



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 S. PACHECO  
SANTA FE, NEW MEXICO 87505  
(505) 827-7131

May 14, 1997

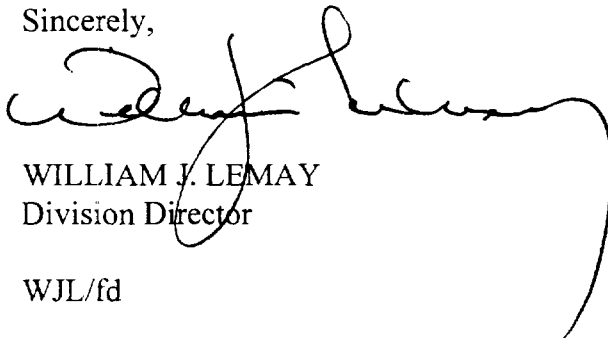
Mr. James Bruce  
Attorney at Law  
Post Office Box 1056  
Santa Fe, New Mexico 87504

Dear Mr. Bruce:

Your request for a continuance of the De Novo hearing of Case No. 11579, the application of Pogo Producing Company for a pressure maintenance project, Lea County, New Mexico, to the last hearing in 1997 is hereby granted. Said De Novo Case 11579 will be continued to the December 11, 1997 Commission hearing.

Pursuant to the provisions of Division Order No. R-10657 entered in said Case No. 11579, a six month extension of injection authority to February 21, 1998, is hereby granted in order to allow Pogo more time to evaluate the Cherry Canyon zone before the De Novo case is heard.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. Lemay", with a long, sweeping underline that extends to the right.

WILLIAM J. LEMAY  
Division Director

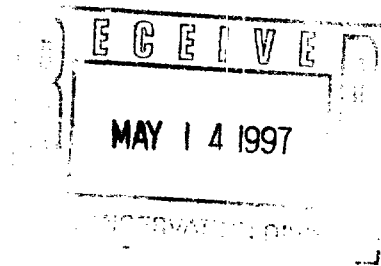
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**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

SUITE B  
612 OLD SANTA FE TRAIL  
SANTA FE, NEW MEXICO 87501

(505) 982-2043  
(505) 982-2151 (FAX)



May 13, 1997

Mr. William J. Lemay  
New Mexico Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Re: Case No. 11,579 (de novo); Application of Pogo Producing  
Company for a pressure maintenance project, Lea County,  
New Mexico

Dear Mr. Lemay:

Order No. R-10657, entered in the above case, approved a pressure maintenance project for Federal Lease NM 86149, but required Pogo to squeeze the Cherry Canyon perforations in the Red Tank "26" Fed. Well No. 1 before commencing injection. See Ordering ¶(6). Pogo appealed the case *de novo* because of that requirement; at the time of hearing Pogo believed there were still reserves which might be producible from the Cherry Canyon, and if it was required to squeeze the Cherry Canyon perforations it might be uneconomical to re-enter and produce the Cherry Canyon at some later date. Subsequent to entry of the order, Pogo combined the Cherry Canyon zone and the Brushy Canyon BC-4 interval in the Red Tank "26" Fed. Well No. 1, and the well is now producing approximately 50 BOPD from both zones. Pogo estimates that the Cherry Canyon zone is contributing approximately 60% of oil production from the well. Pogo would like additional time to evaluate the Cherry Canyon before going to the *de novo* hearing. However, injection authority will terminate on August 21, 1997 unless injection commences by that date. As a result, pursuant to Ordering ¶(13) of Order No. R-10657, Pogo requests a six month extension of injection authority, to February 21, 1998. This extension will allow a more thorough evaluation of the Cherry Canyon reservoir in this area. In addition, Pogo requests that the above case, currently set for the June hearing, be continued to the last hearing in 1997. Thank you for your consideration of this matter.

Very truly yours,

*James Bruce*

James Bruce

Attorney for Pogo  
Producing Company

cc: Terry Cant