

PKRVO213537680

DHC

NA



**POGO PRODUCING COMPANY**

April 12, 2002

Via CM RRR 7000 0520 0024 4232 1932  
New Mexico Oil Conservation Division  
Attn: Mr. David R. Catanach  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

02 APR 29 PM 2:06  
OIL CONSERVATION DIV.

Re: RED TANK, SE PROSPECT  
Eddy County, New Mexico  
APPLICATION FOR ADMINISTRATIVE APPROVAL FOR DOWNHOLE COMMINGLING  
Covington A Federal No 2 Well  
330' FNL and 660' FWL, Section 25, T-22-S, R-32-E, N.M.P.M.  
Federal Oil and Gas Lease NM-2379  
Pogo Lease L12

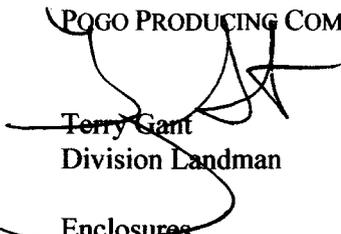
Gentlemen:

Pogo Producing Company respectfully submits Form C-107A (in duplicate), along with attachments thereto, in connection with Pogo's request for Administrative Approval to downhole commingle production from the captioned well.

Should you have any questions regarding this matter, please contact Mr. Ron Gasser at (915) 685-8130.

Sincerely,

POGO PRODUCING COMPANY

  
Terry Gant  
Division Landman

Enclosures

cc (w/enclosure): New Mexico Oil Conservation Division  
Attn: District Supervisor  
1625 North French Drive  
Hobbs, New Mexico 88240

Bureau of Land Management  
P.O. Box 27115  
Santa Fe, New Mexico 87502-0115

District I  
1625 N. Franch Drive, Hobbs, NM 88240

District II  
811 South First Street, Artesia, NM 88210

District III  
Well  
1000 Rio Brazos Road, Aztec, NM 87410

District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised May 15, 2000

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87505

APPLICATION TYPE

Single

Establish Pre-Approved Pools

EXISTING WELLBORE

Yes  No

APPLICATION FOR DOWNHOLE COMMINGLING

Pogo Producing Company P. O. Box 10340 Midland, TX 79702-7340

Operator Address  
Covington A Federal 2 D, Sec 25, T-22-S, R-32-E Lea

Lease Well No. Unit Letter-Section-Township-Range County  
017891 9316 30-025-31850 X

OGRID No. Property Code API No. Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Red Tank; Delaware, West		Red Tank; Bone Spring
Pool Code	51689		51683
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	Perforations 6986' - 8672' OA		Perforations 9820' - 9862'
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	Current: 300 psi Producing (e) Original: 3218 psi Shut-In		Current: 1500 psi Shut-In (e) Original: 3637 psi Shut-In
Oil Gravity or Gas BTU (Degree API or Gas BTU)	38.8 degrees API		41.8 degrees API
Producing, Shut-In or New Zone	Producing		Shut-In
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 3-10-02 Rates: 27 BO, 74 BW, 31 MCF	Date: Rates:	Date: 6-12-95 Rates: 17 BO, 33 BW, 22 MCF
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 61 % Gas 58 %	Oil % Gas %	Oil 39 % Gas 42 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes  No   
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes  No

Are all produced fluids from all commingled zones compatible with each other? Yes  No

Will commingling decrease the value of production? Yes  No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes  No

NMOCD Reference Case No. applicable to this well: \_\_\_\_\_

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE  TITLE Div. Petroleum Engineering Mgr. DATE 4-8-2002

TYPE OR PRINT NAME Ron D. Gasser TELEPHONE NO. (915) 685-8100

Submit to Appropriate  
 District Office  
 State Lease - 4 copies  
 Fee Lease - 3 copies

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-102  
 Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

