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January 20, 1987

Ms. Florene Davidson
Oil Conversation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Oil Conservation Division Case
No. 9054, Order No. R-8374 --
Application of Pogo Producing
Company for Unorthodox Gas
Well Location

Dear Florene:

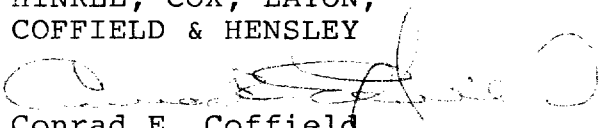
In line with our telephone conversation today, this letter will confirm our request that an "Order Nunc Pro Tunc" be issued by the Division in connection with the above referenced Order for Case No. 9054. A copy of the Order is transmitted herewith, and you will find circled in red on the second page of the Order the typographical error describing the well in Range 29 East rather than Range 28 East. Other parts of the Order, including the "findings" section accurately describe the tract and there would therefore be no need to change other provisions.

Your attention to this matter is greatly appreciated. When a copy of the Order Nunc Pro Tunc is available, please forward a copy of the same to me here in Midland and I will advise our client of the correction thus accomplished.

Thank you.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY


Conrad E. Coffield

CEC:cl

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

REC ~~22~~ 15-87
JAC 1-15-87
RSW _____
WLF _____

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9054
Order No. R-8374

APPLICATION OF POGO PRODUCING COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on December 17, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 23rd day of December, 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Pogo Producing Company, seeks approval of an unorthodox gas well location 660 feet from the North line and 1650 feet from the West line of Section 26, Township 24 South, Range 28 East, NMPM, to test the Wolfcamp and Strawn formations, Undesignated Salt Draw-Atoka and Undesignated Malaga-Morrow Gas Pools, Eddy County, New Mexico.
- (3) The N/2 of said Section 26 is to be dedicated to the well.
- (4) Geologic evidence presented by the applicant at the hearing indicated that a well at said unorthodox location will have a better chance of encountering the Atoka sands, which are the primary objectives of the test.
- (5) No offset operator objected to the proposed unorthodox location.

(6) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the affected pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

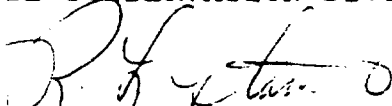
(1) The application of Pogo Producing Company for an unorthodox gas well location for the Wolfcamp, Strawn, Atoka and Morrow formations is hereby approved for a well to be located at a point 660 feet from the North line and 1650 feet from the West line of Section 26, Township 24 South, Range (29) East, NMPM, Undesignated Salt Draw-Atoka and Undesignated Malaga-Morrow Gas Pools, Eddy County, New Mexico.

(2) The N/2 of said Section 26 shall be dedicated to the above-described well.

(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


R. L. STAMETS
Director

S E A L