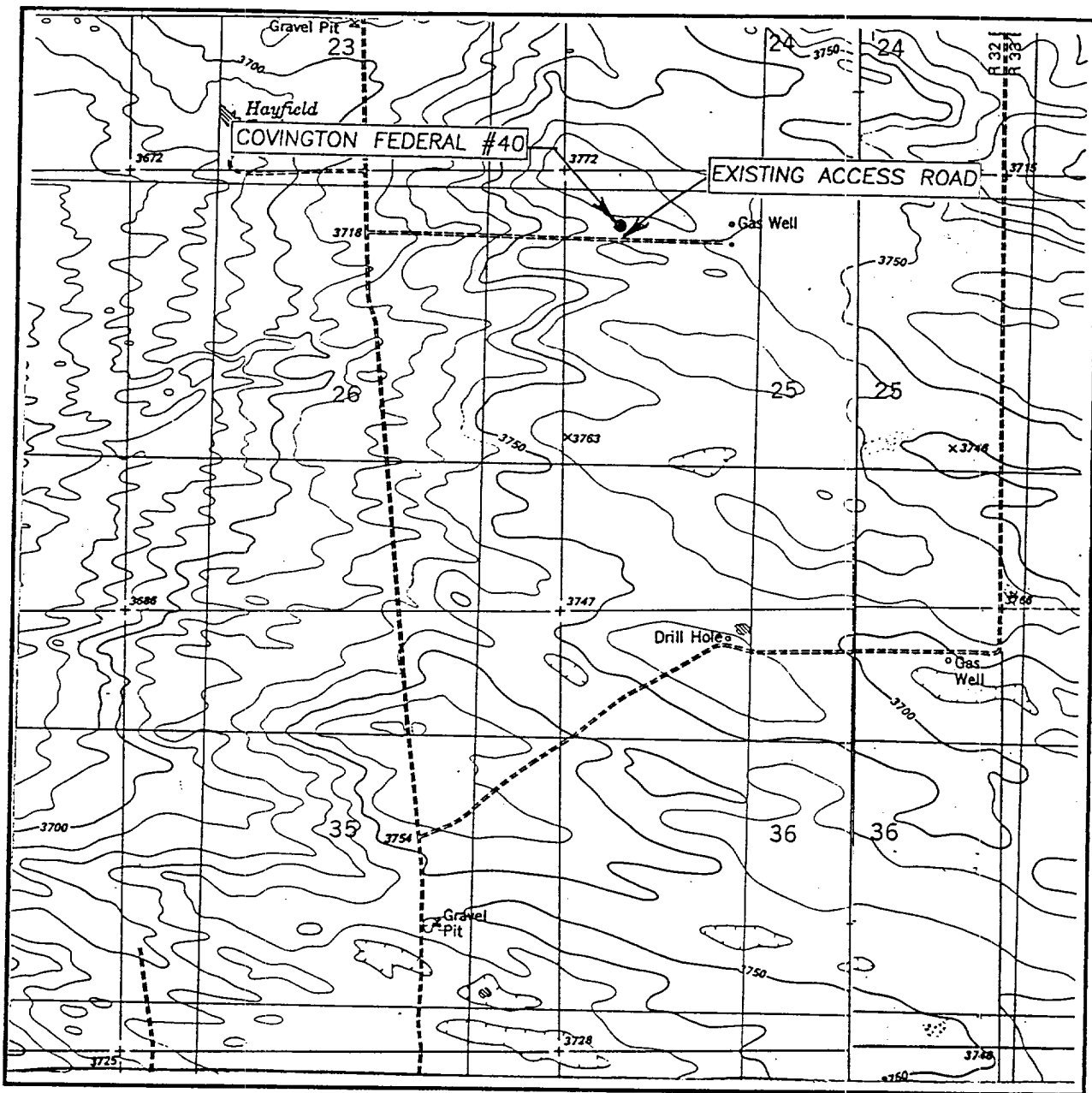
ELEVATION 3767'

OPERATOR POGO PRODUCING COMPANY

LEASE COVINGTON FEDERAL

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

LOCATION VERFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

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

BOOTLEG RIDGE, N.M.

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 660'FNL & 660'FWL

ELEVATION 3767'

OPERATOR POGO PRODUCING COMPANY

LEASE COVINGTON FEDERAL

U.S.G.S. TOPOGRAPHIC MAP

BOOTLEG RIDGE, N.M.

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

APPLICATION TO DRILL

POGO PRODUCING COMPANY
COVINGTON FEDERAL # 40
UNIT "D" SECTION 25
T22S-R32E LEA CO. NM

In response to questions asked under Section II of Bulletin NTL-6 the following information on the above well is provided for your consideration.

