



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

April 7, 1998

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

Administrative Order NSL-3990

Dear Mr. Bruce:

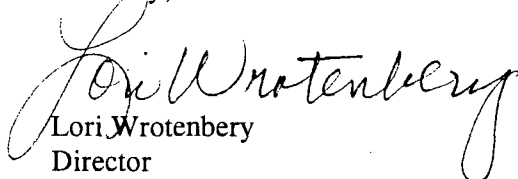
Reference is made to your application dated April 3, 1998 on behalf of the operator, Pogo Producing Company ("Pogo"), for a non-standard gas well location to be applicable to any and all formations and/or pools developed on 320-acre spacing from the surface to the base of the Devonian formation, which presently includes but is not necessarily limited to the Undesignated Maljamar-Atoka Gas Pool and Devonian formation, for Pogo's proposed Merit State "33" Well No. 1 to be drilled 990 feet from the North and East lines (Unit A) of Section 33, Township 16 South, Range 33 East, NMPM, Lea County, New Mexico. The E/2 of said Section 33 is to be dedicated to said well in order to form a standard 320-acre gas spacing and proration unit for both the Atoka and Devonian intervals.

It is our understanding that the subject well is to be drilled to a total depth of approximately 15,250 feet in order to test down to the Devonian formation. The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Devonian formation than a well drilled at a location considered to be standard within the subject 320-acre gas spacing and proration unit.

This 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 gas well location is hereby approved.

Sincerely,


Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe