



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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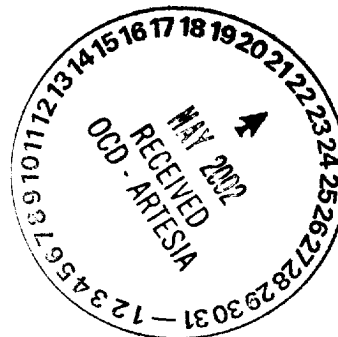
Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3005

Pogo Producing Company
300 North Marienfeld
Suite 600
Midland, Texas 79701

Attention: Mr. Terry Gant



*River Bend Federal Well No. 7
API No. 30-015-27994
Unit E, Section 23, Township 24 South, Range 29 East, NMPM,
Eddy County, New Mexico
Cedar Canyon-Delaware (Oil - 11540),
Pierce Crossing-Bone Spring, East (Oil - 96473) Pools.*

Dear Mr. Gant:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C.(1), each of the commingled pools shall be allowed to produce up to the top oil allowable and top casing head gas allowable applicable for that pool.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

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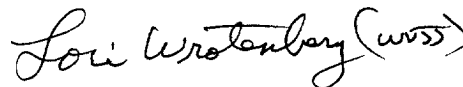
Cedar Canyon-Delaware Pool	Oil-42%	Gas-4%
Pierce Crossing-Bone Spring, East Pool	Oil-58%	Gas-96%

REMARKS: The operator shall notify the Artesia District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 17th day of May 2002.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director

SEAL

LW/WVJ

cc: Oil Conservation Division – Artesia ✓
Bureau of Land Management - Carlsbad