



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

August 30, 1998

Pogo Producing Company
c/o James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504-1056

Administrative Order NSL-4121

Dear Mr. Bruce:

Reference is made to your application on behalf of the operator, Pogo Producing Company ("Pogo"), dated July 31, 1998, for an unorthodox Delaware oil well location for its proposed Lost Tank "4" Federal Well No. 7 to be drilled 1330 feet from the North line and 660 feet from the East line (Unit H) of Section 4, Township 22 South, Range 31 East, NMPM, West Lost Tank-Delaware Pool, Eddy County, New Mexico. The SE/4 NE/4 of Section 4 is to be dedicated to well in order to form a standard 40-acre oil spacing and proration unit.

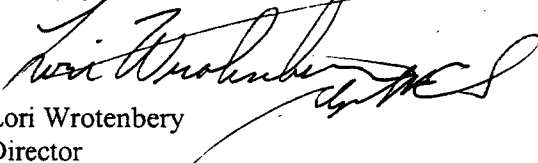
It is our understanding the proposed Lost Tank "4" Federal Well No. 7 is within the Oil/Potash "R-111-P" area, and is therefore subject to all applicable restrictions and rules therein. Further, it is our understanding the original location proposed by Pogo for this well, which was to be at a standard oil well location 1650 feet from the North line and 430 feet from the East line of Section 4, was unacceptable to the U.S. Bureau of Land Management based on "potash concerns," but a move 395 feet to the northwest was acceptable.

Also, all of said Section 3 and Lots 1, 2, and 3, the S/2 N/2, and the S/2 of Section 4, Township 22 South, Range 31 East, NMPM, Eddy County, New Mexico is a single Federal lease (U. S. Government lease No. NM-0417696) in which Pogo is the operator; therefore, there are no affected offsets to the subject 40-acre tract other than Pogo.

The subject application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox oil well location within the West Lost Tank-Delaware Pool is hereby approved.

