

DATE IN <u>4/19/07</u>	SUSPENSE	ENGINEER <u>Ezequiel</u>	LOGGED IN <u>11/19/07</u>	TYPE <u>CTB</u>	APP NO. <u>2KVR0732350725</u>
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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.

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

Ann Ritchie  
 Print or Type Name

Signature

Regulatory Agent 10-25-07  
 Title Date

annritchie@wtor.net  
 e-mail Address

RECEIVED  
 2007 NOV 19 PM 3 53

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
1301 W. Grand Ave, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised June 10, 2003

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: Pogo Producing (San Juan) Company  
OPERATOR ADDRESS: P.O. Box 10340 Midland, Texas 79702  
APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☒ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. \_\_\_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☒ Yes ☐ No **BLM has been notified. Proposed commingled area is comprised of Federal and Fee lands only.**

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes (Monthly)

- (2) Are any wells producing at top allowables? ☐ Yes ☐ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.  
(4) Measurement type: ☐ Metering ☐ Other (Specify)  
(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Pool Name and Code. **Basin-Fruitland Coal Gas Pool (71629)**  
(2) Is all production from same source of supply? ☒ Yes ☐ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No  
(4) Measurement type: ☒ Metering ☐ Other (Specify)

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No  
(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**  
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location. **Attached**  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved. **Attached**  
(3) Lease Names, Lease and Well Numbers, and API Numbers. **Attached**

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE:  TITLE: Regulatory Agent DATE: 10-25-07

TYPE OR PRINT NAME: Ann Ritchie TELEPHONE NO.: (432) 684-6381

E-MAIL ADDRESS: ann.ritchie@wtor.net

October 24, 2007

New Mexico Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, New Mexico 87505  
Attn: Mr. Mark E. Fesmire, P.E., Director

U.S. Bureau of Land Management  
1235 La Plata Highway, Suite A  
Farmington, New Mexico 87401-8731  
Attn: Mr. Jim Lovato

Re: Application for Lease Commingling  
Pogo Producing (San Juan) Company  
La Plata CDP Gas Gathering System  
San Juan County, New Mexico

Dear Sir:

Pogo Producing (San Juan) Company ("Pogo") hereby requests approval to surface commingle the gas production from sixteen (16) existing gas wells located within the following-described proposed commingled area located in San Juan County, New Mexico. All sixteen of the wells within this area currently produce from the Basin-Fruitland Coal Gas Pool (71629).

**La Plata CDP Gas Gathering System Area**

**Township 32 North, Range 13 West, NMPM**

Section 33: All

**Township 31 North, Range 13 West, NMPM**

Section 4: W/2  
Section 5: E/2  
Section 7: E/2  
Section 8: All  
Section 17: W/2  
Section 18: All  
Section 20: N/2

Pogo further seeks approval to add wells within the commingled area that may be drilled in the future and completed in the Basin-Fruitland Coal Gas Pool without having to provide additional notice to the interest owners within the commingled area, and

without having to amend the commingling order. Pogo will advise the interest owners that are being provided notice of this application that it is requesting this provision be incorporated in the commingling order.

The proposed surface commingling will allow Pogo to utilize a single compressor at the central delivery point, resulting in the reduction of operating costs and extending the economic life of the wells. The resulting increase in the ultimate recovery of gas from these wells will benefit all interest owners in the wells. The proposed surface commingling is also necessary due to topography and the close proximity of these wells to populated areas, and will reduce the environmental impact on these sensitive areas.

Due to the diversity of ownership between the commingled wells, each well will be equipped with a continuously recording allocation meter. Production will be allocated to each of the wells in accordance with the following procedure: The production allocated to each well will be the integrated volume from the CDP gas sales meter, less the sum of the other allocation meters, plus any lease use gas. Lease use gas is estimated to be approximately 2.5 MCF gas per day for those wells equipped with a pumping unit and a separator. In the event the sum of the allocation meters does not equal the integrated volume of the CDP gas sales meter, the gas production from each well will be calculated using the volume its allocation meter indicates, divided by the sum of all the allocation meters. This percentage will then be multiplied times the integrated volume of the CDP gas sales meter, plus lease use gas. The proposed well metering system and method of allocation will protect the correlative rights of all interest owners within the commingled area. Compressor use gas will be allocated ratably to each of the wells.

