11-412 RESUBMITTAL

1625 N. French Drive
Hobbs, NM 88240

Form 3160-3
(July 1992)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.: NM-77060

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WORK: DRILL ☒ DEEPEN ☐ 0621

7. UNIT AGREEMENT NAME:

b. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ OTHER SINGLE ZONE ☒ MULTIPLE ZONE ☐

8. FARM OR LEASE NAME, WELL NO.: Red Tank 34 Federal #7

2. NAME OF OPERATOR: Pogo Producing Company

9. API WELL NO.: 30-025-35941

3. ADDRESS AND TELEPHONE NO.: P. O. Box 10340, Midland, TX 79702-7340 (915)685-8100

10. FIELD AND POOL, OR WILDCAT: Red Tank Bone Spring

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface 1980' FSL & 660' FEL, Section 34, T22S, R32E
At proposed prod. zone I

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Section 34, T22S, R32E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 29 miles west to Eunice, NM

12. COUNTY OR PARISH: Lea County

13. STATE: NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
660'	1160	40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
1320'	9000'	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3720.9' GR

Carlsbad Controlled Water Basin

22. APPROX. DATE WORK WILL START*: Upon Approval

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14-3/4	10-3/4	32.75#	950	Sufficient to circulate
9-7/8	7-5/8	26#	4600	Sufficient to circulate
6-3/4	4-1/2	11.60#	9000	To tie back to 3700'

After setting production casing, pay zone will be perforated and stimulated as necessary.

See attached for: Supplemental drilling data
BOP sketch
Surface use and operations plan
Hydrogen sulfide drilling operations plan

OPER. OGRID NO. 17891
PROPERTY NO. 9343
POOL CODE 51683
EFF. DATE 6-28-02
API NO. 30-025-35941

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

IN ABOVE SPACE DESCRIBE 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 Cathy Timberlin TITLE Sr. Operation Tech DATE 05/23/02

(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/ Mary J. Rugwell for TITLE FIELD MANAGER DATE JUN 27 2002

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

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

SCA

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-8

OIL CONSERVATION DIVISION

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

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section 30-025-35941

Operator	Lease	Well No.
POGO PRODUCING CO. 17891	RED TANK "34" FEDERAL 9343	7

Unit Letter	Section	Township	Range	County
I	34	22 SOUTH	32 EAST NMPM	LEA

Actual Footage Location of Well:
1980 feet from the SOUTH line and 660 feet from the EAST line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3720.9'	BONE SPRINGS	UNDES. RED TANK BONE SPRINGS 51683	40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

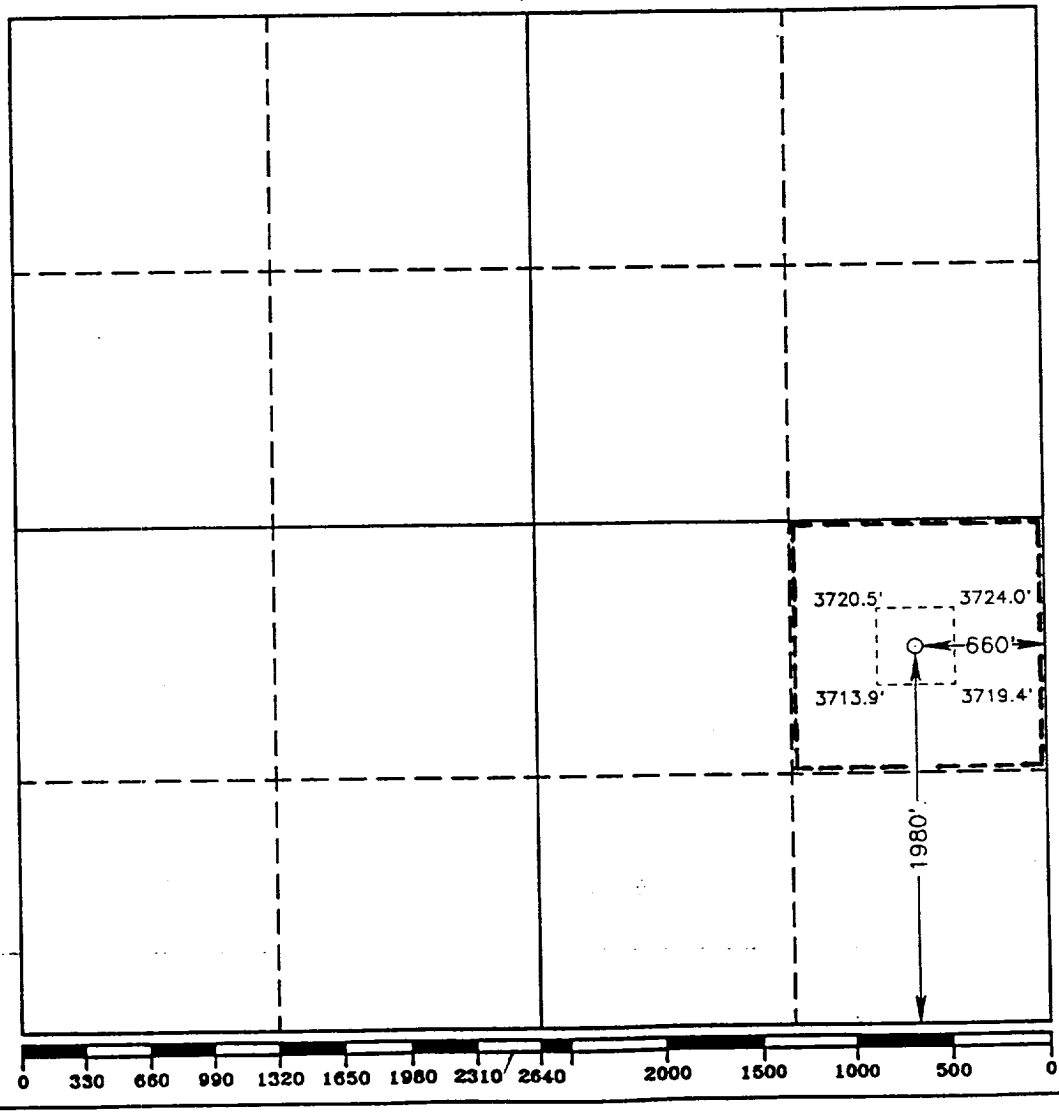
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☐ No If answer is "yes" type of consolidation _____

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary. _____

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, 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.

