



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

May 27, 1993

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Pogo Producing Company
c/o Hinkle, Cox, Eaton, Coffield & Hensley
P.O. Box 2068
Santa Fe, NM 87504-2068

Attention: James Bruce

Administrative Order NSL-3242

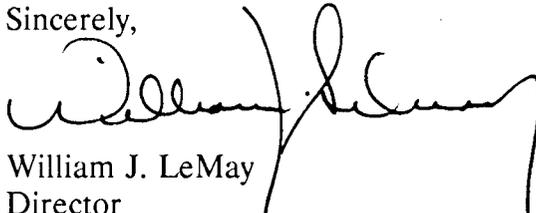
Dear Mr. Bruce:

Reference is made to your application dated May 18, 1993 on behalf of the operator, Pogo Producing Company (Pogo) for an unorthodox gas well location for the State V-492 Well No. 3 to be drilled 1980 feet from the South line and 1350 feet from the West line (Unit K) of Section 27, Township 24 South, Range 28 East, NMPM, to test both the Salt Draw-Atoka Gas Pool and Undesignated Malaga-Morrow Gas Pool, Eddy County, New Mexico.

The S/2 of said Section 27 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for both pools.

By the authority granted me under the provisions of General Rule 104.F.(1), the above-described unorthodox gas well location is hereby approved.

Sincerely,



William J. LeMay
Director

cc: Oil Conservation Division - Artesia
NM State Land Office - Santa Fe
US Bureau of Land Management - Carlsbad
File: Case No. 10734

REMARKS: This application further requested to include the Delaware, Bone Spring, Wolfcamp and Strawn intervals in the provisions of this order. In that General Rule 104.F.(1) provides for an administrative procedure for the recompletion of wells drilled to deeper horizons, and the closeness of this location to a federal/state lease line whereby it would obviously require a directional survey of the wellbore to properly determine the bottomhole location in a zone with 40-acre spacing, and that the subject application did not list any affected pools other than the two listed above. Only the Morrow and Atoka intervals shall be covered by this order.