Form 3160-5 (April 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED
OM B No. 1004-0137
Expires: March 31, 2007

5.	Lease Serial No.	
Ν	M-88954	

and sundry	NM-88954						
SUNDRY Do not use the abandoned we	6. If Indian	, Allottee or Tribe Name					
7	IPLICATE- Other instr	ructions on rever	se side.	7. If Unit or	CA/Agreement, Name and/or No.		
I. Type of Well Oil Well	Gas Well Other			8. Well Nan	ne and No.		
Name of Operator				NEL Fede			
Pogo Producing Compa	nny			9. API We	ll No.		
3a Address		3b. Phone No. (include	area code)	30-015-2	27327		
P. O. Box 10340, Mic	lland, TX 79702	432-685-8100			Pool, or Exploratory Area		
4. Location of Well (Footage, Sec.,	T., R., M., or Survey Description)	•			Delaware East		
1980' FNL & 1650' FE	L, Section 9, T23S,	R28E	3	11. County or Parish, State Eddy County, NM			
12. CHECK AF	PROPRIATE BOX(ES) TO	INDICATE NATUR	E OF NOTICE, RE	EPORT, OR	OTHER DATA		
TYPE OF SUBMISSION		TYF	PE OF ACTION				
Notice of Intent Subsequent Report Final Abandonment Notice	Acidize Alter Casing Casing Repair Change Plans Convert to Injection	Deepen Fracture Treat New Construction Plug and Abandon Plug Back	Production (Star Reclamation Recomplete Temporarily Aba Water Disposal	ŕ	Water Shut-Off Well Integrity Other		
Attached is a report a number of operators and initialize a secon	involved in the area dary recovery projec	it is anticipated. Therefore,	d that it will ta Pogo respectfo	ake sever ully requ	al years to unitize		
extension of TA state	ر س	mit Pa st prod.					
14. I hereby certify that the foreg Name (Printed/Typed) Cathy Wright	going is true and correct	Title	Sr. Eng Tecl	h			
Signature (SIII)	Mught	Date	01/22/07		EPTED FOR RECOR		
	THIS SPACE FOR F	EDERAL OR ST	TATE OFFICE U				
					FFD 1 2 0007		
Approved by Conditions of approval, if any, are a certify that the applicant holds legal which would entitle the applicant to	or equitable title to those rights in conduct operations thereon.	oes not warrant or the subject lease Of	fice		WW Justan WESLEY W. NGRAM		
Title 18 U.S.C. Section 1001 and Title States any false, fictitious or fraudule	43 U.S.C. Section 1212, make it a ent statements or representations a	crime for any person kno s to any matter within its	owingly and willfully to jurisdiction.	make to any	ETROLEUM ENGINEER		

January 19, 2007

To: Rex Jasper

Fm: Thomas E. Gentry, P.E.

Re: Consideration for Future Secondary

Recovery - NEL #9 Wellbore

Loving East Field Eddy County, NM

Attached please find a spreadsheet prepared from IHS Dwight's data showing wells on Pogo's NEL lease along with leases operated by others (OBO) in the directly offsetting Sections 10, 15 and 16. It is clear from the perforation depths that many wells on leases offsetting the NEL lease either are, or have been, completed in the equivalent Brushy Canyon "A" interval as the NEL #9. The NEL #9 is the most northwesterly well of this group, which positions it in the up-dip direction from the other wells. This fact and possible surface relief changes would explain the slightly shallower perforations of the NEL #9 relative to the other wells. Therefore, presence of the Brushy Canyon "A' zone in the NEL #9 coupled with it's location in close proximity to other Brushy Canyon "A" completions on adjoining leases would not preclude the use of this wellbore for any future secondary recovery efforts initiated by Pogo or any other operators of wells in the area where the Brushy Canyon "A" zone is present. As far as the future prospects of secondary recovery application in the area, it is my understanding that Range Resources has submitted application to the NMOCD for a lease waterflood project to be conducted on their operated leases in Section 23, located approximately 2 miles SE of Pogo's NEL lease.

