Form 3160-3 (July 1992)

#### UNITED STATES DEPARTMENT OF THE INTERIOR

1625 N. French Dr. Other instructions on reverse side)

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

DATE 03/27/02

OPER. OGRID NO. 1789 PROPERTY NO. /3460

	DEFARIMENTO	L THE IMIL				
	BUREAU OF LAN	D MANAGEME	:NT		5. LEASE DESIGNATION AT NM-8127	
APPLI	CATION FOR PER	MIT TO DI	RILL OR DEEPE	N	6. IF INDIAN, ALLOTTEE OF	
	DRILL X	DEEPEN			7. UNIT AGREEMENT NAM	
b. TYPE OF WELL	GAS ·		A.V.O			
WELL X	WELL OTHER		SINGLE X	MULTIPLE ZONE	8. FARM OR LEASE NAME,	WELL NO.
2. NAME OF OPERATOR		•			Prize Federa	
Pogo Producing			7.75		9. API WELL NO.	
3. ADDRESS AND TELEPH					30.025-	35909
	, Midland, TX 79702-7340				10. FIELD AND POOL, OR V	WILDCAT
4. LOCATION OF WELL (Re	eport location clearly and in accordance	with any State requir	ements.*)		Red Tank Bone	Spring
990' FNI At proposed prod. zon	L & 2310' FEL, Section 22,	T22S, R32E, I	Lea County, NM		11. SEC., T., R., M., OR BLA AND SURVEY OR AREA	ζ.
Same	15				Section 22, T225	S, R32E
14. DIST ANCE IN MILES AN	ND DIRECTION FROM NEAREST TOV	VN OR POST OFFIC	E*		12. COUNTY OR PARISH	13. STATE
Approximately 30	0 miles East of Carlsbad, N	IM			Lea County	NM
15. DISTANCE FROM PROP			16. NO. OF ACRES IN LEAS		F ACRES ASSIGNED	
PROPERTY OR LEASE I					THIS WELL 40	
18. DISTANCE FROM PROS	POSED LOCATION*	RY OR CABLE TOOLS				
TO NEAREST WELL, DR	DISTANCE FROM PROPOSED LOCATION*  TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.  2640'  9100'					
21. ELEVATIONS (Show wh		• • • • •			22. APPROX. DATE WORK	WILL START*
3719' GR	•	arisbad Co	ntrolled Water Basi	n	When approve	
23.		PROPOSED CA	SING AND CEMENTING P	ROGRAM		
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER F	<del></del>		QUANTITY OF CEMEN	
25"	20"	NA	40'			
14-3/4"	H-40 10-3/4"	32.75#			Cement to surface w/ redi-mix	
9-7/8"	J-55 7-5/8"	26.4#	4600'		800 sks circ to surface	
6-3/4"	J-55, N-80 4-1/2		9100		1400 sks est.	
1. Drill 25" hole to	40'. Set 40' of 20" conduc	ctor pipe & cen	nent to surface w/ redi-	mix.	A RECEIVE	D 787
2. Drill 14-3/4" holicement to surf	le to 800'. Run and set 800 ace.	0' of 10-3/4" 32	2.75# H-40 ST&C csg.	Cement w/ 800	sks of CI "C" cement +	additives, circ
3. Drill 9-7/8" hole cement to surfa	e to 4600'. Run and set 460 ace.	00' of 7-5/8" 2 <b>6</b>	. <b>.4</b> # J-55 ST&C csg. C	ement w/ 1300 s	ks Cl "C" cement + add	ditives, circ
4. Drill 6-3/4" hole LT&C, 1500' 4	e to 9100'. Run and set 910 -1/2" 11.6# N-80 LT&C csg	00' of 4-1/2" cs j. Cement w/ 1	g as follows: 2100' of a	ım cmt + additive	s, estimate TOC 4000'.	
				appro	VAL SUBJECT T	0
					AL REQUIREME	
					I CTIDILI ATION	ie

TITLE Sr. Operation Tech

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and project (a 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.

