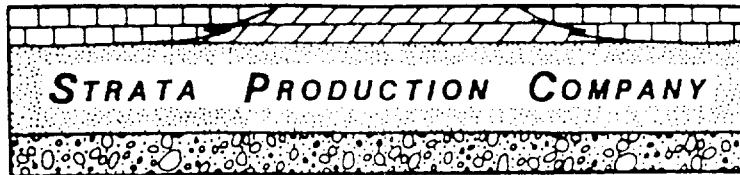


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ROSWELL, NEW MEXICO 88201

August 1, 1995

Via Telefax (505-827-8177)/Original by U.S. Mail

Mr. William LeMay, Director  
New Mexico Oil Conservation Division  
P.O. Box 6429  
Santa Fe, New Mexico 87504-6249

RE: Pogo Producing Company  
NMOCD Case No. 11,353

Dear Mr. LeMay,

Strata Production Company (Strata) has been provided with a copy of Pogo's Pre-Hearing Statement for the referenced Case. Strata is in agreement with and supportive of Pogo's proposed changes to Rule 303.C.

Strata is the operator of more than seventy (70) oil and gas wells located primarily in Lea and Eddy Counties, New Mexico. These wells currently produce in excess of 1300 BOPD and 4500 MCFGPD. Since 1988, Strata has initiated numerous exploration and development activities resulting in no less than six (6) new field discoveries. Most of these new fields produce from the Bone Springs or Delaware Formations. We have encountered numerous instances where it would be desirable to commingle the production from these and other formations.

We believe the changes proposed by Pogo will facilitate the approval process. It is our opinion that the changes proposed by Pogo to Rule 303.C. are necessary to maximize the recovery of oil and gas resources, protect correlative rights and is good public policy for the citizens of New Mexico and the nation. Strata respectfully requests that the NMOCD implement such changes and amend Rule 303.C. to provide for Administration Approval of Applications requesting certain types of downhole commingling.

We appreciate your consideration of Pogo's request and our support thereof.

Sincerely,

Strata Production Company

A handwritten signature in dark ink, appearing to read "Mark B. Murphy", is written over the typed name.

Mark B. Murphy  
President

MBM/cdr

cc: Mr. Terry Gant - Pogo Producing Company  
VIA Telefax 915-682-9139