



**POGO PRODUCING COMPANY**

CERTIFIED MAIL/  
RETURN RECEIPT REQUESTED

December 6, 1999

Mr. Ralph Nix  
P.O. Box 440  
Artesia, New Mexico 88211

Re: Seven Rivers Prospect  
Eddy County, New Mexico  
Cisco-Canyon Recompletion  
S/2 Section 18, T-20-S, R-25-E, N.M.P.M.

EXHIBIT 3

Dear Mr. Nix:

By letter dated September 22, 1999, Pogo Producing Company ("Pogo") informed you of its desire to re-enter the Osage No. 1 Well, which is located 1,830' FSL and 1,980' FEL of the subject Section 18, in an effort to obtain production from depths extending from approximately 7,722' subsurface to approximately 7,750' subsurface in the Cisco-Canyon formation and establish an E/2 Section 18 well unit for proration purposes.

The purpose of this letter is to inform you that Pogo has decided to re-orient the above referenced well unit to embrace the S/2 of Section 18 instead of the E/2 of Section 18 which will afford you the opportunity to participate for a larger interest, since the E/2 SW/4 and W/2 SE/4 makes up one-half (1/2) of the well unit. In addition, you should have received a copy of Pogo's amended application for compulsory pooling which also changes the well unit from the E/2 to the S/2 of said Section 18. This case is scheduled to be heard on December 16, 1999 in Santa Fe.

As stated in our September 22, 1999 letter, if you want to participate in the above-mentioned re-entry operation, please execute, date and return Pogo's AFE No. 560517 to the undersigned by the earliest possible date. If you do not want to participate in this re-entry operation, it is requested that you lease to Pogo on a mutually acceptable form of oil and gas lease all of your interest in the E/2 SW/4 and W/2 SE/4 of Section 18. The terms, under which Pogo will lease such interest, will include \$175.00 per net mineral acre bonus consideration, 1/5<sup>th</sup> Lessor's royalty and a three (3) year primary term.

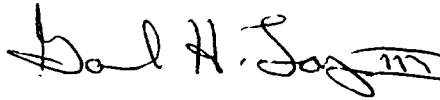
Once it has been decided who will participate and who will lease, Pogo will circulate an Operating Agreement covering the S/2 of said Section 18 for execution, unless agreed otherwise. This Operating Agreement will provide for, among other provisions, the designation of Pogo Producing Company as Operator.

Mr. Ralph Nix  
December 6, 1999  
Page Two

Thank you once again for your consideration in this matter. If you have any questions, please contact the undersigned at 915-685-8126. Pogo wishes to commence operations on this re-entry in the very near future so your early response is requested.

Very truly yours.

POGO PRODUCING COMPANY

A handwritten signature in black ink, appearing to read "Garland H. Lang III". The signature is fluid and cursive, with a prominent "G" and "L".

Garland H. Lang III  
Consulting Landman

cc: Mr. Ken Dickeson  
P.O. Box 10152  
Midland, Texas 79702



**POGO PRODUCING COMPANY**

FAX/CERTIFIED MAIL/  
RETURN RECIEPT REQUESTED

December 6, 1999

Devon Energy Corporation  
20 North Broadway, Suite 1500  
Oklahoma City, Oklahoma 73102-8260  
Attention: Mr. David Whitten  
Fax (405) 552-8113

405-552-8100

Re: Seven Rivers Prospect  
Eddy County, New Mexico  
Cisco-Canyon Recompletion  
S/2 Section 18, T-20-S, R-25-E, N.M.P.M.

Gentlemen:

By letter dated September 22, 1999, Pogo Producing Company ("Pogo") informed your company of its desire to re-enter the Osage No. 1 Well, which is located 1,830' FSL and 1,980' FEL of the subject Section 18, in an effort to obtain production from depths extending from approximately 7,722' subsurface to approximately 7,750' subsurface in the Cisco-Canyon formation and establish an E/2 Section 18 well unit for proration purposes.

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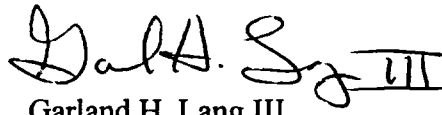
Once it has been decided who will participate and who will lease, Pogo will circulate an Operating Agreement covering the S/2 of said Section 18 for execution, unless agreed otherwise. This Operating Agreement will provide for, among other provisions, the designation of Pogo Producing Company as Operator.

Devon Energy Corporation  
December 6, 1999  
Page Two

Thank you once again for your consideration in this matter. If you have any questions, please contact the undersigned at 915-685-8126. Pogo wishes to commence operations on this re-entry in the very near future so your early response is requested.

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POGO PRODUCING COMPANY

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Garland H. Lang III  
Consulting Landman

cc: Mr. Ken Dickeson  
P.O. Box 10152  
Midland, Texas 79702

**POGO PRODUCING COMPANY**

CERTIFIED MAIL/  
RETURN RECEIPT REQUESTED

December 6, 1999

Kirby Minerals, LC  
P.O. Box 57330  
Oklahoma City, Oklahoma 73157  
Attention: Mr. Lawrence H. Davis, Manager

Mr. David T. Holt  
P.O. Box 844  
Clarksville, Tennessee 37041

Gene F. Lang & Co.  
6995 S. Chapparral Circle West  
Aurora, Colorado 80016

Re: Seven Rivers Prospect  
Eddy County, New Mexico  
Cisco-Canyon Recompletion  
S/2 Section 18, T-20-S, R-25-E, N.M.P.M.

Gentlemen:

By letter dated October 1, 1999, Pogo Producing Company ("Pogo") informed you of its desire to re-enter the Osage No. 1 Well, which is located 1,830' FSL and 1,980' FEL of the subject Section 18, in an effort to obtain production from depths extending from approximately 7,722' subsurface to approximately 7,750' subsurface in the Cisco-Canyon formation and establish an E/2 Section 18 well unit for proration purposes.