PERMIT NO

(This space for Federal or State office use)

24

APPROVAL FOR 1 Y Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

BURRAL (STAND MOME)

2002 WAR 29 AN 8:56

S DIM D LAMA BECENED

DISTRICT I P.O. Box 1980, Hobbs, NM 86241-1980

#### 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

DISTRICT II P.O. Drawer DD, Artesia, NM 88211-0719

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

#### OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

DISTRICT IV P.O. Box 2088, Santa Fe, NM 87504-2088

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name	
30-025-35909	51683	RED TANK BONE SPRING	
Property Code 9318 13460	Property Name PRIZE FEDERAL		Well Number
OGRID No. 17891	~	erator Name DUCING COMPANY	Klevation 3719

#### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
В	22	22 S	32 E		990	NORTH	2310	EAST	LEA

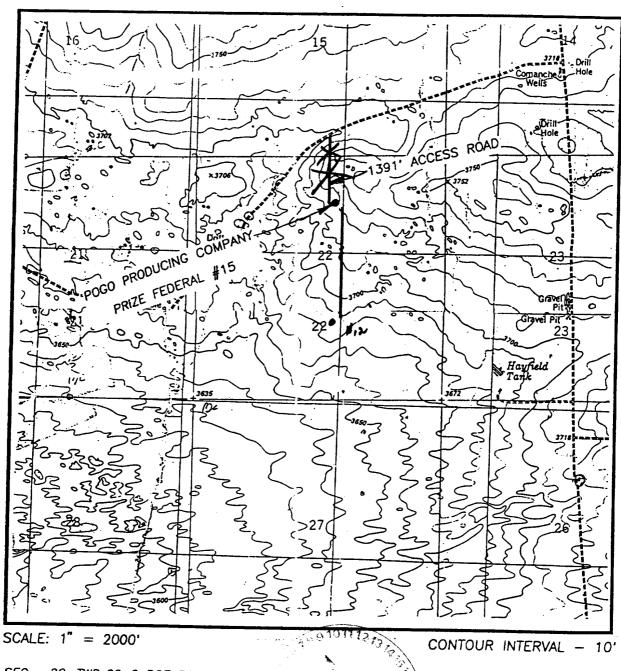
#### Bottom Hole Location If Different From Surface

Dedicated Acres Joint or Infill Consolidation Code Order No.	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
		Joint o	r Infill Co	nsolidation	Code Or	der No.		<u> </u>	I	<u> </u>

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

	EN AFFROVED BI II	
371,.2' 3730.1'   0 -+   0 -+   0 -+   371, 5' 3722,3'	2310'	OPERATOR CERTIFICATION  I hereby certify the the information contained herein is true and complete to the best of my knowledge and beltef.  Signature Joe T Janica  Printed Name Agent  Title 06/27/98  Date  SURVEYOR CERTIFICATION
	FLHOBDS OCD	I hereby certify that the well location shown on this plat was plotted from field notes of actual everyer made by me or under my supervison and that the same is true and correct to the best of my belief.  JUNE 16, 1998  Date Surveyed  Strolessional Surveyor  Continue 18, See of 1987  Certificate No. 200400 3 EIDSON. 3239  RCFESSAR SEIDSON. 12641

## LOCATION VERIFICATION MAP



SEC. \_\_22\_TWP.22-S\_RGE.32-E

SURVEY\_\_\_\_\_\_N.M.P.M.

