

| | | | | | |
|--|------------------------------|-------------------------|-------------------------|-----------------|--------------------------------|
| DATE IN 5-3-04 <u>5/20/04</u> | SUBMITTER 5-23-04 | ENGINEER <u>Stogner</u> | LOGGED IN <u>5-3-04</u> | TYPE <u>NSL</u> | APP NO. <u>PSEM 0412430264</u> |
|--|------------------------------|-------------------------|-------------------------|-----------------|--------------------------------|

4/30/04

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce

Attorney for Applicant

Print or Type Name

Signature

Title

Date

jamesbruce@aol.com

e-mail Address

JAMES BRUCE
ATTORNEY AT LAWPOST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

April 30, 2004

Via fax and U.S. MailMichael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F.(2), Pogo Producing Company applies for administrative approval of an unorthodox gas well location in the Wolfcamp formation for the following well:

| | |
|-------------------|--|
| <u>Well:</u> | Paladin 18 Fed. Well No. 1 |
| <u>Location:</u> | 660 feet FNL & 2500 feet FWL |
| <u>Well Unit:</u> | W $\frac{1}{2}$ of Section 18, Township 26 South, Range 30 East, N.M.P.M., Eddy County, New Mexico |

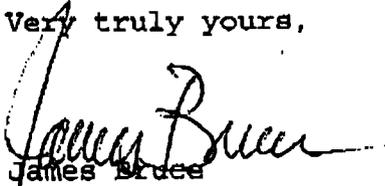
The well will be drilled to a depth sufficient to test the Wolfcamp formation (Undesignated Southwest Ross Draw-Wolfcamp Gas Pool). A Form C-102 for the well has not yet been prepared, but will be filed when prepared.

The application is based on geology in the Wolfcamp formation. Attached as Exhibit A is an isopach map of the Wolfcamp formation, together with a geological write-up. The unorthodox location is required in order for the well to penetrate the thickest part of the Wolfcamp feature.

Attached as Exhibit B is a land plat. The acreage affected by the location (the E $\frac{1}{2}$ of Section 18 and the S $\frac{1}{2}$ of Section 7) are covered by federal lease NM 31649, owned by Yates Petroleum Corporation, et al. The offset owners are being notified of this application by certified mail. See Exhibit C.

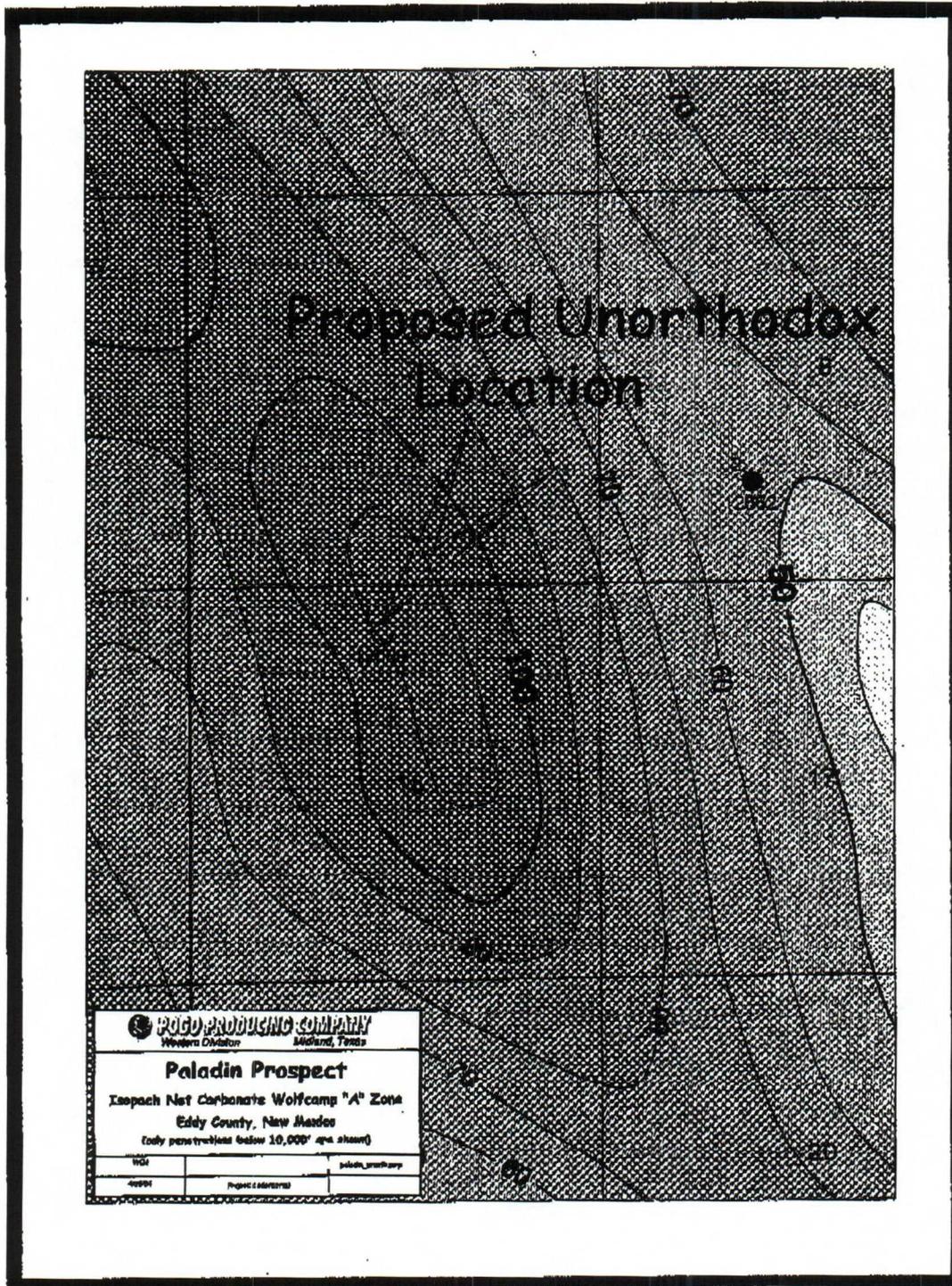
Please call me if you need anything further on this matter.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above the typed name.

