

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

JAMES BRUCE
 P.O. BOX 1056
 SANTA FE, NM 87504
Print or Type Name

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce
 Signature

Attorney for Applicant

Title

jamesbruc@aol.com

e-mail Address

10/24/06

Date

2006 OCT 24 PM 2 32

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October 24, 2006

Mark E. Fesmire, P.E.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

Pogo Producing Company applies for an exception to Rule 2(A) of the Special Rules for the Jalmat Gas Pool to allow a 160 acre non-standard gas spacing unit for the following well:

Well:	Saltmount Well No. 5
Well Location:	990 feet FSL & 660 feet FEL
Well Unit:	SE $\frac{1}{4}$ §21-23S-37E, Lea County, New Mexico

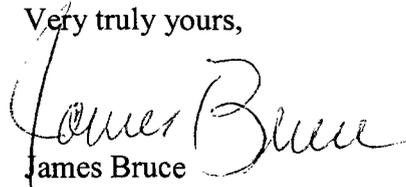
Applicant proposes to drill the well to test the Jalmat Gas Pool. Under Order No. R-8170-P, well spacing for a gas well in the pool is 640 acres, although operators may request non-standard 160 acre units comprised of a single quarter section. Wells must be located 660 feet from a quarter section line and 330 feet from a quarter-quarter section line in order to be orthodox.

Attached as Exhibit A is a plat showing production from the Jalmat Gas Pool. Until recently, production was located substantially to the west of the proposed well unit. Wells have now been completed in the NW $\frac{1}{4}$ of Section 21, NW $\frac{1}{4}$ of Section 22, and N $\frac{1}{2}$ of Section 28 indicating that the Jalmat Gas Pool is potentially productive at the location for the Saltmount Well No. 5.

Attached as Exhibit B is a land plat, highlighting the proposed well unit in green. The well unit is surrounded by existing non-standard Jalmat gas well units, which were approved by the administrative orders noted on the exhibit. In addition, applicant will be filing (on October 25th) applications for non-standard Jalmat gas well units comprising the NE $\frac{1}{4}$ and SW $\frac{1}{4}$ of Section 21 (outlined in orange on the exhibit). As a result, Section 21 will have four 160 acre Jalmat gas well units. In addition, Pogo Producing Company is the sole offset operator. As a result, there are no adversely affected parties to be notified of this application.

Please call me if you need anything further regarding this matter.

Very truly yours,


James Bruce

Attorney for Pogo Producing Company