1. Location: 660' FNL & 660' FWL SECTION 25 T22S-R32E LEA CO. M,

2. Elevation above Sea Level: 3767' GR.

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

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

5. Proposed drilling depth: 15,400'

6. Estimated tops of geological markers:

Rustler Anhydrite	900'	Strawn	12,590'
Delaware	4815'	Atoka	13,590'
Bone Spring	8665'	Morrow	14,242'
Wolfcamp	12,090'	Lower Morrow	15,263'

7. Possible mineral bearing formations:

Delaware	Oil	Strawn	Gas
Bone Spring	Oil	Morrow	Gas

8. Casing program:

Hole size	Interval	OD of casing	Weight	Thread	Collar	Grade
25"	0-40'	20"	NA	NA	NA	Conductor
17½"	0-1000'	13 3/8"	54.5	8-R	ST&C	J-55
12½"	0-4700'	9 5/8"	40.5	8-R	ST&C	N-80
8½"	0-12,400'	7"	29	8-R	LT&C	S-95 & P-110
6 1/8"	12,200-15,400'	5" (Liner)	18	8-R	ST&C	S-95

GO PRODUCING COMPANY
COVINGTON FEDERAL # 40
UNIT "D" SECTION 25
T22S-R32E LEA CO. NM

9. CEMENTING AND SETTING DEPTH:

20"	Conductor	Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
13 3/8"	Surface	Set 1000' of 13 3/8" 54.5# J-55 ST&C casing. Cement with 1000 Sx. of Class "C" cement + additives top of cement surface.
9 5/8"	1st Inter.	Set 4700' of 9 5/8" 40.5# N-80 ST&C casing. Cement with 1800 Sx. of Class "C" cement +2% CaCl, + 1/2# Flocele/Sx. Circulate cement to surface.
7"	2nd Inter.	Set 12,400' of 7" 29# S-95 & P-110 LT&C casing. Cement in two stages with DV tool at 7000'±. Cement with 1200 Sx. of Class "H" cement + additives, estimate top of cement 3000' from surface.
5"	Liner	Run 3200' of 5" 18# S-95 ST&C Liner from 15,400' back to 12,200'. Cement with 400 Sx. of Class "H" Premium Plus, low water loss cement. Cement back to top of liner.

10. PRESSURE CONTROL EQUIPMENT: B.O.P. to be used from 1,000' to 12,400' will be 13 3/8" 5000 PSI, Top bag, Middle blind, Bottom pipe rams. Choke manifold will be 2" 5000 PSI with two hand adjustable chokes, (see exhibits "E" & "E-1"). B.O.P. to be used from 12,400' to TD. will be a 7 1/16" 10,000 PSI B.O.P. with Top bag, Middle top pipe rams, Middle bottom blind rams, Bottom pipe rams. Choke manifold will be a 3" 10,000 PSI with one hand controlled outlet and one remote controlled panel on the derrick floor. (See exhibits "F" & "F-1") B.O.P.s will be tested to API specs, and will be operated once each day, blind rams will be operated when DP is out of hole. Full opening stabbing valve upper kelly cock and PVT systems will be in place.

11. PROPOSED MUD CIRCULATING SYSTEM:

DEPTH	MUD WT.	VISC.	FLUID LOSS	TYPE MUD
40-1000'	8.4-8.7	29-34	NC	Fresh water mud use paper to control seepage.
1000-4700'	10.1-10.3	29-38	NC	Brine water use paper to control seepage and high viscosity sweeps to clean hole.
4700-12,400'	8.4-8.7	29-38	NC	Fresh water mud using high viscosity sweeps to clean hole.
12,400-15,400'	10.5-10.9	29-38		Brine mud system using high viscosity sweeps to clean hole and a polymer system if water loss is to be controlled

Sufficient mud materials will be kept on location at all time to combat lost circulation, or unexpected kicks. In order to run DST's, open hole logs, and run casing, viscosity and water loss may have to be adjusted in order to meet these requirements.

30 PRODUCING COMPANY
COVINGTON FEDERAL # 40
UNIT "D" SECTION 25
T22S-R32E LEA CO. NM

12. TESTING, LOGGING, & COREING PROGRAM:

- A. Open hole logs: Run # 1 Dual Induction, SNP LDT, Gamma Ray Caliper from 12,400' to 4700'. Gamma Ray, Neutron from 4700' to surface.
Run # 2 Dual Laterolog, SNP, LDT, Gamma Ray Caliper from 15,400 to 12,400'.
- B. Mud logger on hole from 4700' to TD.
- C. DST's and cores will be taken as shows require.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. Hydrogen Sulfide gas may be encountered, H₂S detectors will be in place to detect any presence of unsafe levels of H₂S. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operations of all equipment that will be used. Estimated BHP 6500 PSI & estimated BHT 198°.

14. ANTICIPATED STARTING DATE AND DURATION OF OPERATION:

Roads and location construction will begin after the BLM approves the APD. Anticipated spud date will be as soon as pad & road construction has been completed. Drilling time for the well is estimated to take 100 days. If production casing is run an additional 45 days will be required to complete well and construct surface facilities.

15. OTHER FACETS OF OPERATION:

After running production casing, cased hole Gamma-Neutron & Collar logs will be run over all possible pay intervals. If commercial production from the MORROW pay is indicated it will be perforated and stimulated. Then if necessary the pay will be swab tested and completed as a gas well.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

1. All Company and Contract personnel admitted on location must be trained by a qualified H₂S safety instructor to the following:
 - A. Characteristics of H₂S
 - B. Physical effects and hazards
 - C. Proper use of safety equipment and life support systems.
 - D. Principle and operation of H₂S detectors, warning system and briefing areas.
 - E. Evacuation procedure, routes and first aid.
 - F. Proper use of 30 minute pressure demand air pack.
2. H₂S Detection and Alarm Systems
 - A. H₂S 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, H₂S 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. Exhausts will be watered.
 - B. Flare line will be equipped with an electric ignitor or a propane pilot light in case gas reaches the surface.
 - C. If the location is near to a dwelling a closed DST will be performed.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

8. Drilling contractor supervisor will be required to be familiar with the effects H₂S has on tubular goods and other mechanical equipment.
9. If H₂S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with H₂S scavengers if necessary.