James Bruce

Attorney for Pogo Producing Company



**Pogo Producing Company
Paladin 18 Fed #1**

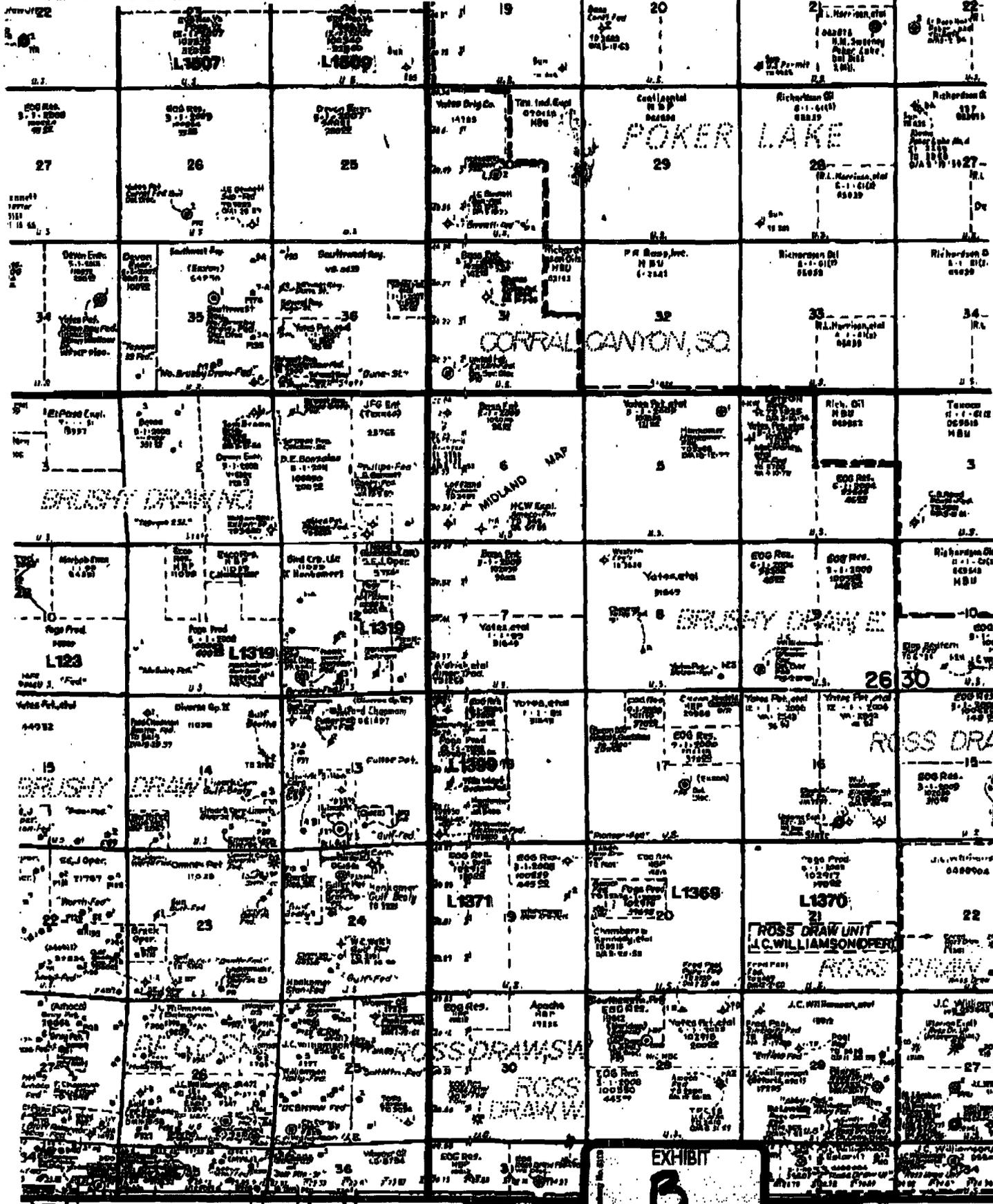
Application for Unorthodox Location due to Geologic Reasons

