

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 13,424

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 not yet finalized an agreement 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 E $\frac{1}{2}$  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 $\frac{1}{4}$ NE $\frac{1}{4}$  §30  
50% working interest  
(b) NE $\frac{1}{4}$  §30  
50% working interest  
(c) E $\frac{1}{2}$  §30  
43.75% working interest

(d) Copies of the letters applicant sent to ConocoPhillips Company are attached hereto as Exhibit B.

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(e) Pursuant to Division rules, applicant requests that a 200% risk charge be assessed against a 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 15<sup>th</sup> day of February, 2005 by R. Scott McDaniel.

  
Notary Public

My Commission Expires:  
9-30-08