SURFACE USE PLAN

GO PRODUCING COMPANY
COVINGTON FEDERAL # 40
UNIT "D" SECTION 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 New Mexico take U.S. High-Way 62-180 West toward Carlabad NM. go 38 miles to Co. Road C-29, turn South go 14 miles to Mills Ranch Road turn East and follow well traveled road for 7.2 miles, turn South go 1.3 miles turn East go .6 miles to location on the North side of road.
 - C. Pipelines that are necessary for oil, gas & water transportation to central battery will be laid along existing R-O-W or along road R-O-W. Powerlines necessary to furnish power to produce this lease will be constructed along road or existing R-O-W.
2. PLANNED ACCESS ROADS: - None required.
 - 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 - One approximately 1.75 miles Northwest.
 - 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"

POGO PRODUCING COMPANY
COVINGTON FEDERAL # 40
UNIT "D" SECTION 25
T22S-R32E LEA CO. NM

4. If, upon completion this well is a producer Pogo Producing Company will furnish maps and/or plats showing on site facilities or off site facilities if needed. This will be accompanied with a Sundry Notice.

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 quarters will drain into holes with a minimum depth of 10'. These holes will be covered during drilling and will be back filled upon completion. A Potts-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.

SURFACE USE PLAN
LOGO PRODUCING COMPANY
COVINGTON FEDERAL # 40
UNIT "D" SECTION 25
T22S-R32E LEA CO. NM

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 & 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 polyethelene. The pit liner will be 6 mils thick. Pit liner will extend a minimum of 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 7.3 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 FEDERAL # 40
UNIT "D" SECTION 25
T22S-R32E LEA CO. NM

11. OTHER INFORMATION:

- A. Topography consists of sand dunes with a slight dip toward the West. Deep sandy soil supports native grasses, mesquite, and shinnery Oak.
- B. Surface is owned by the Bureau of Land Management U.S. Department of Interior. Surface is used for grazing of livestock and is leased to ranchers for this purpose.
- C. An archaeological survey will be conducted and copies of the survey will be filed in the Carlsbad Office of The Bureau of Land Management.
- D. There are no dwellings or habitation within three miles of this location.

12. OPERATORS REPRESENTATIVE:

Before construction:

TIERRA EXPLORATION INC.
P.O. BOX 2188
HOBBS, NEW MEXICO 88241
OFFICE PHONE 505-391-8503
JOE T. JANICA

During and after construction:

POGO PRODUCING COMPANY
P.O. BOX 10340
MIDLAND, TEXAS 79702-7340
OFFICE PHONE 915-685-8100
MR. RICHARD WRIGHT 915-685-8140

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, true and correct; and that the work associated with the operations proposed herein will be performed by Pogo Producing company, its contractors/subcontractors is in the conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for the filing of a false statement.