Signature: Richard L. Wright

Printed Name: Richard L. Wright

Position: Division Operations Mgr.

Company: POGO PRODUCING COMPANY

Date: October 8, 1993

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 knowledge and belief.

Date Surveyed: JUNE 11, 1993

Signature & Seal of Professional Surveyor

GARY L. JONES NEW MEXICO 7977

Certificate No. JOHN W. WEST 676
RONALD J. EIDSON 3239
GARY L. JONES 7977
REGISTERED PROFESSIONAL LAND SURVEYOR

SUPPLEMENTAL DRILLING DATA

POGO PRODUCING COMPANY
RED TANK 34 FEDERAL WELL NO. 7

1. SURFACE FORMATION: Quaternary.

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Anhydrite	850'
Delaware Lime	4800'
Cherry Canyon	6100'
Brushy Canyon	7400'
Bone Springs	8800'

3. ANTICIPATED POSSIBLE HYDROCARBON BEARING ZONES:

Delaware	Oil
Bone Springs	Oil

4. PROPOSED CASING AND CEMENTING PROGRAM:

	Setting Depth				
Casing Size	From	To	Weight	Grade	Joint
10-3/4"	0'	950'	32.75#	H-40	STC
7-5/8	0'	4600'	26#	J-55	STC
4-1/2	0'	1000'	11.60#	N-80	LTC
"	1000'	7000'	11.60#	J-55	LTC
"	7000'	9000'	11.60#	N-80	LTC

MINIMUM DESIGN FACTORS:
COLLAPSE 1.125 BURST 1.1 TENSION 1.7

10-3/4" casing to be cemented with 500 sacks of light cement tailed in with 150 sacks of Class "C" with 2% CaCl. Cement to circulate.

7-5/8" casing to be cemented with 1100 sacks of light cement with 10% salt tailed in with 200 sacks of premium cement with 1% CaCl. Cement to circulate.

4-1/2" production casing is to be cemented with approximately 850 sacks of premium cement. Cement to tie back to 3600 feet.

If, during drilling operations, need for stage cementing of casing is indicated, staging tool(s) will be run and positioned to best suit hole conditions at time casing is run ± 6000'.

Cement volumes may be adjusted and cement may have lost circulation and/or other additives depending on hole conditions at the time casing is run.

5. PRESSURE CONTROL EQUIPMENT:

Blowout prevention equipment, while drilling the 9-7/8" hole, will be either a 2000 psi working pressure double ram type preventer or a 2000 psi working pressure annular type preventer.

Blowout prevention equipment, while drilling below the 7-5/8" casing seat, will be a 3000 psi working pressure BOP stack. A BOP sketch is attached.

6. CIRCULATING MEDIUM:

Surface to 950 feet: Fresh water spud mud. Viscosity 28 to 36 as required for hole cleaning.

950 feet to 4600 feet: Brine conditioned as necessary for control of viscosity. Weight 9.8 to 10. pH 9 to 10. Viscosity 29 to 36.

4600 feet to TD: Water base drilling fluid conditioned as necessary for control of weight, viscosity, pH and water-loss. Weight 9 to 10. Viscosity 28. pH 9 to 10. Filtrate while drilling pay zone to NC.

7. AUXILIARY EQUIPMENT:

A mud logging trailer will be in use while drilling below the intermediate casing.

8. TESTING, LOGGING AND CORING PROGRAM:

Drill stem tests will be made when well data indicate a test is warranted.

It is planned that electric logs will include GR-CNL-Density logs and GR-DLL logs.

No coring is planned.

9. ABNORMAL PRESSURES, TEMPERATURES, OR HYDROGEN SULFIDE GAS:

No abnormal pressures or temperatures are expected.

