

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

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

jamesbruc@aol.com

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Oil Conservation Division

February 18, 2003

Hand Delivered

Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

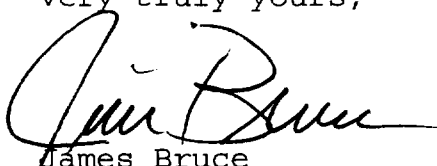
Case 13023

Dear Florene:

Enclosed are an original and one copy of (1) an application for a pressure maintenance project, and (2) an application for an exception to division rules, etc., filed on behalf of Pogo Producing Company. Also enclosed are proposed advertisements for each application (hard copy and disk).

Please set these matters for the March 13th Examiner hearing.
Thank you.

Very truly yours,



James Bruce

Attorney for Pogo Producing Company

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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Oil Conservation Division

APPLICATION OF POGO PRODUCING COMPANY
FOR AN EXCEPTION TO DIVISION RULES TO
ALLOW TWO OPERATORS IN A SINGLE WELL
UNIT, OR IN THE ALTERNATIVE FOR TWO NON-
STANDARD GAS SPACING AND PRORATION
UNITS, EDDY COUNTY, NEW MEXICO.

No. 13023

APPLICATION

Pogo Producing Company applies for an order granting an exception to Division rules to allow two operators in a single well unit, or in the alternative for two non-standard gas spacing and proration units, and in support thereof, states:

1. Applicant proposes to drill the State "19" Com. Well No. 2, to be located in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 19, Township 20 South, Range 27 East, N.M.P.M. ("Well No. 2").

2. Section 19 is in the McMillan-Morrow Gas Pool (the "Pool"). Under Division Order No. R-2917, as amended, the Pool is spaced on 640 acres, with one well allowed in each quarter section.

3. Section 19 is currently dedicated to the existing State "19" Com. Well No. 1, located in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 19 ("Well No. 1"). Well No. 1 is operated by Atasca Resources, Inc.

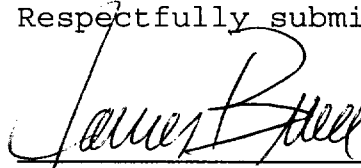
4. Applicant requests that it be allowed to operate Well No. 2 after its completion, provided that it makes all requisite filings with the state in the name of the operator as designated by the Division.

5. **In the alternative**, applicant requests that two non-standard laydown spacing units be created: The N $\frac{1}{2}$ of Section 19 to be dedicated to Well No. 1, and the S $\frac{1}{2}$ of Section 19 to be dedicated to Well No. 2.

6. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the relief requested above be granted.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

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

Attorney for Pogo Producing Company

PROPOSED ADVERTISEMENT

Case 13023:

Application of Pogo Producing Company for an exception to Division rules to allow two operators in a single well unit, or in the alternative for two non-standard gas spacing and proration units, Eddy County, New Mexico. Applicant seeks an order allowing it to operate its proposed State "19" Com. Well No. 2, and allowing Atasca Resources, Inc. to operate its State "19" Com. Well No. 1, both in the McMillan-Morrow Gas Pool. All of Section 19, Township 20 South, Range 27 East, NMPM, will be dedicated to the two wells. **IN THE ALTERNATIVE**, applicant seeks an order creating two non-standard gas spacing and proration units in the McMillan-Morrow Gas Pool, one comprising the N½ of Section 19 to be dedicated to the State "19" Com. Well No. 1 located in Unit F of Section 19, and the other comprising the S½ of Section 19 to be dedicated to the State "19" Com. Well No. 2 to be located in Unit L of Section 19. The unit is located approximately 6½ miles east-southeast of Seven Rivers, New Mexico.

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