NAME

: Joe T Janica

DATE

: 05/07/01

TITLE

: Agent

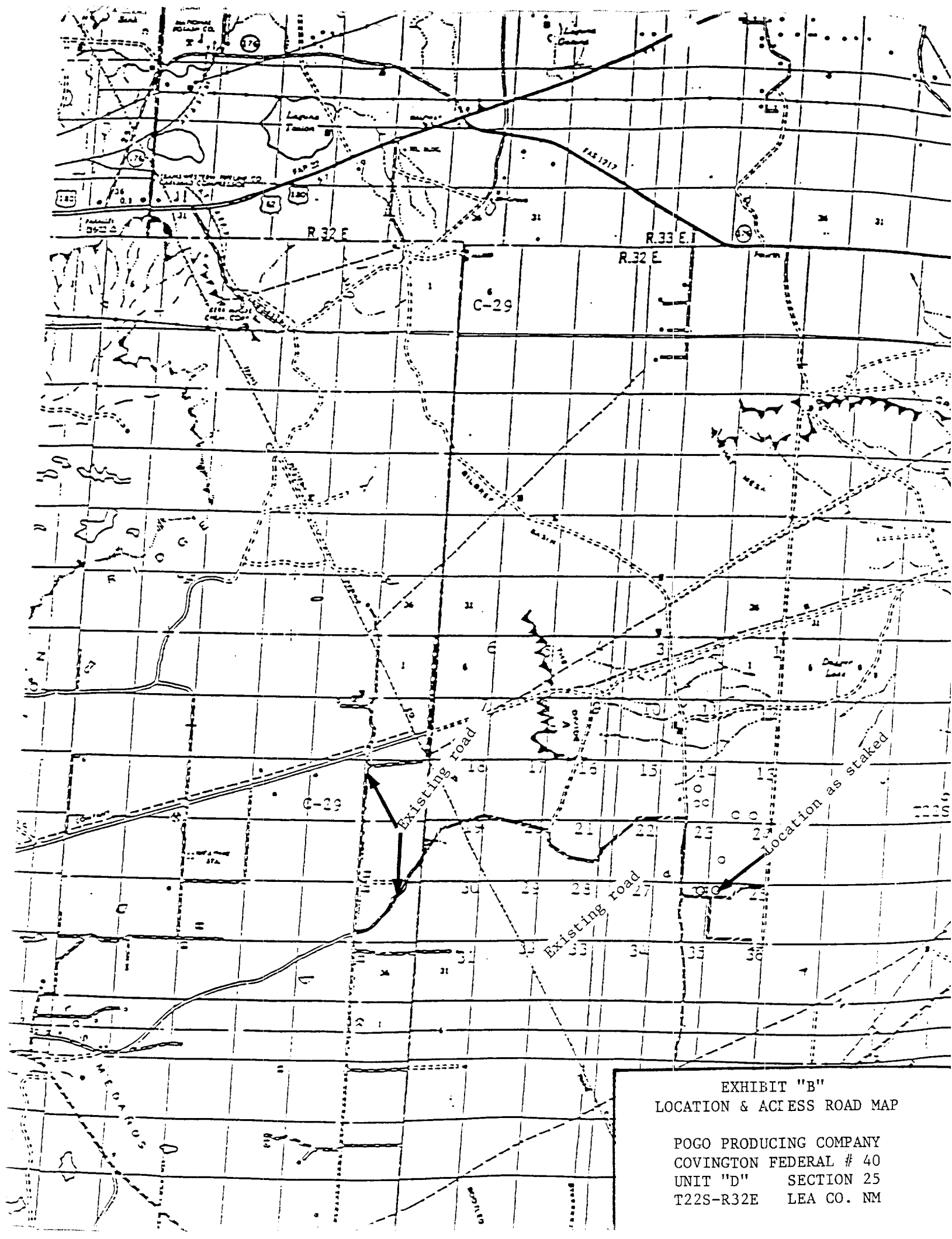


EXHIBIT "B"
LOCATION & ACCESS ROAD MAP

POGO PRODUCING COMPANY