Pursuant to the requirements of Division Rule 19.15.5.303(B)(4)(b), Enterprise Field Services (or the current operator of the gas sales meter) will calibrate the central delivery point gas sales meter at least quarterly at current production levels. Pogo will operate all allocation meters and will calibrate quarterly all allocation meters that measure more than 100 MCF of gas per day, and will calibrate semi-annually all allocation meters that measure less than 100 MCF of gas per day. All liquids, (oil, condensate and water) will be separated, stored, measured and sold at each individual well. Except for small amounts of water that may drop out of the commingled gas stream at the central processing facility, no commingling of liquids will occur.

The gas gathering system will not degrade the mechanical integrity of the wells or the CDP facility.

It is anticipated that the purging of natural gas and condensed water vapor from the gas gathering lines will occur infrequently. Any lost gas due to purging the system will be allocated ratably to each of the wells.

Attachment No. 1 is a table showing the wells proposed to be surface commingled. Pogo has also included, among other things, each well's API Number, well location, producing formation, and the acreage that is currently dedicated to the well.

Attachment No. 2 shows the current (June, 2007) producing rates for each of the wells to be commingled. The combined monthly production from the wells to be commingled is 100 MMCF of gas.

Attachment No. 3 is a map showing the location of the wells and the associated pipelines within the proposed La Plata CDP Gas Gathering System. The central delivery point and Enterprise Field Services gas sales meter is located within the commingled area.

Attachment No. 4 is a map that identifies all wells and leases within the proposed commingled area. As shown on the map, there are six separate Federal leases (Federal Leases No. NM-94574, NM-86495, NM-024907, NM-10171, NM-86494 and NM-101991), as well as several fee leases, within the commingled area.

Attachment No. 5 is a schematic diagram of the commingled facility showing the legal location, tanks, pipes, sales meters, and all other associated equipment. All equipment used in selling, storing and measuring combined production will meet the Onshore Oil & Gas Orders No. 3, Site Security; No. 4, Oil Measurement; and No. 5, Gas Measurement. None of the wells are Navajo allotted/royalty wells.

Attachment No. 6 is a gas analysis representative of the Fruitland Coal formation.

A notification letter (copy attached) and a copy of the application have been sent to all parties owning an interest within the proposed commingled area. In addition, enclosed is a list of the parties to which notice has been provided.

In summary, Pogo believes that the proposed surface commingling is in the best interest of conservation, prevention of waste and protection of correlative rights, and that the application should be approved.

Pogo has included with this application, a draft lease commingling order that summarizes the pertinent details.

If additional information is required, please contact me at (432) 684-6381.

*Pogo Producing (San Juan) Company  
La Plata CDP Gas Gathering System  
San Juan County, New Mexico  
Page 4*

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Yours Truly,



Ann E. Ritchie, Regulatory Agent  
Pogo Producing (San Juan) Company  
P.O. Box 10340  
Midland, Texas 79702  
(432) 684-6381  
(432) 682-1458-Fax

[ann.ritchie@wtor.net](mailto:ann.ritchie@wtor.net)

cc: Cathy Wright, Pogo Producing (San Juan) Company-Midland, Texas  
New Mexico Oil Conservation Division, 1000 Rio Brazos Rd. Aztec, NM 87410

