



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

July 13, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Pogo Producing Company
c/o **James Bruce**
P. O. Box 1056
Santa Fe, New Mexico 87504

Administrative Order NSL-5234

Dear Mr. Bruce:

Reference is made to the following: (i) your application dated June 27, 2005 (*administrative application reference No. pSEM0-517935652*) on behalf of the operator Pogo Producing Company ("Pogo"); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Pogo's request for an unorthodox Wolfcamp gas well location for its proposed Lost Tank "3" Federal (Deep) Well No. 23 to be drilled 1330 feet from the North line and 630 feet from the West line (Unit E) of Section 3, Township 22 South, Range 31 East, NMPM, Eddy County, New Mexico.

Pursuant to Division Rule 104.C (2), lots 3 and 4, the S/2 NW/4, and the SW/4 (W/2 equivalent) of Section 3 is to be dedicated to this well in order to form a standard 319.43-acre stand-up gas spacing unit for deep wildcat Wolfcamp gas production.

This application has been duly filed under the provisions of Division Rules 104.F and 1207.A (2).

It is the Division's understanding the proposed Lost Tank "3" Federal (Deep) Well No. 23 is within the Oil/Potash "R-111-P" area, and is therefore subject to all applicable restrictions and rules therein.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Wolfcamp gas well location within the W/2 equivalent of Section 3 is hereby approved.

Sincerely,

Mark E. Fesmire, P. E.

Director

MEF/ms

cc: New Mexico Oil Conservation Division – Artesia
U. S. Bureau of Land Management – Carlsbad



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

August 30, 1998

Pogo Producing Company
c/o James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504-1056

Administrative Order NSL-4120

Dear Mr. Bruce:

Reference is made to your application on behalf of the operator, Pogo Producing Company ("Pogo"), dated July 31, 1998, for an unorthodox Delaware oil well location for its proposed Lost Tank "3" Federal Well No. 4 to be drilled 1330 feet from the North line and 330 feet from the West line (Unit E) of Section 3, Township 22 South, Range 31 East, NMPM, West Lost Tank-Delaware Pool, Eddy County, New Mexico. The SW/4 NW/4 of Section 3 is to be dedicated to the well in order to form a standard 40-acre oil spacing and proration unit.

It is our understanding the proposed Lost Tank "3" Federal Well No. 4 is within the Oil/Potash "R-111-P" area, and is therefore subject to all applicable restrictions and rules therein. Further, it is our understanding the original location proposed by Pogo for this well, which was to be at a standard oil well location 1650 feet from the North line and 660 feet from the West line of Section 3, was unacceptable to the U.S. Bureau of Land Management based on "potash concerns," but a move 460 feet to the northwest was acceptable.

Also, all of Section 3 and Lots 1, 2, and 3, the S/2 N/2, and the S/2 of Section 4, Township 22 South, Range 31 East, NMPM, Eddy County, New Mexico is a single Federal lease (U. S. Government lease No. NM-0417696) in which Pogo is the operator; therefore, there are no affected offsets to the subject 40-acre tract other than Pogo.

The subject 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").

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox oil well location within the West Lost Tank-Delaware Pool is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

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



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

October 26, 1998

Pogo Producing Company
c/o James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504-1056

AMENDED
Administrative Order NSL-4120

Dear Mr. Bruce:

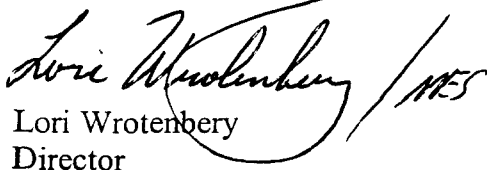
Reference is made to your application on behalf of the operator, Pogo Producing Company ("Pogo"), dated September 23, 1998 requesting that Division Administrative Order NSL-4120 be amended to reflect a location change to a less unorthodox gas well location for its proposed Lost Tank "3" Federal Well No. 4 (30-015-30418).

Division Order NSL-4120, dated August 30, 1998, authorized Pogo to drill its Lost Tank "3" Federal Well No. 4 at an unorthodox oil well location within the West Lost Tank-Delaware Pool 1330 feet from the North line and 330 feet from the West line (Unit E) of Section 3, Township 22 South, Range 31 East, NMPM, Eddy County, New Mexico. The SW/4 NW/4 of Section 3 to be dedicated to the well in order to form a standard 40-acre oil spacing and proration unit for this pool.

It is our understanding that a move of 150 feet to the east is at the request of the U. S. Bureau of Land Management in order to avoid a sand dune.

By the authority granted me under the provisions of Division General Rule 104.F(2), Division Administrative Order NSL-4120 is hereby amended to reflect a location change for the Lost Tank "3" Federal Well No. 4 to be drilled an unorthodox oil well location that is 1330 feet from the North line and 480 feet from the West line (Unit E) of Section 3. All other provisions of Division Order NSL-4120 shall remain in full force and effect until further notice.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
File: NSL-4120