

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

2007 APR 3 PM 12 25

**IN THE MATTER OF THE APPLICATION
OF POGO PRODUCING COMPANY FOR
TWO NON-STANDARD JALMAT GAS UNITS,
LEA COUNTY, NEW MEXICO**

CASE NO. 13274

NOTICE OF INTERVENTION

Intervenors Bonnie Resler Karlsrud and Wayne Resler, d/b/a Resler and Sheldon, provide notice of their intervention in this proceeding pursuant to Rule 19.15.14.1209 NMAC. The Intervenors may be contacted through their undersigned counsel at the address listed below.

Intervenors are the owners of certain interests in the lands that are the subject of the Pogo Producing Company application located in the S/2 of Section 20, T23S, R37E, NMPM in Lea County, New Mexico. The Intervenors' interests are currently dedicated to the Steeler "A" Well No. 1 (30-025-10805) located in the SW/4 of Section 20 and producing from the Jalmat Gas Pool. Special Pool Rules for the Jalmat Gas Pool require the dedication of 640-acre units in the area (R-8170-P). A 320-acre non-standard proration unit consisting of the S/2 of Section 20 is dedicated to the well under Administrative Order NSP-420. The non-standard unit conforms to a voluntary unit that has been in place on the S/2 of the section since 1958. The 320-acre unit, including the Steeler "A" Well No. 1 well, is operated by Sheldon & Resler's contract operator, Westbrook Oil Corporation. The interest owners in the unit have participated in production from the well on a 320-acre basis since 1958.

In 2004, Pogo's predecessor, Arch Petroleum, Inc., drilled the Resler "B" Well No. 1 (30-025-6573) at a location in the SE/4 of Section 20. The Resler B Well No. 1 well was originally permitted as a 40-acre oil well.

By its original application to the Division, Arch Petroleum proposed to split the existing 320-acre spacing unit into two 160-acre non-standard units for production from the Yates formation in the Jalmat Gas Pool. On June 13, 2005, following examiner hearing, the Division entered Order No. R-12366 denying Arch's Application. Two weeks later, Arch Petroleum perforated the well in the Yates and Seven Rivers formations and filed an amended C-102 acreage dedication plat showing a 320-acre unit for the Jalmat Gas Pool. The well was placed on production on approximately July 10, 2005, although authorization for simultaneous dedication for the two wells is not apparent. On information and belief, the Resler "B" No. 1 is now shut-in.

Granting the Arch/Pogo Application would abrogate the pre-existing voluntary unit and would adversely affect the correlative rights of the Intervenor. Therefore, they oppose Pogo's application to the fullest extent.

Respectfully submitted,

MILLER STRATVERT P.A.

By: 

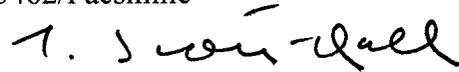
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Certificate of Service

I hereby certify that a true and correct copy of the foregoing was faxed to counsel of record on the 3 day of April, 2007, as follows:

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