Pogo Producing (San Juan) Company  
LA PLATA CDP GAS GATHERING SYSTEM

Well Name & Number	Current Operator	API Number	Unit		Twtn.	Range	Well Location	Current Completion	Latitude	Longitude	Lease Type	Lease Number	Dedicated Acreage
			Letter	Section									
La Plata 4 No. 1 ✓	Pogo Producing (San Juan) Company	30-045-29169	K	4	31N	13W	2480' FSL & 2215' FWL	Basin-Fruitland Coal Gas Pool	36.92852	-108.21098	Fee	N/A	W/2
La Plata 4 No. 2 ✓	Pogo Producing (San Juan) Company	30-045-31306	C	4	31N	13W	904' FNL & 2053' FWL	Basin-Fruitland Coal Gas Pool	36.93378	-108.21064	Fee	N/A	W/2
La Plata 5 No. 1 ✓	Pogo Producing (San Juan) Company	30-045-29236	H	5	31N	13W	2290' FNL & 790' FEL	Basin-Fruitland Coal Gas Pool	36.93011	-108.22102	Fed	NM-86494	E/2
La Plata 33 No. 1 ✓	Pogo Producing (San Juan) Company	30-045-29272	N	33	32N	13W	795' FSL & 1755' FWL	Basin-Fruitland Coal Gas Pool	36.93845	-108.21118	Fee	N/A	W/2
La Plata 33 No. 2 ✓	Pogo Producing (San Juan) Company	30-045-29275	A	33	32N	13W	790' FNL & 790' FEL	Basin-Fruitland Coal Gas Pool	36.94847	-108.20197	Fee	N/A	E/2
La Plata 17 No. 1 ✓	Pogo Producing (San Juan) Company	30-045-30391	C	17	31N	13W	1244' FNL & 1744' FWL	Basin-Fruitland Coal Gas Pool	36.9041	-108.22895	Fed	NM-86494	W/2
La Plata 17 No. 2 ✓	Pogo Producing (San Juan) Company	30-045-31687	K	17	31N	13W	1537' FSL & 1468' FWL	Basin-Fruitland Coal Gas Pool	36.90442	-108.23022	Fed	NM-86494	W/2
La Plata 18 No. 1 ✓	Pogo Producing (San Juan) Company	30-045-30341	A	18	31N	13W	1296' FNL & 665' FEL	Basin-Fruitland Coal Gas Pool	36.90398	-108.23719	Fee	N/A	N/2
La Plata 18 No. 2 ✓	Pogo Producing (San Juan) Company	30-045-30787	J	18	31N	13W	1568' FSL & 1640' FEL	Basin-Fruitland Coal Gas Pool	36.89721	-108.24034	Fee	N/A	S/2
La Plata 20 No. 1 ✓	Pogo Producing (San Juan) Company	30-045-31311	C	20	31N	13W	680' FNL & 1196' FWL	Basin-Fruitland Coal Gas Pool	36.89115	-108.23055	Fed	NM-10171	N/2
La Plata 7 No. 1 ✓	Pogo Producing (San Juan) Company	30-045-29920	P	7	31N	13W	790' FSL & 650' FEL	Basin-Fruitland Coal Gas Pool	36.90971	-108.2373	Fee	N/A	E/2
La Plata 8 No. 1 ✓	Pogo Producing (San Juan) Company	30-045-29274	A	8	31N	13W	790' FNL & 840' FEL	Basin-Fruitland Coal Gas Pool	36.9196	-108.22119	Fee	N/A	N/2
La Plata 8 No. 2 ✓	Pogo Producing (San Juan) Company	30-045-29280	K	8	31N	13W	1820' FSL & 2205' FWL	Basin-Fruitland Coal Gas Pool	36.91247	-108.22763	Fed	NM-86494	S/2
La Plata 8 No. 3 ✓	Pogo Producing (San Juan) Company	30-045-31571	F	8	31N	13W	1920' FNL & 1653' FWL	Basin-Fruitland Coal Gas Pool	36.91659	-108.22963	Fed	NM-86494	N/2
La Plata 8 No. 4 ✓	Pogo Producing (San Juan) Company	30-045-31727	I	8	31N	13W	1978' FSL & 851' FEL	Basin-Fruitland Coal Gas Pool	36.91287	-108.22073	Fed	NM-024907	S/2
La Plata 5 No. 1T ✓	Pogo Producing (San Juan) Company	30-045-33574	I	5	31N	13W	1323' FSL & 678' FEL	Basin-Fruitland Coal Gas Pool	36.92539	-108.22092	Fed	NM-86494	E/2

