POGO PRODUCING COMPANY
Exhibit A
Geologic Evidence and Support
IMC Well No. 1
Eddy County, New Mexico

I. Introduction

Pogo Producing Company is proposing to drill the IMC Well No. 1 at an unorthodox location being described as 660' FNL and 1650' FWL of Section 26, T-24-S, R-28-E, Eddy County, New Mexico. The geologic discussion which is to follow and the figures which are a part of this exhibit will show that the proposed location is necessary in order to increase the probability of establishing commercial gas production from the main pay objectives for which the well is being drilled.

II. List of Geologic Figures

The following is a list of geologic maps and related data which will be referenced in the geological discussion and which are a part of this exhibit:

1. Stratigraphic Cross Section A-A'
2. Isopach Map - "Willow Lake" Atoka Sand
3. Isopach Map - "Salt Draw" Atoka Sand
4. Structure Map - Atoka "Marker"

III. Geologic Discussion

The two main pay zones for which the IMC Well No. 1 is being drilled are in the Atoka formation (Pennsylvanian) and are named the Willow Lake sand and the Salt Draw sand. Secondary objectives are the Morrow Clastics section and two Morrow sands at a depth of approximately 12,400' which were encountered in Pogo's State V-492 Well No. 1 in Section 27 and which are not present in any other well in the immediate area. The unorthodox location is needed in order to have a better chance of encountering the two main pay sand objectives; therefore, this discussion will be limited to only these two sands.

The Atoka sands in this area are associated with distributary channels which generally trend from the north to the south across the area. Sands were deposited in these channels as the sediment was transported through them from the north. This type of depositional environment lends itself to reservoirs which can be somewhat erratic in nature and which may be completely missed when drilling offsetting locations to production if said offset is not situated in a position as close to the center of the regional strike of the channels as possible.