

Stegner

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Jul - 5 2000

July 1, 2000

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

Re: Case No. 12308  
Order No. R-11330  
Pogo Producing Company

M.S.

Dear Ms. Wrotenbery:

Pursuant to the terms of the above order, Pogo mailed an AFE to non-consenting interest owners by the enclosed letter. Pogo has come to terms with all interest owners under the order except for James T. Jennings and the Curtis Trust, who are the only non-consenting parties under the order.

Very truly yours,

  
James Bruce

Attorney for Pogo Producing Company



**POGO PRODUCING COMPANY**

CERTIFIED MAIL/  
RETURN RECEIPT REQUESTED

May 1, 2000

TO THE WORKING INTEREST  
OWNERS SHOWN ON EXHIBIT '1'

Re: Seven Rivers Prospect  
Eddy County, New Mexico  
Force Pooling Order R-11330  
Re-entry of the Osage #1 Well  
S/2 Section 18, T-20-S, R-25-E, N.M.P.M.

Ladies and Gentlemen:

Reference is made to that certain NMOCD order No. R-11330, a copy of which is attached hereto.

Pursuant to said NMOCD order, please find attached hereto POGO's AFE No. 560517 (in duplicate) to re-enter the plugged and abandoned Osage #1 Well located 1,830' FSL & 1,980' FEL of Section 18, T-20-S, R-25-E, N.M.P.M., Eddy County, New Mexico to a depth of 8,000' and attempt a completion in the Cisco/Canyon formation.

In the event you wish to participate in the subject operation, you have thirty (30) days from receipt of this letter with attached AFE to pay POGO your share of the estimated well costs as set out in such AFE; or be deemed a "Non-Consenting" working interest owner.

In addition, POGO has been authorized to charge for supervision \$4,250.00 per month during re-entry operations, and \$425.00 per month while producing such well.

In addition, please find enclosed herewith an Operating Agreement that has been prepared for your review in the event you desire to participate. You are not required to execute this Operating Agreement in the event you wish to participate and be governed by the subject NMOCD order.

However, if you wish to participate and after you review such Operating Agreement and desire to execute same, you will then be bound by the terms of same, and not the terms of the subject NMOCD order.

Osage No. 1 Re-entry Letter  
May 1, 2000  
Page Two

If you do elect to be bound by the Operating Agreement, please execute the extra signature pages and return same, along with an executed AFE and check in the amount of your share of the estimated costs of this operation, within thirty (30) days of your receipt hereof.


If you desire to participate but do not desire to be bound by the terms of the subject Operating Agreement, please send a check in the amount of your share of the estimated costs of this operation, within thirty (30) days of your receipt hereof.

Furthermore, depending upon the working interest owners elections, Exhibit "A" to the Joint Operating Agreement may be revised.

If you should have any questions, please give me a call at 915-683-9100.

Very truly yours,

POGO PRODUCING COMPANY

  
Fred Schantz  
Consulting Landman

FES/kac  
Enclosures

EXHIBIT "1"

Attached to and made a part of that certain letter dated May 1, 2000 from Pogo Producing Company to Working Interest Owners

Roberts and Koch  
1540 Independence Plaza  
400 West Illinois  
Midland, Texas 79701

Wayman W. Buchanan  
511 East Mandalay  
San Antonio, Texas 78212

Jack C. Cartwright  
P.O. Drawer 10250  
Midland, Texas 79702

Kirby Minerals, LC  
P.O. Box 57330  
Oklahoma City, Oklahoma 73157

Gene F. Lange & Co.  
6995 South Chapparral Circle West  
Aurora, Colorado 80016

David T. Holt  
P.O. Box 844  
Clarksville, Tennessee 37041

James T. Jennings and Francis Jennings  
P.O. Box 1180  
Roswell, New Mexico 88202

Devon Energy Corporation  
20 North Broadway, Suite 1500  
Oklahoma City, Oklahoma 73102-8260  
Attention: Mr. David Whitten

Nearburg Exploration Company, LLC  
3300 North "A" Street  
Building 2, Suite 120  
Midland, Texas 79705  
Attention: Mr. Mark Wheeler

Loneta S. Curtis, Trustee under the  
Declaration and Agreement of  
Loneta S. Curtis Living Trust  
dated 3-24-92  
605 South 15<sup>th</sup> Street  
Artesia, New Mexico 88210

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Loneta S. Curtis, Trustee  
605 South 15<sup>th</sup> Street  
Artesia, NM 88210

4a. Article Number

P 389 505 946

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☒ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

5.4.00

5. Received By: (Print Name)

Loneta S. Curtis

6. Signature: (Addressee or Agent)

X Loneta S. Curtis

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
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- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

James T. and Francis Jennings  
P.O. Box 1180  
Roswell, New Mexico 88202

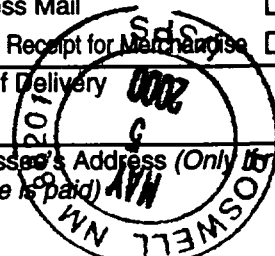
4a. Article Number

P 389 505 972

4b. Service Type

- ☐ Registered ☒ Certified  
☐ Express Mail ☐ Insured  
☒ Return Receipt for Merchandise ☐ COD