The purpose of this letter is to inform you that Pogo has decided to re-orient the above referenced well unit to embrace the S/2 of Section 18 instead of the E/2 of Section 18 which will afford you the opportunity to participate for a larger interest, since the E/2 SW/4 and W/2 SE/4 makes up one-half (1/2) of the well unit. In addition, you should have received a copy of Pogo's amended application for compulsory pooling which also changes the well unit from the E/2 to the S/2 of said Section 18. This case is scheduled to be heard on December 16, 1999 in Santa Fe.

As stated in our October 1, 1999 letter, if you want to participate in the above-mentioned re-entry operation, please execute, date and return Pogo's AFE No. 560517 to the undersigned by the earliest possible date. If you do not want to participate in this re-entry operation, but are willing to support such operation in some other manner (i.e., farmout or sale of your interest, etc.), please advise.

Once it has been decided who will participate and who will lease, Pogo will circulate an Operating Agreement covering the S/2 of said Section 18 for execution, unless agreed

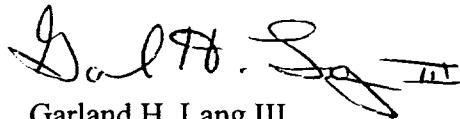
Cisco-Canyon Re-completion  
December 6, 1999  
Page Two

otherwise. This Operating Agreement will provide for, among other provisions, the designation of Pogo Producing Company as Operator.

Thank you once again for your consideration in this matter. If you have any questions, please contact the undersigned at 915-685-8126. Pogo wishes to commence operations on this re-entry in the very near future so your early response is requested.

Very truly yours.

POGO PRODUCING COMPANY

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Garland H. Lang III  
Consulting Landman

cc: Mr. Ken Dickeson  
P.O. Box 10152  
Midland, Texas 79702



**POGO PRODUCING COMPANY**

FAX/CERTIFIED MAIL/  
RETURN RECEIPT REQUESTED

December 6, 1999

Roberts and Koch  
400 W. Illinois, Suite 1540  
Midland, Texas 79701  
Attention: Mr. Ross Roberts  
Fax: 915-683-6529

Jack C. Cartwright  
P.O. Drawer 10250  
Midland, Texas 79702  
Fax: 915-685-3061

Wayman W. Buchanan  
511 E. Mandalay  
San Antonio, Texas 78212  
Fax: 210-832-8299

Re: Seven Rivers Prospect  
Eddy County, New Mexico  
Cisco-Canyon Recompletion  
S/2 Section 18, T-20-S, R-25-E, N.M.P.M.

Gentlemen:

By letter dated September 27, 1999, Pogo Producing Company ("Pogo") informed you of its desire to re-enter the Osage No. 1 Well, which is located 1,830' FSL and 1,980' FEL of the subject Section 18, in an effort to obtain production from depths extending from approximately 7,722' subsurface to approximately 7,750' subsurface in the Cisco-Canyon formation and establish an E/2 Section 18 well unit for proration purposes.

The purpose of this letter is to inform you that Pogo has decided to re-orient the above referenced well unit to embrace the S/2 of Section 18 instead of the E/2 of Section 18 which will afford you the opportunity to participate for a larger interest, since the E/2 SW/4 and W/2 SE/4 makes up one-half (1/2) of the well unit. In addition, you should have received a copy of Pogo's amended application for compulsory pooling which also changes the well unit from the E/2 to the S/2 of said Section 18. This case is scheduled to be heard on December 16, 1999 in Santa Fe.

As stated in our September 27, 1999 letter, if you want to participate in the above-mentioned re-entry operation, please execute, date and return Pogo's AFE No. 560517 to the undersigned by the earliest possible date. If you do not want to participate in this re-entry operation, but are willing to support such operation in some other manner (i.e., farmout or sale of your interest, etc.), please advise.

Once it has been decided who will participate and who will lease, Pogo will circulate an Operating Agreement covering the S/2 of said Section 18 for execution, unless agreed

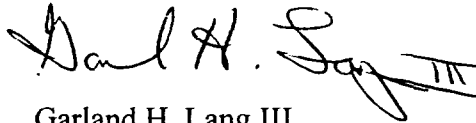
Cisco-Canyon Re-completion  
December 6, 1999  
Page Two

otherwise. This Operating Agreement will provide for, among other provisions, the designation of Pogo Producing Company as Operator.

Thank you once again for your consideration in this matter. If you have any questions, please contact the undersigned at 915-685-8126. Pogo wishes to commence operations on this re-entry in the very near future so your early response is requested.

Very truly yours.

POGO PRODUCING COMPANY

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Garland H. Lang III  
Consulting Landman

cc: Mr. Ken Dickeson  
P.O. Box 10152  
Midland, Texas 79702



GL



**POGO PRODUCING COMPANY**

CERTIFIED MAIL/  
RETURN RECEIPT REQUESTED

December 6, 1999

Ms. Loneta S. Curtis, Trustee under  
Declaration and Agreement of the  
Loneta S. Curtis Living Trust dated 3/24/92  
605 South 15<sup>th</sup> Street  
Artesia, New Mexico 88210

Re: Seven Rivers Prospect  
Eddy County, New Mexico  
Cisco-Canyon Recompletion  
S/2 Section 18, T-20-S, R-25-E, N.M.P.M.

Dear Ms. Curtis:

By letter dated September 22, 1999, Pogo Producing Company ("Pogo") informed you of its desire to re-enter the Osage No. 1 Well, which is located 1,830' FSL and 1,980' FEL of the subject Section 18, in an effort to obtain production from depths extending from approximately 7,722' subsurface to approximately 7,750' subsurface in the Cisco-Canyon formation and establish an E/2 Section 18 well unit for proration purposes.

The purpose of this letter is to inform you that Pogo has decided to re-orient the above referenced well unit to embrace the S/2 of Section 18 instead of the E/2 of Section 18 which will afford you the opportunity to participate for a larger interest, since the E/2 SW/4 and W/2 SE/4 makes up one-half (1/2) of the well unit. In addition, you should have received a copy of Pogo's amended application for compulsory pooling which also changes the well unit from the E/2 to the S/2 of said Section 18. This case is scheduled to be heard on December 16, 1999 in Santa Fe.

