AFFLICATION TO DRILL

POGO PRODUCING COMPANY RED TANK "34" FEDERAL # 12 UNIT "F" SECTION 34 T22S-R32E LEA CO. NM

12. TESTING, LOGGING, & COREING PROGRAM:

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

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 of unsafe levels of H_2S . 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 <u>4000</u> PSI & estimated BHT 165°

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 <u>27</u> days. If production casing is run an additional <u>18</u> 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 <u>Bone Spring</u> pay is indicated it will be perforated and stimulated. Then if necessary the pay will be swab tested and completed as an Oil well.