Form 3160-3
(July 1992)

New Mexico

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

1a. TYPE OF WORK: DRILL [XX] DEEPEN [ ]

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER — SINGLE ZONE [ ] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR: POGO PRODUCING COMPANY (RICHARD WRIGHT) 915-685-8140

3. ADDRESS AND TELEPHONE NO.: P.O. BOX 10340 MIDLAND, TEXAS 79702-7340 915-685-8100

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 330' FEL & 1650' FSL SEC. 26 T22S-R32E LEA CO. NM
At proposed prod. zone: SAME

5. LEASE DESIGNATION AND SERIAL NO.: NM-2379

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: ----------

7. UNIT AGREEMENT NAME: ----------

8. FARM OR LEASE NAME, WELL NO.: COVINGTON "A" FEDERAL # 20

9. API WELL NO.: 30-025-34986

10. FIELD AND POOL, OR WILDCAT: RED TANK-BONE SPRING

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 26 T22S-R32E

12. COUNTY OR PARISH: LEA

13. STATE: NEW MEXICO

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: Approximately 30 miles East of Carlsbad New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 330'

16. NO. OF ACRES IN LEASE: 1280

17. NO. OF ACRES ASSIGNED TO THIS WELL: 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: 1320'

19. PROPOSED DEPTH: 9100'

20. ROTARY OR CABLE TOOLS: ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3751' GR.

22. APPROX. DATE WORK WILL START*: WNEN APPROVED

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	20" Conductor	NA	40'	Cement to surface with Redi-mix
14 3/4"	H-40 10 3/4"	32.75	850'	750 Sx. Circulate to surface
9 7/8"	J-55 7 5/8"	26.40	4600'	1250 Sx. " " "
6 3/4"	J-55,N-80 4½"	11.6	9100'	1425 Sx. Estimate TOC 4000'

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 14 3/4" hole to 850'. Run and set 850' of 10 3/4" H-40 32.75# ST&C casing. Cement with 750 Sx. of Class "C" cement + additives, circulate cement to surface.
3. Drill 9 7/8" hole to 4600'. Run and set 4600' of 7 5/8" J-55 26.4# ST&C casing. Cement with 1250 Sx. of Light & Premium cement + additives, circulate cement to surface.
4. Drill 6 3/4" hole to 9100'. Run and set 9100' of 4½" casing as follows: 2100' of 4½" N-80 11.6# ST&C , 6000' of 4½" J-55 11.6# ST&C , 1000' of 4½" N-80 11.6# LT&C casing. Cement with 1425 Sx. of Class "H" Premium cement + additives, estimate TOP 4000'.

OPERATOR NO. 17891
9346
51683
3-27-00
30-025-34986

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED 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 Joel T Yanez TITLE Agent DATE 02/16/00

(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.

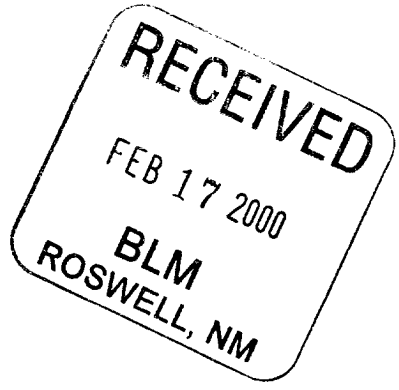
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY ---------- TITLE Acting Assistant Field Manager, Lands And Minerals DATE ----------

*See Instructions On Reverse Side

APPROVED 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.


RECEIVED
FEB 17 2000
BLM
ROSWELL, NM

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

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

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

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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-025-34986	~~51681~~ 51683	RED TANK-BONE SPRING

Property Code	Property Name	Well Number
009316	COVINGTON A FEDERAL	20

OGRID No.	Operator Name	Elevation
17891	POGO PRODUCING CO.	3751'

