



P.O. BOX 1772
2815 LOVINGTON HIGHWAY
HOBBS, N.M. 88241
(505) 392-5516
FAX: (505) 392-1176

RECEIVED

JAN 13 1994

MIDLAND,

January 7, 1994

Attn: Terry Gant
Pogo Producing Company
Box 10340
Midland, Tx. 79702

*Wilson Prospect NM-565
12e NM-4463*

Re: State "C", South 1/2 of Sec 20, T-21S, R-35E

Dear Terry,

Baber Well Servicing Company hereby offers Pogo Producing Company Thirty-Two hundred dollars (\$3,200.00) for their 1/16th of 8/8ths ORRI in the above referenced lease as to depth above 5,200 ft.

Please contact Mark Clarke at (505) 392-5516 if you should have any questions.

Sincerely
BABER WELL SERVICING CO.

Mark D. Clarke
Engineer

MDC/sw

cc

NEW MEXICO
OIL CONSERVATION DIVISION
Pogo EXHIBIT 2
CASE NO. 11013



POGO PRODUCING COMPANY

January 17, 1994

Baber Well Servicing Co.
P. O. Box 1772
Hobbs, New Mexico 88241
Attention: Mr. Mark D. Clarke

Re: Wilson Prospect NM-565
Lea County, New Mexico
State "C" #1 Well
S/2 of Section 20, T-21-S, R-35-E,
from 0' to 5,200'
Pogo Lease #NM-4463

Gentlemen:

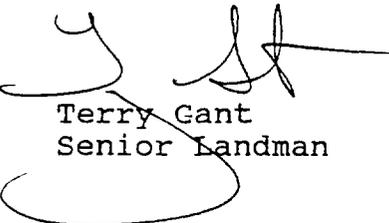
Reference is made to your January 7, 1994 offer to purchase Pogo's 1/16 of 8/8ths overriding royalty interest in the captioned well/land/lease for \$3,200.00.

Please be advised that Pogo is not interested in selling its overriding royalty interest in the subject property.

If you have any questions, please contact the undersigned.

Very truly yours,

POGO PRODUCING COMPANY


Terry Gant
Senior Landman

TG:lf/c:Baber

BABER

P.O. BOX 1772
2816 LOVINGTON HIGHWAY
HOBBS, N.M. 88241
(505) 392-5516
FAX: (505) 392-1176

January 19, 1994

Attn: Terry Gant
Pogo Producing Company
Box 10340
Midland, Tx. 79702

RE: State "C", SW/4 of the SW/4 of Sec. 20,
Twmp 21-S, Rnge 35-E, Lea County, New Mexico

Dear Terry,

Baber Well Servicing Company hereby offers Pogo Producing Company Thirty-Two hundred dollars (\$3,200.00) for their 1/16th of 8/8ths ORRI in the above referenced lease as to rights above 4,000 feet.

Please contact Mark Clarke at (505) 392-5516 if you should have any questions.

Sincerely,
BABER WELL SERVICING CO.



Mark D. Clarke
Engineer

MDC/sw

cc:



POGO PRODUCING COMPANY

February 24, 1994

Baber Well Servicing Co.
P. O. Box 1772
Hobbs, New Mexico 88241
Attention: Mr. Mark D. Clarke

Re: Wilson Prospect NM-565
Lea County, New Mexico
State "C" #1 Well
SW/4 SW/4 of Section 20, T-21-S, R-35-E,
from 0' to 4,000'
Pogo Lease #NM-4463

Gentlemen:

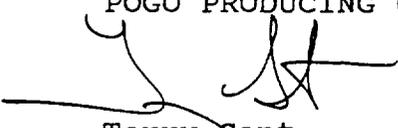
Reference is made to your January 19, 1994 offer to purchase Pogo's 1/16 of 8/8ths overriding royalty interest in the captioned well/land/lease for \$3,200.00.

Please be advised that Pogo is not interested in selling its overriding royalty interest in the subject property.