1. Pogo requests approval for the proposed Paladin 18 Fed #1 well at an unorthodox location due to geological considerations.
2. The proposed well has a planned total depth of 12,000', which will test prospective gas producing targets in the Wolfcamp Carbonate and oil zones in the Delaware sand.
3. The proposed well is located near the thickest portion of a Wolfcamp detrital carbonate (debris flow), as determined from regional subsurface mapping (see attached exhibit).
4. In order to maximize the possibility of encountering commercial gas reserves, it is necessary to penetrate the thickest portion of the carbonate debris flow reservoir.
5. The proposed location allows Pogo to test the Wolfcamp Carbonate at its thickest interval within the proration unit.

04/30/2004 16:22 FAX 432 885 8151

Pogo Prod Co - Land Dept

002



LOVING County

EXHIBIT B

R-30-E

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruce@aol.com

April 30, 2004

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Yates Petroleum Corporation
Yates Drilling Company
Abo Petroleum Corporation
MYCO Industries, Inc.
105 South Fourth Street
Artesia, New Mexico 88210

Gentlemen:

Enclosed is a copy of an application for an unorthodox gas well location, filed with the New Mexico Oil Conservation Division by Pogo Producing Company, regarding a well in the W $\frac{1}{4}$ of Section 18, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico. If you object to the application, you must file a written objection with the Division by May 20, 2004 (1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,



James Bruce

Attorney for Pogo Producing Company



5-4-04

DATE IN

SUSPENSE

Stagner
ENGINEER

LOGGED IN

5-4-04

TYPE

NSL

APPROVED

RECEIVED

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



MAY 04 2004

CONSERVATION
DIVISION

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[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

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 - NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 - DHC CTB PLC PC OLS OLM

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Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce

Print or Type Name

James Bruce
Signature

Attorney for Applicant

Title

Date

4/30/04

jamesbruc@aol.com

e-mail Address

This record was deleted

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

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jamesbruc@aol.com

April 30, 2004

Via fax and U.S. Mail

Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

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| <u>Location:</u> | 660 feet FNL & 2500 feet FWL |
| <u>Well Unit:</u> | W½ of Section 18, Township 26 South, Range 30 East, N.M.P.M., Eddy County, New Mexico |

