



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

November 9, 2000

Lori Wrotenbery

Director

Oil Conservation Division

Pogo Producing Company
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504

Telefax No. (505) 982-2151

Administrative Order NSL-4524

Dear Mr. Bruce:

Reference is made to the following: (i) your application dated October 27, 2000 on behalf of the operator Pogo Producing Company ("Pogo"); (ii) your telefaxed letter dated November 2, 2000 with supplemental data; and (iii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe, including the file on Division Administrative Order NSL-4086: all concerning Pogo's request to drill its Coyote "21" Well No. 4 at an unorthodox Delaware oil well location 1650 feet from the South line and 1300 feet from the West line (Unit L) of Section 21, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox oil well location will be at a more favorable geologic position within the potentially productive interval of the Cedar Canyon-Delaware Pool than a well drilled at a location considered to be standard within the proposed standard 40-acre oil spacing and proration unit comprising the NW/4 SW/4 of Section 21.

Further, all mineral interests within the SW/4 of Section 21 appears to be common throughout and Pogo is the operator; therefore, there are no effected offsets to the subject 40-acre tract other than Pogo.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox oil well location is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division – Artesia
NSL-4086