



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

September 9, 1992

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

Pogo Producing Company  
P.O. Box 10340  
Midland, Texas 79702-7340

Attention: Gary J. Hoose

*Administrative Order NSL-3152*

Dear Mr. Hoose:

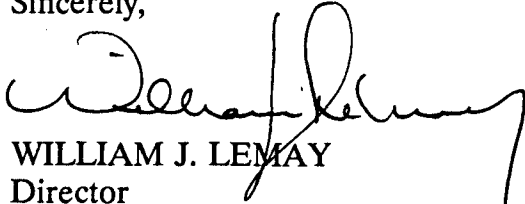
Reference is made to your application dated August 3, 1992 for a non-standard gas well location for RT "34" Federal Well No. 1 to be located 660 feet from the North line and 1650 feet from the East line (Unit B) of Section 34, Township 22 South, Range 32 East, NMPM, to test the Morrow formation at a depth of appromately 15,500 feet, Lea County, New Mexico. The N/2 of said Section 34 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit.

It is our understanding that the primary objective for this well is wildcat Delaware oil at an approximate depth of 8400 feet, which is subject to statewide 40-acre oil spacing. The deeper Morrow formation is a secondary objective and is also classified as a wildcat test. Further, the proposed location is considered a standard oil well location for the Delaware zone [pursuant to Division General Rule 104.B(1)(b)] however, geologic interpretation places this well at a more favorable position within the Brushy Canyon formation of the Delaware Mountain group than a location 1980 feet from the East line of said Section 34, which would be a standard location for the Morrow zone.

No offset operator subjected to this application within the prescribed 20-day waiting period.

By the authority granted me under the provisions of General Rules 104.F(1) and (2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. Lemay', written over the typed name and title.

WILLIAM J. LEMAY  
Director

WJL/MES/jc

cc: Oil Conservation Division - Hobbs  
U.S. BLM - Carlsbad

cc: Jim Bruce, Santa Fe