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SUITE 1
110 NORTH GUADALUPE
SANTA FE, NEW MEXICO 87501-6525
MAILING ADDRESS
P.O. BOX 2208
SANTA FE, NEW MEXICO 87504-2208

TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043
www.hollandhart.com

MAR 27 2001

March 26, 2001

BY FACSIMILE AND U. S. MAIL
FAX NO. (505) 476-3462

Michael E. Stogner
Hearing Examiner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and natural Resources.
1220 South Saint Francis Drive
Santa Fe, New Mexico 87504

Re: Case 12619: Application of Pogo Producing Company for an unorthodox location,
Lea County, New Mexico.

Dear Mr. Stogner:

This is in response to Jim Bruce's letter of this date in which he requested a special hearing date for the above referenced case and other cases involving current issues between EOG and Pogo. As you are aware, on March 19, 2001, EOG requested a continuance of this case to April 19th. By letter dated March 21, 2001, the Division continued the case to April 19th. This continuance was needed to enable EOG to obtain data from Pogo and to be prepared to make recommendations as to the risk penalty which should be imposed on the Pogo well to offset the advantage it is gaining on the adjoining EOG tract. EOG believes that April 19th is the earliest possible date that the parties can be prepared for the hearing.

It is EOG's understanding that Pogo has drilled its WBR Fed Com Well No. 5 including two side tracks. The data from this well is necessary to determine the recoverable reserves under the Pogo spacing unit and to determine what penalty which should be imposed on Pogo's unorthodox well location.

Although EOG had requested information from Pogo on this well, on March 20th we had to obtain a subpoena from the Division directing Pogo to produce certain data to EOG. The subpoena was served on Jim Bruce on March 20th but to date no data has been produced. Pogo has also obtained

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subpoenas seeking data from EOG and we have agreed to provide to Pogo this data and other information without the need for an additional subpoena. In any event, it will take time once the subpoenaed data is received to review it and prepare for hearing. If the subpoenaed data is received in the near future, EOG will be ready to proceed on April 19th. If not, an additional continuance may be necessary.

I agree with Mr. Bruce that all of the cases which relate to the issues between Pogo and EOG should be heard at the same time. The special hearing date he requests is less than a week prior to the currently scheduled April 19th hearing. EOG believes that is the preferable hearing date for these cases.

Very truly yours,



William F. Carr

cc: Larry Cunningham
EOG Resources, Inc.

James Bruce, Esq.
By Facsimile and Mail
FAX NO. (505) 982-2151