Surface Location

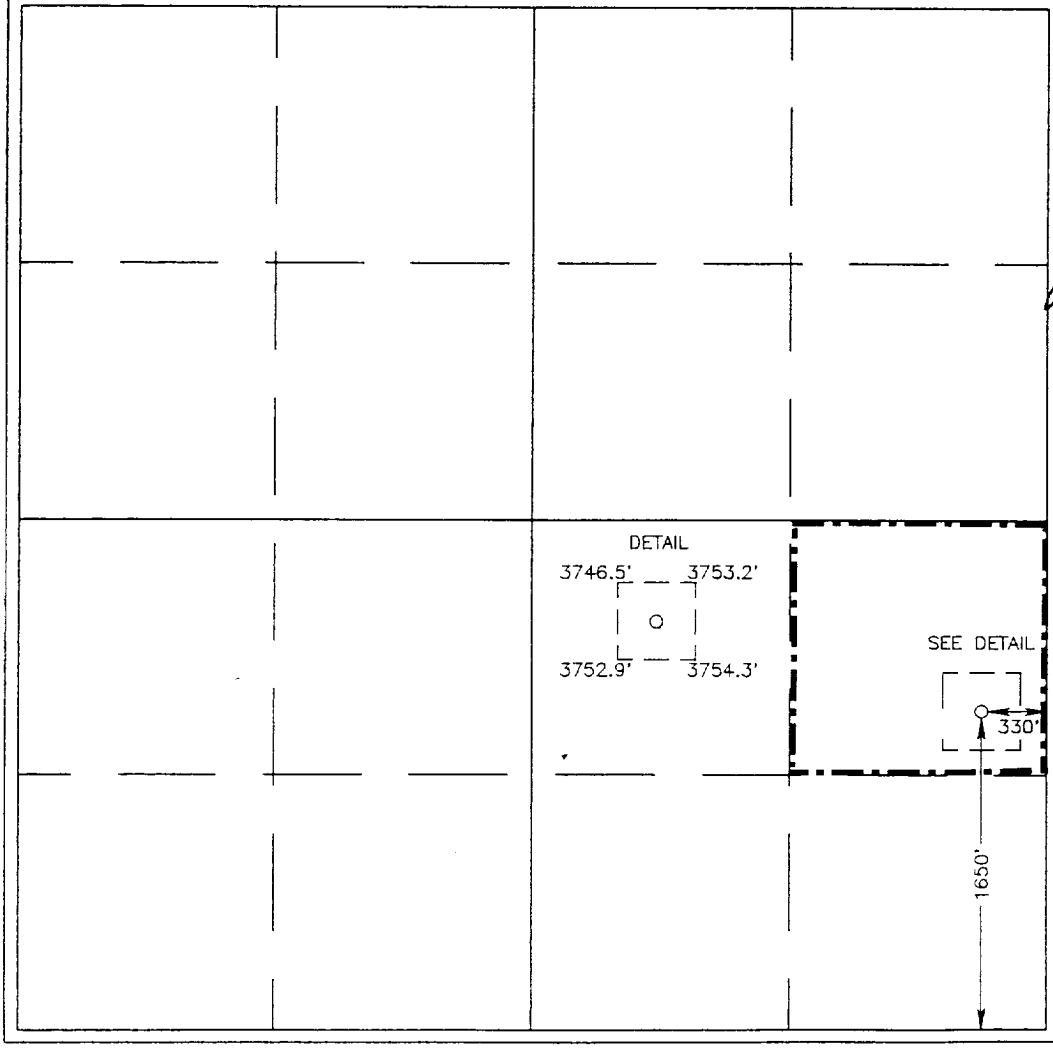
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	26	22 S	32 E		1650	SOUTH	330	EAST	LEA

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	Joint or Infill	Consolidation Code	Order No.
40			

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 the the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Joe T. Janica
Printed Name

Agent
Title

02/16/00
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 supervison, and that the same is true and correct to the best of my belief.

SEPTEMBER 21, 1998
Date Surveyed CDG

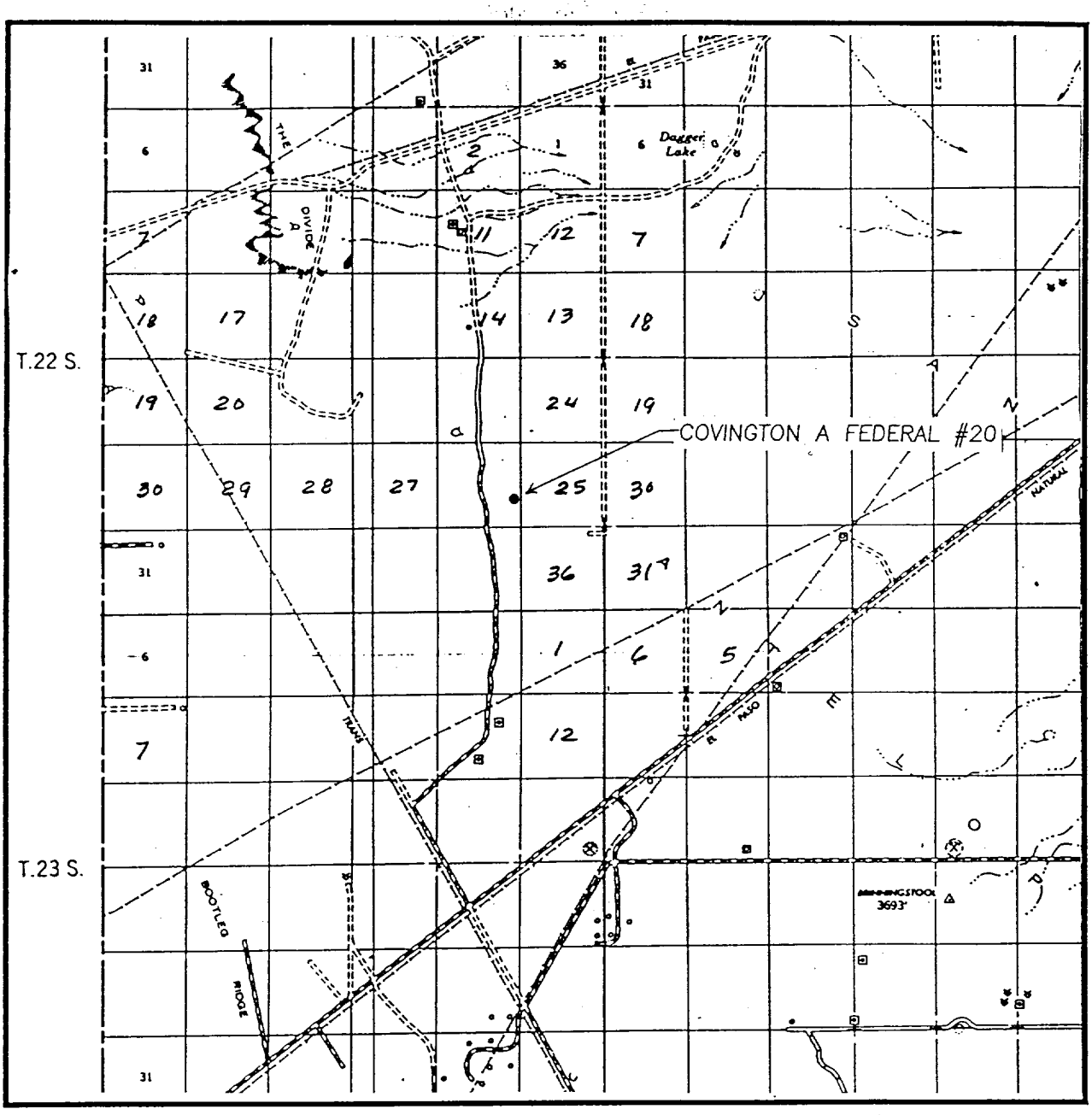
Signature & Seal of Professional Surveyor

