



POGO PRODUCING COMPANY

January 5, 2001

New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Order № R-11330 (Case № 12308)
SEVEN RIVERS PROSPECT
Eddy County, New Mexico

OSAGE COM № 1 WELL (Well ID № 4685)

1,830' FSL and 1,980' FEL Section 18

T-20-S, R-25-E, N.M.P.M.

Pogo Leases № L1250, L1251, L1264.0 thru L1264.07 and L1265.0 & L1265.1

Gentlemen:

Please be advised that the captioned gas well was shut in on November 29, 2000, waiting on acquisition of right-of-way and installation of pipeline. It is anticipated that a pipeline will be connected to this well in the near future. However, since we are not sure exactly when the subject well will be connected and selling gas, and since some of the subject leases are beyond their primary term, we decided to make a shut-in payment on the appropriate leases.

Please place this letter in the case file. Should you have any questions regarding this matter, please do not hesitate to contact me at (915) 685-8127.

Very truly yours,

POGO PRODUCING COMPANY

Fred Schantz
Consulting Landman

FS/dkr