As stated in our September 22, 1999 letter, if you want to participate in the above-mentioned re-entry operation, please execute, date and return Pogo's AFE No. 560517 to the undersigned by the earliest possible date. If you do not want to participate in this re-entry operation, it is requested that you lease to Pogo on a mutually acceptable form of oil and gas lease all of your interest in the E/2 SW/4 and W/2 SE/4 of Section 18. The terms, under which Pogo will lease such interest, will include \$175.00 per net mineral acre bonus consideration, 1/5<sup>th</sup> Lessor's royalty and a three (3) year primary term.

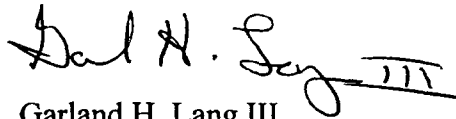
Once it has been decided who will participate and who will lease, Pogo will circulate an Operating Agreement covering the S/2 of said Section 18 for execution, unless agreed otherwise. This Operating Agreement will provide for, among other provisions, the designation of Pogo Producing Company as Operator.

Loneta S. Curtis Living Trust  
December 6, 1999  
Page Two

Thank you once again for your consideration in this matter. If you have any questions, please contact the undersigned at 915-685-8126. Pogo wishes to commence operations on this re-entry in the very near future so your early response is requested.

Very truly yours.

POGO PRODUCING COMPANY

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Garland H. Lang III  
Consulting Landman

cc: Mr. Ken Dickeson  
P.O. Box 10152  
Midland, Texas 79702

GL



**POGO PRODUCING COMPANY**

CERTIFIED MAIL/  
RETURN RECEIPT REQUESTED

December 6, 1999

Mr. and Mrs. James T. Jennings  
P.O. Box 1180  
Roswell, New Mexico 88202

Re: Seven Rivers Prospect  
Eddy County, New Mexico  
Cisco-Canyon Recompletion  
S/2 Section 18, T-20-S, R-25-E, N.M.P.M.

Dear Mr. and Mrs. Jennings:

By letter dated September 22, 1999, Pogo Producing Company ("Pogo") informed you of its desire to re-enter the Osage No. 1 Well, which is located 1,830' FSL and 1,980' FEL of the subject Section 18, in an effort to obtain production from depths extending from approximately 7,722' subsurface to approximately 7,750' subsurface in the Cisco-Canyon formation and establish an E/2 Section 18 well unit for proration purposes.

The purpose of this letter is to inform you that Pogo has decided to re-orient the above referenced well unit to embrace the S/2 of Section 18 instead of the E/2 of Section 18 which will afford you the opportunity to participate for a larger interest, since the E/2 SW/4 and W/2 SE/4 makes up one-half (1/2) of the well unit. In addition, you should have received a copy of Pogo's amended application for compulsory pooling which also changes the well unit from the E/2 to the S/2 of said Section 18. This case is scheduled to be heard on December 16, 1999 in Santa Fe.

As stated in our September 22, 1999 letter, if you want to participate in the above-mentioned re-entry operation, please execute, date and return Pogo's AFE No. 560517 to the undersigned by the earliest possible date. If you do not want to participate in this re-entry operation, it is requested that you lease to Pogo on a mutually acceptable form of oil and gas lease all of your interest in the E/2 SW/4 and W/2 SE/4 of Section 18. The terms, under which Pogo will lease such interest, will include \$175.00 per net mineral acre bonus consideration, 1/5<sup>th</sup> Lessor's royalty and a three (3) year primary term.

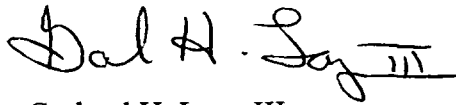
Once it has been decided who will participate and who will lease, Pogo will circulate an Operating Agreement covering the S/2 of said Section 18 for execution, unless agreed otherwise. This Operating Agreement will provide for, among other provisions, the designation of Pogo Producing Company as Operator.

M&M James T. Jennings  
December 6, 1999  
Page Two

Thank you once again for your consideration in this matter. If you have any questions, please contact the undersigned at 915-685-8126. Pogo wishes to commence operations on this re-entry in the very near future so your early response is requested.

Very truly yours.

POGO PRODUCING COMPANY

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Garland H. Lang III  
Consulting Landman

cc: Mr. Ken Dickeson  
P.O. Box 10152  
Midland, Texas 79702

**FAX(915-686-7806)/CERTIFIED MAIL/  
RETURN RECEIPT REQUESTED**



**POGO PRODUCING COMPANY**

November 23, 1999

Nearburg Exploration Co., L.L.C.  
3300 N. A St., Building 2, Suite 120  
Midland, Texas 79705  
Attention: Mr. Robert G. Shelton  
Land Manager

Re: Seven Rivers Prospect  
Eddy County, New Mexico  
Cisco-Canyon Recompletion  
S/2 Section 18, T-20-S, R-25-E, N.M.P.M.

Gentlemen:

As you may be aware, Pogo Producing Company ("Pogo") has acquired oil and gas leases covering the entire mineral interest in the N/2, W/2 SW/4 and E/2 SE/4 Section 18, T-20-S, R-25-E, N.M.P.M., Eddy County, New Mexico, and a portion of the mineral interest in the E/2 SW/4 and W/2 SE/4 of said Section 18, with the plan to explore for oil and gas on such lands.

With the above in mind, please be advised that Pogo currently intends to re-enter the Osage No. 1 Well, which is located 1,830' FSL and 1,980' FEL of said Section 18, in an effort to obtain production from depths extending from approximately 7,722' subsurface to approximately 7,750' subsurface in the Cisco-Canyon formation and establish an S/2 Section 18 well unit for proration purposes. Such a well unit will afford you the opportunity to participate in the above-mentioned re-entry, since the E/2 SW/4 and W/2 SE/4 Section 18 make up one-half (1/2) of the well unit. Further, Pogo's enclosed Authority for Expenditure No. 560517 ("AFE"), together with type written procedure and wellbore diagram, provides pertinent details of the above-mentioned operation and estimated costs associated with same.

