STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF POGO PRODUCING COMPANY FOR A UNIT AGREEMENT, LEA COUNTY, NEW MEXICO.

CASE NO. 11911 ORDER NO. R-10947

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 22, 1998 at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 29th day of January, 1998, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Pogo Producing Company, seeks approval of its Longbow Unit Agreement and Area for all oil and gas in any and all formations underlying 1,120.00 acres, more or less, of Federal (960.00 acres, or 85.714%) and fee (160.00 acres, or 14.286%) lands in Lea County, New Mexico, as further described in Exhibit "A" attached hereto and made a part hereof.
 - (3) No interested party appeared and objected to the proposed unit.
- (4) All plans of development and operation, and creations, expansions or contractions of participating areas, or expansions or contractions of the unit area should be submitted to the Director of the Division for approval.
- (5) Approval of the proposed unit agreement should promote the prevention of waste and protection of correlative rights within the unit area.

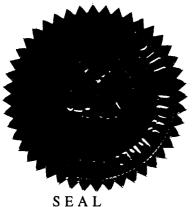
IT IS THEREFORE ORDERED THAT:

(1) The Longbow Unit Agreement is hereby approved for all oil and gas in any and

all formations underlying 1,120.00 acres, more or less, of Federal (960.00 acres, or 85.714%) and fee (160.00 acres, or 14.286%) lands in Lea County, New Mexico, as further described in Exhibit "A" attached hereto and made a part hereof.

- The plan contained in said unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure; provided however, notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Division to supervise and control operations for the unit and production of oil and gas therefrom.
- The unit operator shall file with the Division an executed original or executed counterpart of the unit agreement within 30 days of the effective date thereof; in the event of subsequent joinder by any other party, or expansion or contraction of the unit area, the unit operator shall file with the Division, within 30 days thereafter, counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.
- All plans of development and operation, all unit participating areas, and expansions or contractions of the unit area, shall be submitted to the Director of the Division for approval.
- This order shall become effective upon the approval of said unit agreement by the appropriate agency of the United States Department of Interior; this order shall terminate ipso facto upon the termination of said unit agreement; and the last unit operator shall notify the Division immediately in writing of such termination.
- Jurisdiction of this cause is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO **OIL CONSERVATION DIVISION**

KATHLEEN A. GARLAND

Acting Director

EXHIBIT "A" CASE NO. 11911 ORDER NO. R-10947 LONGBOW UNIT AREA LEA COUNTY, NEW MEXICO

Township 21 South, Range 32 East, NMPM

Section 25: S/2 Section 35: SE/4 Section 36: All.