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PLEASE REPLY TO ALBUQUERQUE Writer's Direct Number (505) 842-4704 e-mail: mlightstone@mstlaw.com

Case 12273

October 15, 1999

HAND-DELIVERED

Mr. Michael E. Stogner Oil Conservation Division 2040 South Pacheco Street Santa Fe, NM 87505

Re:

RANNE B. MILLER ALAN C. TORGERSON ALICE TOMLINSON LORENZ

GREGORY W. CHASE LYMAN G. SANDY

STEPHEN M. WILLIAMS STEPHAN M. VIDMAR

ROBERT C. GUTIERREZ SETH V. BINGHAM

JAMES B. COLLINS TIMOTHY R. BRIGGS RUDOLPH LUCERO

DEBORAH A. SOLOVE GARY L. GORDON

LAWRENCE R. WHITE SHARON P. GROSS

VIRGINIA ANDERMAN

THOMAS R. MACK

TERRI L. SAUER

JOEL T. NEWTON

MARTE D. LIGHTSTONE
J. SCOTT HALL

Pogo Producing Company's Application for Unorthodox Well Location, Section 33, Township 22 South, Range 32 East, N.M.P.M., Lea County, New Mexico

Dear Mr. Stogner:

On behalf of CNG Producing Company (CNG) and pursuant to Division Rule 104, CNG objects to the September 27, 1999 application of Pogo Producing Company for administrative approval of an unorthodox oil well location for the following well:

Red Tank "33" Fed. Well No. 1 10 feet FNL & 10 feet FEL NE¼NE¼ (Unit A) Section 33, Township 22 South, Range 32 East, NMPM Lea County, New Mexico

CNG is an overriding royalty interest owner in adjoining leases and objects to the requested orthodox well location because the proposed location will unduly harm the adjoining lease interests

Mr. Michael E. Stogner October 15, 1999 Page 2

and will adversely affect correlative rights. Therefore, CNG requests that the matter be set for hearing. Please let Scott Hall or myself know if we may provide additional information.

Very truly yours, Carla Prando for

Marte D. Lightstone

J. Scott Hall

MDL/dcg

P:\CNG\new case\stogner 101599.doc

c via fax:

James Bruce, Attorney for Pogo Producing Company

Fax. No. (505) 982-2151

NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

October 12, 1999

12713

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

Re:

Administrative application on behalf Pogo Production Company for authorization to drill its Red Tank "33" Federal Well No. 1 in order to test both the Undesignated West Red Tank-Delaware Pool and the Undesignated Red Tank-Bone Spring Pool at an unorthodox oil well location for both intervals 10 feet from the North and East lines (Unit A) of Section 33, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico.

Dear Mr. Bruce:

This application will require a hearing for further review [see Division Rule 104.F(5)]; it will therefore be placed on the next available docket scheduled for November 4, 1999.

Sincerely,

Michael E. Stogner

Chief Hearing Officer/Engineer

cc:

New Mexico Oil Conservation Division – Hobbs

U. S. Bureau of Land Management - Carlsbad

Kathy Valdes, NMOCD - Santa Fe