In the event you want to participate in the above-mentioned re-entry operation, please evidence same by executing, dating and thereafter returning such executed AFE to the undersigned by the earliest possible date. If, however, you do not want to participate in this re-entry operation, but are willing to support such operation in some other manner (i.e., farmout or sale of your interest, etc.), please advise.

Once it has been determined who will participate in or otherwise support such operation under mutually acceptable terms, Pogo will circulate an Operating Agreement covering the S/2 of said Section 18 for execution, unless agreed otherwise. This Operating Agreement will provide for, among other things, the designation of Pogo Producing Company as Operator.

Cisco-Canyon Recompletion  
November 23, 1999  
Page Two

Thank you for your consideration of this matter. If you have any questions, please call. Also, since Pogo hopes to commence the above-mentioned operation in the very near future, your earliest possible response is requested.

Very truly yours,

POGO PRODUCING COMPANY

A handwritten signature in black ink, appearing to read "R. Scott McDaniel", written over the company name.

R. Scott McDaniel  
District Landman

Enclosures

cc: Mr. Jerry Elger  
Nearburg Exploration Co., L.L.C.

# OSAGE/ CHINA DRAW RE ENTRY

## PROCEDURE:

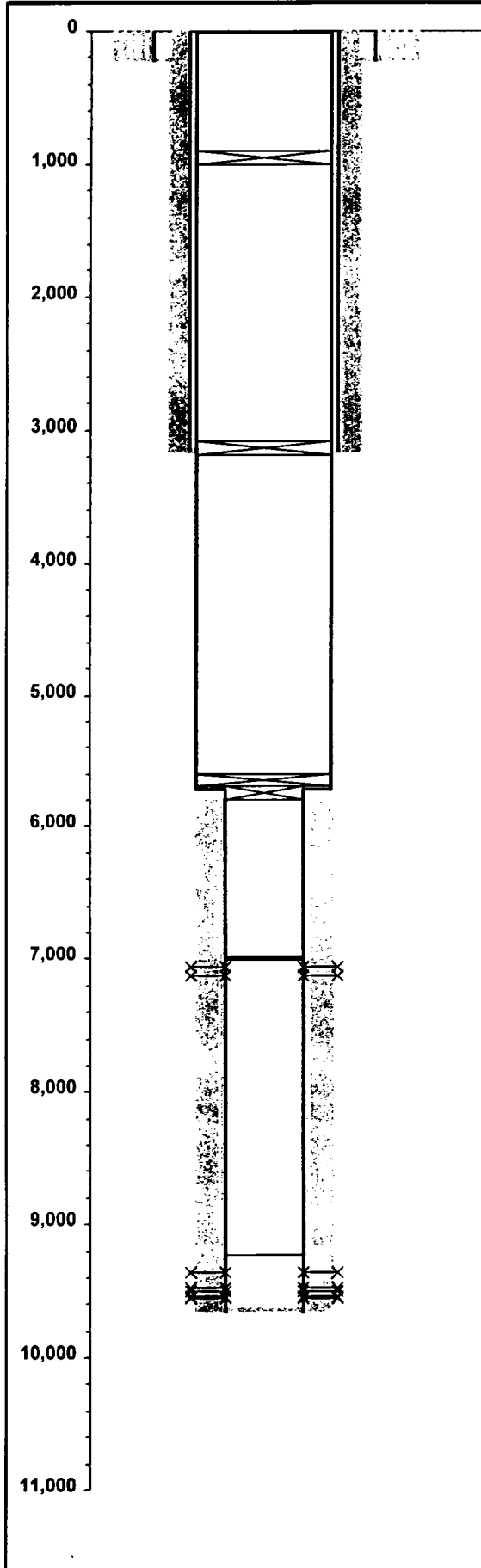
STEP	DESCRIPTION
1	LOCATE OLD WELLBORE - DIG OUT & REPLACE CELLAR - WELD ON STARTING HEAD TO 8 5/8" CASING
2	MIRU WELL SERVICE UNIT - N/U HYDRAULIC BOP'S (11"5M) - TEST SAME - OFF LOAD 2 7/8" WORK STRING TO PIPE RACKS
3	PICK UP BHA (6) 4 3/4" DC & 7 7/8" INCH MILL TOOTH BIT - DRILL OUT CEMENT PLUGS TO TOP OF CUT 4 1/2" CASING $\pm$ 5700' - CIRCULATE HOLE CLEAN - POOH
4	PICK UP SKIRTED DRESS OFF MILL - RIH - DRESS OFF FISH TOP $\pm$ 3' - POOH
5	PICK UP 2 3/8" TAIL PIPE & 3 7/8" BIT - RIH - ENTER 4 1/2" CASING $\pm$ 100' - CIRC CLEAN - POOH - LAY DOWN WORK STRING
6	GIH WITH 4 1/2" CASING WITH LEAD SEAL BOWL PACK OFF - STAB BOWL - PRESSURE TEST CASING - PICK UP - ESTABLISH CIRCULATION - CEMENT TIE BACK CASING - STAB BOWL OVER CASING STUB - WOC
7	SET SLIPS - N/D BOP'S - INSTALL TUBING SPOOL -N/U BOP'S (7 1/16") - TEST
8	PICK UP NEW BHA WITH 3 7/8" CMT MILL - RIH P/U 2 3/8" WORK STRING - CLEAN OUT 4 1/2" CASING TO $\pm$ 8100' -PRESSURE TEST CASING - POOH <b>NOTE: IF PBTD OR WOLFCAMP PERFS LEAK, REPAIR SAME</b>
9	RUN NEUTRON/GAMMA RAY CBL/CCL FROM PBTD TO CMT TOP - PERF CISCO/CANYON AS PER GEOLOGIST
10	RIG UP TO ROD PUMP CISCO/CANYON FOR EXTENDED TEST

# Wellbore Schematic

OSAGE # 001

Wellbore ID #: 4685

Printed: 8/26/



1830 FSL & 1980 FEL  
Sec, Blk, Sur(Lbr, Lge, Sur) or (Sec, Twn, Rng): 18, ,  
County, State: EDDY, NM  
Aux ID (API, etc.):  
KB = 15; DF = ; All Depths Corr To: KB

GL Elev: 3,582.00  
Fill Depth:  
PBTD: 0.00  
TD: 9,600.00  
BOP:

## Hole Size

Diameter	Top At	Btm At	Date Drilled
17.5000	0.00	210.00	12/17/74
11.0000	210.00	3,150.00	12/18/74
7.8750	3,150.00	9,640.00	1/30/75

## Surface Casing

Description	#	Diameter	Weight	Grade	Length	Top At	Btm At
Casing	1	12.7500	37.45		210.00	15.00	22

CIRCULATE CMT.

