

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766

ADMINISTRATION

Phone (505) 827-5700
Fax (505) 827-5853

GENERAL COUNSEL

Phone (505) 827-5713
Fax (505) 827-4262

PUBLIC AFFAIRS

Phone (505) 827-1245
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OIL CONSERVATION
New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.

COMMERCIAL RESOURCES

Phone (505) 827-5724
Fax (505) 827-6157

MINERAL RESOURCES

Phone (505) 827-5744
Fax (505) 827-4739

ROYALTY MANAGEMENT

Phone (505) 827-5772
Fax (505) 827-4739

SURFACE RESOURCES

Phone (505) 827-5793
Fax (505) 827-5711

November 12, 2002

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

Attn: Ms. Cathy Tomberlin

Re: Pool/Lease Commingling and
Off Lease Measurement and Sales of Gas Production
Red Tank Gas Gathering CPD
NW/4NE/4 Sec. 26-22S-32E
Lea County, New Mexico

Dear Ms. Tomberlin:

We are in receipt of your letter of September 19, 2002 requesting our approval for pool/lease commingling, off-lease measurement and sales of gas production from the following leases and pools:

Covington A Federal	Delaware/Bone Spring
Federal 27	Delaware
Prize Federal	Delaware
Red Tank 23 Federal	Delaware
Red Tank 24 Federal	Delaware/Bone Spring
Red Tank 26 Federal	Delaware
Red Tank 28 Federal	Delaware
Red Tank 30	Delaware/Bone Spring
Red Tank 31	Delaware/Bone Spring
Red Tank 34 Federal	Delaware
Red Tank 35 Federal	Delaware
Calmon 30 State	Delaware
WBR Federal	Morrow
WBR Federal	Delaware/Bone Spring

It is our understanding that Pogo Producing Company will first meter then commingle the gas production from the above leases and sell the gas production at the Red Tank Gas Gathering CPD. The common sales meter for the above leases is located in the NW/4NW/4 of Section 26-22S-32E, Lea County, New Mexico.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division and the Bureau of Land Management. Please submit a copy of the NMOCD's and BLM's approvals to this office.

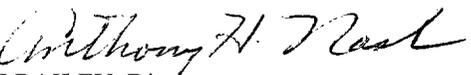
Pogo Producing Company
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Also, please submit a \$30.00 filing fee.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744
RP/JB/pm

pc: Reader File,
OCD-Attention: David Catanach, Ben Stone,
Debbie Padilla