COVINGTON FEDERAL # 40
UNIT "D" SECTION 25
T22S-R32E LEA CO. NM

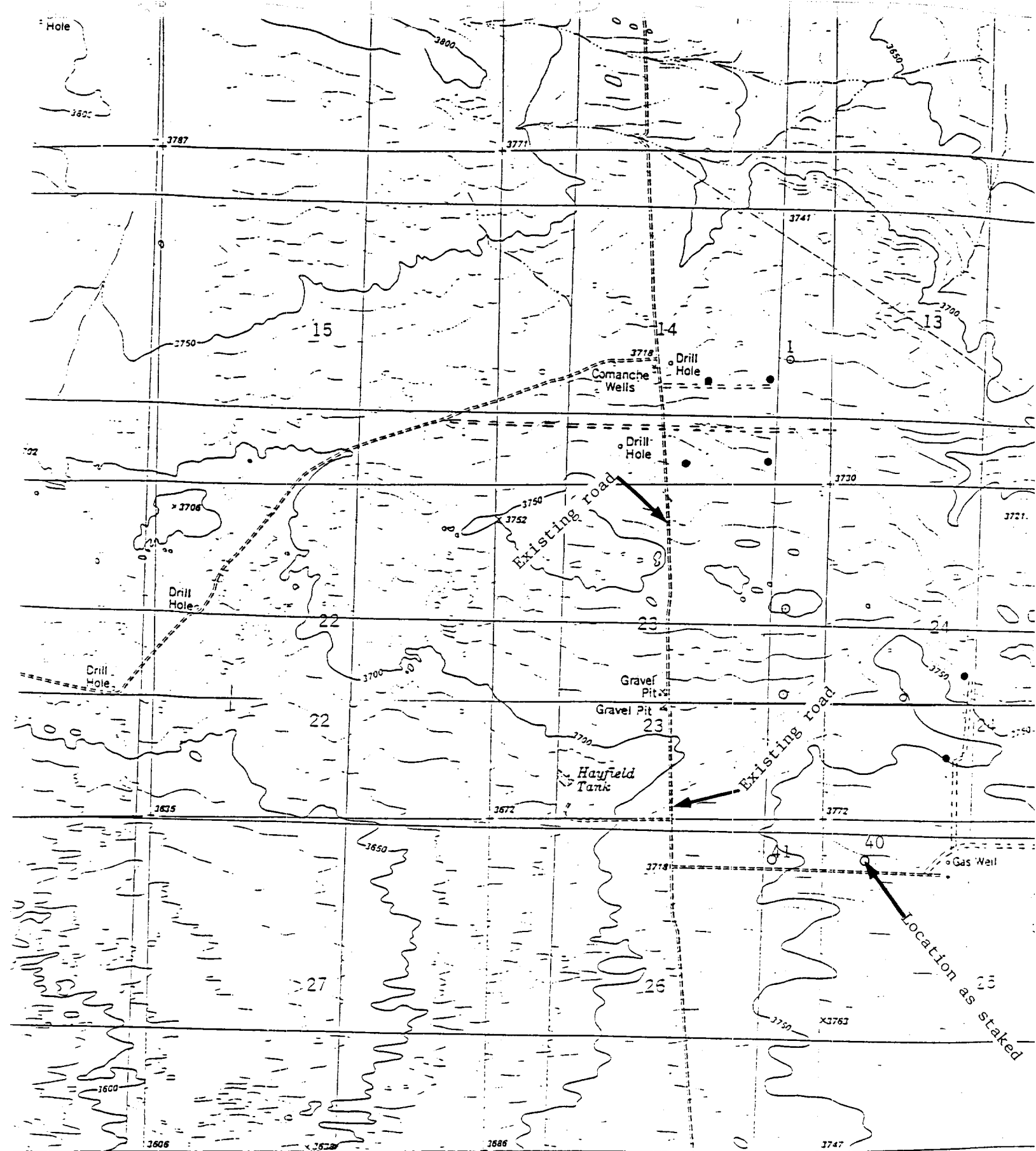


EXHIBIT "C"
TOPOGRAPHIC MAP SHOWING
ROADS & DIRECTIONS TO