## Intermediate Casing

Description	#	Diameter	Weight	Grade	Length	Top At	Btm At
Casing	1	8.6250	32.00		3,150.00	15.00	3,16

CIRCULATED CMT.

## Production Casing String 1

Description	#	Diameter	Weight	Grade	Length	Top At	Btm At
Casing	1	7.8750			5,700.00	15.00	5,71

EST TOC 5700 - casing cut @  $\pm 5700'$

Description	#	Diameter	Weight	Grade	Length	Top At	Btm At
Casing	1	4.5000	11.60		3,940.00	5,715.00	9,65

## Cement

# Sx	Class	Weight	I D	O D	Top At	Btm At	TOC
225	C	1.32	12.750	17.500	0.00	220.00	

CIRCULATED CEMENT

# Sx	Class	Weight	I D	O D	Top At	Btm At	TOC
950	C	1.94	8.625	11.000	0.00	3,130.00	

CIRCULATED CEMENT

# Sx	Class	Weight	I D	O D	Top At	Btm At	TOC
925	C	1.32	4.500	7.856	5,800.00	9,640.00	

cement to calculated

## Perforations

Top	Bottom	Status	Opened	Closed	# / Ft	Ttl #	Open Hc
7,059.00	7,122.00	PA	7/26/79	3/1/80	1	23	

ACID/N2 JOB (3000 GALS + 72000SCF N2) P&A WOLFCAMP W/ CIBP@ 7000' + 20' CM

Top	Bottom	Status	Opened	Closed	# / Ft	Ttl #	Open Hc
9,364.00	9,474.00	PA	3/25/75	3/10/75	1	23	

ADD UPPER MORROW - SET LOK SET BLANKING PLUG 9227' 7/26/79 - MORROW PLUGGED

Top	Bottom	Status	Opened	Closed	# / Ft	Ttl #	Open Hc
9,510.00	9,544.00	PA	3/10/75	3/25/75	1	11	

REPERF MORROW - SET RETAINER @ 9484

Top	Bottom	Status	Opened	Closed	# / Ft	Ttl #	Open Hc
9,510.00	9,561.00	PA	3/6/75	3/10/75	1	17	

SET CIBP @ 9548

## Wellbore Plugs and Junk

Top	Bottom	Type	Diameter	Solid	Depth
0.00	10.00	Cmt	7.875	Yes	1/28

surface plug (10 sks)

Top	Bottom	Type	Diameter	Solid	Depth
900.00	1,000.00	Cmt	7.875	Yes	1/28

CEMENT PLUG

Top	Bottom	Type	Diameter	Solid	Depth
3,080.00	3,180.00	Cmt	7.875	Yes	1/28

CEMENT PLUG

Top	Bottom	Type	Diameter	Solid	Depth
5,600.00	5,700.00	Cmt	7.875	Yes	1/28

CEMENT PLUG

Top	Bottom	Type	Diameter	Solid	Depth
5,700.00	5,800.00	Cmt	4.500	Yes	1/28

CEMENT PLUG INSIDE 4 1/2 STUB

Top	Bottom	Type	Diameter	Solid	Depth
6,980.00	7,000.00	Cmt	4.500	Yes	1/28

CEMENT CAP ON CIBP



KSm

**CERTIFIED MAIL/**  
**RETURN RECEIPT REQUESTED**



**POGO PRODUCING COMPANY**

October 1, 1999

Kirby Minerals, LC  
P. O. Box 57330  
Oklahoma City, Oklahoma 73157  
Attention: Mr. Lawrence H. Davis, Manager

Mr. David T. Holt  
P. O. Box 844  
Clarksville, Tennessee 37041

Gene F. Lang & Co.  
6995 S. Chapparral Circle West  
Aurora, Colorado 80016  
Attention: Mr. Gene F. Lang

Re: Seven Rivers Prospect  
Eddy County, New Mexico  
Cisco-Canyon Recompletion  
E/2 Section 18, T-20-S, R-25-E, N.M.P.M.

Gentlemen:

As you may be aware, Pogo Producing Company ("Pogo") has acquired oil and gas leases covering the entire mineral interest in the N/2, W/2 SW/4 and E/2 SE/4 Section 18, T-20-S, R-25-E, N.M.P.M., Eddy County, New Mexico, and a portion of the mineral interest in the E/2 SW/4 and W/2 SE/4 of said Section 18, with the plan to explore for oil and gas on such lands.

With the above in mind, please be advised that Pogo currently intends to re-enter the Osage No. 1 Well, which is located 1,830' FSL and 1,980' FEL of said Section 18, in an effort to obtain production from depths extending from approximately 7,722' subsurface to approximately 7,750' subsurface in the Cisco-Canyon formation and establish an E/2 Section 18 well unit for proration purposes. Such a well unit will afford you the opportunity to participate in the above-mentioned re-entry, since the W/2 SE/4 Section 18 makes up one-fourth (1/4) of the well unit. Further, Pogo's enclosed Authority for Expenditure No. 560517 ("AFE"), together with type written procedure and wellbore diagram, provides pertinent details of the above-mentioned operation and estimated costs associated with same.

In the event you want to participate in the above-mentioned re-entry operation, please evidence same by executing, dating and thereafter returning such executed AFE to the undersigned by the earliest possible date. If, however, you do not want to participate in this re-entry operation, but are willing to support such operation in some other manner (i.e., farmout or sale of your interest, etc.), please advise.

Once it has been determined who will participate in or otherwise support such operation under mutually acceptable terms, Pogo will circulate an Operating Agreement covering the E/2 of said

Cisco-Canyon Recompletion  
October 1, 1999  
Page Two

Section 18 for execution, unless agreed otherwise. This Operating Agreement will provide for, among other things, the designation of Pogo Producing Company as Operator.

In the alternative, the above-mentioned Operating Agreement can be prepared such that it covers all of said Section 18, instead of just its E/2. This modification will not change your interest under the Operating Agreement, since your ownership is the same in both the E/2 SW/4 and the W/2 SE/4 Section 18, and such lands will still amount to one-fourth of the total lands covered by the Operating Agreement.

Thank you for your consideration of this matter. If you have any questions, please call. Also, since Pogo hopes to commence the above-mentioned operation in the very near future, your earliest possible response is requested.

Very truly yours,

POGO PRODUCING COMPANY

A handwritten signature in black ink, appearing to read "R. Scott McDaniel", is written over the company name.

R. Scott McDaniel  
District Landman

Enclosures

**FAX/CERTIFIED MAIL/**  
**RETURN RECEIPT REQUESTED**



**POGO PRODUCING COMPANY**

September 27, 1999

Roberts and Koch  
400 W. Illinois, Suite 1540  
Midland, Texas 79701  
Attn: Mr. Ross Roberts  
Fax: 915-683-6529

Jack C. Cartwright  
P. O. Drawer 10250  
Midland, Texas 79702  
Fax: 915-685-3061

Wayman W. Buchanan  
511 E. Mandalay  
San Antonio, Texas 78212  
Fax: 210-832-8299

Re: Seven Rivers Prospect  
Eddy County, New Mexico  
Cisco-Canyon Recompletion  
E/2 Section 18, T-20-S, R-25-E, N.M.P.M.

Gentlemen:

As you may be aware, Pogo Producing Company ("Pogo") has acquired oil and gas leases covering the entire mineral interest in the N/2, W/2 SW/4 and E/2 SE/4 Section 18, T-20-S, R-25-E, N.M.P.M., Eddy County, New Mexico, and a portion of the mineral interest in the E/2 SW/4 and W/2 SE/4 of said Section 18, with the plan to explore for oil and gas on such lands.

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Cisco-Canyon Recompletion  
September 27, 19999  
Page Two

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Very truly yours,

POGO PRODUCING COMPANY



R. Scott McDaniel

Enclosures

**CERTIFIED MAIL/**  
**RETURN RECEIPT REQUESTED**



**POGO PRODUCING COMPANY**

October 1, 1999

Kirby Minerals, LC  
P. O. Box 57330  
Oklahoma City, Oklahoma 73157  
Attention: Mr. Lawrence H. Davis, Manager

Mr. David T. Holt  
P. O. Box 844  
Clarksville, Tennessee 37041

Gene F. Lang & Co.  
6995 S. Chapparral Circle West  
Aurora, Colorado 80016  
Attention: Mr. Gene F. Lang

Re: Seven Rivers Prospect  
Eddy County, New Mexico  
Cisco-Canyon Recompletion  
E/2 Section 18, T-20-S, R-25-E, N.M.P.M.

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Cisco-Canyon Recompletion  
October 1, 1999  
Page Two

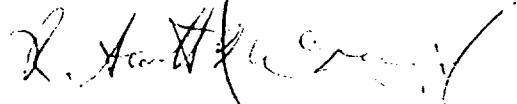
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Very truly yours,

POGO PRODUCING COMPANY

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R. Scott McDaniel  
District Landman

Enclosures



**POGO PRODUCING COMPANY**

**CERTIFIED MAIL/**  
**RETURN RECEIPT REQUESTED**

September 22, 1999

Ms. Loneta S. Curtis, Trustee under  
Declaration and Agreement of the  
Loneta S. Curtis Living Trust dated 3/24/92  
605 South 15<sup>th</sup> Street  
Artesia, New Mexico 88210

Re: Seven Rivers Prospect  
Eddy County, New Mexico  
Cisco-Canyon Recompletion  
E/2 Section 18, T-20-S, R-25-E, N.M.P.M.

Gentlemen:

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In the event you want to participate in the above-mentioned re-entry operation, please evidence same by executing, dating and thereafter returning such executed AFE to the undersigned by the earliest possible date. If, however, you do not want to participate in this re-entry operation, it is requested that you lease to Pogo on a mutually acceptable form of oil and gas lease all of your interest in not only said W/2 SE/4 Section 18, which, again, is to be included in the above-mentioned well unit, but also said E/2 SW/4 Section

Ms. Loneta S. Curtis, Trustee  
September 22, 1999  
Page Two

18. Terms under which Pogo will lease such interest will include \$150 per net mineral acre bonus consideration, 1/5<sup>th</sup> Lessor's royalty and an three (3) year primary term.

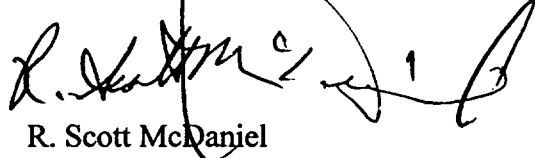
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Very truly yours,

POGO PRODUCING COMPANY

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R. Scott McDaniel

Enclosures

cc: Mr. Ken Dickeson  
P. O. Box 10152  
Midland, Texas 79702

Mr. Ralph Nix  
P. O. Box 440  
Artesia, New Mexico 88211





**POGO PRODUCING COMPANY**

**CERTIFIED MAIL/  
RETURN RECEIPT REQUESTED**

September 22, 1999

Devon Energy Corporation  
20 North Broadway, Suite 1500  
Oklahoma City, Oklahoma 73102-8260  
Attention: Mr. David Whitten

Re: Seven Rivers Prospect  
Eddy County, New Mexico  
Cisco-Canyon Recompletion  
E/2 Section 18, T-20-S, R-25-E, N.M.P.M.