Ronald L. Edson 9-23-98
98-11-1272

Certificate No. RONALD L. EDSON 3239
GARY L. EDSON 12641

EXHIBIT "A"

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 26 TWP. 22-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1650' FSL & 330' FEL

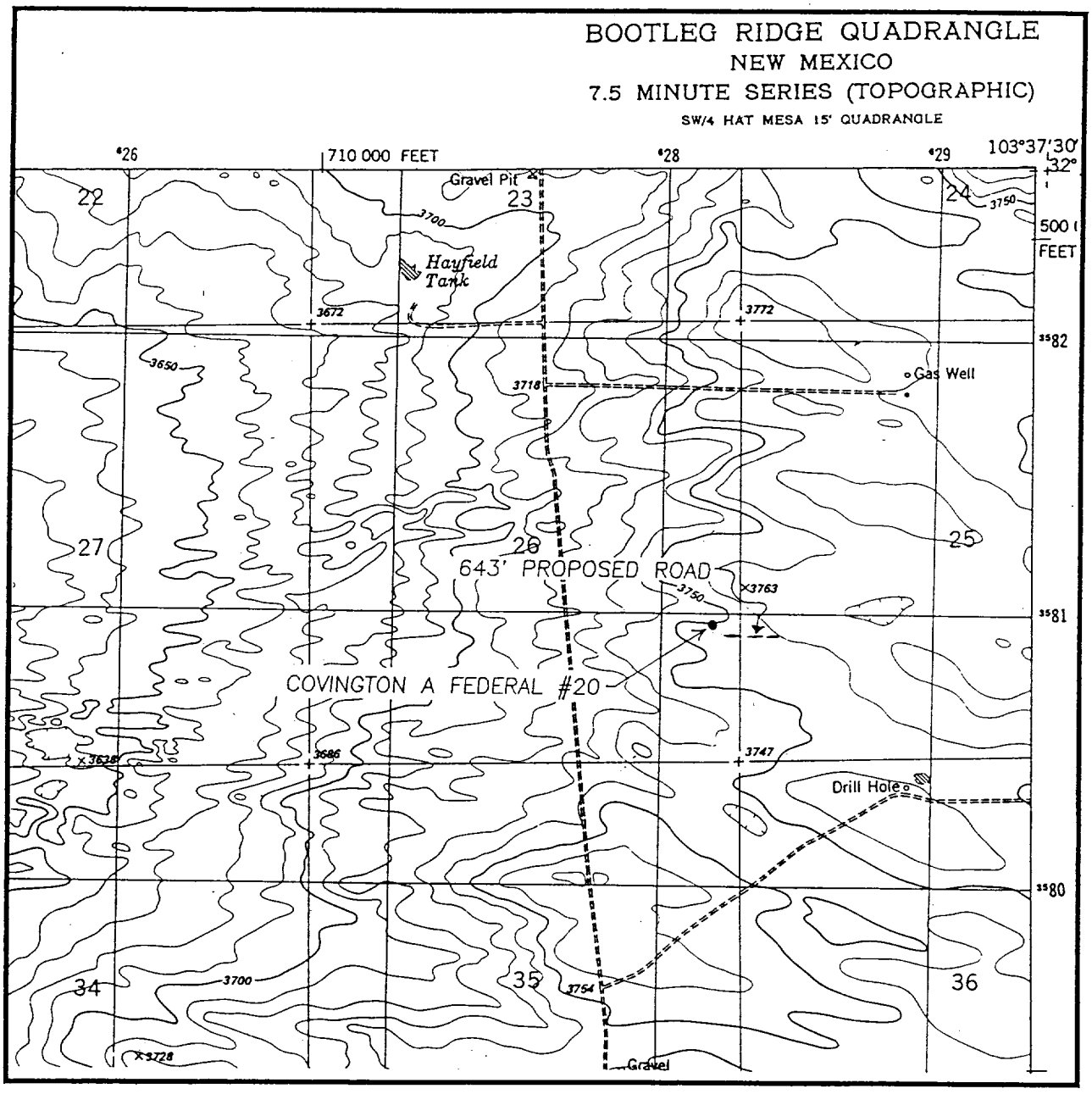
ELEVATION 3751'

OPERATOR POGO PRODUCING CO.

LEASE COVINGTON A FEDERAL

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

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL – 10'

SEC. 26 TWP. 22-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1650' FSL & 330' FEL

ELEVATION 3751'

OPERATOR POGO PRODUCING CO.

