

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF POGO PRODUCING
COMPANY FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

Case No. 13,319 (Re-opened)

STATEMENT OF R. SCOTT MCDANIEL

R. Scott McDaniel, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters set forth herein.

2. Pursuant to Division Rule 1207.A.(1)(b), the following information is submitted in support of the compulsory pooling application filed herein:

(a) No opposition is expected because the interest owner being pooled has been contacted repeatedly regarding the proposed Foxglove 30 Federal Well No. 1, but has never agreed to participate in the well or to farm out its interest.

(b) A map outlining the spacing unit being pooled, and marking the location of the subject well, is attached hereto as Exhibit A. Applicant seeks to dedicate the ~~EX~~ of Section 30, Township 23 South, Range 33 East, N.M.P.M. to the Foxglove 30 Federal Well No. 1 as to the depths from the base of the Cherry Canyon formation to the base of the Morrow formation. The primary zone of interest is the Morrow formation, which is a gas-bearing zone.

(c) The party being pooled, its interest in the well unit, and its last known address, are as follows:

Party: ConocoPhillips Company
P.O. Box 2197
Houston, Texas 77252

Interest: (a) ~~SE 1/4~~ NE 1/4 S30
50% working interest
(b) NE 1/4 S30
50% working interest
(c) EX S30
43.75% working interest

(d) A copy of the most recent letter applicant sent to ConocoPhillips Company is attached hereto as Exhibit B.

BEFORE EXAMINER	
OIL CONSERVATION DIVISION	
EXHIBIT NO.	1
CASE NO.	13319 (Re-Opened)

(e) Pursuant to Division rules, applicant requests that a 200% risk charge be assessed against the non-consenting interest owner.

(f) A copy of the Authority for Expenditure for the well is attached hereto as Exhibit C. The drilling and completion costs set forth therein are fair and reasonable, and are comparable to those of other wells of this depth drilled in this area of Lea County.

(g) Overhead charges of \$6000/month for a drilling well, and \$600/month for a producing well, are requested. These rates are fair and reasonable, and are in line with rates charged by other operators in this area for wells of this depth.

VERIFICATION

STATE OF TEXAS)

) ss.

COUNTY OF MIDLAND)

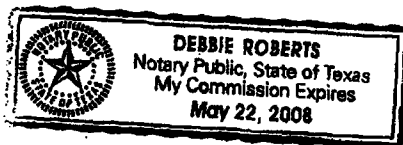
R. Scott McDaniel, being duly sworn upon his oath, deposes and states that: He is a landman for Pogo Producing Company; he is authorized to make this verification on its behalf; he has read the foregoing statement and knows the contents thereof; and the same is true and correct to the best of his knowledge, information, and belief.


R. Scott McDaniel

Subscribed and sworn to before me this 16th day of September, 2004 by R. Scott McDaniel.


Notary Public

My Commission Expires:





POGO PRODUCING COMPANY

August 23, 2004

ConocoPhillips Company
Attn: Ms. Linda Hicks
P.O. Box 2197
Houston, Texas 77252-2197

VIA FACSIMILE (832) 486-2674
AND REGULAR U.S. MAIL

Re: BRINNINSTOOL PROSPECT
Lea County, New Mexico
WELL PROPOSAL
E½ Section 30
T-23-S, R-33-E, N.M.P.M.
Pogo Lease No L2367

Ladies and Gentlemen:

As you know, by letter dated June 18, 2004, Pogo Producing Company ("Pogo") proposed the drilling of the captioned well in the NE¼SE¼ of the captioned Section 30 and the establishment of a working interest unit consisting of the E½ of said Section 30 in support thereof. Since that time, Pogo has decided to move this well location to the SE¼NE¼ of said Section 30 at 1,980' FNL and 660' FEL, with the drilling unit for such well remaining the E½ of Section 30.

With the above in mind, enclosed herewith is Pogo's revised Authority for Expenditure No 530222 reflecting the above-mentioned new location.

Should you have any questions regarding this matter, please call me at (432) 685-8121.