DISTRICT I  
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator POGO PRODUCING COMPANY			Lease COVINGTON "A" FEDERAL		Well No. 2
Unit Letter D	Section 25	Township 22 SOUTH	Range 32 EAST	NMPM	County LEA
Actual Footage Location of Well:					
330 feet from the NORTH line and		660 feet from the WEST line			
Ground Level Elev. 3774.1'	Producing Formation Delaware	Pool West Red Tank Delaware	Dedicated Acreage: 40 Acres		

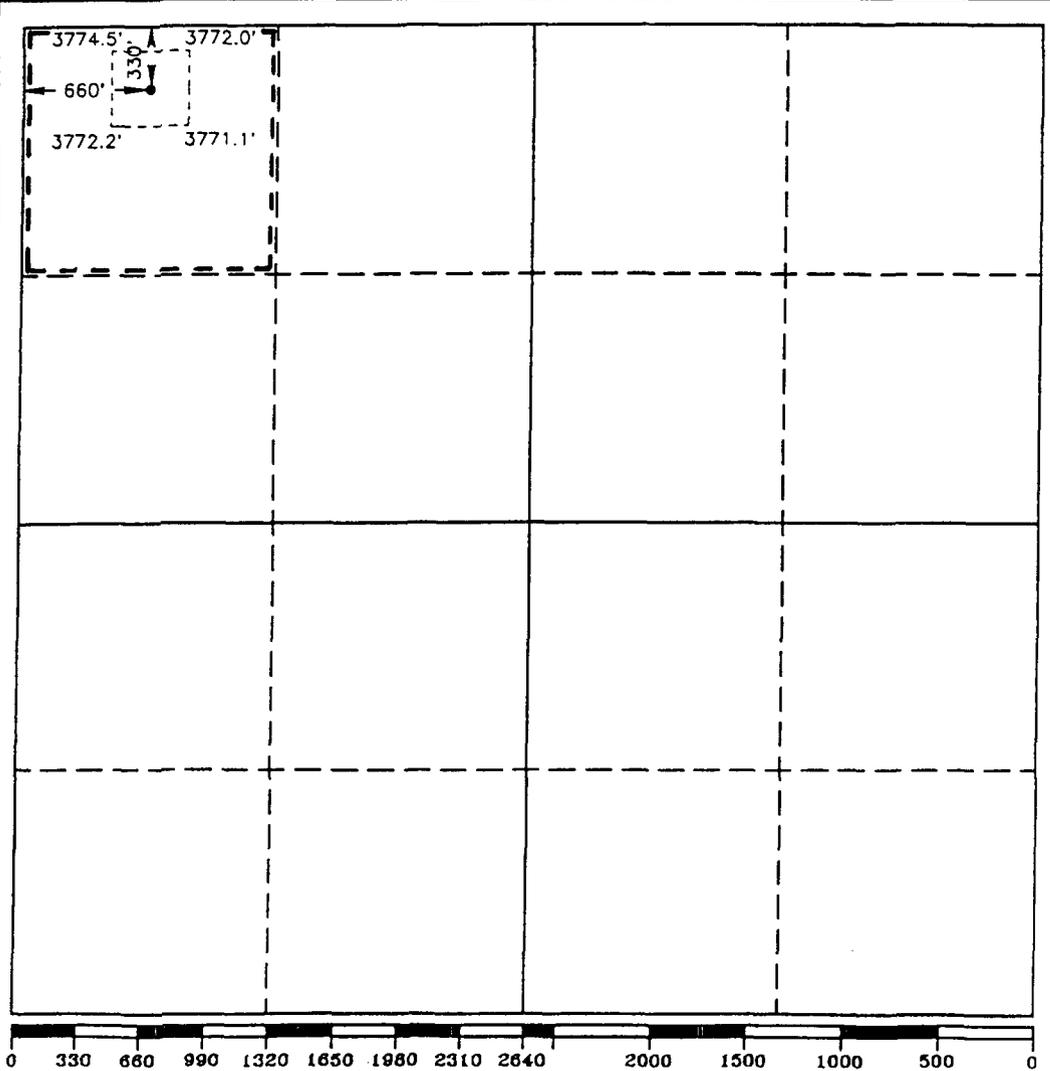
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?  
 Yes     No    If answer is "yes" type of consolidation \_\_\_\_\_