POGO PRODUCING COMPANY
COVINGTON FEDERAL # 40
UNIT "D" SECTION 25
T22S-R32E LEA CO. NM

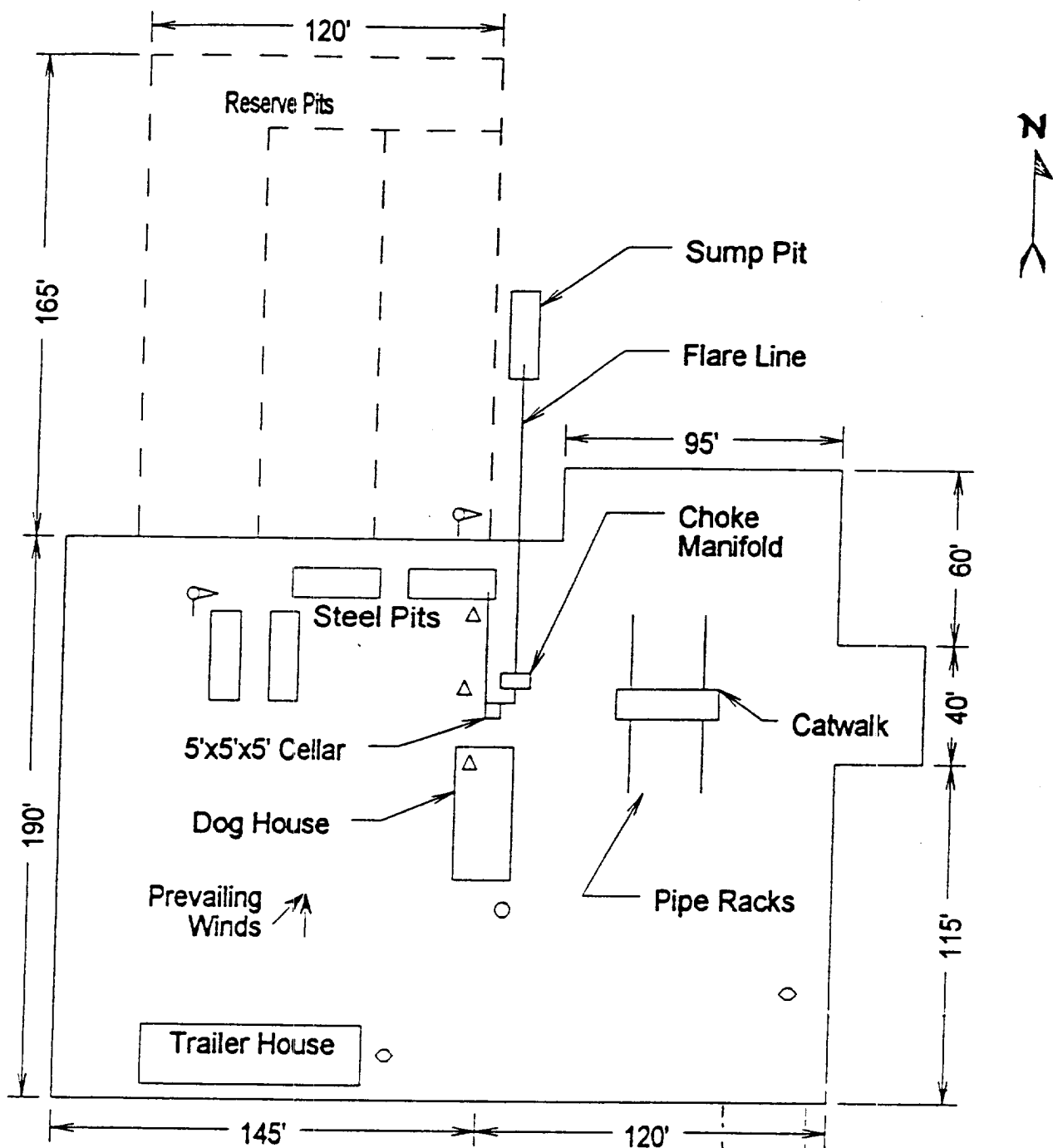
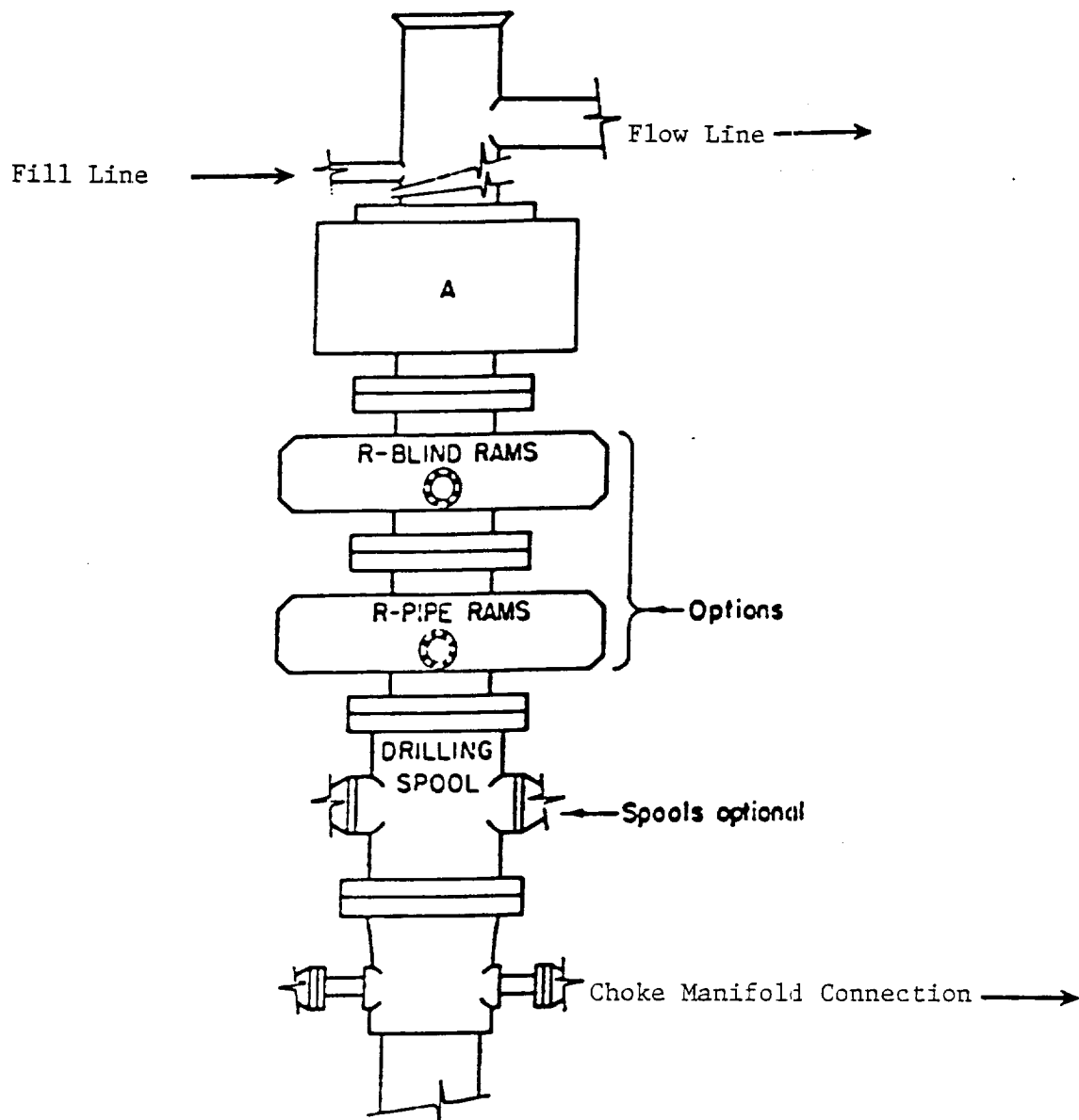


