

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

Case No. 13023
Order No. R-12000

**APPLICATION OF POGO PRODUCING COMPANY FOR AN EXCEPTION TO
DIVISION RULES TO ALLOW TWO OPERATORS IN A SINGLE WELL UNIT,
OR IN THE ALTERNATIVE, FOR TWO NON-STANDARD GAS SPACING UNITS,
EDDY COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing on March 13 and April 10, 2003 at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 8th day of August, 2003, the Division Director, having considered the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.

(2) The applicant, Pogo Producing Company ("Pogo"), seeks an order from the Division allowing: (i) Pogo to simultaneously operate its proposed State "19" Com. Well No. 2 (API No. 30-015-32612), to be drilled to a standard gas well location 1980 feet from the South line and 660 feet from the West line (Lot 3/Unit L) of Section 19, Township 20 South, Range 27 East, NMPM, Eddy County, New Mexico; and (ii) Atasca Resources, Inc. to continue operating its State "19" Com. Well No. 1 (API No. 30-015-20160), located at a standard gas well location 1650 feet from the North and West lines (Unit F) of Section 19, within the existing standard 639.80-acre gas spacing unit in the McMillan-Morrow Gas Pool (81240) comprising all of Section 19 (see the "*Special Rules and Regulations for the McMillan-Morrow Gas Pool.*" as promulgated by Division Order No. R-2917-C, issued in Case No. 12463 on August 28, 2000). IN THE ALTERNATIVE, applicant seeks an order creating the following two non-standard lay-down gas spacing units in the McMillan-Morrow Gas Pool:

(a) the 319.65 acres comprising Lots 1 and 2, the NE/4, and the E/2 NW/4 (N/2 equivalent) of Section 19 to be dedicated to Atasca's above-described State "19" Com. Well No. 1; and

(b) the 320.15 acres comprising the Lots 3 and 4, the E/2 SW/4, and the SE/4 (S/2 equivalent) of Section 19 to be dedicated to Pogo's proposed State "19" Com. Well No. 2, as described above.

(3) Pogo, Atasca, and Tribo Production Company were represented by legal counsel at both hearings.

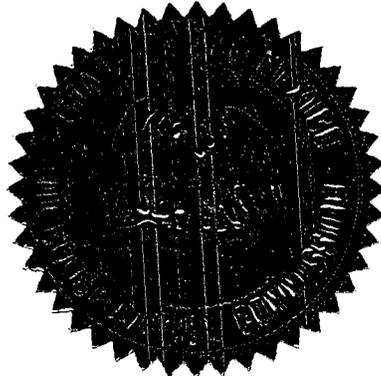
(4) Subsequent to the April 10, 2003 hearing Pogo requested this case be dismissed because the parties involved had reached voluntary agreement on developing this unit.

(5) The applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED THAT:

Case No. 13023 be dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script that reads "Lori Wrottenbery".

LORI WROTENBERY
Director