

DATE IN 10/26/06	SUSPENSE 11/16/06	ENGINEER W. JONES	LOGGED IN NSP	TYPE 10/27/06	APP NO. PTD50630047652
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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.

JAMES BRUCE
P.O. BOX 1056
SANTA FE, NM 87504
 Print or Type Name

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

Signature

Attorney for Applicant
 Title

jamesbruc@aol.com
 e-mail Address

Date

2008 OCT 26 AM 7 58

10/25/06

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)

jamesbruc@aol.com

October 25, 2006

Mark E. Fesmire, P.E.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

Pogo Producing Company applies for an exception to Rule 2(A) of the Special Rules for the Jalmat Gas Pool to allow a 160 acre non-standard gas spacing unit for the following well:

Well:	C.E. LaMunyon Well No. 88	30-025-37923
Well Location:	1980 feet FNL & 990 feet FEL	UNIT #
Well Unit:	NE¼ §21-23S-37E, Lea County, New Mexico	

Applicant proposes to drill the well to test the Jalmat Gas Pool. Under Order No. R-8170-P, spacing for a gas well in the pool is 640 acres, although operators may request non-standard 160 acre units comprised of a single quarter section. Wells must be located 660 feet from a quarter section line and 330 feet from a quarter-quarter section line in order to be orthodox.

Attached as Exhibit A is a plat showing production from the Jalmat Gas Pool. Until recently, production was located substantially to the west of the proposed well unit. Wells have now been completed in the NW¼ of Section 21, NW¼ of Section 22, and N½ of Section 28, indicating that the Jalmat Gas Pool is potentially productive at the location for the C.E. LaMunyon Well No. 88.

Attached as Exhibit B is a land plat, highlighting the proposed well unit in green. There are a number of existing non-standard Jalmat gas well units offsetting the proposed well unit, which were approved by the administrative orders noted on the exhibit. In addition, applicant has filed applications for non-standard Jalmat gas well units comprising the SW¼ and SE¼ of Section 21 (outlined in orange on the exhibit). As a result, Section 21 will have four 160 acre Jalmat gas well units. Pogo Producing Company is the offset operator of all existing non-standard units. As to the offsetting acreage to the north and northeast, the operators or working interest owners are as follows:

All of Section 15:

Chance Properties Company
Burgundy Oil & Gas of NM, Inc.
McDonnold Operating, Inc.

E½ of Section 16:

Apache Corporation
Kaiser-Francis Oil Company
Chevron U.S.A. Inc.

A copy of the notice letter mailed to the offsets is attached as Exhibit C.

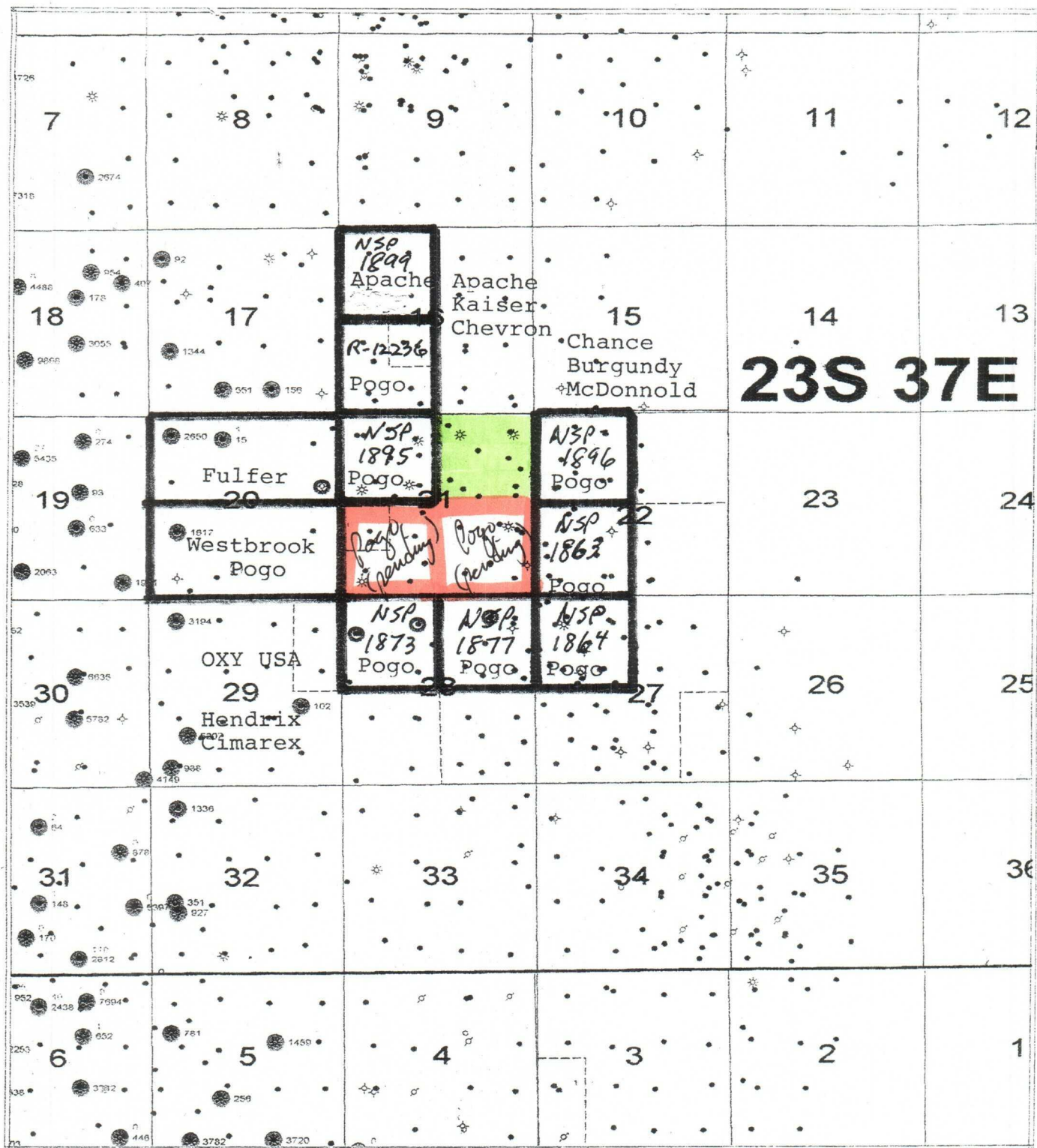
Please call me if you need anything further regarding this matter.

Very truly yours,



James Bruce

Attorney for Pogo Producing Company



23S 37E

LEGEND

- PROD T-Y-7
- Recent Jalmat Completions

ARCH PETROLEUM INC

TEAGUE FIELD AREA
LEA COUNTY, NEW MEXICO
JALMAT PROD MAP

GLENN CURRY

3/5/2004

ALL WELLS

Scale 1:48000

JALMATg

EXHIBIT

B

JAMES BRUCE
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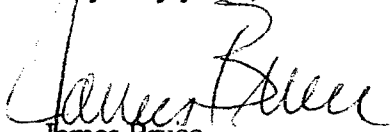
CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: Persons listed on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of an application to approve a non-standard gas spacing and proration unit in the Jalmat Gas Pool, filed with the New Mexico Oil Conservation Division by Pogo Producing Company, regarding the NE¼ of Section 21, Township 23 South, Range 37 East, N.M.P.M., Lea County, New Mexico. You are an offset operator or working interest owner. If you object to the application, you must notify the Division, in writing, within 20 days from the date of this letter, at the Division's offices at 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

EXHIBIT C

EXHIBIT A

Chance Properties Company
1008 West Broadway
Hobbs, New Mexico 88240

Burgundy Oil & Gas of NM, Inc.
Suite 1003
401 West Texas
Midland, Texas 79701

McDonnold Operating, Inc.
Suite 204
505 North Big Spring
Midland, Texas 79701

Apache Corporation
Suite 1500
6120 South Yale
Tulsa, Oklahoma 74136

Attention: Mario R. Moreno, Jr.

Kaiser-Francis Oil Company
P.O. Box 21468
Tulsa, Oklahoma 74121

Chevron U.S.A. Inc.
15 Smith Road
Midland, Texas 79705