EXHIBIT "D"
RIG LAY OUT PLAT

POGO PRODUCING COMPANY
COVINGTON FEDERAL # 40
UNIT "D" SECTION 25
T22S-R32E LEA CO. NM



ARRANGEMENT SRRA

1500 Series
5000 PSI WP

EXHIBIT "E"
SKETCH OF 5000 PSI BOP TO BE USED ON

POGO PRODUCING COMPANY
COVINGTON FEDERAL # 40
UNIT "D" SECTION 25
T22S-R32E LEA CO. NM

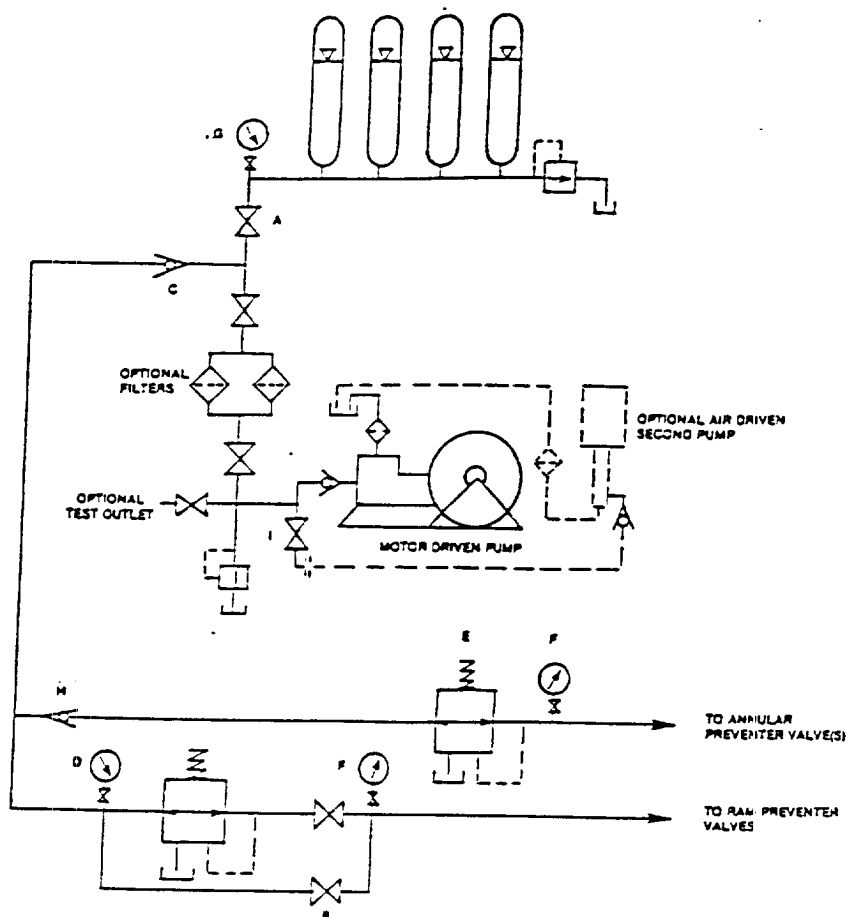


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

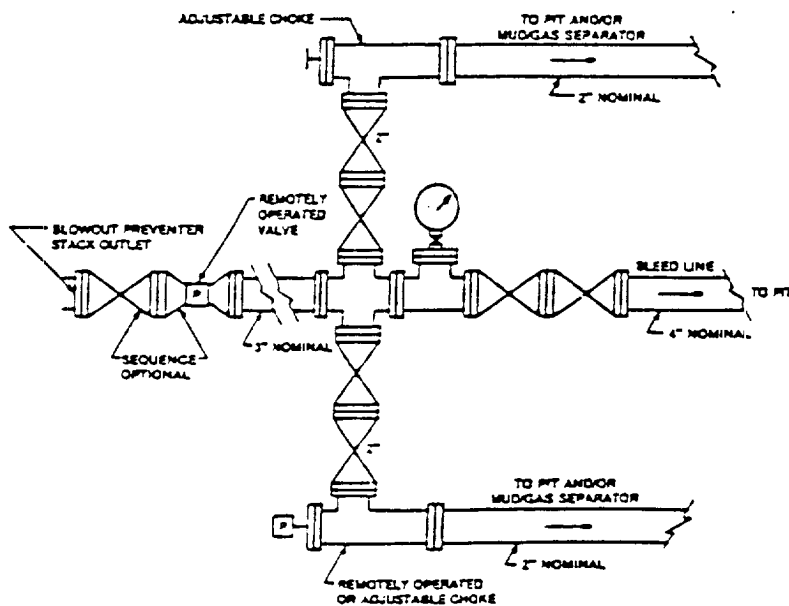


FIGURE K4-2. Typical choke manifold assembly for 5M rate pressure service - surface installation.

EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

POGO PRODUCING COMPANY
COVINGTON FEDERAL # 40
UNIT "D" SECTION 25
T22S-R32E LEA CO. NM

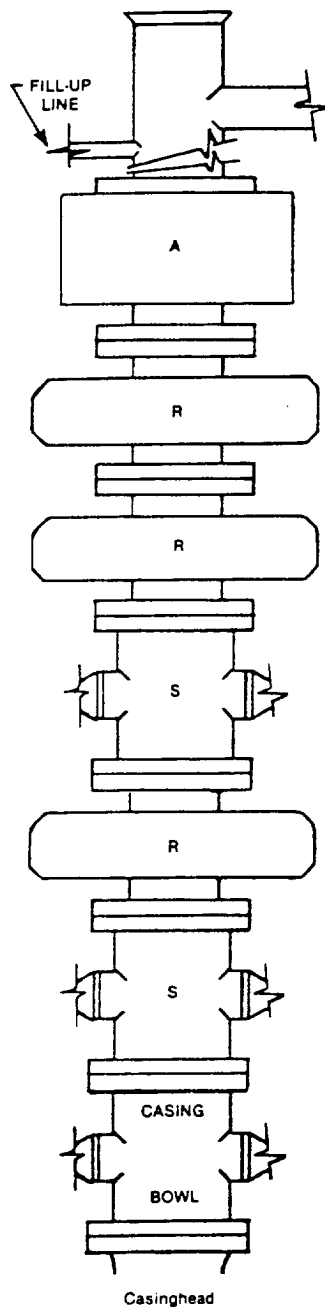


FIGURE K1-3. Recommended IADC Class 10 BOP stack arrangement
SRSRRA, 10,000 psi WP. Lower drilling spool is optional with outlets on
lower ram. Annular preventers 10,000 psi.

EXHIBIT "F"
SKETCH OF 10,000 PSI BOP TO BE USED ON

POGO PRODUCING COMPANY
COVINGTON FEDERAL # 40
UNIT "D" SECTION 25
T22S-R32E LEA CO. NM

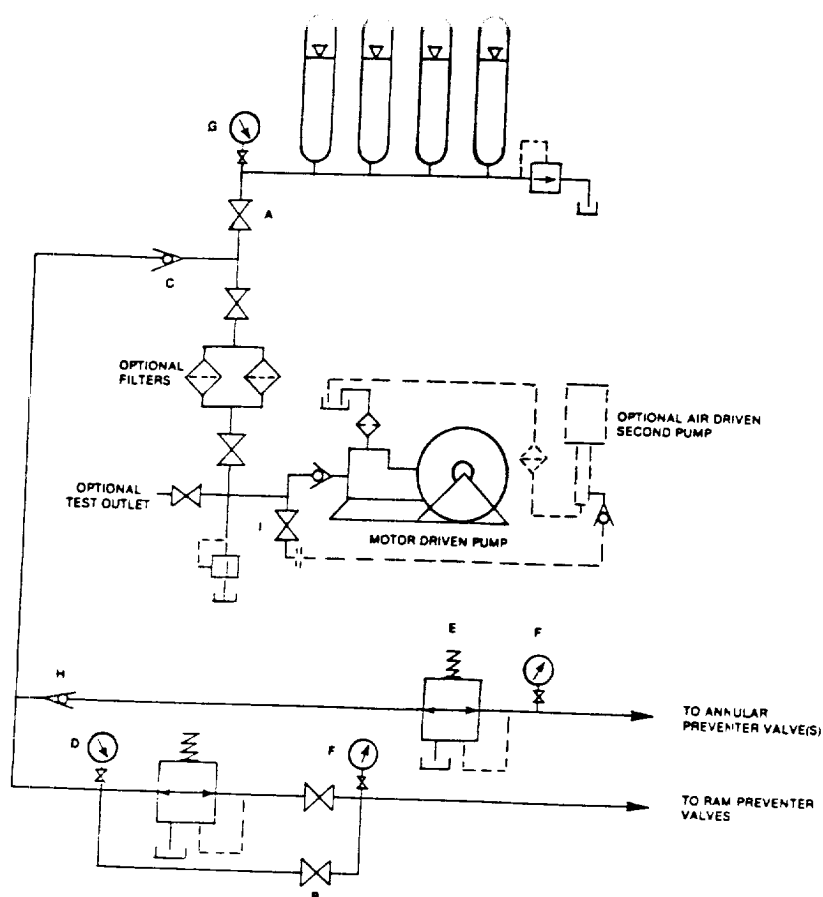


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

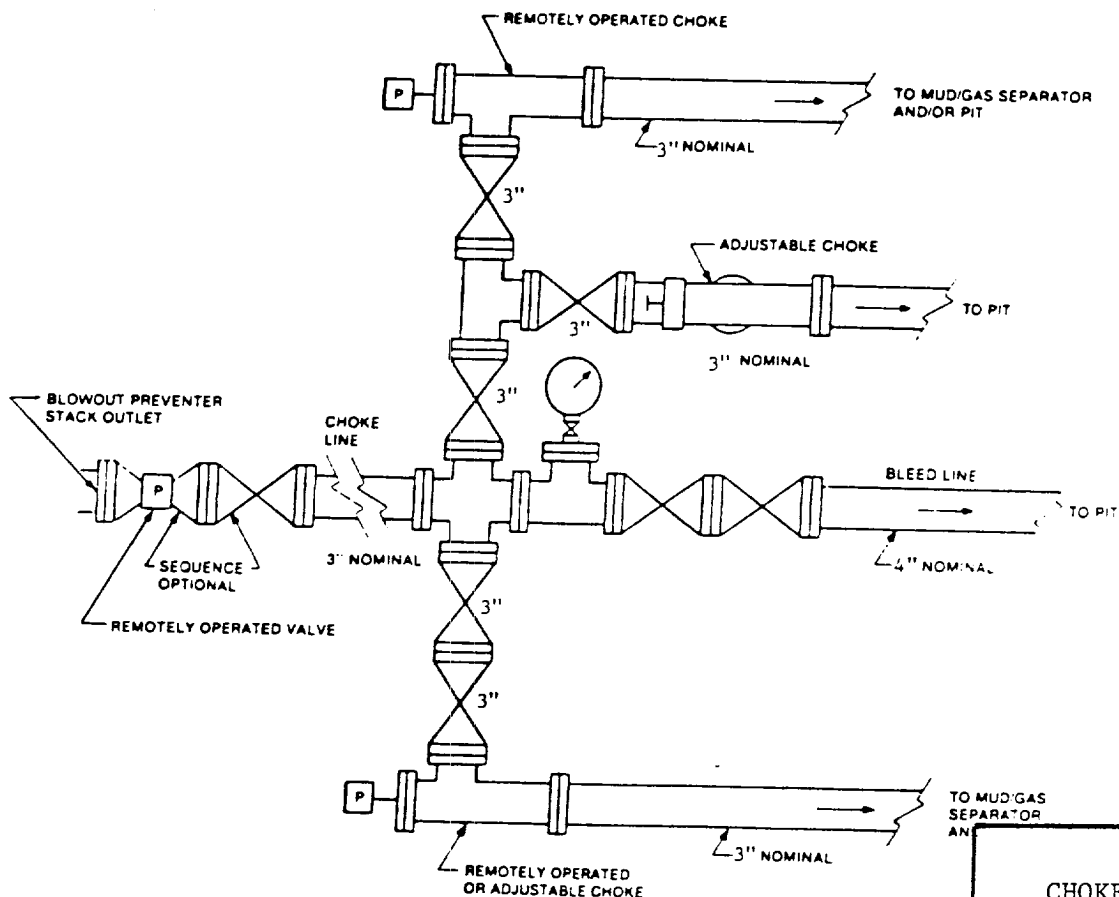


FIGURE K4-3. Typical choke manifold assembly for 10M and 15M rated working pressure service — surface installation.

EXHIBIT "F-1"
CHOKE MANIFOLD & CLOSING UNIT

POGO PRODUCING COMPANY
COVINGTON FEDERAL # 40
UNIT "D" SECTION 25
T22S-R32E LEA CO. NM