



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

October 9, 1997

**Pogo Producing Company
c/o Hinkle, Cox, Eaton, Coffield & Hensley, L.L.P.
Attention: James Bruce
P.O. Box 2068
Santa Fe, New Mexico 87504-2068**

Administrative Order NSL-3883

Dear Mr. Bruce:

Reference is made to your application on behalf of the operator, Pogo Producing Company ("Pogo"), dated August 27, 1997, for an unorthodox Delaware oil well location for its proposed Lost Tank "3" Federal Well No. 3 (API No. 30-015-29859), to be drilled 1450 feet from the North line and 1650 feet from the West line (Unit F) of Section 3, Township 22 South, Range 31 East, NMPM, Undesignated Lost Tank-Delaware Pool or Undesignated West Lost Tank-Delaware Pool, Eddy County, New Mexico. The SE/4 NW/4 of said Section 3 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit.

It is our understanding the proposed Lost Tank "3" Federal Well No. 3 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 and West lines of said Section 3, was unacceptable to the U.S. Bureau of Land Management based on "potash concerns" and requested Pogo move to an acceptable alternate location 200 feet to the north.

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 in which Pogo is the operator; therefore, there are no effected 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 for either the Undesignated Lost Tank-Delaware Pool

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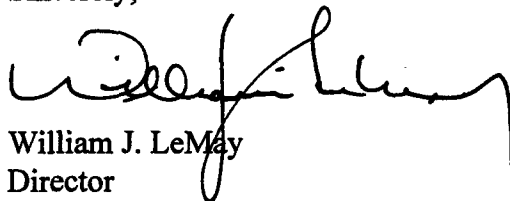
Pogo Producing Company

October 9, 1997

Page 2

or Undesignated West Lost Tank-Delaware Pool is hereby approved.

Sincerely,



William J. LeMay

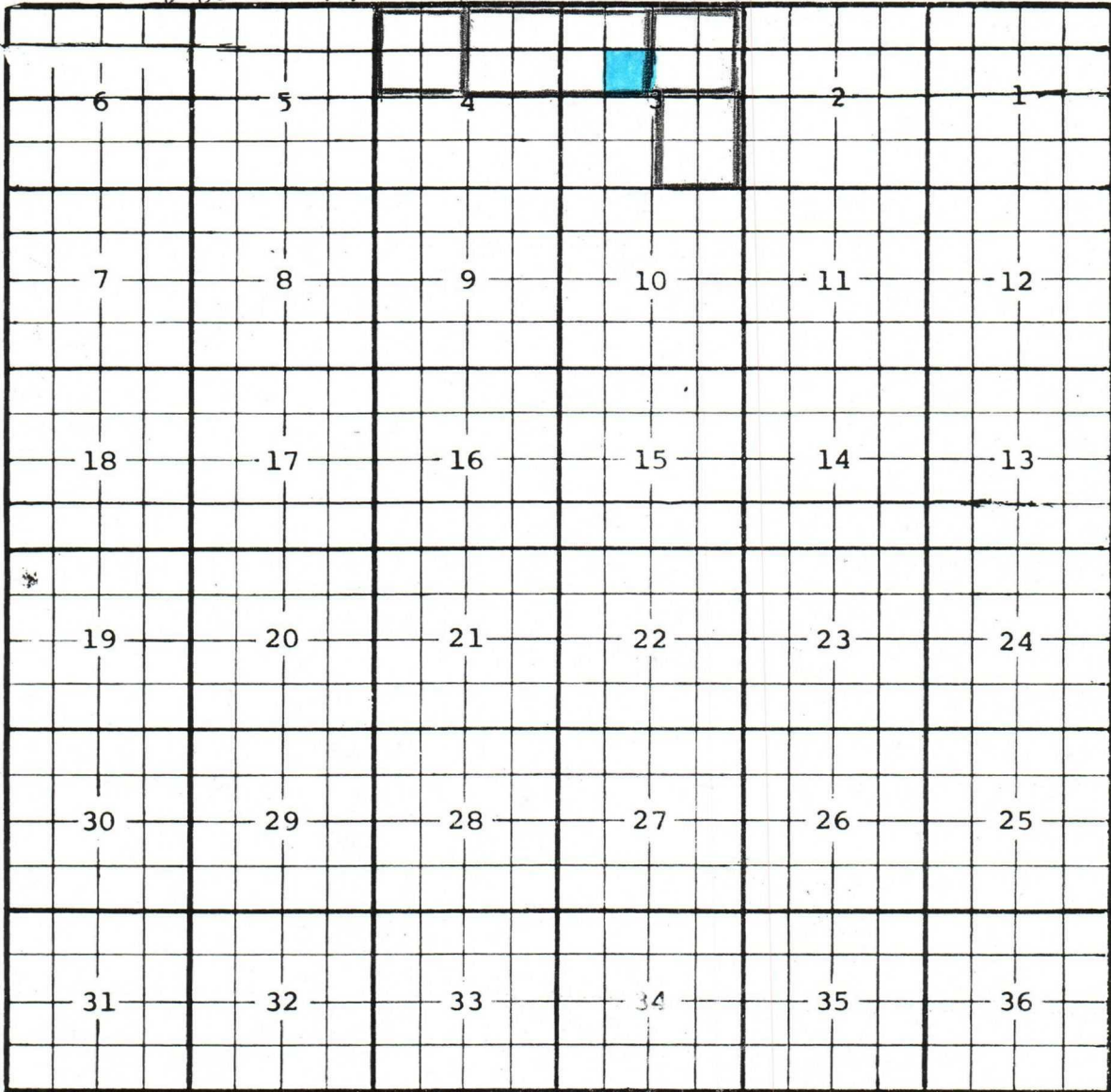
Director

WJL/MES/kv

cc: 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/4 Sec. 4 (R-10787, 4-9-97)

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

Ext: SE/4 Sec. 3 (R-12003, 8-11-03)

CMD : ONGARD
OG6IWC M INQUIRE WELL COMPLETIONS

03/23/04 13:44:59
OGOMES -TPVQ

API Well No : 30 15 29859 Eff Date : 11-15-1997 WC Status : A
Pool Idn : 96582 LOST TANK, DELAWARE, WEST
OGRID Idn : 17891 POGO PRODUCING CO
Prop Idn : 20943 LOST TANK 3 FEDERAL

Well No : 003
GL Elevation: 3479

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

B.H. Locn : F 3 22S 31E FTG 1450 F N FTG 1650 F W A
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 NXRREC

CMD : ONGARD 03/23/04 13:45:14
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TPVQ
 Page No: 1

OGRID Identifier : 17891 POGO PRODUCING CO
 Pool Identifier : 96582 LOST TANK; DELAWARE, WEST
 API Well No : 30 15 29859 Report Period - From : 01 2003 To : 01 2004

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 15 29859	LOST TANK 3 FEDERAL	01 03 31	1489 1004 1410	P
30 15 29859	LOST TANK 3 FEDERAL	02 03 28	1361 933 1064	P
30 15 29859	LOST TANK 3 FEDERAL	03 03 31	1849 936 947	P
30 15 29859	LOST TANK 3 FEDERAL	04 03 30	1779 922 1000	P
30 15 29859	LOST TANK 3 FEDERAL	06 03 30	1830 878 1200	P
30 15 29859	LOST TANK 3 FEDERAL	07 03 31	2104 798 1685	P
30 15 29859	LOST TANK 3 FEDERAL	08 03 31	1793 879 1314	P

Reporting Period Total (Gas, Oil) : -----

M0025: Enter PF keys to scroll
 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 13:45:17
 OGD6IPRD INQUIRE PRODUCTION BY POOL/WELL OGD6MES -TPVQ
 Page No: 2

OGRID Identifier : 17891 POGO PRODUCING CO
 Pool Identifier : 96582 LOST TANK; DELAWARE, WEST
 API Well No : 30 15 29859 Report Period - From : 01 2003 To : 01 2004

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 15 29859	LOST TANK 3 FEDERAL	09 03 30	1552 802 1233	P
30 15 29859	LOST TANK 3 FEDERAL	10 03 31	1516 905 1221	P
30 15 29859	LOST TANK 3 FEDERAL	11 03 30	1344 856 1250	P
30 15 29859	LOST TANK 3 FEDERAL	12 03 31	1723 861 1508	P
30 15 29859	LOST TANK 3 FEDERAL	01 04 31	1523 831 803	P

Reporting Period Total (Gas, Oil) : 19863 10605 14635

E0049: User may continue scrolling.

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