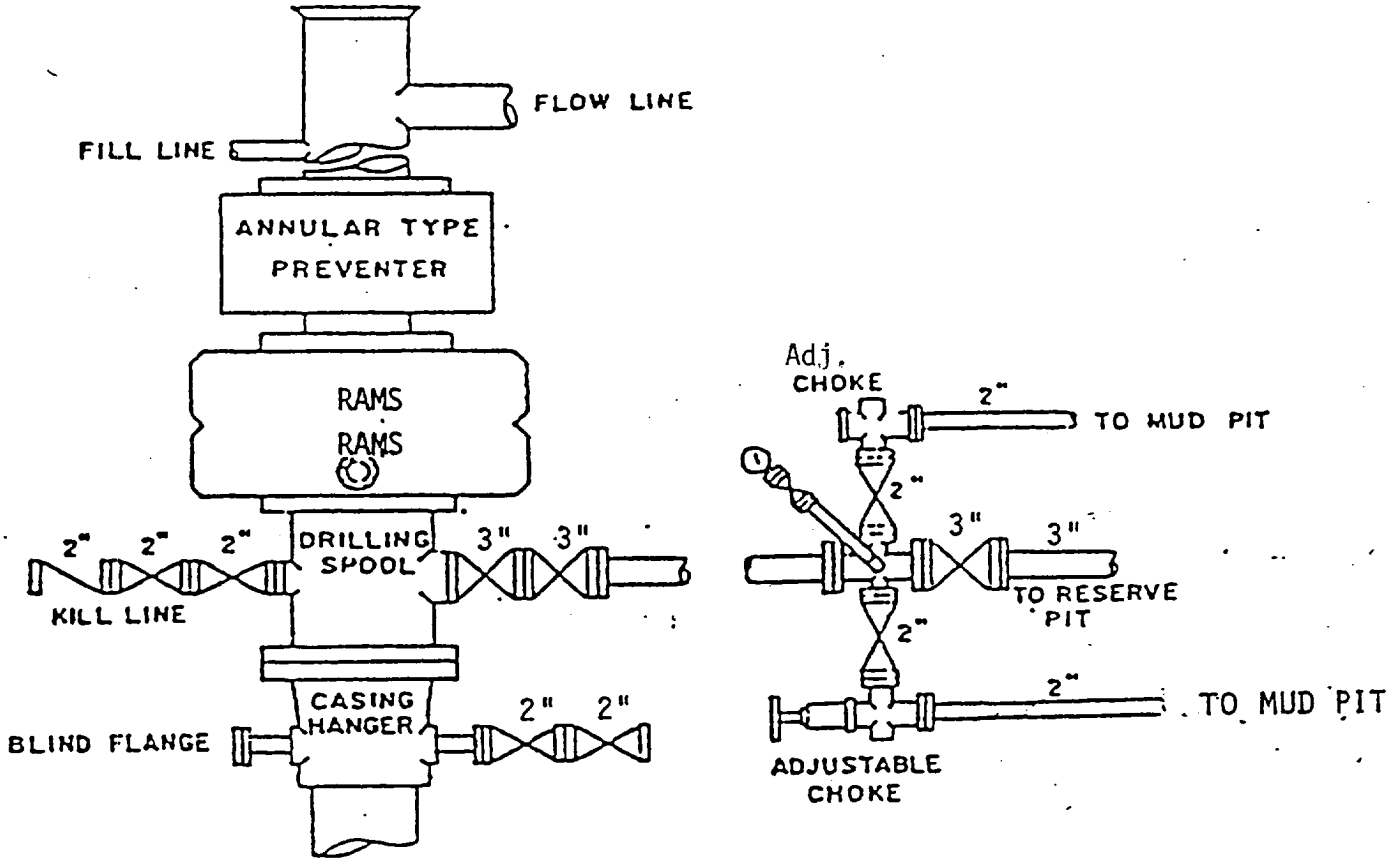
Expected bottom hole pressure is about 3000 psi.

Expected bottom hole temperature is about 125° F.

No hydrogen sulfide gas is expected. The production stream of Pogo Producing Company's wells in this area have been tested specifically for hydrogen sulfide gas and test results were negative. However, since it is possible that low-volume hydrogen sulfide gas may be present in permeable water zones of the Castile formation, drilling operations below the surface casing will be in accordance with the attached "HYDROGEN SULFIDE DRILLING OPERATIONS PLAN" until intermediate casing is set and cemented and this possible source of hydrogen sulfide gas is cased off.

10. ANTICIPATED STARTING DATE:

It is planned that operations will commence upon approval of this application, with drilling and completion operations lasting about 30 days.



BOP STACK

3000 PSI WORKING PRESSURE

BOP ARRANGEMENT

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

APPLICABILITY:

The provisions of this plan are effective when drilling operations are conducted in areas where zones may be penetrated that are known to contain, or may be reasonably expected to contain, hydrogen sulfide gas in concentrations of 100 parts per million or more.

TRAINING REQUIREMENTS:

A. When conducting drilling operations in an area where hydrogen sulfide gas might be encountered, all personnel at the well site will have had proper training in the following areas:

1. The hazards and characteristics of hydrogen sulfide gas (H2S).
2. Toxicity of hydrogen sulfide and sulfur dioxide.
3. Hydrogen sulfide gas detectors, warning systems, evacuation procedures, and proper use and maintenance of personal protective equipment.
4. Proper rescue procedures, first aid, and artificial respiration.

B. In addition, supervisory personnel will be trained in the following areas:

1. The effects of hydrogen sulfide on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well, and blowout prevention and well control procedures.
3. The contents and requirements of the Hydrogen Sulfide Drilling Operations Plan and the Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable hydrogen sulfide zone (within 3 days or 500 feet) and weekly hydrogen sulfide and well control drills for all personnel in each crew. The initial training session will include a review of the site specific Hydrogen Sulfide Drilling Operations Plan and the Public Protection Plan. This plan will be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

WELL SITE DIAGRAM:

A. Attached is a detailed well site diagram showing:

- Drilling rig orientation
- Prevailing wind direction (Southwest)
- Location of briefing areas
- Location of Caution/Danger Signs
- Location of hydrogen sulfide monitors
- Location of wind direction Indicators

HYDROGEN SULFIDE SAFETY EQUIPMENT:

A. All safety equipment and systems will be installed, tested, and deemed operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone reasonably expected to contain hydrogen sulfide.

B. During drilling operations, a flare line will be routed from the BOP manifold to the reserve pit. Should suspected sour gas be vented through the flair line, a flare pistol will be used to ignite the flare.

C. Protective equipment for essential personnel will be installed and maintained as follows:

1. 30-minute air packs will be maintained on the rig floor and near the briefing area.