LEASE COVINGTON A FEDERAL

U.S.G.S. TOPOGRAPHIC MAP
BOOTLEG RIDGE, NM

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

APPLICATION TO DRILL

POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL # 20
UNIT "I" SECTION 26
T22S-R32E LEA CO. NM

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

1. Location: 330' FEL & 1650' FSL SEC. 26 T22S-R32E LEA CO. NM

2. Elevation above sea level: 3751' GR.

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

4. Drilling tools and associated equipment: 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	830'	Brushy Canyon	7390'
Delaware Lime	4790'	Bone Spring	8810'
Cherry Canyon	6090'		

7. Possible mineral bearing formation:

Delaware	Oil
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"	0-850'	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-55
6 3/4"	0-9100'	4½"	11.6	8-R	LT&C	J-55 N-80

APPLICATION TO DRILL

POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL # 20
UNIT "I" SECTION 26
T22S-R32E LEA CO. NM

9. Cementing and Setting Depth:

20"	Conductor	Set 40' of 20" conductor and cement to surface with Redi-mix.
10 3/4"	Surface	Set 850' of 10 3/4" 32.7# H-40 ST&C casing. Cement with 750 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 1250 Sx. of Light & Premium cement + additives, circulate cement to surface.
4½"	Production	Set 9100' of 4½" 11.6# J-55 & N-80 LT&C casing as follows: 2100' of 11.6# N-80, 6000' of 11.6# J-55, 1000' of 11.6# N-80. Cement with 1425 Sx. of cement, estimate top of cement 4000'.

10. Pressure Control Equipment: Exhibit "E". A 900 Series 3000 PSI working pressure B.O.P. consisting of a double ram type preventor with a bag type annular preventor. BOP un-t will be hydraulically operated. Exhibit "E-1". Choke manifold and closing unit. BOP will be nippled up on 10 3/4" casing and will be operated at least once each 24 Hr. period while drilling and blind rams will be operated when out of hole during trips. Flow sensor, PVT, 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
40-850'	8.6-8.8	29-34	NC	Fresh water spud mud add paper to control seepage, use high high viscosity sweeps to clean hole
850-4600'	10.2-10.5	29-36	NC	Brine water, using paper to control seepage, lime for pH control, high viscosity sweeps to clean hole.
4600- 9100'	8.6-8.8	29-36	NC	Fresh water, use Gel for viscosity, & paper for seepage.

Sufficient mud materials to maintain mud properties, meet lost circulation and weight increase requirements will be kept at well site at all times. In order to log well and run casing the viscosity may have to be raised and the water loss lowered in order to do so.

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.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

1. All Company and Contract personnel admitted on location must be trained by a qualified H_2S safety instructor to the following:

   A. Characteristics of H_2S
   B. Physical effects and hazzards
   C. Proper use of safety equipment and life support systems.
   D. Principle and operation of H_2S 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_2S Detection and Alarm Systems

   A. H_2S 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_2S 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 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
COVINGTON "A" FEDERAL # 20
UNIT "I" SECTION 26
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 Northeast for 7.1 miles, turn South go 1.3 miles, turn East go .5 miles, turn South go .6 miles, turn West go 800' 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 800' 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 2.5 miles North

   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"

4. If, upon completion, the well is a producer, Pogo Producing Company will furnish maps or plats showing On Well Pad facilities and Off Well Pad facilities (if needed) on a Sundry Notice before construction of these facilities starts.

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 MATERIALS

If needed, construction materials will be obtained from the drill site's excavations or from a local source. These materials will be transported over the access route as shown on Exhibit "C".

7. METHODS FOR HANDLING WASTE DISPOSAL

A. 1. Drill cuttings will be disposed of in the reserve pit.

2. 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 deposited in an approved sanitary landfill.

3. Salts remaining after completion of the well will be picked up by the supplier, including broken sacks.

4. Sewage from trailer houses will drain into holes with minimum depth of 10'00". These holes will be covered during drilling and backfilled upon completion. A "porta John" will be provided for the rig crews. This will be properly maintained during the drilling operations and removed upon completion of the well.

B. Remaining drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for backfilling. In the event drilling fluids will not evaporate in a reasonable period of time they will be transported by tank truck to a state approved disposal site. Pits will then be broken out to speed drying.

Water produced during testing of the well will be disposed of in the reserve pit. Oil produced during testing of the well will be stored in test tanks until sold and hauled from the site.

8. ANCILLARY FACILITILS

No camps or airstrips will 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 polyethlene. 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
COVINGTON "A" FEDERAL # 20
UNIT "I" SECTION 26
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 has been made of this location and road and a copy is attached.

D. There are no dwellings or habitation within three miles of this location.

12. OPERATORS REPRESENTIVE:

Before construction:

TIERRA EXPLORATION INC.
P.O. BOX 2188
HOBBS, NEW MEXICO 88241
OFFICE PHONE 505-392-2112
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 : 02/16/00
TITLE : Agent


PROHIBITION FED UNIT
MARALO (OPER.)
Location as staked
FOOTLEG RIDGE
EXHIBIT "A-1"
ONE MILE RADIUS MAP
POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL # 20
UNIT "I" SECTION 26
T22S-R32E LEA CO. NM