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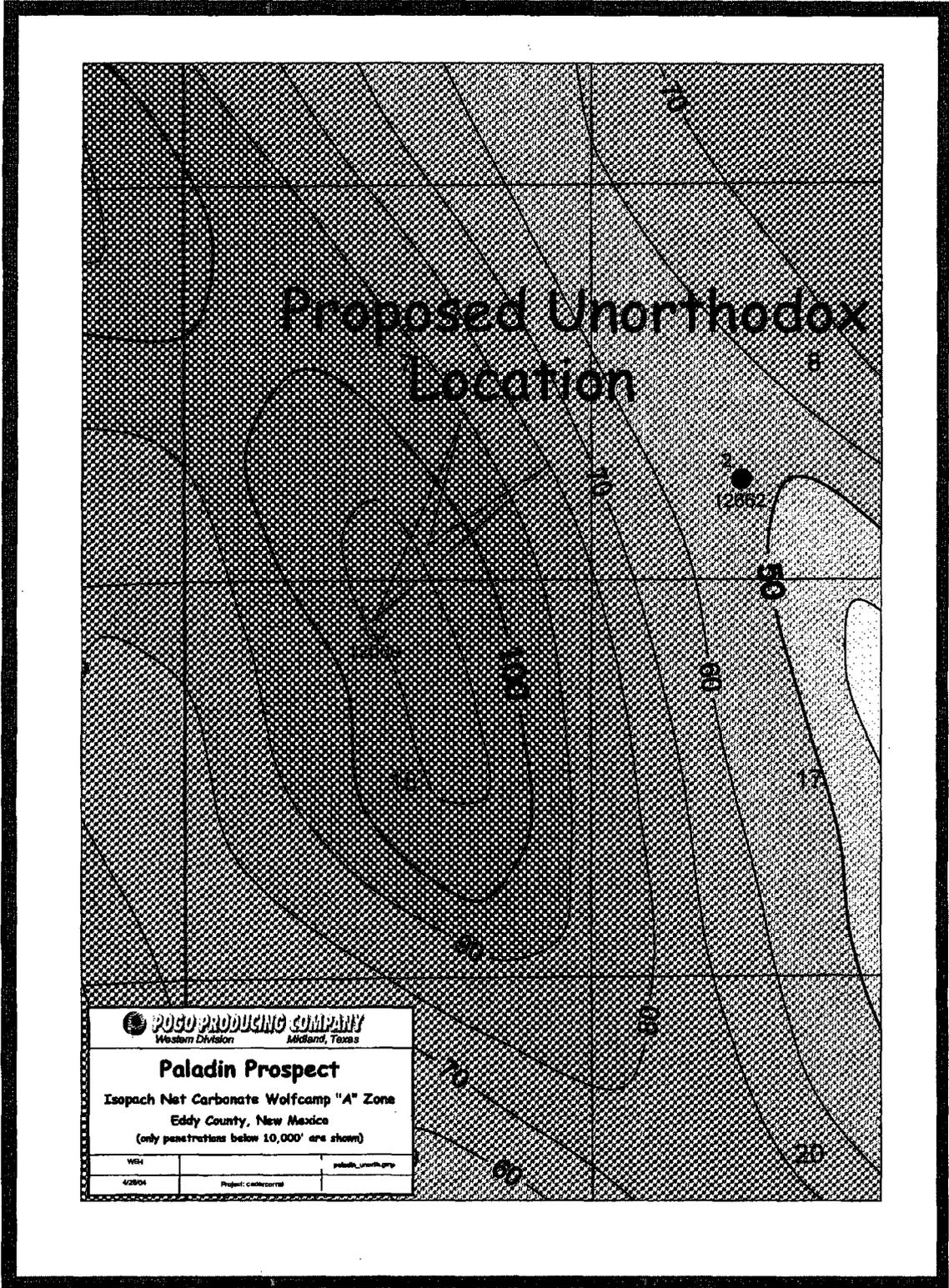
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Very truly yours,