Gentlemen:

As you may be aware, Pogo Producing Company ("Pogo") has acquired oil and gas leases covering the entire mineral interest in the N/2, W/2 SW/4 and E/2 SE/4 Section 18, T-20-S, R-25-E, N.M.P.M., Eddy County, New Mexico, and a portion of the mineral interest in the E/2 SW/4 and W/2 SE/4 of said Section 18. Mr. Ken Dickeson, an independent landman, has recently contacted you on Pogo's behalf concerning the purchase of an oil and gas lease covering all of your undivided mineral interest in said E/2 SW/4 and W/2 SE/4 Section 18, at which time you expressed an interest in possibly participating with Pogo in exploring for oil and gas on such lands.

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Devon Energy Corporation  
September 22, 1999  
Page Two

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Very truly yours,

POGO PRODUCING COMPANY

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R. Scott McDaniel

Enclosures

cc: Mr. Ken Dickeson  
P. O. Box 10152  
Midland, Texas 79702

**CERTIFIED MAIL/**  
**RETURN RECEIPT REQUESTED**



**POGO PRODUCING COMPANY**

September 22, 1999

Mr. and Mrs. James T. Jennings  
P. O. Box 1180  
Roswell, New Mexico 88202

Re: Seven Rivers Prospect  
Eddy County, New Mexico  
Cisco-Canyon Recompletion  
E/2 Section 18, T-20-S, R-25-E, N.M.P.M.

Dear Mr. and Mrs. Jennings:

As you may be aware, Pogo Producing Company ("Pogo") has acquired oil and gas leases covering the entire mineral interest in the N/2, W/2 SW/4 and E/2 SE/4 Section 18, T-20-S, R-25-E, N.M.P.M., Eddy County, New Mexico, and a portion of the mineral interest in the E/2 SW/4 and W/2 SE/4 of said Section 18. Mr. Ken Dickeson, an independent landman, has recently contacted you on Pogo's behalf concerning the purchase of an oil and gas lease covering all of your undivided mineral interest in said E/2 SW/4 and W/2 SE/4 Section 18, at which time you expressed an interest in possibly participating with Pogo in exploring for oil and gas on such lands.

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Mr. and Mrs. James T. Jennings  
September 22, 1999  
Page Two

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POGO PRODUCING COMPANY

  
R. Scott McDaniel

Enclosures

cc: Mr. Ken Dickeson  
P. O. Box 10152  
Midland, Texas 79702

**CERTIFIED MAIL/**  
**RETURN RECEIPT REQUESTED**



**POGO PRODUCING COMPANY**

September 22, 1999

Mr. Ralph Nix  
P. O. Box 440  
Artesia, New Mexico 88211

Re: Seven Rivers Prospect  
Eddy County, New Mexico  
Cisco-Canyon Recompletion  
E/2 Section 18, T-20-S, R-25-E, N.M.P.M.

Dear Mr. Nix:

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Mr. Ralph Nix  
September 22, 1999  
Page Two

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R. Scott McDaniel

Enclosures

cc: Mr. Ken Dickeson  
P. O. Box 10152  
Midland, Texas 79702

251

**CERTIFIED MAIL/**  
**RETURN RECEIPT REQUESTED**



**POGO PRODUCING COMPANY**

September 22, 1999

Ms. Loneta S. Curtis, Trustee under  
Declaration and Agreement of the  
Loneta S. Curtis Living Trust dated 3/24/92  
605 South 15<sup>th</sup> Street  
Artesia, New Mexico 88210

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Ms. Loneta S. Curtis, Trustee  
September 22, 1999  
Page Two

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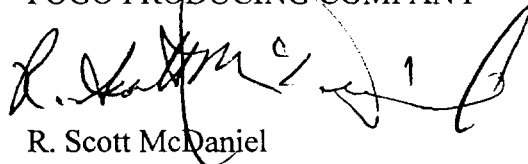
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R. Scott McDaniel

Enclosures

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P. O. Box 10152  
Midland, Texas 79702

Mr. Ralph Nix  
P. O. Box 440  
Artesia, New Mexico 88211





**POGO PRODUCING COMPANY**

**CERTIFIED MAIL/**  
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September 22, 1999

Devon Energy Corporation  
20 North Broadway, Suite 1500  
Oklahoma City, Oklahoma 73102-8260  
Attention: Mr. David Whitten

Re: Seven Rivers Prospect  
Eddy County, New Mexico  
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Gentlemen:

As you may be aware, Pogo Producing Company ("Pogo") has acquired oil and gas leases covering the entire mineral interest in the N/2, W/2 SW/4 and E/2 SE/4 Section 18, T-20-S, R-25-E, N.M.P.M., Eddy County, New Mexico, and a portion of the mineral interest in the E/2 SW/4 and W/2 SE/4 of said Section 18. Mr. Ken Dickeson, an independent landman, has recently contacted you on Pogo's behalf concerning the purchase of an oil and gas lease covering all of your undivided mineral interest in said E/2 SW/4 and W/2 SE/4 Section 18, at which time you expressed an interest in possibly participating with Pogo in exploring for oil and gas on such lands.

With the above in mind, please be advised that Pogo currently intends to re-enter the Osage No. 1 Well, which is located 1,830' FSL and 1,980' FEL of said Section 18, in an effort to obtain production from depths extending from approximately 7,722' subsurface to approximately 7,750' subsurface in the Cisco-Canyon formation and establish an E/2 Section 18 well unit for proration purposes. Such a well unit will afford you the opportunity to participate in the above-mentioned re-entry, since the W/2 SE/4 Section makes up one-fourth (1/4) of the well unit. Further, Pogo's enclosed Authority for Expenditure No. 560517 ("AFE"), together with type written procedure and wellbore diagram, provides pertinent details of the above-mentioned operation and estimated costs associated with same.