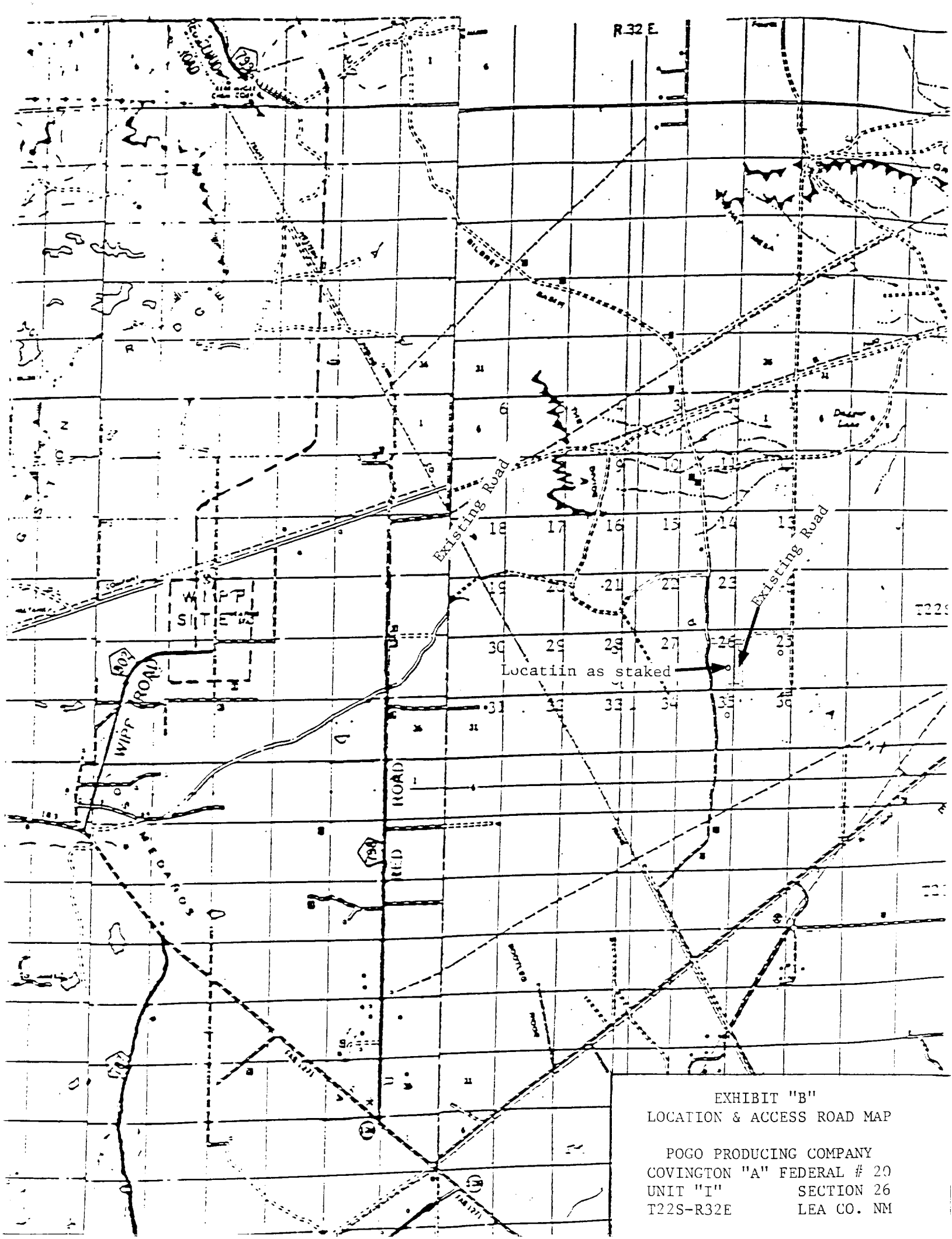
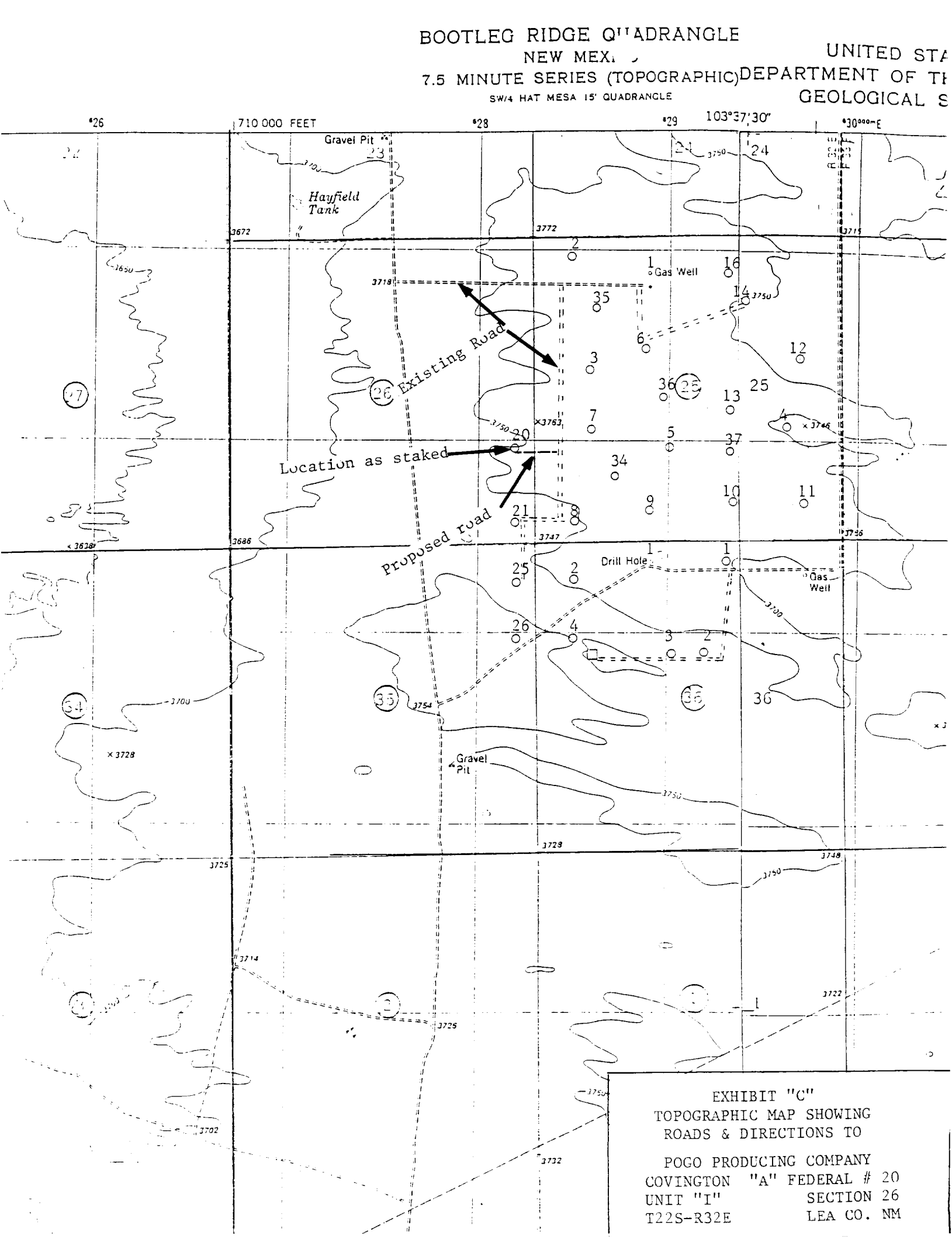