In addition to the above, it is important to note that Pogo also operates other area leases in the adjacent Section 10 with wells completed in the Brushy "A" zone. These are the Federal 10 lease with three wells, and the Urquidiz lease with four wells. Pogo also owns non-operated working interests in several leases in the immediate area that would also potentially be included in any waterflood operations conducted in the area. These leases, all located in the adjacent Section 15, include the Caviness-Paine, Chaves, Pardue Farms and Siebert leases operated by Chesapeake with seven wells, and the Caviness-Paine and Nymeyer A leases operated by Chevron with three wells. These holdings would give Pogo a significant position in any future secondary recovery operations proposed or conducted in this area.

OFFSET LEASES TO POGO NEL LEASE (E/2 SEC 9) SEC's 9, 10, 15 AND 16

Primary API	Lease Name	Well #	Location	Prod Zone Name	U Perf	L Perf	Status Name	TD	Field Name	Operator Name
POGO OPERATED LEASES:										
30015237590000	NEL	2	9I 23S 28E	CHERRY CANYON	3648	3670	ACTIVE	4300	LOVING	POGO PRODUCING CO
30015235250001	NEL COM	1	9I 23S 28E NE SE	MORROW	12314	12323	ACTIVE	12852	LOVING NORTH	POGO PRODUCING CO
30015269330000	NEL FEDERAL	5	9I 23S 28E NE SE	BRUSHY CANYON	6064	6088	ACTIVE	6310	LOVING EAST	POGO PRODUCING CO
30015273270000	NEL	9	9G 23S 28E SW NE	DELAWARE	5944	5970	TA			POGO PRODUCING CO
30015267760000	FEDERAL 10	2	10C 23S 28E NE NW	DELAWARE	6104	6160	ACTIVE	6370	LOVING EAST	POGO PRODUCING CO
30015268710000	FEDERAL 10	3	10E 23S 28E SW NW	DELAWARE	6094	6118	ACTIVE	6330	LOVING EAST	POGO PRODUCING CO
30015266490000	FEDERAL 10	1	10F 23S 28E SE NW	DELAWARE	6130	6145	ACTIVE	6343	LOVING EAST	POGO PRODUCING CO
30015266270000	URQUIDEZ	3	10K 23S 28E NE SW	BRUSHY CANYON	6087	6108	ACTIVE	6250	LOVING EAST	POGO PRODUCING CO
30015238340000	URQUIDIZ COM	1	10L 23S 28E	ATOKA	11593	11634	ACTIVE	12843	CULEBRA BLUFF S	POGO PRODUCING CO
30015267550000	URQUIDEZ	5	10L 23S 28E NW SW	BRUSHY CANYON	6053	6077	ACTIVE		LOVING EAST	POGO PRODUCING CO
30015266630000	URQUIDEZ	4	10M 23S 28E SW SW	BRUSHY CANYON	6079	6095	ACTIVE	6265	LOVING EAST	POGO PRODUCING CO
30015265370000	URQUIDEZ	2	10N 23S 28E SE SW	BRUSHY CANYON	6074	6094	ACTIVE	6240	LOVING EAST	POGO PRODUCING CO
OBO LEASES:										
30015267760000	FEDERAL 10	2	10C 23S 28E NE NW	DELAWARE	6104	6160	ACTIVE		LOVING EAST	POGO PRODUCING CO
30015268710000	FEDERAL 10	3	10E 23S 28E SW NW	DELAWARE	6094	6118	ACTIVE		LOVING EAST	POGO PRODUCING CO
30015266490000	FEDERAL 10	1	10F 23S 28E SE NW	DELAWARE	6130	6145	ACTIVE		LOVING EAST	POGO PRODUCING CO
30015241060000	PECOS IRRIGATION CO	1	10G 23S 28E	ATOKA	11559	11598				CHESAPEAKE OPER INC
30015265820000	PECOS IRRIGATION CO A	2	10G 23S 28E SW NE	BRUSHY CANYON	6082	6116	ACTIVE		LOVING EAST	CHESAPEAKE OPER INC
30015264550000	LEWIS ESTATE	1	10I 23S 28E NE SE	BRUSHY CANYON	6048	6130	ACTIVE	6240	LOVING EAST	CHESAPEAKE OPER INC
30015265630000	PARDUE FARMS	5	10J 23S 28E NW SE	BRUSHY CANYON	6041	6118	ACTIVE			CHESAPEAKE OPER INC
30015264590000	PARDUE FARMS	3	100 23S 28E SW SE	BRUSHY CANYON	6014	6086	ACTIVE		LOVING EAST	CHESAPEAKE OPER INC
30015264110000	PARDUE FARMS	1	10P 23S 28E SE SE	BRUSHY CANYON	6052	6128	ACTIVE			CHESAPEAKE OPER INC
30015263220000	SIEBERT	1	15A 23S 28E NE NE	BRUSHY CANYON	6059	6031	ACTIVE		LOVING EAST	CHESAPEAKE OPER INC
30015264470000	CHAVES	1	15B 23S 28E NW NE	BRUSHY CANYON	6058	6101	ACTIVE		LOVING EAST	CHESAPEAKE OPER INC
30015265760000	NYMEYER A	1	15C 23S 28E NE NW	BRUSHY CANYON	6093	6110	ACTIVE		LOVING EAST	CHEVRON MIDCONT LP
30015236750000	NYMEYER	1	15F 23S 28E	ATOKA	11594	11616	ACTIVE			CHEVRON MIDCONT LP
30015267040000	NYMEYER A	2	15F 23S 28E SE NW	BONE SPRING	6257	6288	ACTIVE	6400	CULEBRA BLUFF S	CHEVRON MIDCONT LP
30015264430000	KIDD	1	15G 23S 28E SW NE	BRUSHY CANYON	6056	6112	ACTIVE		LOVING EAST	BENNETT R C COMPANY
30015264710000	WITT	1	15H 23S 28E SE NE	BRUSHY CANYON	6034	6123	ACTIVE		LOVING EAST	PETROHAWK OPER CO
30015263210000	CAVINESS PAINE	1	15I 23S 28E NE SE	BRUSHY CANYON	6059	6130	ACTIVE		LOVING EAST	CHESAPEAKE OPER INC
30015269050000	NYMEYER A	3	15K 23S 28E NE SW	BRUSHY CANYON	4684	4707	ACTIVE	6450	LOVING EAST	CHEVRON MIDCONT LP