In the event you want to participate in the above-mentioned re-entry operation, please evidence same by executing, dating and thereafter returning such executed AFE to the undersigned by the earliest possible date. If, however, you do not want to participate in this re-entry operation, it is requested that you lease to Pogo on a mutually acceptable form of oil and gas lease all of your interest in not only said W/2 SE/4 Section 18, which, again, is to be included in the above-mentioned well unit, but also said E/2 SW/4 Section

Devon Energy Corporation  
September 22, 1999  
Page Two

18. Terms under which Pogo will lease such interest will include \$175 per net mineral acre bonus consideration,  $1/5^{\text{th}}$  Lessor's royalty and an three (3) year primary term.

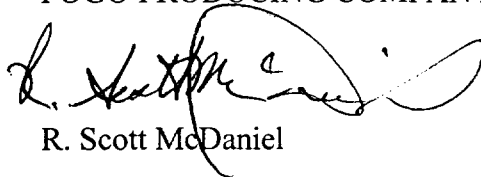
Once it has been determined who will participate and who will lease, Pogo will circulate an Operating Agreement covering the E/2 of said Section 18 for execution, unless agreed otherwise. This Operating Agreement will provide for, among other things, the designation of Pogo Producing Company as Operator.

In the alternative, the above-mentioned Operating Agreement can be prepared such that it covers all of said Section 18, instead of just its E/2. This modification will not change your interest under the Operating Agreement, since your ownership is the same in both the E/2 SW/4 and the W/2 SE/4 Section 18, and such lands will still amount to one-fourth of the total lands covered by the Operating Agreement.

Thank you for your consideration of this matter. If you have any questions, please call. Also, since Pogo hopes to commence the above-mentioned operation in the very near future, your earliest possible response is requested.

Very truly yours,

POGO PRODUCING COMPANY

A handwritten signature in black ink, appearing to read "R. Scott McDaniel", is written over the company name.

R. Scott McDaniel

Enclosures

cc: Mr. Ken Dickeson  
P. O. Box 10152  
Midland, Texas 79702

**CERTIFIED MAIL/**  
**RETURN RECEIPT REQUESTED**



**POGO PRODUCING COMPANY**

September 22, 1999

Mr. and Mrs. James T. Jennings  
P. O. Box 1180  
Roswell, New Mexico 88202

Re: Seven Rivers Prospect  
Eddy County, New Mexico  
Cisco-Canyon Recompletion  
E/2 Section 18, T-20-S, R-25-E, N.M.P.M.

Dear Mr. and Mrs. Jennings:

As you may be aware, Pogo Producing Company ("Pogo") has acquired oil and gas leases covering the entire mineral interest in the N/2, W/2 SW/4 and E/2 SE/4 Section 18, T-20-S, R-25-E, N.M.P.M., Eddy County, New Mexico, and a portion of the mineral interest in the E/2 SW/4 and W/2 SE/4 of said Section 18. Mr. Ken Dickeson, an independent landman, has recently contacted you on Pogo's behalf concerning the purchase of an oil and gas lease covering all of your undivided mineral interest in said E/2 SW/4 and W/2 SE/4 Section 18, at which time you expressed an interest in possibly participating with Pogo in exploring for oil and gas on such lands.

With the above in mind, please be advised that Pogo currently intends to re-enter the Osage No. 1 Well, which is located 1,830' FSL and 1,980' FEL of said Section 18, in an effort to obtain production from depths extending from approximately 7,722' subsurface to approximately 7,750' subsurface in the Cisco-Canyon formation and establish an E/2 Section 18 well unit for proration purposes. Such a well unit will afford you the opportunity to participate in the above-mentioned re-entry, since the W/2 SE/4 Section makes up one-fourth (1/4) of the well unit. Further, Pogo's enclosed Authority for Expenditure No. 560517 ("AFE"), together with type written procedure and wellbore diagram, provides pertinent details of the above-mentioned operation and estimated costs associated with same.

In the event you want to participate in the above-mentioned re-entry operation, please evidence same by executing, dating and thereafter returning such executed AFE to the undersigned by the earliest possible date. If, however, you do not want to participate in this re-entry operation, it is requested that you lease to Pogo on a mutually acceptable form of oil and gas lease all of your interest in not only said W/2 SE/4 Section 18, which, again, is to be included in the above-mentioned well unit, but also said E/2 SW/4 Section

Mr. and Mrs. James T. Jennings  
September 22, 1999  
Page Two

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Very truly yours,

POGO PRODUCING COMPANY

  
R. Scott McDaniel

Enclosures

cc: Mr. Ken Dickeson  
P. O. Box 10152  
Midland, Texas 79702

**CERTIFIED MAIL/**  
**RETURN RECEIPT REQUESTED**



**POGO PRODUCING COMPANY**

September 22, 1999

Mr. Ralph Nix  
P. O. Box 440  
Artesia, New Mexico 88211

Re: Seven Rivers Prospect  
Eddy County, New Mexico  
Cisco-Canyon Recompletion  
E/2 Section 18, T-20-S, R-25-E, N.M.P.M.

Dear Mr. Nix:

As you may be aware, Pogo Producing Company ("Pogo") has acquired oil and gas leases covering the entire mineral interest in the N/2, W/2 SW/4 and E/2 SE/4 Section 18, T-20-S, R-25-E, N.M.P.M., Eddy County, New Mexico, and a portion of the mineral interest in the E/2 SW/4 and W/2 SE/4 of said Section 18. Mr. Ken Dickeson, an independent landman, has recently contacted you on Pogo's behalf concerning the purchase of an oil and gas lease covering all of your undivided mineral interest in said E/2 SW/4 and W/2 SE/4 Section 18, at which time you expressed an interest in possibly participating with Pogo in exploring for oil and gas on such lands.

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Mr. Ralph Nix  
September 22, 1999  
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Very truly yours,

POGO PRODUCING COMPANY



R. Scott McDaniel

Enclosures

cc: Mr. Ken Dickeson  
P. O. Box 10152  
Midland, Texas 79702