*Pogo Producing (San Juan) Company  
La Plata CDP Gas Gathering System*

<i>Well Name &amp; Number</i>	<i>Producing Pool</i>	<i>Current Production (June 2007)</i>
La Plata 4 No. 1	Basin-Fruitland Coal Gas Pool	13,724 MCF
La Plata 4 No. 2	Basin-Fruitland Coal Gas Pool	8,358 MCF
La Plata 5 No. 1	Basin-Fruitland Coal Gas Pool	1,086 MCF
La Plata 33 No. 1	Basin-Fruitland Coal Gas Pool	9,789 MCF
La Plata 33 No. 2	Basin-Fruitland Coal Gas Pool	8,113 MCF
La Plata 17 No. 1	Basin-Fruitland Coal Gas Pool	14,419 MCF
La Plata 17 No. 2	Basin-Fruitland Coal Gas Pool	12,891 MCF
La Plata 18 No. 1	Basin-Fruitland Coal Gas Pool	312 MCF
La Plata 18 No. 2	Basin-Fruitland Coal Gas Pool	841 MCF
La Plata 20 No. 1	Basin-Fruitland Coal Gas Pool	588 MCF
La Plata 7 No. 1	Basin-Fruitland Coal Gas Pool	11 MCF
La Plata 8 No. 1	Basin-Fruitland Coal Gas Pool	6,995 MCF
La Plata 8 No. 2	Basin-Fruitland Coal Gas Pool	1,510 MCF
La Plata 8 No. 3	Basin-Fruitland Coal Gas Pool	4,772 MCF
La Plata 8 No. 4	Basin-Fruitland Coal Gas Pool	8,447 MCF
La Plata 5 No. 1T	Basin-Fruitland Coal Gas Pool	8,255 MCF