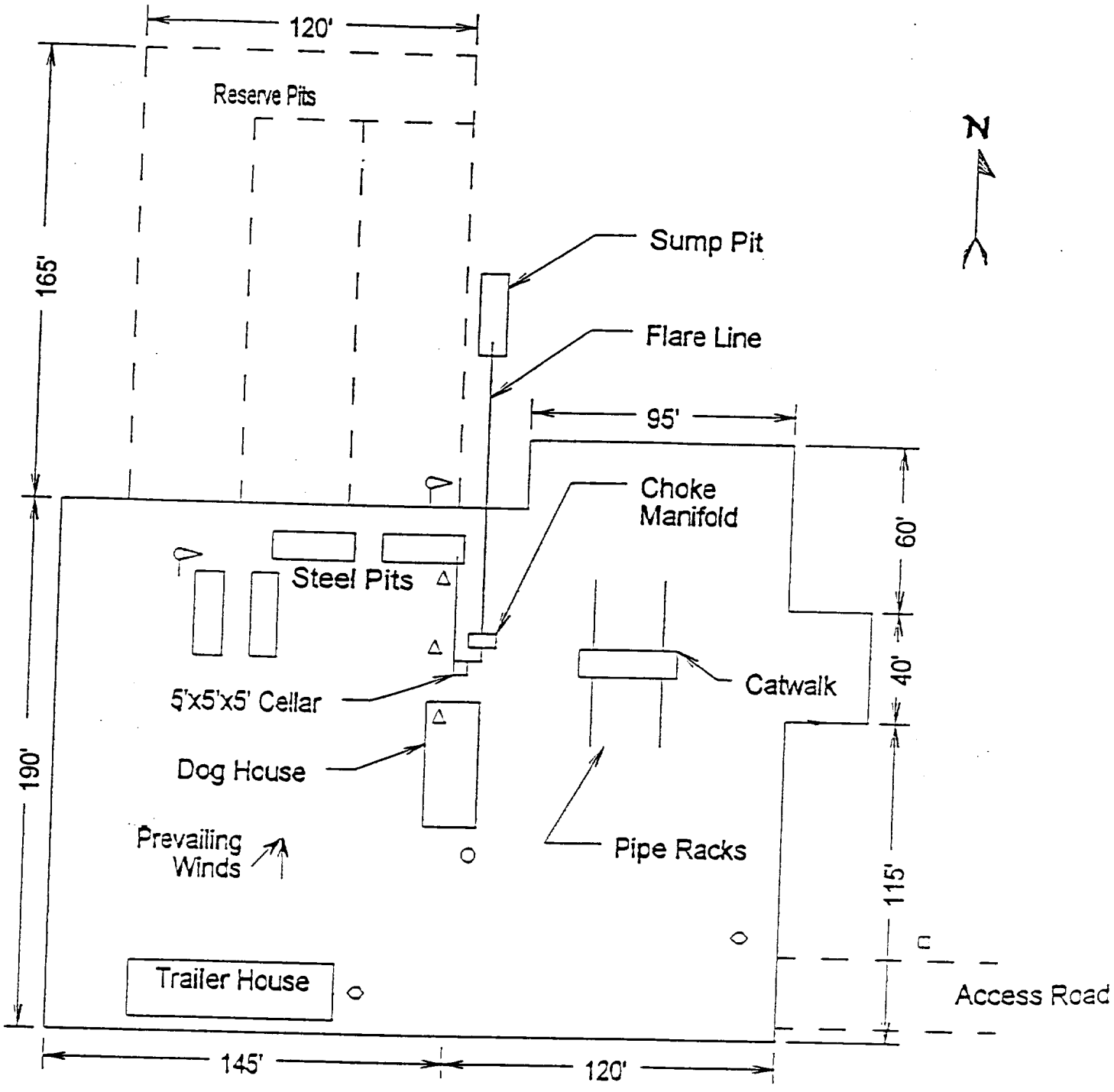