2. 30-minute work units will be maintained at the H2S trailer and/or oh the rig floor.

3. 30-minute escape units will be maintained on the rig floor.

4. 300 cu.ft. air cylinders will be maintained in the H2S trailer.

5. Associated breathing air equipment will also be installed and maintained.

6. Hydrogen sulfide monitor will be located in the dog house on the rig floor with sensors placed on the rig floor, at the bell nipple, the shale shaker, and in the pit area.

7. An audible /visual alarm will be located near the dog house on the rig floor.

VISUAL WARNING SYSTEMS:

A. High visibility Caution/Danger signs will be posted on roads providing direct access to the well location.

B. Green, yellow, and red condition flags to be displayed to denote Normal Conditions, Potential Danger, and Danger, H2S Present.

C. Wind socks to be located at the protection center and in the pit area to continuously indicate wind direction.

CIRCULATING MEDIUM:

A. Drilling fluid to be conditioned to minimize the volume of H2S circulated to the surface,

SPECIAL WELL CONTROL EQUIPMENT:

A. In addition to the normal BOP stack and choke manifold, a drilling head will be used to help control an H2S contaminated drilling fluid.

WELL TESTING:

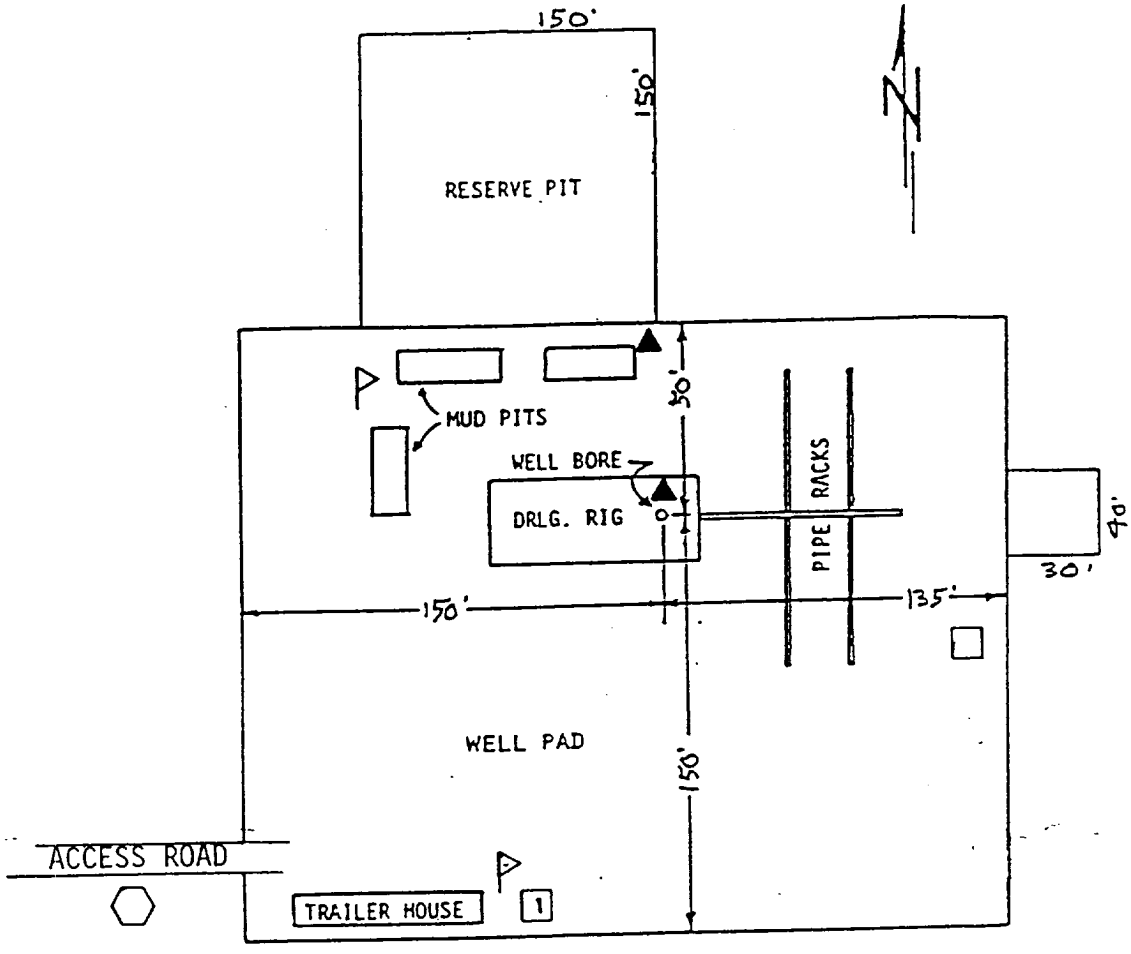
A. Drill stem testing of zones known, or reasonably expected, to contain hydrogen sulfide in concentrations of 100 ppm or more will use the closed chamber method of testing.

COMMUNICATION:

A. Radio communication will be available at the drilling rig and also in company vehicles.

ADDITIONAL INFORMATION:

A. Additional information concerning Emergency Reaction Steps, Ignition Procedures, Training Requirements, and Emergency Equipment Requirements will be available on location at the well site.



LEGEND:

- Caution/Danger Sign
- Briefing Area
- [1] Briefing Area - Primary
- ▲ H2S Monitor
- Wind Sock

Prevailing Wind
Direction - Southwest

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN
DRILL SITE DIAGRAM

POGO PRODUCING COMPANY
RED TANK 34 FEDERAL WELL NO. 7

SCALE: None

SURFACE USE AND OPERATIONS PLAN

FOR

POGO PRODUCING COMPANY
RED TANK 34 FEDERAL WELL NO. 7
1980'FSL & 660'FEL SEC.34, T.22 S., R.32 E.
LEA COUNTY, NEW MEXICO

LOCATED: 30 miles west of Eunice, New Mexico.