If you have any questions, please contact the undersigned.

Very truly yours,

POGO PRODUCING COMPANY


Terry Gant
Senior Landman

TG:lf/c:Baber1



P.O. BOX 1772
2815 LOVINGTON HIGHWAY
HOBBS, N.M. 88241
(505) 392-5516
FAX: (505) 392-1176

RECEIVED
JUN 14 1994
MIDLAND,

June 13, 1994

Pogo Producing Company
P.O. Box 10340
Midland, Tx 79702-7340

Wilson Prospect NM-565

Attn: Terry Gant

RE: Request for non-standard location approval
Unit "D", 40' FNL & 750' FWL
Sec. 29, T-21-S, R-35-E, Lea County, N.M.
North San Simon Yates Assoc. Pool

New Mexico State "B2" #5 (has been drilled)

State ltr E-2446

Dear Sir,

Baber Well Servicing Company has made application with the State of New Mexico for approval of the above referenced non-standard location.

The hearing is tentatively set for July 7, 1994. Any objections should be directed to the State of New Mexico Oil Conservation Division in Santa Fe.

If you have any questions please feel free to call me at (505) 392-5516.

Respectfully,
BABER WELL SERVICING CO.

G.A. Baber /sw

G. A. Baber, III
President

Referenced to location

*Refer State "B2" #1 in the same file
upper Yates*

cc: NMOCD
files

IMPORTANT MESSAGE

FOR _____

DATE 8/17/94 TIME _____ A.M.
P.M.

M Guy Baker

OF _____

PHONE _____
AREA CODE NUMBER EXTENSION

FAX

MOBILE _____
AREA CODE NUMBER TIME TO CALL

TELEPHONED	PLEASE CALL
CAME TO SEE YOU	WILL CALL AGAIN
WANTS TO SEE YOU	RUSH
RETURNED YOUR CALL	SPECIAL ATTENTION

MESSAGE Out of town till
next wk -

BZ hearing resched
indefinitely -

No hearing tomorrow

SIGNED _____



EM
PL
POGO PRODUCING COMPANY

October 13, 1997

New Mexico Oil Conservation Division
Attention: Mr. Michael Stogner
P.O. Box 6429
Santa Fe, NM 87505-6429

RE: Wilson Prospect No. 565
Eddy County, New Mexico
New Mexico State "BZ" #5 Well
40' FNL and 750' FWL of Section 29,
T-21-S, R-35-E, N.M.P.M. (State Lease B-158)
Offset to Pogo Lease No. NM-4463A (State Lease E-2446-4)

Gentlemen:

Pogo Producing Company owns an overriding royalty interest in that certain State of New Mexico Lease E-2446-4 covering the S/2 of Section 20, T-21-S, R-35-E from the surface to 5200' and all of the operating rights in said Section 20 lease below a depth of 5200'. As such, Pogo was contacted by Baber Well Service in June, 1994, in regards to its application for an unorthodox location for the above captioned well. At that time and at all times since, Pogo has not agreed to said unorthodox location. Pogo learned at the time from its own investigation that the well had been drilled and completed months before the initial June, 1994 contact. The latest information from Baber Well Service indicated that the hearing had been discontinued indefinitely.

It has now come to Pogo's attention that the well has been producing oil and gas from the North San Simon associated pool since at least April, 1994. Our conversations with your office indicate that the proper authorization to produce said well has never been granted.

Pogo Producing Company requests that you investigate the facts surrounding this situation and take the action required with regards to production being obtained from this well.