Yours very truly,

POGO PRODUCING COMPANY

R. Scott McDaniel
District Landman

RSM/dkr

Attachment

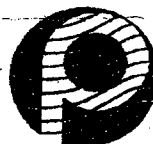
bcc: Jim Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504



 *** TX REPORT ***

TRANSMISSION OK

TX/RX NO	0225	
CONNECTION TEL		18324862674
SUBADDRESS		
CONNECTION ID		
ST. TIME	08/23 16:48	
USAGE T	01'33	
PGS. SENT	4	
RESULT	OK	



POGO PRODUCING COMPANY

FACSIMILE COVER LETTER

Please deliver the following page(s) to:

NAME: Linda H. Hicks
 COMPANY: ConocoPhillips Company
 FAX No: (832) 486-2674
 FROM: R. Scott McDaniel
 PAGES: 4 (Including Cover Letter)
 DATE: August 23, 2004

If you do not receive all of the pages, please call Debbie Roberts at (432) 685-8125.

PLEASE DELIVER UPON RECEIPT.

RE: BRINNINSTOOL PROSPECT
Lea County, New Mexico
 WELL PROPOSAL
 E½ Section 30
 T-23-S, R-33-E, N.M.P.M.
 Pogo Lease No L2367

POGO PRODUCING COMPANY
 AUTHORITY FOR EXPENDITURE FOR \$2,684,128
 GROSS AFE - DETAILED

PAGE: 1

AFE#: 530222 DC FOXGLOVE 30 FEDERAL #1
 WELL: 7564 FOXGLOVE 30 FEDERAL #1
 PROSPECT: BRINNINSTOOL PROSPECT
 FIELD: WILDCAT - C/O
 COUNTY/PARISH: LEA
 STATE: NM

OPERATOR: POGO PRODUCING COMPANY
 AFE TYPE: EXPLORATORY DRILLING
 DATE: 06/15/04
 WELL TYPE:
 FORMATION: MORROW
 TOTAL DEPTH: 15,900'

ADDITIONAL COMMENTS: LOCATION OF THE SUBJECT WELL IS 1980' FNL & 660'
 FEL, SECTION 30, T23S, R33E, LEA COUNTY, NM.

DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
IDC EXPLORATORY DRILLING			
725.471 IDC MOBILIZATION/DEMOB	40,000		40,000
725.472 IDC ROAD, LOC. PITS & KEYWAYS	40,000		40,000
725.473 IDC CEMENTING & CEMENTING SVS.	80,000		80,000
725.474 IDC MUD LOGGING	39,000		39,000
725.475 IDC MUD MATERIALS & CHEMICALS	175,000		175,000
725.478 IDC LOGGING & SIDEWALL CORING	45,000		45,000
725.482 IDC FORMATION TESTING	10,000		10,000
725.488 IDC TOOLS & EQUIPMENT RENTAL	230,000		230,000
725.490 IDC DRILLING DAY RATE	680,000		680,000
725.491 IDC FLOAT EQUIPMENT	17,000		17,000
725.492 IDC BITS, CORE BARRELS, ETC.	125,000		125,000
725.494 IDC OTHER SPECIAL WELL SERV.	30,000		30,000
725.501 IDC COMPANY LABOR	45,500		45,500
725.510 IDC CONTRACT SERVICES & EQUIP.	20,000		20,000
725.528 IDC COMMUNICATION SERVICES	1,500		1,500
725.539 IDC FUEL & POWER	65,000		65,000
725.545 IDC AUTO & TRUCK EXPENSE	15,000		15,000
725.599 IDC MISCELLANEOUS	248,700		248,700
TOTAL IDC EXPLORATORY DRILLING	1,906,700		1,906,700
ICC EXPLORATORY COMPLETION			
726.472 ICC ROAD, LOC, PITS & KEYWAYS		2,500	2,500
726.473 ICC CEMENTING & CEMENTING SVS.		7,500	7,500
726.475 ICC MUD MATERIALS & CHEMICALS		5,000	5,000
726.478 ICC LOGGING & SIDEWALL CORING		2,500	2,500
726.479 ICC PERFORATING		10,000	10,000
726.480 ICC STIMULATION TREATMENT		10,000	10,000
726.484 ICC TESTING TUBULAR GOODS		3,500	3,500
726.488 ICC TOOL & EQUIPMENT RENTAL		5,000	5,000
726.490 ICC COMPLETION RIG		17,000	17,000
726.491 ICC FLOAT EQUIPMENT		2,500	2,500
726.492 ICC BITS, CORE BARRELS, ETC.		350	350
726.494 ICC OTHER SPECIAL WELL SERVICE		10,000	10,000
726.501 ICC COMPANY LABOR		6,500	6,500
726.510 ICC CONTRACT SERVICES & EQUIP.		25,000	25,000
726.545 ICC AUTO & TRUCK		2,500	2,500
726.599 ICC MISCELLANEOUS COST & CONT.		16,478	16,478
TOTAL ICC EXPLORATORY COMPLETION		126,328	126,328
ICC PRODUCTION FACILITIES			
745.472 ICC ROAD, LOC, PITS & KEYWAYS		1,000	1,000
745.510 ICC CONTRACT SERVICES & EQUIP.		15,000	15,000
745.545 ICC AUTO & TRUCK EXPENSE		1,000	1,000
745.566 ICC WELDING SERVICES		7,500	7,500
745.567 ICC INSTAL ELECT/PNEU SYSTEM		5,000	5,000
745.568 ICC PAINTING SERVICES		1,500	1,500
745.599 ICC MISC. COSTS & CONTINGEN.		1,500	1,500
TOTAL ICC PRODUCTION FACILITIES		32,500	32,500
*** TOTAL INTANGIBLES	1,906,700	158,828	2,065,528
EXPLORATORY LEASE & WELL			
727.441 LWE SURFACE CASING 850' 13-3/8"	25,500		25,500



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PAGE: 2

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	DESCRIPTION	ESTIMATED DRYHOLE	ESTIMATED COMPLETION	TOTAL
727.442	LWE CONDUCTOR PIPE	6,500		6,500
727.443	LWE INTERMEDIATE CASING 5700' 9-5/8" & 12,700' 7"	302,300		302,300
727.445	LWE CASINGHEAD	5,000	5,000	10,000
727.446	LWE XMAS TREE		18,000	18,000
727.447	LWE COMPLETION EQUIPMENT		5,000	5,000
727.448	LWE RETRIEVABLE PACKER		5,000	5,000
727.449	LWE TUBING		85,000	85,000
727.460	PRODUCTION LINER 3400' 5"		40,800	40,800
727.469	LWE OTHER MATERIALS & EQUIP.	1,000	1,500	2,500
	TOTAL EXPLORATORY LEASE & WELL	340,300	160,300	500,600
LWE PRODUCTION FACILITIES				
746.153	LWE MISC. VALVES & FITTINGS		15,000	15,000
746.456	LWE FIELD LINES		5,000	5,000
746.457	LWE TANK, STAIR, WALK & MISC.		20,000	20,000
746.458	LWE SEPARATORS & FITTINGS		2,800	2,800
746.459	LWE HEATERS, TREATERS & CONN.		35,000	35,000
746.460	LWE POWER & CIRC. PUMP W/ACC		1,200	1,200
746.463	LWE METERS		4,000	4,000
746.469	LWE OTHER MATERIALS & EQUIP.		35,000	35,000
	TOTAL LWE PRODUCTION FACILITIES		118,000	118,000
***	TOTAL TANGIBLES	340,300	278,300	618,600
***	TOTAL ESTIMATED COST - GROSS	2,247,000	437,128	2,684,128

APPROVAL: _____
RICHARD L. WRIGHT

DATE: JUNE 15, 2004

AUTHORIZATION: _____
JERRY A. COOPER

DATE: JUNE 15, 2004

PARTICIPANT: _____

INTEREST: _____

BY: _____
NAME: _____
TITLE: _____
DATE: _____