



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO  
SANTA FE, NEW MEXICO 87505  
(505) 827-7131

January 29, 1997

Pogo Producing Company  
c/o Hinkle, Cox, Eaton, Coffield & Hensley, L.L.P.  
P.O. Box 2068  
Santa Fe, New Mexico 87504-2068  
Attention: James Bruce

*Administrative Order NSL-3762*

Dear Mr. Bruce:

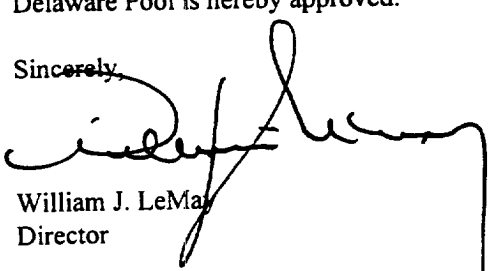
Reference is made to your application on behalf of the operator, Pogo Producing Company ("Pogo"), dated January 22, 1997, as amended by letter dated January 28, 1997, for a non-standard oil well location for both the East Pierce Crossing-Bone Spring Pool and the Undesignated Cedar Canyon-Delaware Pool for its proposed ~~Well No. 10~~ "A", ~~Well No. 10~~ (API No. 30-015-29319), to be drilled 330 feet from the North line and 1160 feet from the East line (Unit A) of ~~Section 23, Township 24 South, Range 29 East~~, NMPM, Eddy County, New Mexico. The NE/4 NE/4 of said Section 23 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit for both pools.

It is our understanding that the S/2 N/2, NE/4 SW/4, and N/2 SE/4 of Section 22; the N/2, N/2 SW/4, and SE/4 SW/4 of Section 23; and the W/2 of Section 24; all in Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico is a single Federal lease in which Pogo is the operator; therefore, there are no effected offsets to the subject 40-acre tract other than Pogo.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox oil well location for both the East Pierce Crossing-Bone Spring Pool and the Undesignated Cedar Canyon-Delaware Pool is hereby approved.

Sincerely,

  
William J. LeMay  
Director

WJL/MES/kv

cc: Oil Conservation Division - Artesia  
U. S. Bureau of Land Management - Carlsbad