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Barrett L. Smith*

Printed Name: Barrett L. Smith

Position: Division Operations Eng

Company: Pogo Producing Company

Date: 07/24/98

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**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: SEPTEMBER 21, 1992

Signature & Seal of Professional Surveyor: *Ronald J. Edson*

Certificate No. JOHN W. WEST, 676  
 RONALD J. EDSON, 3239  
 GARY L. JONES, 7977

92-11-1402

Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

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1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

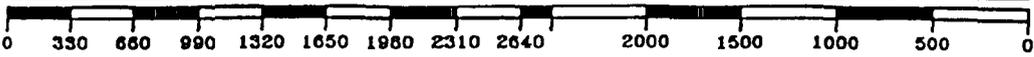
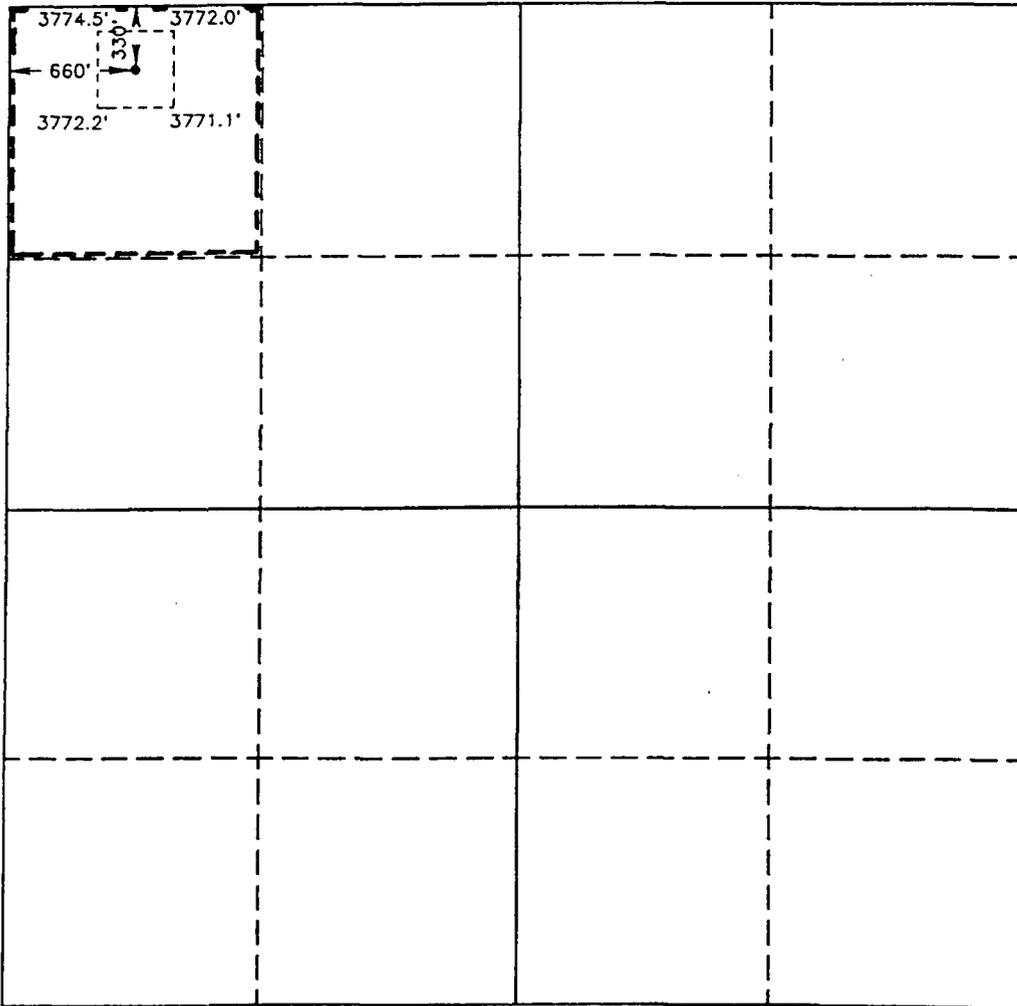
All Distances must be from the outer boundaries of the section

