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*REGISTERED IN NEW MEXICO
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March 8, 1995

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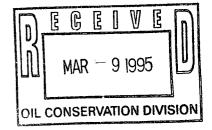
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BARBARA GREGG GLENN

JAMES H. WOOD*

*NOT LICENSED IN NEW MEXICO

*FORMERLY COMPRISING THE FIRM OF
CULTON, MORGAN, BRITAIN & WHITE, P.C.



VIA HAND DELIVERY

Michael E. Stogner Oil Conservation Division 2040 So. Pacheco Street Santa Fe, New Mexico 87501

Dear Mr. Stogner:

Pursuant to Division Rule 104(F)(1), Pogo Producing Company hereby applies for administrative approval of an unorthodox oil well location for the following well:

Red Tank Fed. 34 Well No. 15; 1700 feet FNL and 180 feet FWL (Unit E) of Section 34, Township 22 South, Range 32 East, N.M.P.M., Eddy County, New Mexico; West Red Tank-Delaware Pool.

The West Red Tank-Delaware Pool is subject to statewide spacing rules, with 40-acre spacing and wells to be located no closer than 330 feet to the boundary of the well unit.

All of Section 34 (except the $SW_4^1SW_4^1$ and $SE_4^1SE_4^1$), and all of offsetting Section 33 (except the $NW_4^1NW_4^1$), is subject to Federal Lease NM 77060, which is owned by Pogo Producing Company. Therefore there are no offsetting operators or lessees to the proposed well unit. This information is from Bureau of Land Management lease files and OCD well files, and is current and correct.

Pogo has been <u>verbally</u> informed by the Bureau of Land Management that the proposed unorthodox location is the only permissible location in the SWANWA of Section 34, due to both archeological and topographical reasons. In addition to archaelogical sites (as determined by the BLM's preliminary archaeological examination), there are sand dunes on the well unit which the BLM does not want disturbed. The BLM has not set this forth in writing; should you have any questions, please contact Kathleen Borovac at the BLM's Carlsbad office. The APD and Form C-102 for the well is attached as Exhibit A.

Michael E. Stogner March 8, 1995 Page 2

Directional drilling to reach a standard bottom-hole location would increase the cost of the well by approximately \$50,000-\$100,000, and lead to substantially higher operating costs. Other operators who have drilled directional wells in the Delaware have experienced substantial cost overruns and operational difficulties. As a result, the applicant does not desire to directionally drill the well.

Based on these factors, Pogo Producing Company requests approval of the proposed location. Due to the absence of offsetting operators, applicant requests this application be processed as soon as possible.

This application is submitted in triplicate. Thank you.

Very truly yours,

HINKLE, COX, EATON, COFFIELD & HENSLEY

James Bruce

Attorneys for Pogo Producing Company

Enclosures cc: Terry Gant

pogo2.1tr

Form 3160-3

APPROVED BY _

SUBMIT IN TRIPLICATE.

FILED: 3-6-95-

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DISTRICT I P.O. Box 1980, Hobbs, NM 88240 State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

OIL CONSERVATION DIVISION

DISTRICT III 1800 Rio Brazos Rd., Aztec, NM 87410

P.O. Box 2088 Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

WEST RED TANK DELAWARE	
Property Name ANK 34 FEDERAL	Well Number 15
Operator Name PRODUCING COMPANY	Elevation 3626
	ANK 34 FEDERAL

Surface Location

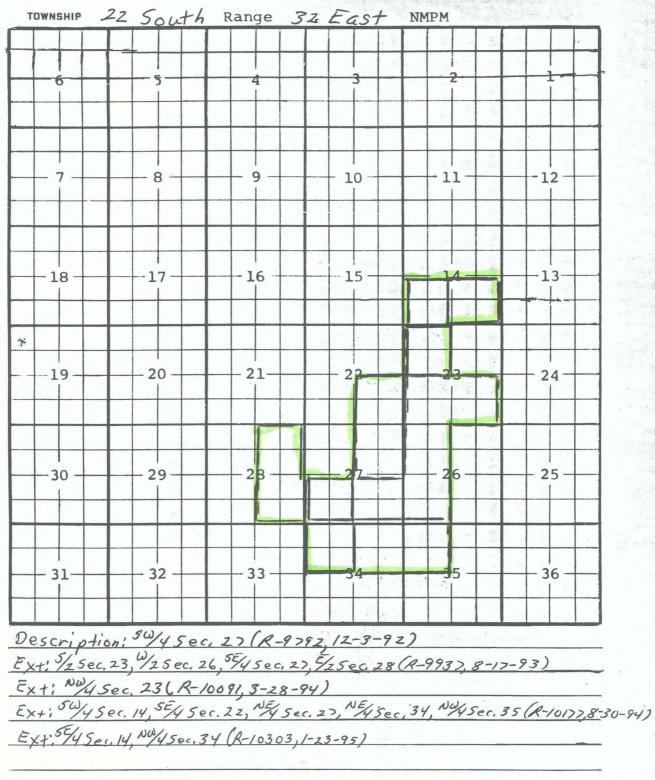
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Ε	34	22 S	32 E		1700	NORTH	180	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
		-		-					
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40	N			W		IS BEING AP			

NO ALLOWABLE WILL BE ASSGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

[
3629.3° 3629.3° 3629.3°			OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief Signature Richard L. Wright Printed Name Division Operations Mgr. Title February 24, 1995 Date
		·	SURVEYOR CERTIFICATION I hereby certify that the well lacation shown on this plat was plotted from field notes of
			supervison and that the same is true and correct to the best of my belief. FEBRUARY 8 1995 Date Surveyed 1440
			Professional Surveyor 2-15-95
			Certificate 199, 1990 1990 676 676



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