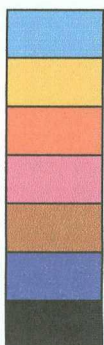
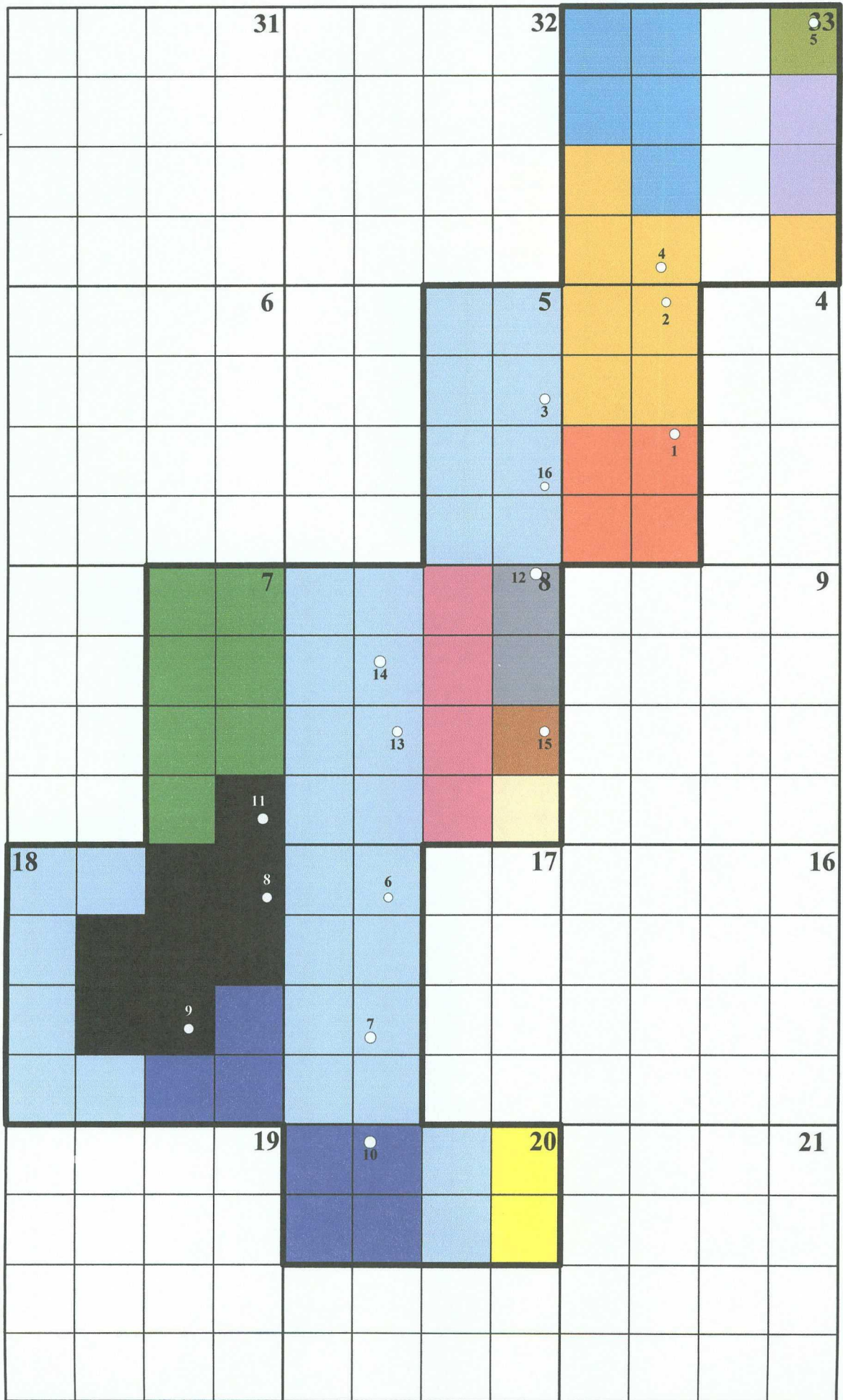
***Total Production (June, 2007): 100.111 MMCF***



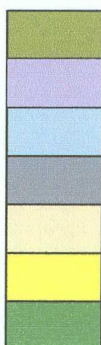
13W

32N

31N



Federal Lease No. NM-94574  
Winifred Amsden Trust  
Earl F. Ripley  
Federal Lease No. NM-86495  
Federal Lease No. NM-024907  
Federal Lease No. NM-10171  
Barbara Ann Pohlrad