COUNTY\_\_\_\_\_LEA

DESCRIPTION 990' FNL & 2310' FEL

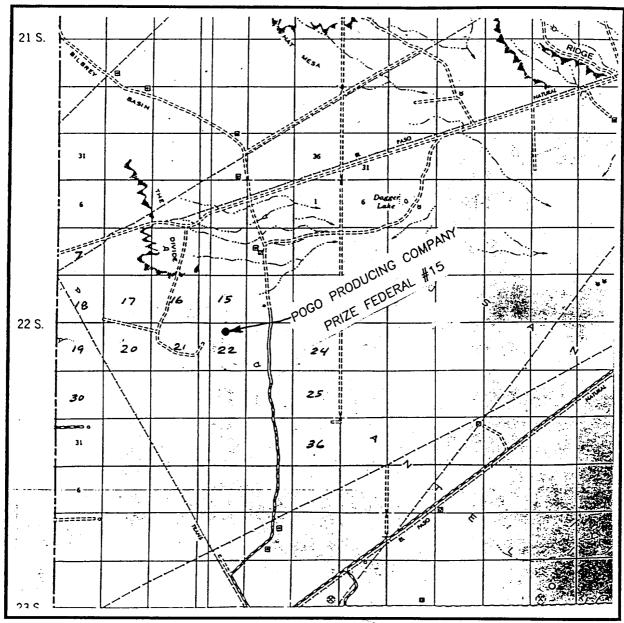
ELEVATION\_\_\_\_\_\_3719'

OPERATOR POGO PRODUCING COMPANY

LEASE\_\_\_\_\_PRIZE\_FEDERAL

U.S.G.S. TOPOGRAPHIC MAP BOOTLEG RIDGE & THE DIVIDE, N.M. HOBBS, NEW MEXICO (505) 393-3117

## VICINITY MAP



SCALE: 1" = 2 MILES

SEC (WP2	22-5 RGE. 32-E
SURVEY	N.M.P.M.
COUNTY	LEA
DESCRIPTION 990	' FNL & 2310' FEL
ELEVATION	3719'
OPERATOR POGO	PRODUCING COMPANY
LEASE	PRIZE FEDERAL

JOHN WEST ENGINEERING

ELOBBS, NEW MEXICO

(505) 393-3117

In response to questions asked under Section II B of Bulletin NTL-6 the following information is provided for your consideration:

- 1. <u>Location:</u> 990' FNL & 2310' FEL SEC. 22 T22S-R32E LEA CO. NM
- 2. Elevation above sea level: 3719' GR.
- 3. Geologic name of surface formation: Quaternery Aeolian Deposits.
- 4. <u>Drilling tools and associated equipment:</u> Conventional rotary drilling rig using fluid as a circulating medium for solids removal.
- 5. Proposed drilling depth: 9100'
- 6. Estimated tops of geological markers:

Rustler Anhydrite	0501		
·	850'	Brushy Canyon	74001
Delaware Lime	4800'	•	7400
Cherry Canyon	61001	Bone Spring	88001
,,	6100'		

## 7. Possible mineral bearing formation:

Delaware

0i1

Bone Spring

Oil

## 8. Casing program:

Hole size	Interval	Casing OD	Weight	Thread	Collar	Grade
25"	0-40'	20"	NA	NA	NA	Conductor
14 3/4"	0-800'	10 3/4"	32.7	8-R	ST&C	H-40
9 7/8"	0-4600'	7 5/8"	26.4	8-R	ST&C	J <del>-</del> 55
6 3/4"	0-9100'	41211	11.6	8-R	LT&C	J-55°, N-80,
						بيضم

 $(L_{i}, L_{i}, r_{i}, r_{i}) = (L_{i}, L_{i}, r_{i}, r_{$ 

#### 9. CEMENTING & SETTING DEPTE:

20"	Conductor	Set 40' of 20" conductor and cement to surface with Redi-mix.
10 3/4	Surface	Set 800' of 10 3/4" 32.7# H-40 ST&C casing. Cement with 650 Sx. of Class "C" cement + additives, circulate cement to surface.
7 5/8"	Intermediate	Set 4600' of 7 5/8" 26.4# J-55 ST&C casing. Cement with 1200 Sx. of Class "C" cement + additives, circulate cement to surface.
4½"	Production	Set 9100' of $4\frac{1}{2}$ " 11.6# J-55 & N-80 LT&C casing. Cement with 1000 Sx. of Class "H" Premium cement + additives estimate top of cement 4000'.