Sincerely,

Elizabeth E. Moses
Consulting Landman

cc: Mr. Chis Williams, District Supervisor - NMOCD, Hobbs
New Mexico State Land Office

July File



POGO PRODUCING COMPANY

October 24, 1997

Baber Well Servicing Co. and
Pronghorn Management Corp.
Attention: Mr. G. A. Baber, III
P.O. Box 1772
Hobbs, NM 88241

CERTIFIED, RETURN RECEIPT

RE: Wilson Prospect No. 565
Lea County, New Mexico
New Mexico State "BZ" #5 Well
40' FNL and 750' FWL of Section 29,
T-21-S, R-35-E, N.M.P.M. (State Lease B-158)
Offset to Pogo Lease No. NM-4463A (State Lease E-2446-4)

Dear Mr. Baber:

Under letters dated January 7, 1994 and January 19, 1994, you proposed to purchase Pogo Producing Company's overriding royalty interest in that certain State of New Mexico Lease E-2446-4 covering the S/2 of Section 20, T-21-S, R-35-E from the surface to 5200'. Pogo deemed the offers unacceptable and rejected both.

Pogo then received your letter dated June 13, 1994 giving notice of Baber's application to the State for approval of the above captioned unorthodox location. Pogo advised that it would not agree to said unorthodox location. It was at this time that Pogo learned from its own resources that the New Mexico State "BZ" #5 had already been drilled. Mr. Terry Gant of Pogo attempted to work out a solution to the problem with Baber, but no agreement was ever reached.

The last contact from Baber Well Servicing Co. regarding this situation was in the form of a phone call on August 17, 1994, from yourself stating that the hearing referred to herein had been rescheduled indefinitely. It was assumed by Pogo that the well could not be produced until the NMOCD approved such well's unorthodox location which would require a hearing. It has now been discovered that Baber (under the name of Pronghorn Management Corp.) has in fact been producing the well while these conversations were taking place and has continued to produce the well subsequent thereto.

Baber Well Servicing Co.

October 24, 1997

Page two

We understand that this matter is to be scheduled for hearing within the next month. We have been unsuccessful in contacting you by telephone, therefore Pogo respectfully requests that you make contact with the undersigned as soon as possible to discuss this matter and attempt to resolve same before the subject hearing.

Sincerely,

A handwritten signature in cursive script that reads "Elizabeth E. Moses". The signature is written in black ink and is positioned above the typed name.

Elizabeth E. Moses
Consulting Landman

bcc: Mr. Jim Bruce

P 389 506 066

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	
Baber Well Servicing Co.	
Street & Number	
P.O. Box 1772	
Post Office, State, & ZIP Code	
HOBBS, NM 88241	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	
10/27/97 10/27	

PS Form 3800, April 1995

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Baber Well Servicing Co.
 Pronghorn Management Corp.
 Attention: Mr. G.A. Baber, III
 P.O. Box 1772
 Hobbs, NM 88241

4a. Article Number

P 389 506 066

4b. Service Type

- Registered Certified
- Express Mail Insured
- Return Receipt for Merchandise COD

7. Date of Delivery

11/07

5. Received By: (Print Name)

Gary A. Baber

6. Signature: (Addressee or Agent)

X

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

TG

Post-It™ brand fax transmittal memo 7671		# of pages > 1
To	TERRY GANT	
From	G. A. Baber	
Co.	Pogo	
Co.	PMC	
Dept.	Land	
Phone #	505-393-4176	
Fax #	505-685-8150	
Fax #	505-793-9980	

NMOCD
 Attn: Mr. Rand Carroll
 2040 South Pacheco Street
 Santa Fe, New Mexico 87505

Re: Division Case 11013

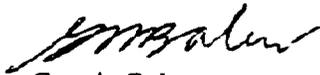
Dear Mr. Carroll:

Pronghorn Management Corp. requests a continuance of our application until the end of January 1998. I have contacted Terry Gant with Pogo Producing and he does not have a problem with the continuance.

The requested time will allow us to complete engineering and geological reports to enable us to resolve these matters in a amicable manner.

Thank you for this consideration.

Sincerely,



Guy A. Baber
 505-393-9176
 P. O. Box 1772
 Hobbs, New Mexico 88240

As of 1/9/98, Baber has not yet sent a proposal to POGO.