



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

December 08, 2006

Pogo Producing Company
c/o Mr. James Bruce
P.O. Box 1056
Santa Fe, NM 87504

RE: **Saltmount Well No. 5**
990 feet FSL & 660 feet FEL
SE/4, Sec. 21, R-23-S, T-37-E, Lea County, NM

Administrative Order NSP-1907

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pTDS0629840623**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on October 25, 2006, on behalf of Pogo Producing Company (Pogo); and

(b) the Division's records pertinent to Pogo's request.

Pogo Producing Company requests to drill its Saltmount Well No. 5 at a standard Jalmat Gas Pool location, 990 feet from the South line and 660 feet from the East line (Unit P) of Section 21, Township 23 South, Range 37 East, N.M.P.M., in Lea County, New Mexico. The SE/4 of Section 21 will be dedicated to this well to form a non-standard 160-acre spacing and proration unit in the Jalmat Gas Pool. This pool is governed by special pool rules provided in Order No. R-8170-P, issued in Case No. 12563, which provide that:

a standard gas spacing unit in the Jalmat Gas Pool shall be 640 acres, more or less, and shall comprise a single governmental section.

Your application on behalf of Pogo Producing Company has been duly filed under the provisions of "Special Pool Rules for the Jalmat Gas Pool" as promulgated by Division Order No R-8170-P.

It is our understanding that Pogo Producing Company is the sole offset operator, and as a result, there are no adversely affected parties to be notified of this application.

Pursuant to the authority granted under the provisions of Rules 4 (C) (1) (a) and 4 (D) of the special rules governing the Jalmat Gas Pool, the above-described non-standard 160-acre gas spacing unit is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mark E. Fesmire", is written over a light blue horizontal line.

Mark E. Fesmire, P.E.
Director

MEF/re

cc: New Mexico Oil Conservation Division - Hobbs