10. PRESSURE CONTROL EQUIPMENT: Exhibit "E". A Series 900 3000 PSI working pressure B.O.P. consting of a double ram type preventor with a bag type annular preventor. The B.O.P. unit will be hydraulically operated. Exhibit "E-1". Choke manifold and closing unit. The B.O.P. will be nippled up on 10 3/4" casing and will be operated at least once each 24 hour period while drilling and blind rams will be operated when out of hole on trips. Full opening stabbing valve and upper kelly cock will be utilized. No abnormal pressure or temperature is expected while drilling.

#### 11. PROPOSED MUD CIRCULATING SYSTEM:

Depth	Mud Wt.	Visc.	Fluid Loss	Type Mud System
40-800	8.6-8.8	29-34	NC	Fresh water spud mud, add paper to control seepage, use high viscosity sweeps to clean hole.
800-4600'	10.2-10.5	29-36	NC	Brine water use paper to control seepage, lime for pH control, high viscosity sweeps to clean hole
4600-9100'	8.6-8.8	30-40	NC ALLEGA	Fresh water, use paper to control seepage, Gel for viscos use high viscosity sweeps to clean hole.

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

## 12. Testing, Logging and Coring Program:

- A. Open hole logs: Duál-Induction, SNP-Density, Gamma Ray, Caliper from TD to 4600'.
- B. Gamma Ray Neutron form 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,  $\rm H_2S$  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 3HP  $\frac{3700}{}$  PSI, estimated 3HI  $\frac{145^\circ}{}$ 

## 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 25 - 30 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<sub>2</sub>S safety instructor to the following:
  - A. Characteristics of H<sub>2</sub>S
  - B. Physical effects and hazzards
  - 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. H<sub>2</sub>S Detection and Alarm Systems
  - A. H<sub>2</sub>S 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<sub>2</sub>S 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 location is near any dwelling a closed D.S.T. will be performed.

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#### HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

- 8. Drilling contractor supervisor will be required to be familiar with the effects  $\rm H_2S$  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 PRIZE FEDERAL #15

UNIT "J" SECTION 22 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 5.2 miles turn Southeast go 1.4 miles turn East go .4 miles turn North go .9 miles turn West go .3 miles turn North go 3800' to location.
  - 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 Approximately 2600' 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 One approximately 1.75 miles Northeast.
  - B. Disposal wells None known
  - C. Drilling wells None known
  - D. Producing wells As shown on Exhibit "Apl"
  - E. Abandoned wells As shown on Exhibit "A-1"

4. If on completion this well is a producer Pogo Producing Company will furnish plats showing the production and storage facilities.

## 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:

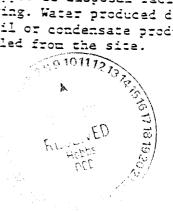
If possible construction will be obtained from the excavation of drill site, if additional material is needed it will be purchased from a local source and transported over the access route as shown on Exhibit"C".

## 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. Sawage from living quaters will drain into holes with a minium depth of 10'. These holes will be covered during drilling and will be back filled upon completion. A Porta-John will be provided for the rig craws. 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.



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
PRIZE FEDERAL #15
UNIT "J" SECTION 22
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.
- E. The surface is owned by the BUREAU OF LAND MANAGEMENT, U.S. DEPARTMENT OF INTERIOR. The surface is used mainly for grazing livestock and roads that are necessary for oil and gas production.
- 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:

Tierra Exploration Inc. P.O. Box 2188 Hobbs, NM 88241

Office Phone: 505-392-2112

Joe T. Janica

#### During and after Construction

Pogo Producing Company P.O. Box 10340-7340 Midland, Tx 79702 Office Phone: 915-685-8140

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 filling of a false statement.