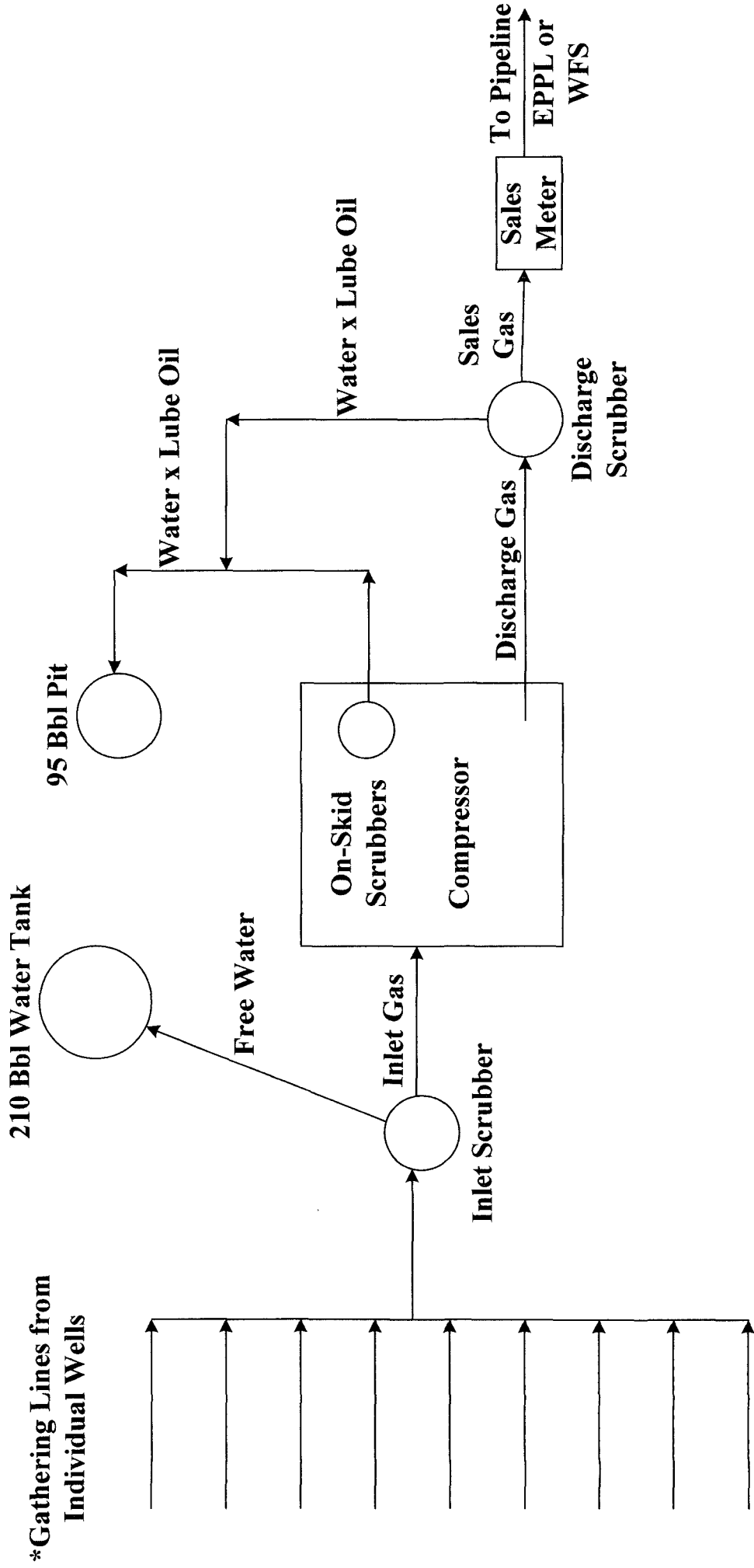
Violet L. Gwaltney ETAL  
Rosco H. McGee ETAL  
Federal Lease No. NM-86494  
Raymond L. Hill  
Est. of Sterling Harris  
Lula D. Harris ETAL  
Federal Lease No. NM-101991

**Well Spot Number****Well Name & Number**

1	La Plata 4 No. 1, Unit K, Section 4
2	La Plata 4 No. 2, Unit C, Section 4
3	La Plata 5 No. 1, Unit H, Section 5
4	La Plata 33 No. 1, Unit N, Section 33
5	La Plata 33 No. 2, Unit A, Section 33
6	La Plata 17 No. 1, Unit C, Section 17
7	La Plata 17 No. 2, Unit K, Section 17
8	La Plata 18 No. 1, Unit A, Section 18
9	La Plata 18 No. 2, Unit J, Section 18
10	La Plata 20 No. 1, Unit C, Section 20
11	La Plata 7 No. 1, Unit P, Section 7
12	La Plata 8 No. 1, Unit A, Section 8
13	La Plata 8 No. 2, Unit K, Section 8
14	La Plata 8 No. 3, Unit F, Section 8
15	La Plata 8 No. 4, Unit I, Section 8
16	La Plata 5 No. 1T, Unit I, Section 5

