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MAR 27 2001

March 26, 2001

**BY FACSIMILE AND U. S. MAIL**  
FAX NO. (505) 476-3462

Michael E. Stogner  
Hearing Examiner  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and natural Resources.  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87504

Re: Case 12619: Application of Pogo Producing Company for an unorthodox location,  
Lea County, New Mexico.

Dear Mr. Stogner:

This is in response to Jim Bruce's letter of this date in which he requested a special hearing date for the above referenced case and other cases involving current issues between EOG and Pogo. As you are aware, on March 19, 2001, EOG requested a continuance of this case to April 19<sup>th</sup>. By letter dated March 21, 2001, the Division continued the case to April 19<sup>th</sup>. This continuance was needed to enable EOG to obtain data from Pogo and to be prepared to make recommendations as to the risk penalty which should be imposed on the Pogo well to offset the advantage it is gaining on the adjoining EOG tract. EOG believes that April 19<sup>th</sup> is the earliest possible date that the parties can be prepared for the hearing.

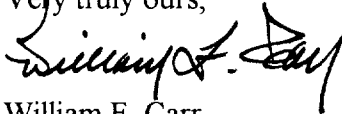
It is EOG's understanding that Pogo has drilled its WBR Fed Com Well No. 5 including two side tracks. The data from this well is necessary to determine the recoverable reserves under the Pogo spacing unit and to determine what penalty which should be imposed on Pogo's unorthodox well location.

Although EOG had requested information from Pogo on this well, on March 20<sup>th</sup> we had to obtain a subpoena from the Division directing Pogo to produce certain data to EOG. The subpoena was served on Jim Bruce on March 20<sup>th</sup> but to date no data has been produced. Pogo has also obtained

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subpoenas seeking data from EOG and we have agreed to provide to Pogo this data and other information without the need for an additional subpoena. In any event, it will take time once the subpoenaed data is received to review it and prepare for hearing. If the subpoenaed data is received in the near future, EOG will be ready to proceed on April 19<sup>th</sup>. If not, an additional continuance may be necessary.

I agree with Mr. Bruce that all of the cases which relate to the issues between Pogo and EOG should be heard at the same time. The special hearing date he requests is less than a week prior to the currently scheduled April 19<sup>th</sup> hearing. EOG believes that is the preferable hearing date for these cases.

Very truly yours,  
  
William F. Carr

cc: Larry Cunningham  
EOG Resources, Inc.

James Bruce, Esq.  
By Facsimile and Mail  
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