NAME:

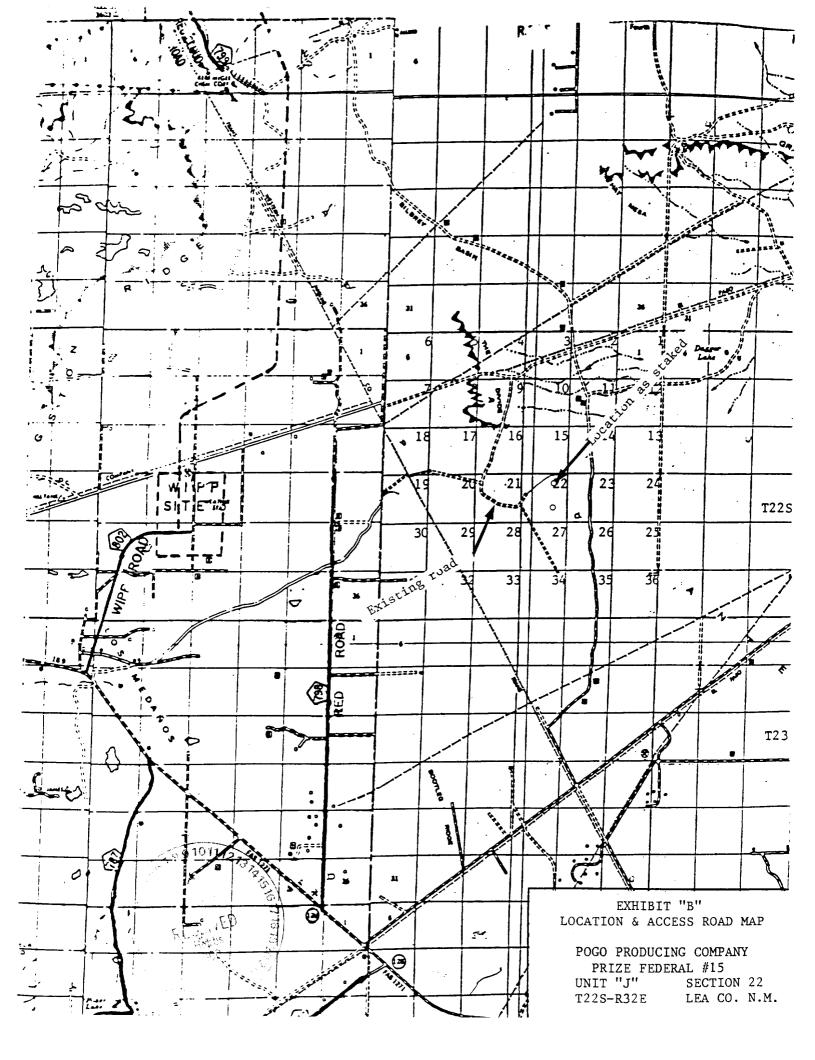
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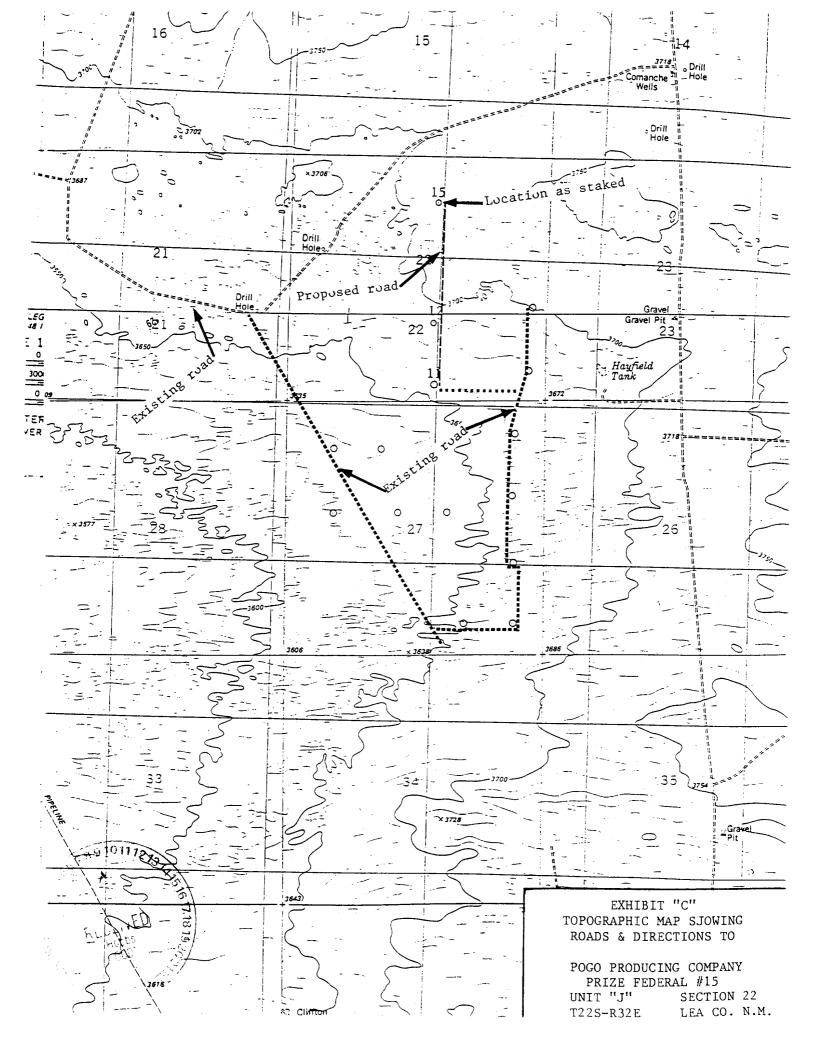
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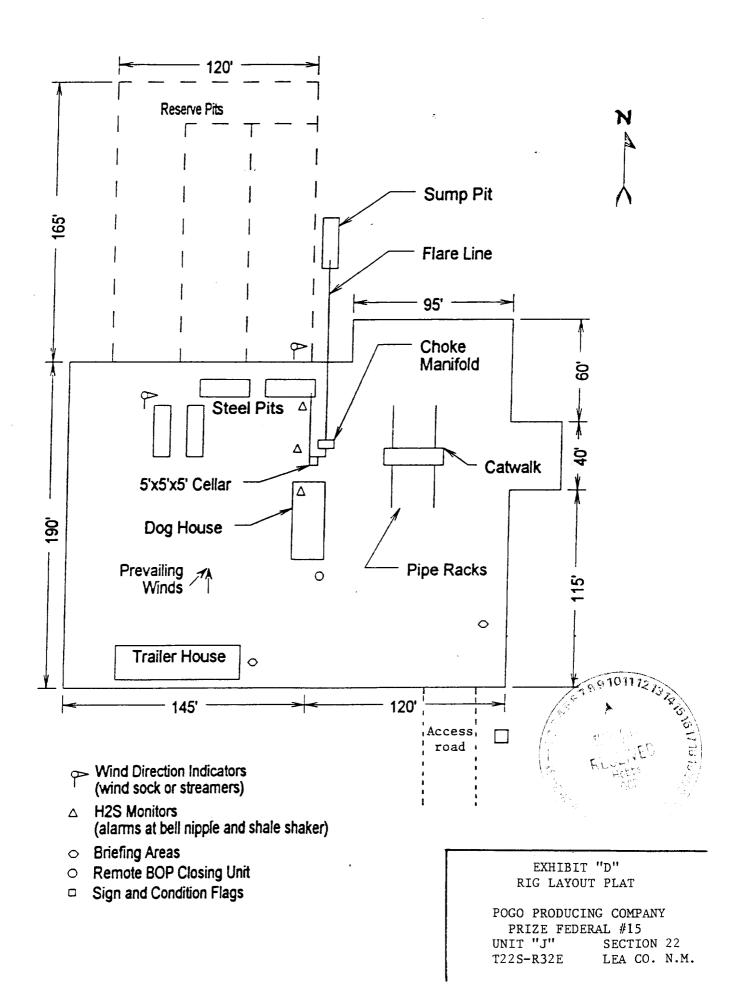
