JAMES BRUCE

ATTORNEY AT LAW

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November 23, 1999

CL CONSERVATION DIV.

99 NOV 23 PM 2: 39

12309

Hand Delivered

Florene Davidson Oil Conservation Division 2040 South Pacheco Street Santa Fe, New Mexico 87505

Dear Florene:

Enclosed are an original and two copies of an application for a non-standard unit and an unorthodox well location, together with a proposed advertisement, filed on behalf of Pogo Producing Company. Please set this case for the December 16, 1999 Examiner hearing. Thank you.

Very truly yours,

lmes Bruce

Attorney for Pogo Producing Company

ON OCCUSED AND DM.

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION 99 NOV 23 PH 2:29

APPLICATION OF POGO PRODUCING COMPANY FOR A NON-STANDARD GAS SPACING AND PRORATION UNIT AND AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO.

No. 123

APPLICATION

Pogo Producing Company applies for approval of a non-standard gas spacing and proration unit and an unorthodox gas well location in Section 7, Township 20 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant is a working interest owner in Lots 3, 4, E½SW¼, and SE¼ (S½ equivalent) of Section 7, and proposes to drill its Davis "7" Well No. 1 at a location 660 feet from the South and West lines (Unit M) of the section, to a depth sufficient to test the Morrow formation.

2. Section 7 is within the McMillan-Morrow Gas Pool, which is spaced on 640 acres, with wells to be no closer than 1650 feet to the outer boundary of the unit nor closer than 330 feet to a quarter-quarter section line.

3. Applicant requests approval of (a) a non-standard gas spacing and proration unit comprised of the S½ of Section 7, and (b) an unorthodox gas well location, in the Morrow formation.

4. Approval of this application will prevent waste and protect correlative rights.

WHEREFORE, applicant requests that the Division enter its order approving the above-described non-standard gas spacing and proration unit and unorthodox gas well location.

Respectfully submitted,

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James Bruce Post Office Box 1056 Santa Fe, New Mexico 87504 (505) 982-2043

Attorney for Pogo Producing Company

OF CONSIDERATION DV

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION 99 NOV 23 PM 2:29

APPLICATION OF POGO PRODUCING COMPANY FOR A NON-STANDARD GAS SPACING AND PRORATION UNIT AND AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO.

No. 12309

APPLICATION

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1. Applicant is a working interest owner in Lots 3, 4, E½SW¼, and SE¼ (S½ equivalent) of Section 7, and proposes to drill its Davis "7" Well No. 1 at a location 660 feet from the South and West lines (Unit M) of the section, to a depth sufficient to test the Morrow formation.

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Respectfully submitted,

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James Bruce Post Office Box 1056 Santa Fe, New Mexico 87504 (505) 982-2043

Attorney for Pogo Producing Company

PROPOSED ADVERTISEMENT

Case 12309 : Application of Pogo Producing Company for a nonstandard gas spacing and proration unit and an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks approval of a non-standard gas spacing and proration unit and an unorthodox gas well location in the McMillan-Morrow Gas Pool for its Davis "7" Well No. 1, to be located 660 feet from the south and west lines (Unit M) of Section 7, Township 20 South, Range 27 East, NMPM. Lots 3, 4, E½SW¼, and SE¼ (S¼ equivalent) of Section 7 will be dedicated to the well. The well unit is located approximately 6 miles southeast of Lakewood, New Mexico.