**POGO PRODUCING (SAN JUAN) COMPANY  
LA PLATA CDP GAS GATHERING SYSTEM  
MAP LEGEND  
ATTACHMENT 4(A)**

# POGO PRODUCING (SAN JUAN) COMPANY TYPICAL SAN JUAN BASIN CDP SCHEMATIC AND FLOW DIAGRAM



\*Gathering Lines from Individual Wells

\* Allocation Meters at Each Wellsite



2030 AFTON PLACE  
FARMINGTON, N.M. 87401  
(505) 325-6622

ANALYSIS NO. PC270023  
CUST. NO. 62780 - 10480

### WELL/LEASE INFORMATION

CUSTOMER NAME	POGO PRODUCTION	SOURCE	WELLHEAD CASING
WELL NAME	SAN JUAN FEDERAL 1-T	PRESSURE	48 PSI G
COUNTY/ STATE	SAN JUAN NM	SAMPLE TEMP	N/A DEG.F
LOCATION		WELL FLOWING	Y
FIELD		DATE SAMPLED	03/14/2007
FORMATION	FRUITLAND COAL	SAMPLED BY	JAMES MCGAHA
CUST.STN.NO.	202A357095 T8409	FOREMAN/ENGR.	

### REMARKS

ANALYSIS				
COMPONENT	MOLE %	GPM**	B.T.U.*	SP.GR *
NITROGEN	0.159	0.0000	0.00	0.0015
CO2	1.272	0.0000	0.00	0.0193
METHANE	96.120	0.0000	973.02	0.5325
ETHANE	1.415	0.3782	25.10	0.0147
PROPANE	0.593	0.1633	14.96	0.0090
I-BUTANE	0.100	0.0327	3.26	0.0020
N-BUTANE	0.140	0.0441	4.58	0.0028
I-PENTANE	0.048	0.0176	1.92	0.0012
N-PENTANE	0.035	0.0127	1.41	0.0009
HEXANE PLUS	0.118	0.0519	6.07	0.0038
TOTAL	100.000	0.7005	1,030.32	0.5877

\* @ 14.730 PSIA DRY & UNCORRECTED FOR COMPRESSIBILITY

\*\* @ 14.730 PSIA & 60 DEG. F.

COMPRESSIBILITY FACTOR (1/Z)	1.0020
BTU/CU.FT (DRY) CORRECTED FOR (1/Z)	1,032.6
BTU/CU.FT (WET) CORRECTED FOR (1/Z)	1,015.5
REAL SPECIFIC GRAVITY	0.5888

ANALYSIS RUN AT 14.730 PSIA & 60 DEGREES F

DRY BTU @ 14.650	1,027.0
DRY BTU @ 14.696	1,030.2
DRY BTU @ 14.730	1,032.6
DRY BTU @ 15.025	1,053.3

CYLINDER #	7005
CYLINDER PRESSURE	68 PSIG
DATE RUN	03/14/2007
	BRANDY ROBERTS

Pogo Producing (San Juan) Company  
P.O. Box 10340  
Midland, Texas 79702

Contact Party: Ms. Ann E. Ritchie  
Regulatory Agent  
Phone (432) 684-6381

Re: Form C-107-B (Application for Surface Commingling)  
La Plata CDP Gas Gathering System  
Section 33, T-32 North, R-13 West, NMPM  
All or parts of Sections 4,5,7 8, 17, 18, & 20, T-31 North, R-13 West, NMPM,  
San Juan County, New Mexico

TO ALL INTEREST OWNERS (LIST ATTACHED)

Enclosed please find a copy of Form C-107-B that has been filed with the New Mexico Oil Conservation Division, 1220 S. St. Francis Drive, Santa Fe, New Mexico 87505. As an interest owner in the wells to be surface commingled, you are being provided a copy of this application pursuant to Division Rule No. 19.15.5.303(B)(4)(d). Any objection to the application must be filed with the Oil Conservation Division at the above address, within 20 days. If you have questions concerning this application, please contact me at (432) 684-6381.

Sincerely,

Ann E. Ritchie  
Regulatory Agent