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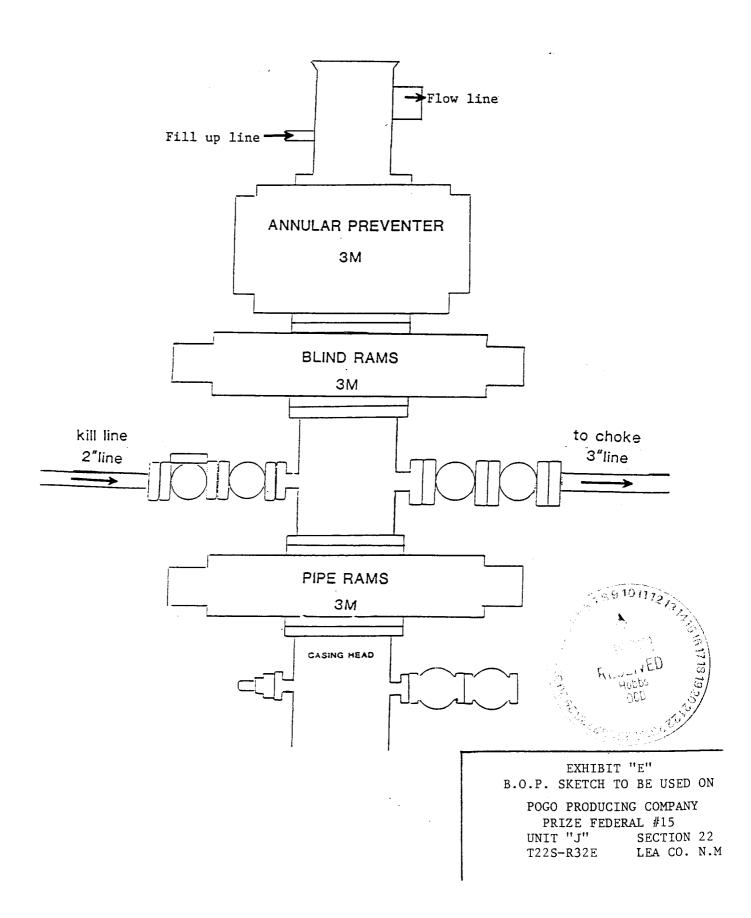
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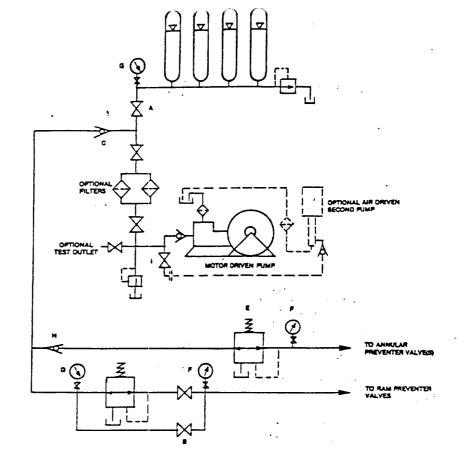
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#### HAND AJUSTABLE CHOKE



3" LINE FROM BOP'S

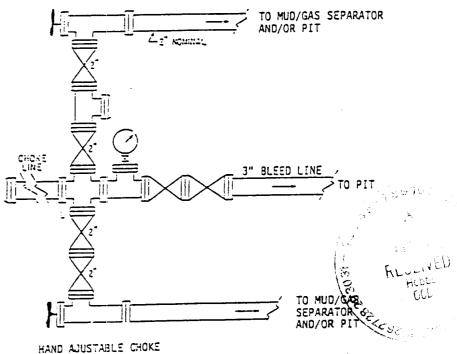


EXHIBIT "1-E"
CHOKE MANIFOLD & CLOSING UNIT

POGO PRODUCING COMPANY
PRIZE FEDERAL #15
UNIT "J" SECTION 22

T22S-R32E

SECTION 22 LEA CO. N.M