

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

NMOCD - ACOI 121-B

IN THE MATTER OF POGO PRODUCING COMPANY,

Respondent.

**SECOND AMENDED
AGREED COMPLIANCE ORDER**

Pursuant to Ordering Paragraphs 3 and 4 of Agreed Compliance Order 121 (“ACOI 121” or “Order”), the Director of the Oil Conservation Division (“OCD”) hereby amends that Order as follows:

FINDINGS

1. ACOI 121 required Pogo Producing Company (“Operator”) to return at least five of the wells identified in Exhibit “A” to the Order to compliance with OCD Rule 201 by September 27, 2006 (the first period), and file a compliance report by that date. Operator filed a timely compliance report, and the OCD verified that its records showed that Operator returned the following six wells to compliance in the first period:

- | | |
|------------------------|--------------|
| • NEL #9 | 30-015-27327 |
| • Hondo Singer C #1 | 30-015-10300 |
| • DiMaggio #8 | 30-015-28174 |
| • Cotton Draw Unit #10 | 30-025-08195 |
| • Cotton Draw Unit #33 | 30-025-08174 |
| • Cotton Draw Unit #4 | 30-025-08221 |

2. Because Operator met and exceeded its five-well goal for the first period, the OCD amended the Order to extend its terms by 6 months, and required Operator to return four additional wells identified in the Order to compliance by March 27, 2007 to meet its five-well goal for the second period, and to file a compliance report by that date.

3. Operator mailed a compliance report after the due date. The OCD verified that its records showed that Operator returned the following wells identified in the Order to compliance in the second period:

- | | |
|--------------------|--------------|
| • NBR #2 | 30-025-27780 |
| • Sand Dunes 34 #3 | 30-015-27240 |
| • State W #4 | 30-015-32389 |
| • Tomahawk #1 | 30-025-33069 |

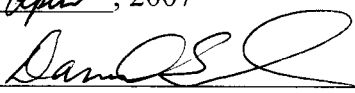
CONCLUSIONS

1. Operator has met its goal of returning five wells identified in the Order to compliance in the second period (one well carried over from the first period, and four additional wells).
2. The OCD should amend ACOI 121 to extend its terms through September 27, 2007 and require Operator to return to compliance by that date five wells identified in Exhibit "A" to the Order not identified in Findings Paragraphs 2 and 3, above.

ORDER

1. Operator shall return to compliance by September 27, 2007 five wells identified in Exhibit "A" to the Order not identified in Findings Paragraphs 2 and 3, above.
2. Operator shall file a written compliance report identifying the well(s) it returned to compliance in the third period, and stating how the well(s) were returned to compliance (returned to production or other beneficial use; wellbore plugged; or placed on approved temporary abandonment status). The report must be mailed or e-mailed to the OCD's Enforcement and Compliance Manager so that it is received by September 27, 2007.
3. The terms of ACOI 121 otherwise remain in effect.

Done at Santa Fe, New Mexico this 4th day of April, 2007

By: 
for Mark Fesmire, P.E.
Director, Oil Conservation Division