7. Date of Delivery



5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X Ray Eroder

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

POGO PRODUCING COMPANY  
AUTHORITY FOR EXPENDITURE FOR \$358,505  
GROSS AFE - DETAILED

PAGE: 1

AFE#: 560517 WO OSAGE #1

WELL: 4685 OSAGE #1

PROSPECT: SEVEN RIVERS PROSPECT

FIELD: TO BE DETERMINED - C/O

COUNTY/PARISH: EDDY

STATE: NM

ADDITIONAL COMMENTS: RE-ENTER & TEST THE CISCO/CANYON IN THE OSAGE #1

LOCATED 1830' FSL & 1980' FEL, SECTION 18, T20S,  
R25E, EDDY COUNTY, NM.

OPERATOR: POGO PRODUCING COMPANY

AFE TYPE: CAPITAL WORKOVERS

DATE: 08/26/99

WELL TYPE:

FORMATION: CISCO/CANYON

TOTAL DEPTH: 8,000'

	DESCRIPTION	ESTIMATED COMPLETION	TOTAL
WORKOVER COMPLETION			
736.472	ICC ROAD, LOC, PITS & KEYWAYS	18,000	18,000
736.473	ICC CEMENTING & CEMENTING SVS	12,000	12,000
736.475	ICC MUD MATERIALS & CHEMICALS	15,000	15,000
736.478	ICC LOGGING & SIDEWALL CORING	5,000	5,000
736.479	ICC PERFORATING	1,500	1,500
736.480	ICC STIMULATION TREATMENT	7,500	7,500
736.484	ICC TESTING TUBULAR GOODS	2,000	2,000
736.488	ICC TOOL & EQUIPMENT RENTAL	15,000	15,000
736.490	ICC COMPLETION RIG	23,800	23,800
736.491	ICC FLOAT EQUIPMENT	1,000	1,000
736.492	ICC BITS, CORE BARRELS ETC.	2,500	2,500
736.494	ICC OTHER SPECIAL WELL SVS	7,500	7,500
736.510	ICC CONTRACT SERVICES & EQUIP.	7,500	7,500
736.545	ICC AUTO & TRUCK EXPENSE	5,000	5,000
736.599	ICC MISCELLANEOUS COST & CONT.	12,330	12,330
	TOTAL WORKOVER COMPLETION	135,630	135,630
ICC PRODUCTION FACILITIES			
745.472	ICC ROAD, LOC, PITS & KEYWAYS	1,000	1,000
745.510	ICC CONTRACT SERVICES & EQUIP.	10,000	10,000
745.566	ICC WELDING SERVICES	1,500	1,500
745.568	ICC PAINTING SERVICES	2,500	2,500
	TOTAL ICC PRODUCTION FACILITIES	15,000	15,000
***	TOTAL INTANGIBLES	150,630	150,630
LWE WORKOVER LEASE & WELL			
737.444	LWE PRODUCTION CASING 5700' 4-1/2" 11.6# J-55	27,075	27,075
737.445	LWE CASINGHEAD	4,500	4,500
737.446	LWE XMAS TREE	5,000	5,000
737.447	LWE COMPLETION EQUIPMENT	22,500	22,500
737.449	LWE TUBING 7800' 2-3/8" L-80	19,500	19,500
737.469	LWE OTHER MATERIALS & EQUIP	5,000	5,000
	TOTAL LWE WORKOVER LEASE & WELL	83,575	83,575
LWE PRODUCTION FACILITIES			
746.153	LWE MISC. VALVES & FITTINGS	10,000	10,000
746.451	LWE PUMPING EQUIPMENT	48,000	48,000
746.452	LWE GAS ENGINES & ELECT MOTORS	3,500	3,500
746.453	LWE ELECTRIC LINES, POLES	15,000	15,000
746.454	LWE BOTTOM HOLE PUMP	3,500	3,500
746.456	LWE FIELD LINES	10,000	10,000
746.457	LWE TANK, STAIR, WALK & MISC.	18,500	18,500
746.458	LWE SEPARATORS & FITTINGS	3,000	3,000
746.459	LWE HEATERS, TREATERS & CONN.	7,500	7,500
746.463	LWE METERS	2,800	2,800
746.469	LWE OTHER MATERIALS & EQUIP.	2,500	2,500
	TOTAL LWE PRODUCTION FACILITIES	124,300	124,300
***	TOTAL TANGIBLES	207,875	207,875
***	TOTAL ESTIMATED COST - GROSS	358,505	358,505

APPROVAL:

Richard L. Wright

DATE: August 26, 1999

AUTHORIZATION:

Gerry A. Cooper

DATE: August 26, 1999

PARTICIPANT:

INTEREST:

BY:

NAME:

TITLE:

DATE: