



POGO PRODUCING COMPANY

January 17, 2001

**VIA FACSIMILE (505) 748-9720 AND
CM RRR 7099 3220 0005 5521 0851**

New Mexico Oil Conservation Division – District II

Attn: Mr. Tim W. Gum
811 South First Street
Artesia, New Mexico 88210



Re: CORRAL DRAW PROSPECT
COTTONWOOD DRAW PROSPECT
NEFF PROSPECT
MALAGA, SOUTH PROSPECT
Eddy County, New Mexico

NOTICE OF POGO-OPERATED INACTIVE NON-COMPLIANCE WELLS

Bradley 13 Federal № 2 Well – API № 30-015-29257
Cottonwood 2 State № 1 Well – API № 30-015-27698
Federal 23 № 1 Well – API № 30-015-26377
Sam Federal № 2 Well – API № 30-015-24364

Gentlemen:

Reference is made to your letter dated December 26, 2000, which was received by Pogo on January 3, 2001 (copy attached), requesting that an aggressive, detailed plan regarding the captioned Pogo-operated wells that are currently shown to be in non-compliance by the NMOCD be submitted within thirty (30) days from receipt of such letter. In the event such plan is not submitted, then the NMOCD will schedule a Show Cause Hearing regarding same.

In connection with the above, please find attached hereto the following:

BRADLEY 13 FEDERAL № 2 WELL – See attached copies of BLM Sundry Notices dated October 17, 2000, and January 4, 2001, which have been approved by the BLM as to Pogo's request to TA the subject well, subject to Pogo performing a casing integrity test within 30 days, which Pogo intends to timely perform. Note that it is Pogo's intent to continue to TA such well in compliance with BLM and NMOCD regulations.

COTTONWOOD 2 STATE № 1 WELL – Pogo intends to plug and abandon this well within the next 30 days, and will file the appropriate paperwork upon such plugging and abandonment.

FEDERAL 23 № 1 WELL – Subject well is an active oil producer. A copy of such well's form C-115 for the month of November 2000, dated January 11, 2001, is attached hereto for confirmation. Since such well is an active well, Pogo respectfully requests that same be removed from your inactive well list.

SAM FEDERAL № 2 WELL – See attached copy of a BLM Sundry Notice dated January 10, 2001, which has been sent to the BLM requesting permission to leave the subject well shut in. Upon receipt of the approved Sundry or other document received from the BLM, a copy of same will be forwarded to you. Note that it is Pogo's desire to continue to shut in such well, in compliance with BLM and NMOCD regulations.

STOONER	
OCD 148	
CASE NO.	12811

New Mexico Oil Conservation Division – District II
January 17, 2001
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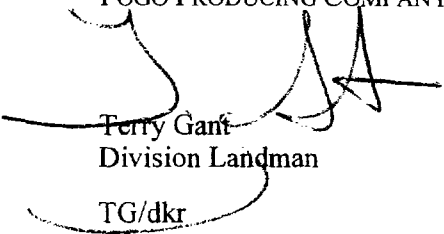
Please advise if the above and attached materials are sufficient to stay the "Show Cause Hearing" and, if not, what other information is required.

Please note that per our records, Pogo did not receive your letters dated May 11, 2000, and September 8, 2000. Please mail a copy of same to my attention at the letterhead address.

Should you have any questions regarding this matter, please give me a call at (915) 685-8120.

Very truly yours,

POGO PRODUCING COMPANY


Terry Gant
Division Landman

TG/dkr

Attachments





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

RECEIVED

JAN 03 2001

MIDLAND

FINAL NOTICE

CERTIFIED MAIL

DECEMBER 26, 2000

POGO PRODUCING CO.
P.O. BOX 10340
MIDLAND, TX. 79702-7340

RE: INACTIVE NON-COMPLIANCE WELLS

The Oil Conservation Division (OCD) currently is addressing all inactive non-compliance wells as a top priority statewide project. A mass mail out was made on May 11, 2000 requesting information from each operator that had inactive wells. A second mail out was made on September 8, directing each operator as part of this project to provide additional information based on how they had responded to the May 11, 2000 letter.

By copy of this letter, the OCD director is requested to schedule a "Show Cause Hearing" to allow you the opportunity to appear and to show way a shut in order, order to plug and abandon all inactive non-compliance wells and/or to call for the forfeiture of your statewide bond is not issued. If your bond is called you can no longer operate in the State of New Mexico.

The "Show Cause Hearing" will be stayed if an aggressive plan being detailed and specific as to type of work and time frame to bring all non-compliance wells into compliance is received in this office within 30 days of receipt of this letter.

Attached is the latest (11/16/00) OCD list of inactive non-compliance wells for your company.

TIM W. GUM

DISTRICT II SUPERVISOR
OIL CONSERVATION DIVISION

XC: LORI WROTENBERY ---- DIRECTOR
OCD ATTORNEY
ATTACHMENT

POGO INACT 111600.xls

API #	Type	Last Production/ Injection	Well Name and Number	ULSTR	FNS	FEW
30-015-24364	G	NONE	SAM FEDERAL #002	G-26-25S-28E	1980N	1980E
30-015-26377	O	NONE	FEDERAL 23 #001	P-23-22S-31E	660S	660E
30-015-27698	O	04-1994	COTTONWOOD 2 STATE #001	B-02-26S-26E	660N	1980E
30-015-29257	O	04-1998	BRADLY 13 FEDERAL #002	L-13-25S-29E	1955S	936W

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.
NM-15303

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Bradly 13 Federal #2

9. API Well No.
30-015-29257

10. Field and Pool, or Exploratory Area
Coral Canyon Del., West

11. County or Parish, State
Eddy County, NM

SUNDRY NOTICES AND REPORTS ON WELL RECEIVED

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE MIDLAND

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other
2. Name of Operator
Pogo Producing Company
3. Address and Telephone No.
P. O. Box 10340, Midland, TX 79702-7340
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1955' FSL & 936' FWL, Section 13, T25S, R29E

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other TA justification
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Pogo Producing Company request TA approval for the above captioned well for two years. Pogo plans to evaluate shallow zone potential as well as deepening potential.

one JL

RECEIVED
NOV 30 1 P 2:54
BUREAU OF LAND MGMT
LAND RESOURCE AREA

14. I hereby certify that the foregoing is true and correct

Signed Cathy Embel Title Operation Tech Date 11/27/00

(This space for Federal or State office use)

Approved by Lee J. Lora Title Petroleum Engineer Date 1/4/2001

Conditions of approval, if any: Casing Integrity Test w/in 30 days.

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different well or fair.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

Name of Operator

Pogo Producing Company

Address and Telephone No.

P. O. Box 10340, Midland, TX 79702-7340

Location of Well (Footage, Sec., T., R., M., or Survey Description)

1955' FSL & 936' FWL, Section 13, T25S, R29E

5. Lease Designation and Serial No.
NM-15303

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Bradly 13 Federal #2

9. API Well No.

30-015-29257

10. Field and Pool, or Exploratory Area

Corral Canyon Del., West

11. County or Parish, State

Eddy County, NM

2. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other TA	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Pogo Producing Company plans to TA the above captioned well as follows:

1. Set a CIBP @ 4900'.
2. Test casing to 500 psi.
3. LD all rods & tubing & TA.

14. I hereby certify that the foregoing is true and correct

Signed Cathy Imbell Title Operation Tech Date 10/17/00

(This space for Federal or State office use)

Approved by Lee M. Lara Title Petroleum Engineer Date 11/21/2000

Conditions of approval, if any: See attached. TA approval will require justification.

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Pogo Producing Company

3. Address and Telephone No.
P. O. Box 10340, Midland, TX 79702-7340 (915)685-8100

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1980' FNL & 1980' FEL, Section 26, T25S, R28E

5. Lease Designation and Serial No.
NM-13413-A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Sam Federal #2

9. API Well No.
30-015-24364

10. Field and Pool, or Exploratory Area
Rock Spur, Morrow

11. County or Parish, State
Eddy County, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other _____
- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Pogo Producing Company respectfully requests permission to leave the subject well shut-in and hereby advises that said well is a well capable of commercial production. Said well is currently shut-in due to a lack of an available gas market. Pogo expects that this well will remain shut-in until such time as it can procure a buyer for the gas. A Casing Integrity Test and Bradenhead Test will be performed in the near future in conjunction with Pogo's herein request for BLM permission to leave such well shut-in. Proper notification will be given to the BLM when the Casing Integrity Test and Bradenhead Test are to occur so that the BLM can give prior approval to such tests and so that the BLM can witness such tests. An additional Sundry Notice will be submitted to the BLM with the results of such tests after such tests are performed. Please note that Pogo plans on scheduling the subject tests as soon as possible. Please find attached hereto a complete wellbore diagram of the well as it is currently shut-in. In addition, the subject well has a liner top leak which is too small to fix. Due to liner top leak, approximately 1-5 MCFPD percolates up through the 10# brine packer fluid to the wellhead, where it is periodically vented to the atmosphere to alleviate pressure buildup on the casing. An isolation packer should fix this problem; however, it is feared that such a workover would cause formation damage since the producing interval is extremely sensitive to fluid contact. It is therefore requested that Pogo be granted permission to continue to vent gas from the subject well until hookup of such well to a sales line, at which time such vented gas, along with the produced gas, will be sold down such line.

4. I hereby certify that the foregoing is true and correct

Signed [Signature] Title Division Operations Engineer

Date 01/10/01

This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title _____

Date _____

18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side