FEDERAL LEASE NUMBER: NM-77060.

LEASE DATE: September 1, 1988.

ACRES IN LEASE: 1160.

RECORD LESSEE: Exxon.

SURFACE OWNERSHIP: Federal.

GRAZING PERMITTEE: J. C. Mills
P. O. Box 190
Abernathy, Texas 79311

POOL: Undesignated Red Tank Bone Springs.

POOL RULES: Statewide. 40 acre spacing for oil.

EXHIBITS: A. Road Map
B. Plat Showing Existing Wells and Existing Roads
C. Drilling Rig Layout
D. Topo Plat

1. EXISTING ROADS:

A. Exhibit "A" is a portion of a road map showing the location of the proposed well as staked. The proposed well site can be reached by, either going south off US 62-180, or by going north off State 128. Point "A" on the plat is on 62-180 at Milepost 66.8, approximately 38 miles west of Hobbs, New Mexico, where Lea County road C-29 goes south. Also see Exhibits "B" and "D". To go to the proposed well site from this point, exit 62-180 to the south on the paved road and go 14 miles to where Eddy 797 (Mills Ranch road) goes southwest and a caliche road goes northeast (Point "B"). Turn northeast and go, mainly easterly, 5.2 miles to where a caliche road goes southeast. Turn southeast and go 2 miles to arrive at Pogo Producing Company's Red Tank 34 Federal well No. 2. The proposed well site is 1320 feet south of this well.

B. Exhibit "B" shows existing pertinent roads in the vicinity of the proposed well site. Existing roads are color coded.

2. PLANNED ACCESS ROAD:

A. Length and Width: The new road will be 12 feet wide and about 2400 feet long, and is shown labeled and color coded red on Exhibit "B". The centerline of the proposed new road is staked and flagged.

B. Surfacing Material: Caliche. Watered, compacted, and graded.

C. Maximum Grade: One percent.

D. Road Turnouts: Probably one.

E. Drainage Design: The new road will be crowned with drainage to the side.

F. Culverts: None needed.

G. Cuts and Fills: None necessary.

H. Gates and Cattle Guards: None needed. No fences involved.

3. LOCATION OF EXISTING WELLS:

A. Existing wells in the immediate area are shown on Exhibit "B".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

A. Production from this well will be delivered to the existing tank battery located on the well pad at well No. 2. The flow line will be 3" SDR-7 polyethylene pipe laid on the ground alongside existing and proposed roads, and will extend from the well to the tank battery as shown on Exhibit "B". The anticipated flow line pressure is about 60 psi.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. It is not planned that a water well will be drilled. Water necessary for drilling operations will be purchased and trucked to the well site, or will be moved to the well site by temporary pipeline laid on the ground alongside existing and proposed roads.

6. SOURCE OF CONSTRUCTION MATERIALS:

A. Caliche needed for construction work will be taken, if present, from a pit opened on-site within the 400'x 450' work area. Otherwise, caliche will be taken from an existing pit on State land in Section 16, T.22 S., R.32 E., Lea County, New Mexico, and will be trucked to the well site over existing and proposed roads.

7. METHODS OF HANDLING WASTE MATERIAL:

A. Drill cuttings will be disposed of in the drilling pits.

B. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.

C. Water produced during tests will be disposed of in the drilling pits or will be stored in tanks for disposal in an approved disposal system.

D. Oil produced during tests will be stored in test tanks until sold.

E. All trash, junk, and other waste material will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary land fill.

8. ANCILLARY FACILITIES:

A. None necessary.

9. WELL SITE LAYOUT:

A. Exhibit "C" shows the relative location and dimensions of the well pad, mud pits, and reserve pits, and the location of major drilling rig components.

B. Clearing and levelling of the pad and pit area will be required.

C. The pad and pit area is staked and flagged.

10. PLANS FOR RESTORATION OF THE SURFACE:

A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed from the well site. Pits will be filled and and the location will be cleaned of all trash and junk to leave the well site in an as aesthetically pleasing condition as possible.

B. Any unguarded pits containing fluids will be fenced.

C. After abandonment, all equipment, trash, and junk will be removed and the well site will be cleaned. Any special rehabilitation requirements of the surface management agency will be complied with and accomplished as rapidly as possible.

11. OTHER INFORMATION:

A. Topography: The land surface in the general area is gently undulating and duny. In the immediate area of the well site the land surface slopes gently to the north. Regionally, drainage is to the west and southwest.

B. Soil: Top soil at the well site is sand.

C. Flora and Fauna: The vegetative cover is moderate and includes mesquite, shinnery oak, sand sage, yucca, weeds, and range grasses. Wildlife in the area is that typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, dove and quail.

D. Ponds and Streams: There are no rivers, lakes, ponds, or streams in the area.

E. Residences and Other Structures: There are no occupied dwellings or other structures within a mile of the proposed well site.

F. Archaeological, Historical, and Cultural Sites: None observed in the area. However, an archaeological reconnaissance is to be accomplished and a report furnished.