Operator POGO PRODUCING COMPANY			Lease COVINGTON "A" FEDERAL			Well No. 2		
Unit Letter D	Section 25	Township 22 SOUTH	Range 32 EAST	NMPM	County LEA			
Actual Footage Location of Well: 330 feet from the NORTH line and 660 feet from the WEST line								
Ground Level Elev. 3774.1'	Producing Formation BONE SPRING			Pool RED TANK BONE SPRING	Dedicated Acreage: 40 Acres			

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communization, unitization, force-pooling, etc.?  
 Yes     No    If answer is "yes" type of consolidation \_\_\_\_\_

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

No allowable will be assigned to the well unit all interests have been consolidated (by communization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature  
*Richard L. Wright*

Printed Name  
Richard L. Wright

Position  
Division Operations Supr.

Company  
POGO PRODUCING COMPANY

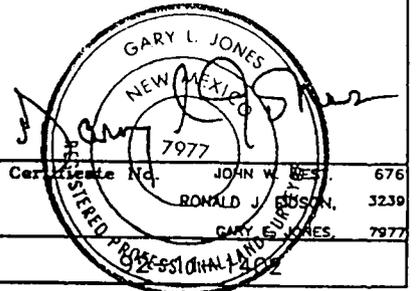
Date  
November 17, 1992

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
SEPTEMBER 21, 1992

Signature & Seal of  
Professional Surveyor



Certificate No. JOAN W. BERT 676  
RONALD J. BUSHN 3239  
GARY L. JONES 7977

April 8, 2002

ATTACHMENT TO PRODUCTION GRAPHS ACCOMPANYING NMOCD FORM C-107A  
– COVINGTON A FEDERAL WELL #2

The attached production graphs for both the Bone Spring and Delaware zones contain corrections to Pogo's past reporting of production to the two fields. Pogo's internal records of wellbore mechanics indicate that all production prior to July 1995 was from the Bone Spring zone. Past reporting by Pogo has correctly assigned production through that month to the Red Tank (Bone Spring) field. However, during June 1995 a cast iron bridge plug was set at 9600 feet above the Bone Spring perforations and the well was recompleted uphole in several intervals of the Delaware over time. The bridge plug is still in place at 9600 feet. Therefore, starting with July 1995, all production should have been reported in the Red Tank, West (Delaware) field.