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James Bruce

Attorney for Pogo Producing Company

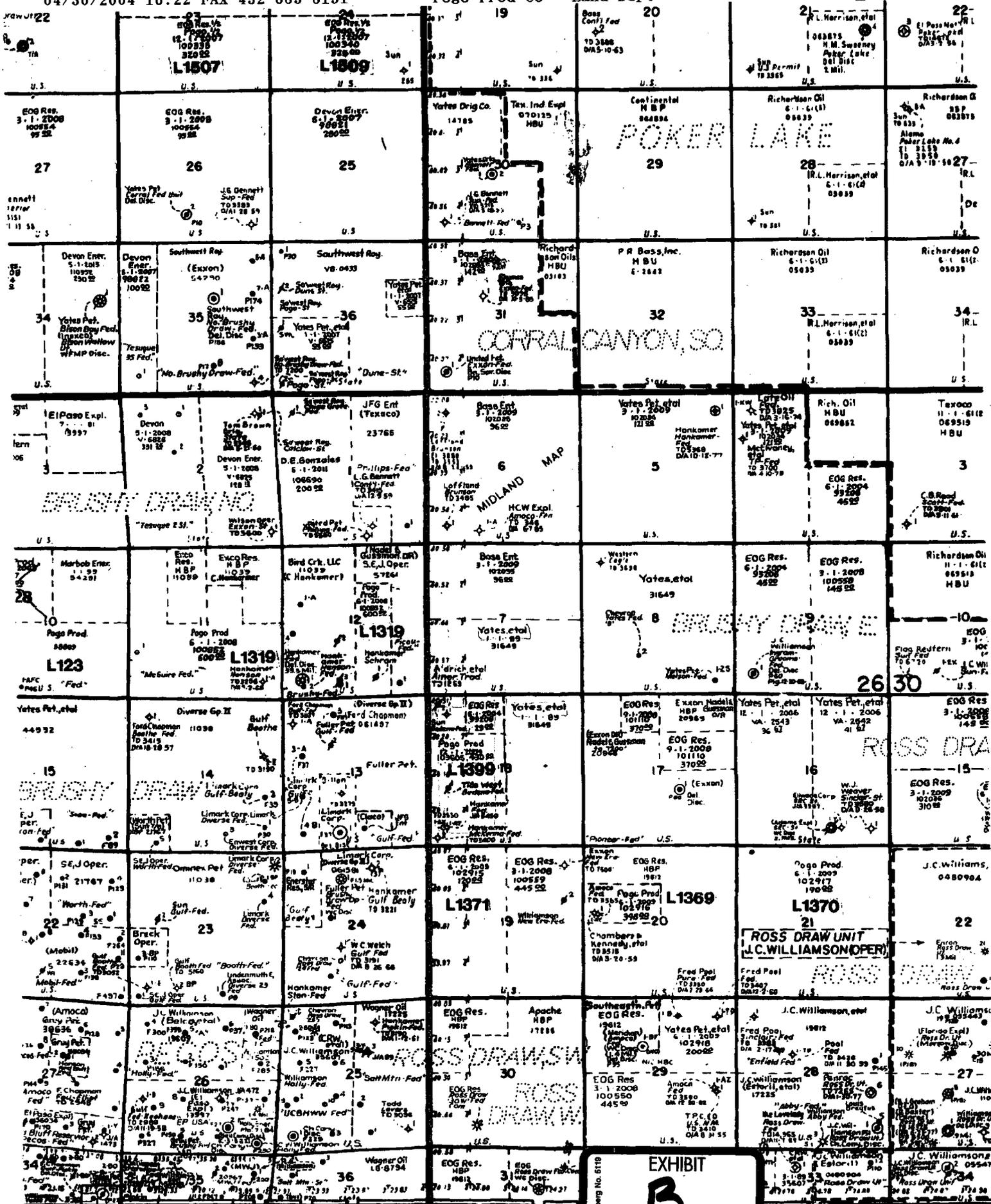


Blumberg No. 5119
EXHIBIT
A

**Pogo Producing Company
Paladin 18 Fed #1**

Application for Unorthodox Location due to Geologic Reasons

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5. The proposed location allows Pogo to test the Wolfcamp Carbonate at its thickest interval within the proration unit.



Blumberg No. 5118

EXHIBIT

B

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

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jamesbruc@aol.com

April 30, 2004

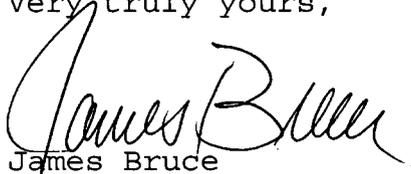
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Very truly yours,


James Bruce

Attorney for Pogo Producing Company



County Eddy

Pool Brushy Draw-Wolfcamp 97136

TOWNSHIP

26 South

Range

30 East

NMPM

| | | | | | |
|----|----|----|----|----|----|
| 6 | 5 | 4 | 3 | 2 | 1 |
| 7 | 8 | 9 | 10 | 11 | 12 |
| 18 | 17 | 16 | 15 | 14 | 13 |
| 19 | 20 | 21 | 22 | 23 | 24 |
| 30 | 29 | 28 | 27 | 26 | 25 |
| 31 | 32 | 33 | 34 | 35 | 36 |

Description: SW 1/4 Sec. 8 (R-11705, 12-13-01)

Sec : 18 Twp : 26S Rng : 30E Section Type : NORMAL

| | | | |
|--|--|-----------------------------|-----------------------------|
| 1 40.31 Federal owned | C 40.00 Federal owned | B 40.00 Federal owned | A 40.00 Federal owned |
| 2 40.24 Federal owned | F 40.00 Federal owned | G 40.00 Federal owned | H 40.00 Federal owned |
| 3 40.18 Federal owned | K 40.00 Federal owned | J 40.00 Federal owned | I 40.00 Federal owned |
| A Federal owned | N 40.00 Federal owned | O 40.00 Federal owned | P 40.00 Federal owned |
| 4 40.11 Federal owned | | | |

80.55

80.29

160.84

320.84