TEG 1-18-07

FILE: C:\Documents and Settings\WrightC\Local Settings\Temporary Internet Files\OLK5\WellData_Offsets to NEL #9.xls; WellData_Offsets to NEL #9.xls; WELL DATA - LOVING FIELD AREA PRINT: 1/22/2007; 10:06 AM

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OFFSET LEASES TO POGO NEL LEASE (E/2 SEC 9) SEC's 9, 10, 15 AND 16

Primary API	Lease Name	Well#	Location	Prod Zone Name	U Perf	L Perf	Status Name	TD	Field Name	Operator Name
	CAVINESS PAYNE	3	150 23S 28E SW SE	BRUSHY CANYON	6092	6158	ACTIVE	6300	LOVING EAST	CHEVRON MIDCONT LP
	CAVINESS PAINE	2	15P 23S 28E SE SE	BRUSHY CANYON	6076	6181	ACTIVE	9999	LOVING EAST	CHESAPEAKE OPER INC
	LOVING AIB STATE	1	16G 23S 28E SW NE	DELAWARE	6072	6090	ACTIVE	12901	LOVING SOUTH	YATES PETROLEUM CORP
	LOVING AIB STATE	2	16J 23S 28E NW SE	DELAWARE	6032	6054	ACTIVE	6225	LOVING SOUTH	YATES PETROLEUM CORP