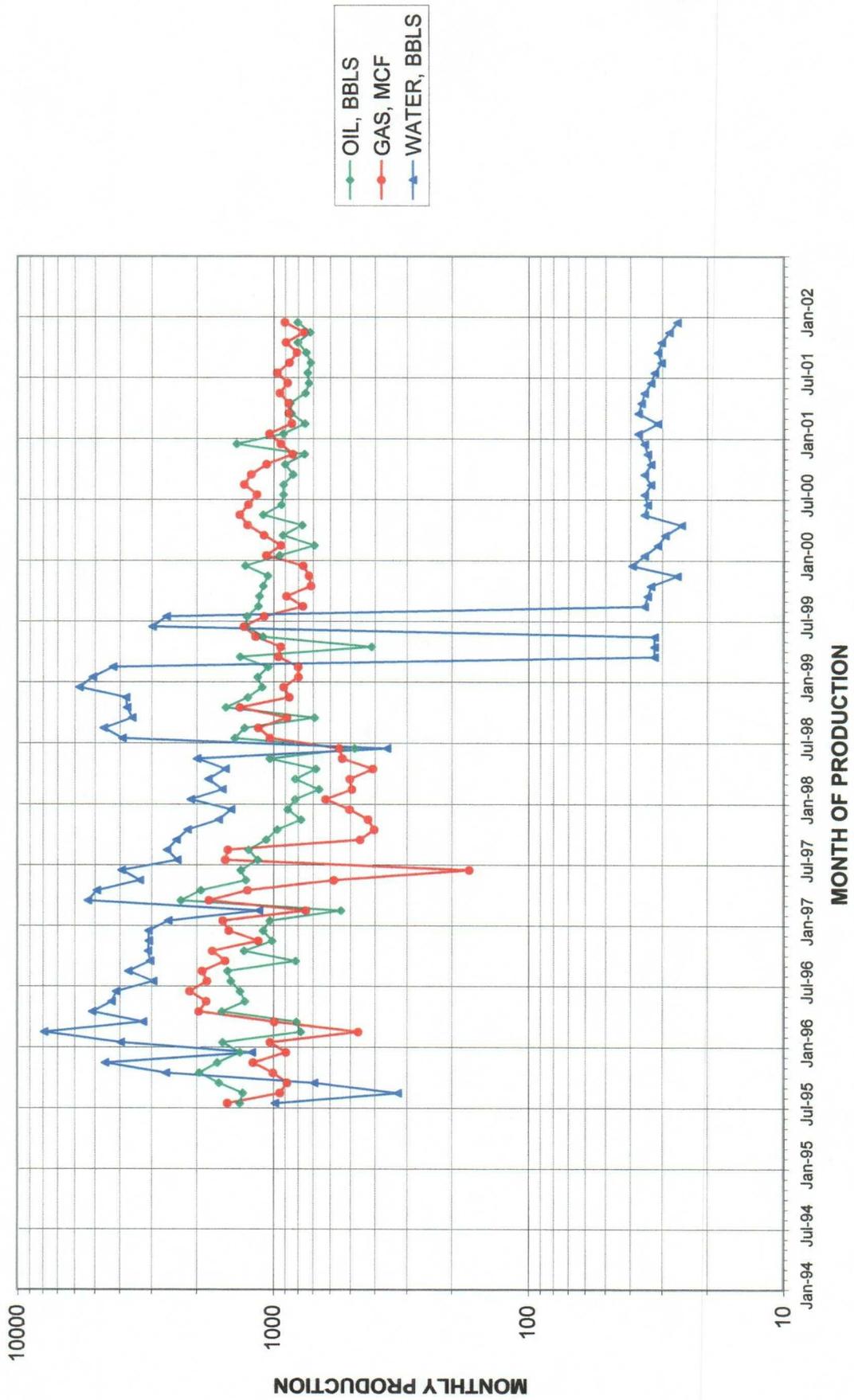
Pogo's records indicate that production continued to be reported in the Red Tank (Bone Spring) field through October 1998, well after recompletion to the Delaware. Pogo personnel are currently investigating and correcting the apparent reporting errors and will file the appropriate corrections within the next few weeks. The correct cumulative production from the Bone Spring through June 1995 is 16,002 BO, 27,917 MCF, and 26,515 BW. The correct cumulative from the Delaware through December 2001, is 83,534 BO, 79,360 MCF, and 141,768 BW. These cumulatives reflect the corrected monthly production values as shown on the attached plots.

Pogo personnel are also investigating the indicated sudden drop in reported monthly water production beginning in August 1999. Current well tests indicate the Delaware zone is producing 74 BWPD as reported on the Form C-107A downhole commingling application. Anticipated total fluid production from both zones is expected to be 151 barrels per day, well within the pumping systems unmodified capacity of 167 barrels per day. Any needed correction to reported water production will also be filed within the next few weeks.