EXHIBIT "B"
LOCATION & ACCESS ROAD MAP

POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL # 20
UNIT "I" SECTION 26
T22S-R32E LEA CO. NM


BOOTLEG RIDGE QUADRANGLE
NEW MEXICO
7.5 MINUTE SERIES (TOPOGRAPHIC)
SW/4 HAT MESA 15' QUADRANGLE
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
710 000 FEET
103°37'30"
Gravel Pit
Hayfield Tank
Existing Road
Location as staked
Proposed road
Gas Well
Drill Hole
Gravel Pit
EXHIBIT "C"
TOPOGRAPHIC MAP SHOWING
ROADS & DIRECTIONS TO
POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL # 20
UNIT "I" SECTION 26
T22S-R32E LEA CO. NM



- Wind Direction Indicators (wind sock or streamers)
- △ H2S Monitors (alarms at bell nipple and shale shaker)
- ◇ Briefing Areas
- ○ Remote BOP Closing Unit
- ⊏ Sign and Condition Flags

EXHIBIT "D"
RIG LAYOUT PLAT

POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL # 20
UNIT "I" SECTION 26
T22S-R32E LEA CO. NM

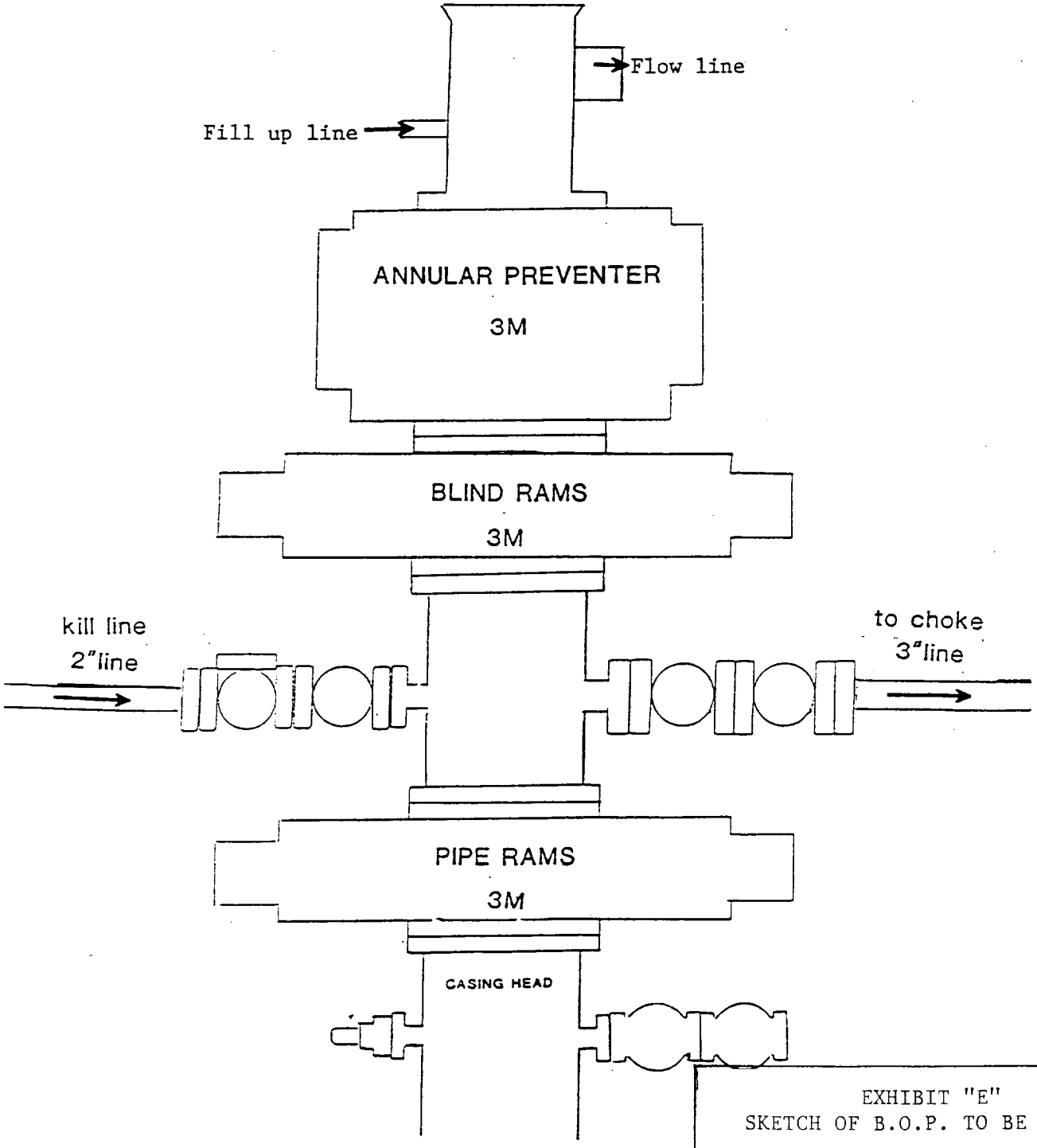
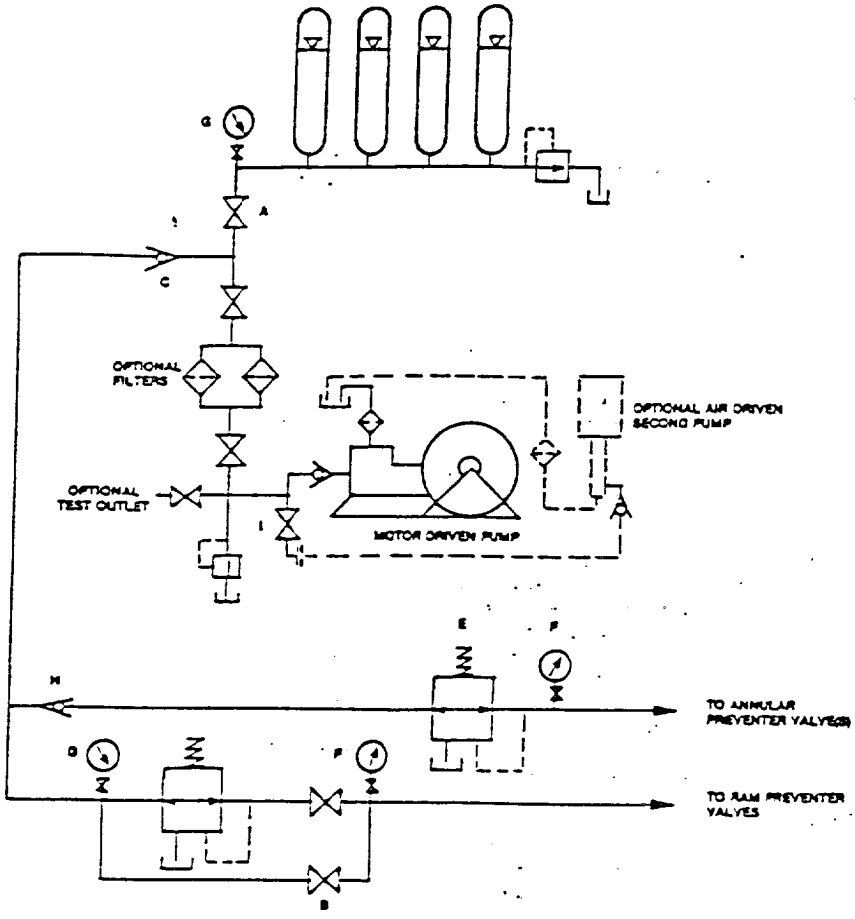