G. Land Use: Grazing and wildlife habitat.

H. Surface Ownership: Federal.

12. OPERATOR'S REPRESENTATIVE:

Richard L. Wright
Division Operations Manager
Pogo Producing Company
P. O. Box 10340
Midland, Texas 79702
Office Phone: 915- 685-8100

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 and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

October 8, 1993
Date:

Richard L. Wright
Division Operations Manager

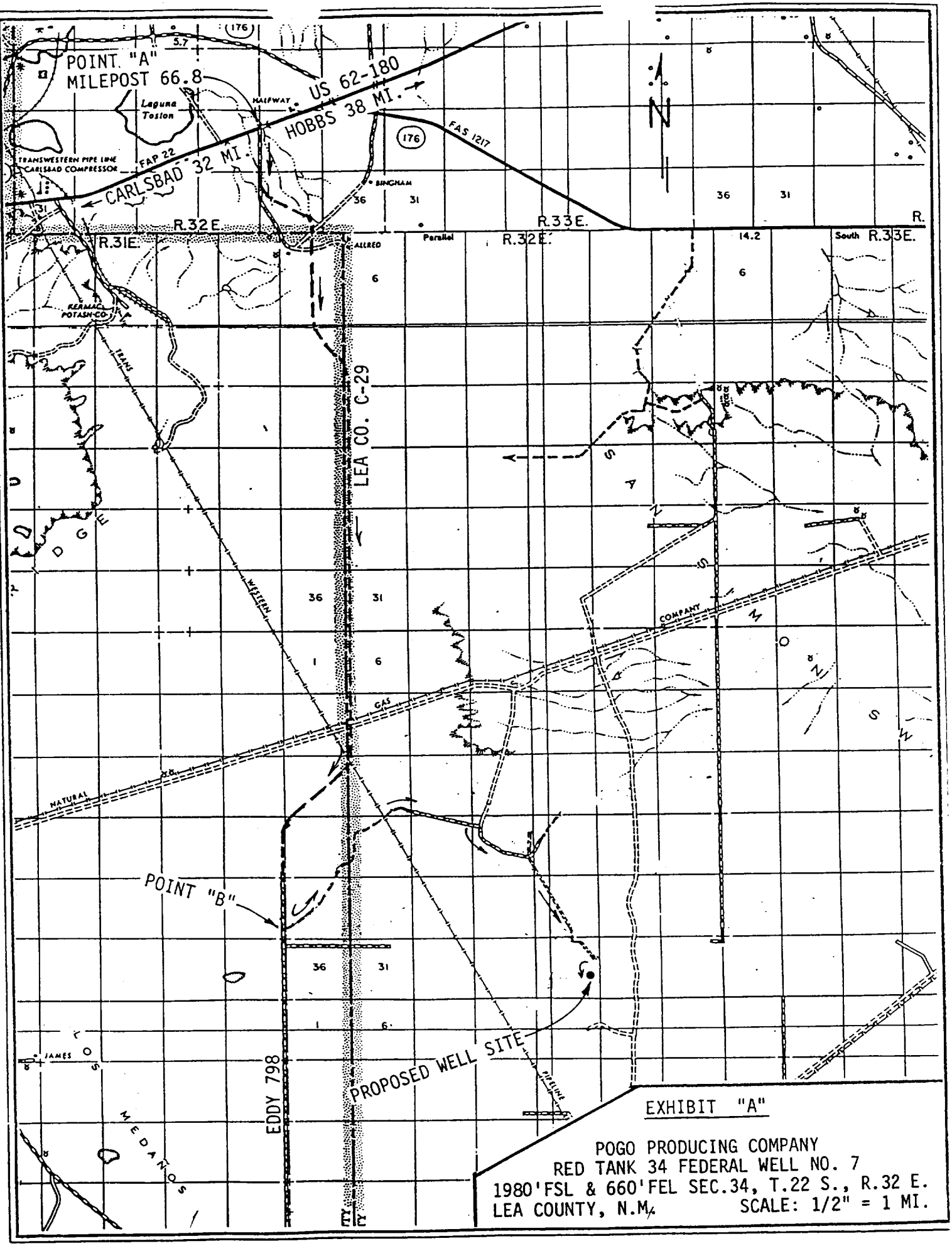
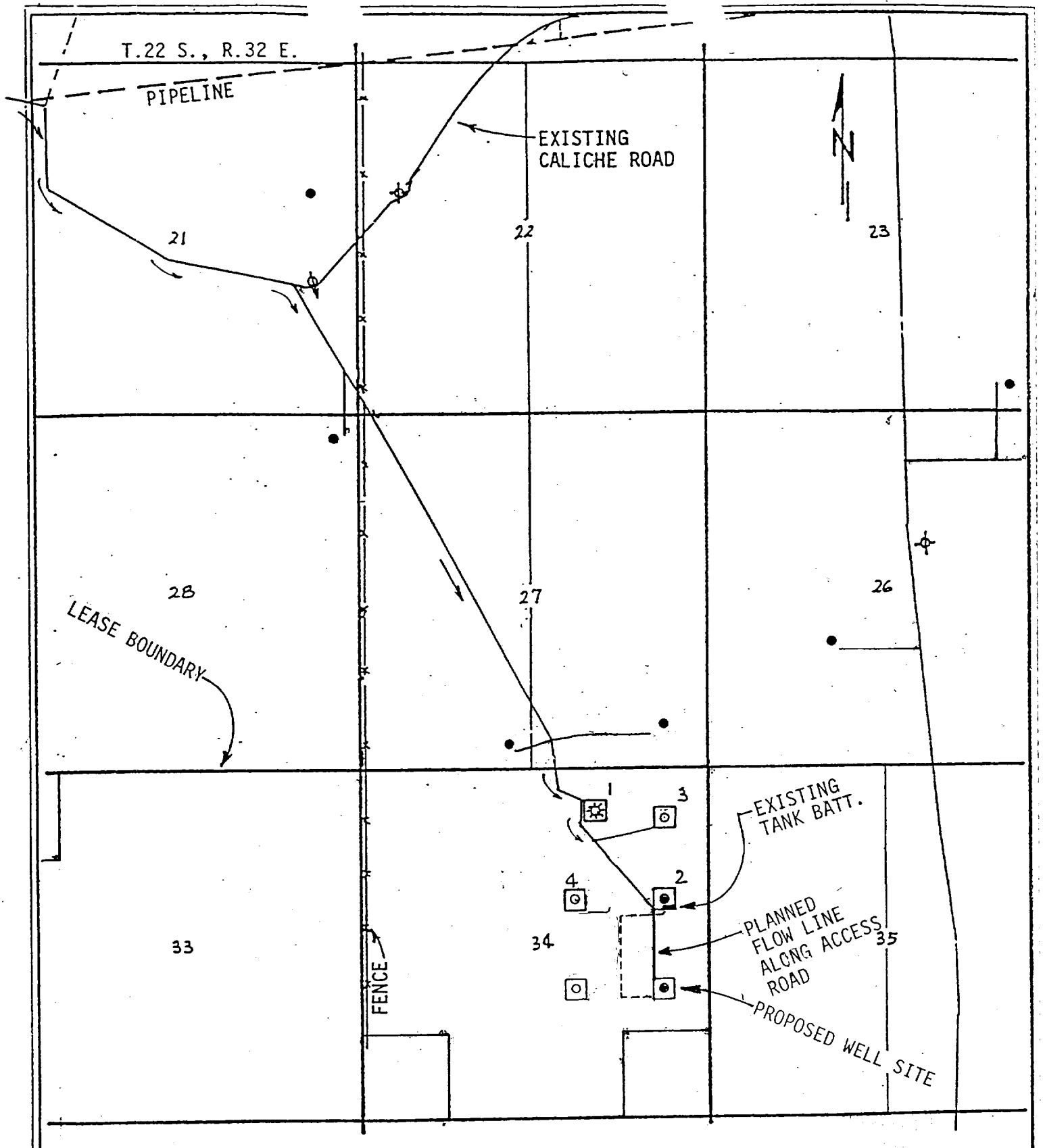


EXHIBIT "A"

POGO PRODUCING COMPANY
RED TANK 34 FEDERAL WELL NO. 7
1980'FSL & 660'FEL SEC.34, T.22 S., R.32 E.
LEA COUNTY, N.M. SCALE: 1/2" = 1 MI.



LEGEND:

- Oil Well
- Plugged Well
- Proposed Well
- Existing Caliche Road
- Proposed New Road

EXHIBIT "B"

POGO PRODUCING COMPANY
RED TANK 34 FEDERAL WELL NO. 7
1980'FSL & 660'FEL SEC.34, T.22 S., R.32 E.
LEA COUNTY, N.M. SCALE: 1" = 2000'

TMBR/Sharp Rig #23

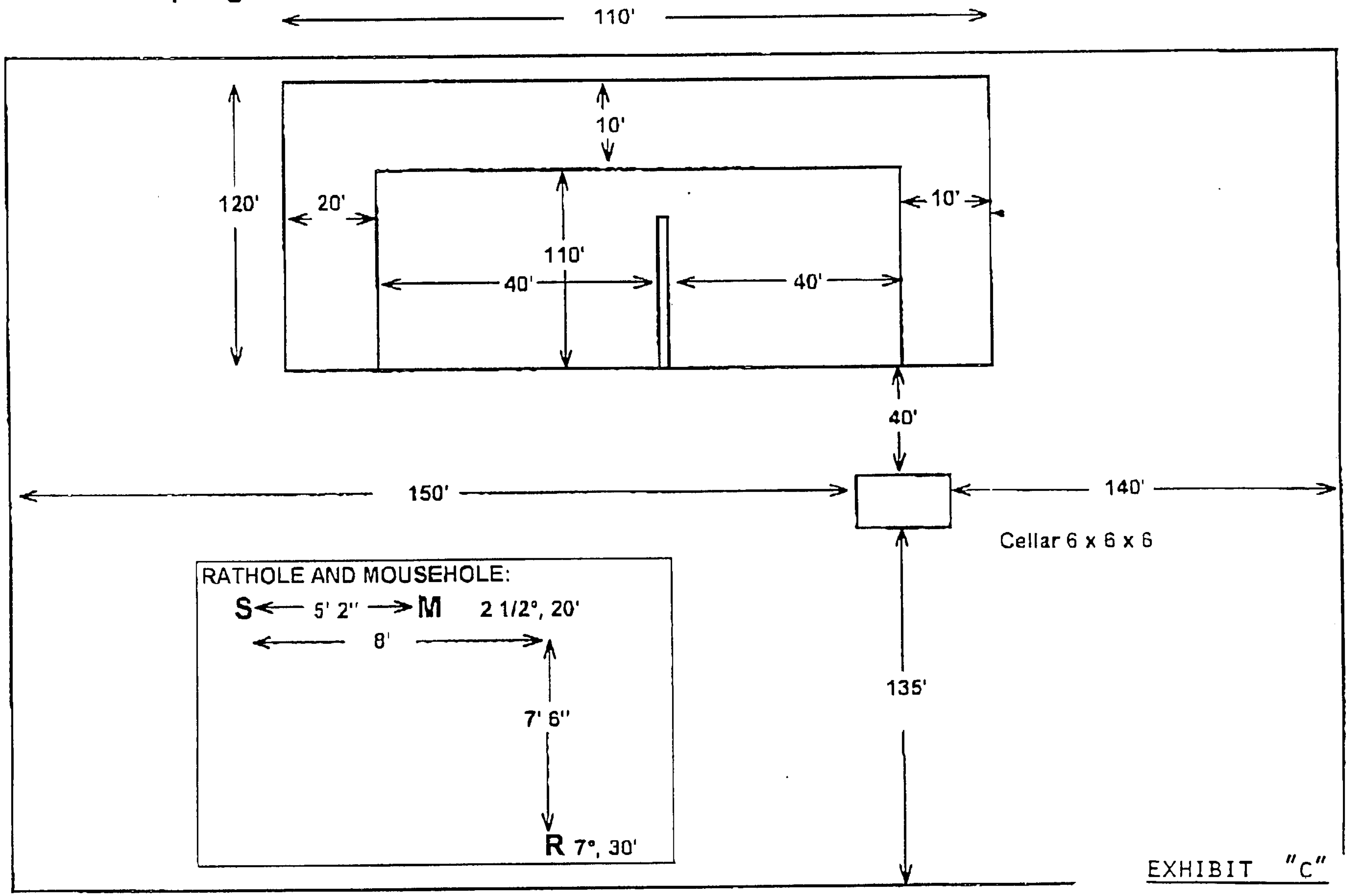


EXHIBIT "C"

POGO PRODUCING COMPANY
RED TANK 34 FEDERAL WELL NO. 7

DRILLING RIG LAYOUT
SCALE: None

REV 09/28/2000

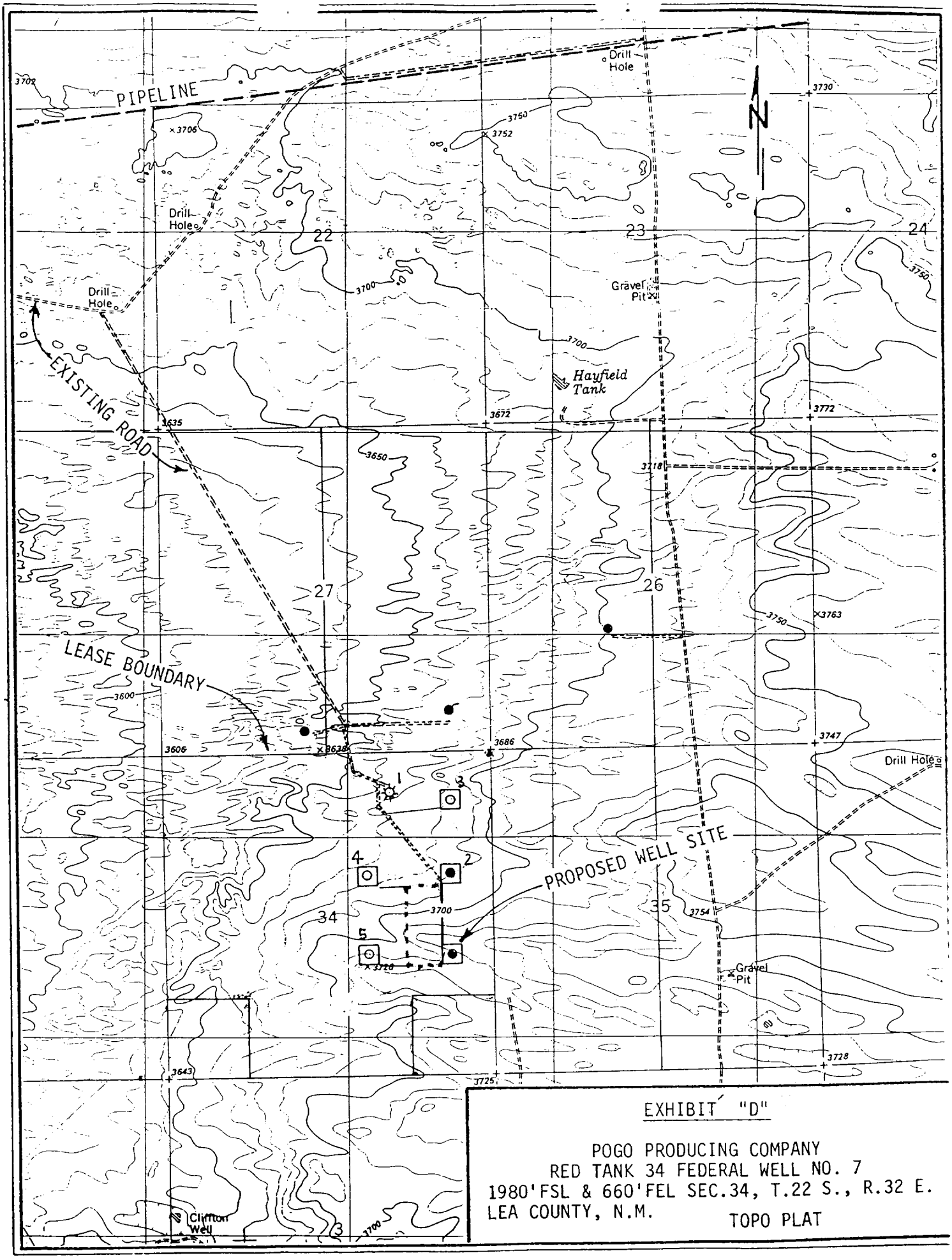


EXHIBIT "D"

POGO PRODUCING COMPANY
RED TANK 34 FEDERAL WELL NO. 7
1980'FSL & 660'FEL SEC.34, T.22 S., R.32 E.
LEA COUNTY, N.M.
TOPO PLAT