Ron D. Gasser  
Division Petroleum Engineering Manager

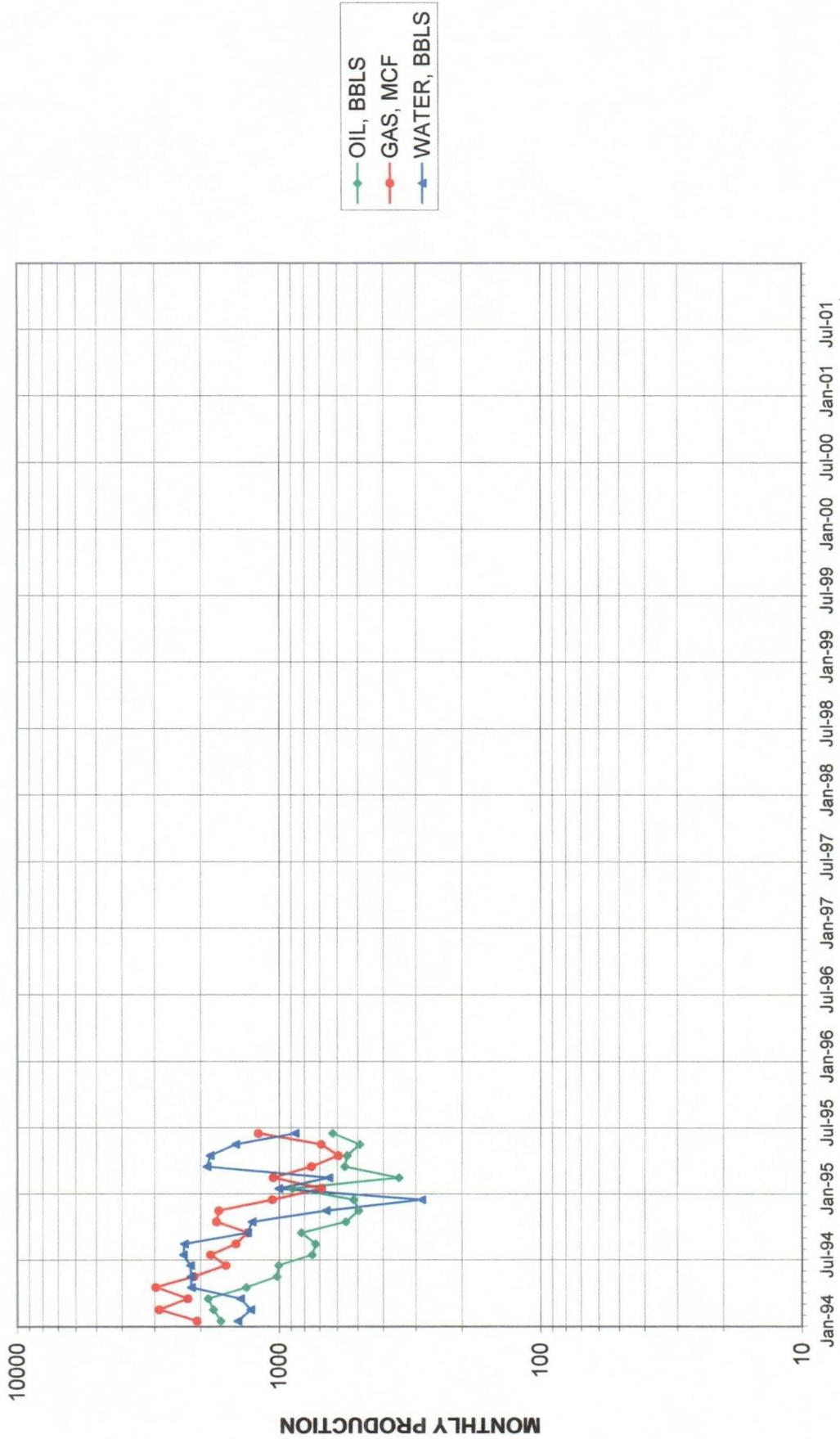
**COVINGTON A FEDERAL WELL #2 - BONE SPRING PRODUCTION  
RED TANK, WEST (DELAWARE) FIELD**



OIL, BBLs  
GAS, MCF  
WATER, BBLs

MONTH OF PRODUCTION

**COVINGTON A FEDERAL WELL #2 - BONE SPRING PRODUCTION  
RED TANK (BONE SPRING) FIELD**



**MONTH OF PRODUCTION**