Sincerely,

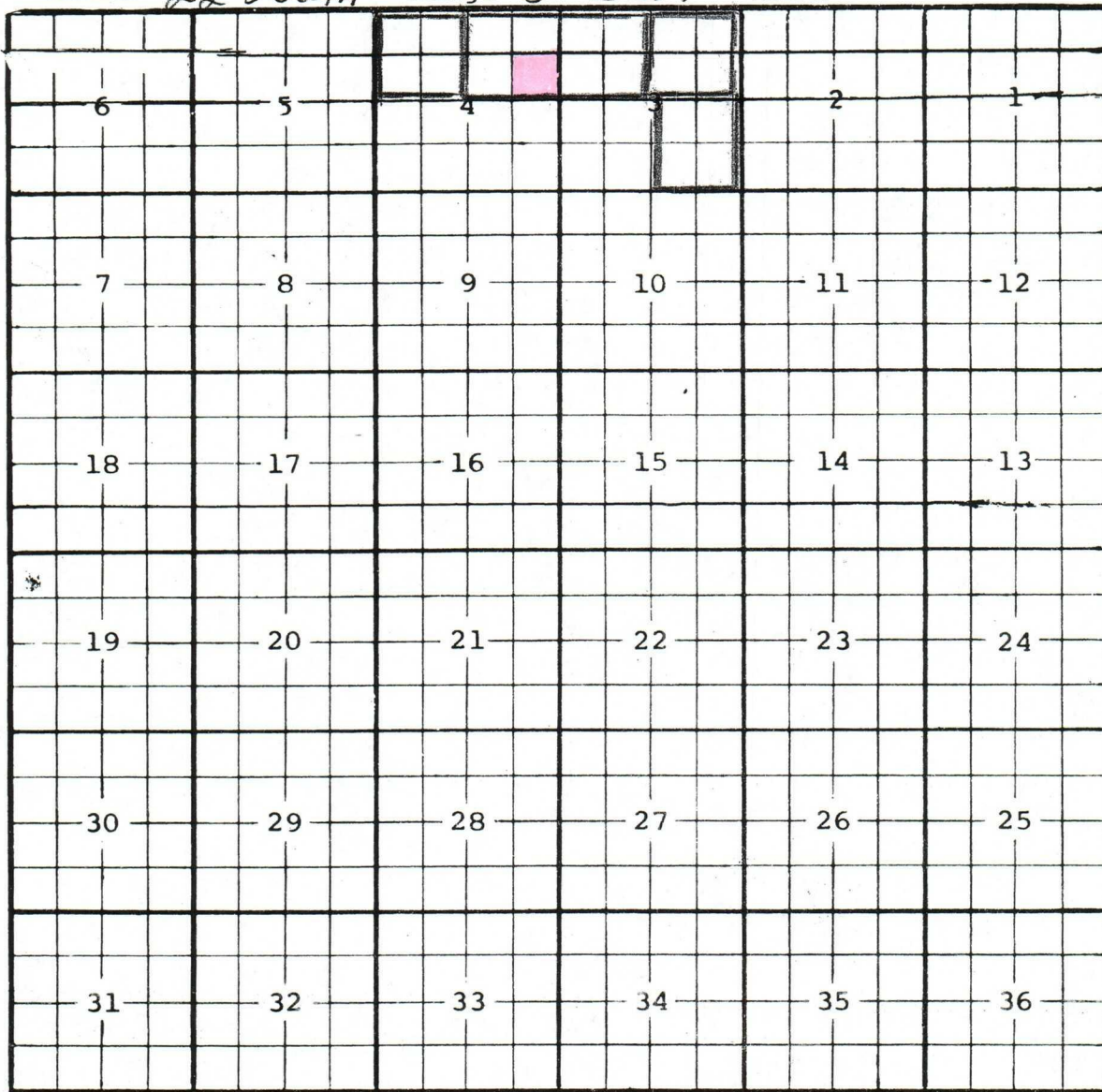

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad

County Eddy Pool West Lost Tank-Delaware

TOWNSHIP 22 South Range 31 East NMPM



Description: NW 1/4 Sec. 4 (R-10787, 4-9-97)

Ext: NW 1/4 Sec. 3, NE 1/4 Sec. 4 (R-10951, 2-4-98) Ext: NE 1/4 Sec. 3 (A-11384, 5-25-00)

Ext: SE 1/4 Sec. 3 (A-12002, 8-11-03)

CMD : ONGARD 03/23/04 11:00:25
 OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPVQ

API Well No : 30 15 30414 Eff Date : 11-01-1998 WC Status : A
 Pool Idn : 96582 LOST TANK; DELAWARE, WEST
 OGRID Idn : 17891 POGO PRODUCING CO
 Prop Idn : 17955 LOST TANK 4 FEDERAL

Well No : 007
 GL Elevation: 3461

U/L Sec Township Range North/South East/West Prop/Act (P/A)

 B.H. Locn : H 4 22S 31E FTG 1330 F N FTG 660 F E P
 Lot Identifier:
 Dedicated Acre: 40.00
 Lease Type : F
 Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll
 PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06
 PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC

CMD :
OG6IPRD INQUIRE PRODUCTION BY POOL/Well

03/23/04 11:01:22
OGOMES -TPVQ
Page No: 6

OGRID Identifier : 17891 POGO PRODUCING CO
Pool Identifier : 96582 LOST TANK; DELAWARE, WEST
API Well No : 30 15 30414 Report Period - From : 01 2000 To : 01 2004

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 15 30414	LOST TANK 4 FEDERAL	12 02 26	1465 368 602	P
30 15 30414	LOST TANK 4 FEDERAL	01 03 31	1822 400 623	P
30 15 30414	LOST TANK 4 FEDERAL	02 03 28	1801 345 512	P
30 15 30414	LOST TANK 4 FEDERAL	03 03 31	1966 353 575	P
30 15 30414	LOST TANK 4 FEDERAL	04 03 30	1853 322 535	P
30 15 30414	LOST TANK 4 FEDERAL	06 03 30	719 595 2449	P
30 15 30414	LOST TANK 4 FEDERAL	07 03 31	2268 1078 1870	P

Reporting Period Total (Gas, Oil) :

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PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPool PF11 NXTOGD PF12

CMD : ONGARD 03/23/04 11:01:24
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TPVQ
 Page No: 7

OGRID Identifier : 17891 POGO PRODUCING CO
 Pool Identifier : 96582 LOST TANK; DELAWARE, WEST
 API Well No : 30 15 30414 Report Period - From : 01 2000 To : 01 2004

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 15 30414	LOST TANK 4 FEDERAL	08 03 31	2196 953 1595	P
30 15 30414	LOST TANK 4 FEDERAL	09 03 30	2401 918 1565	P
30 15 30414	LOST TANK 4 FEDERAL	10 03 31	2338 922 1691	P
30 15 30414	LOST TANK 4 FEDERAL	11 03 30	2299 783 1519	P
30 15 30414	LOST TANK 4 FEDERAL	12 03 31	2827 909 1720	P
30 15 30414	LOST TANK 4 FEDERAL	01 04 31	3343 870 1037	P

Reporting Period Total (Gas, Oil) : 85566 24547 39956

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PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPPOOL PF11 NXTOGD PF12