EXHIBIT "E"
SKETCH OF B.O.P. TO BE USED ON

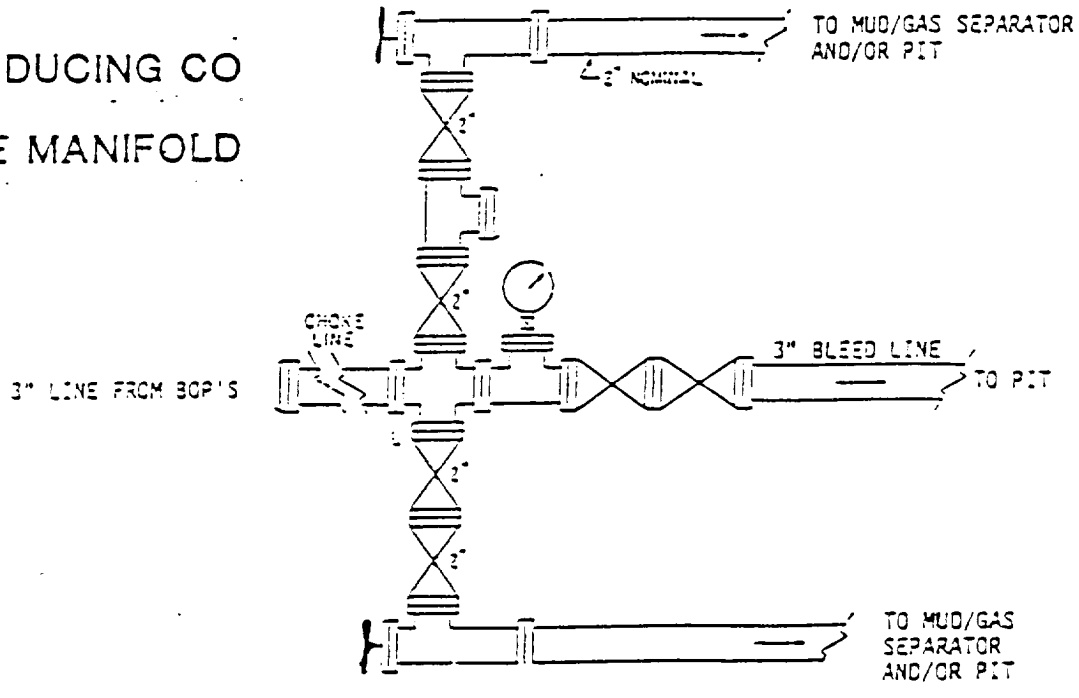
POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL # 20
UNIT "I" SECTION 26
T22S-R32E LEA CO. NM



HAND ADJUSTABLE CHOKE

POGO PRODUCING CO

3M CHOKE MANIFOLD



HAND ADJUSTABLE CHOKE

EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

POGO PRODUCING COMPANY
COVINGTON "A" FEDERAL # 20
UNIT "I" SECTION 26
T22S-R32E LEA CO. NM