

# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

March 13, 2006

Pogo Producing Co  
P O Box 10340  
Midland, TX 79702

RE: Application to Drill  
Hominy 36 State #1

Gentlemen:

Oil Conservation Division Hobbs office is approving your Application to Drill for your Hominy 36 State #1. However, your company is out of compliance with Rule 40 based on the number of inactive well. Out of 723 wells Pogo operates you have 16 well on the inactive well list. Under Rule 40 you may have no more than 7 wells on the inactive list. Please note that under Rule 40, we may approve your APD (Application for Permit to Drill) to drill. However, under Rule 40 if you are out of compliance when the well is completed we cannot approve an allowable for this well. Pogo may regain compliance by properly TA, P&A, retune the out of compliance wells to production, or enter into an Agreed Compliance Order (ACO) with the OCD to return these wells to compliance within a certain time frame. If you choose an ACO, please contact Gail MacQuesten with our Santa Fe Office at (505) 476-3451.

If you have questions on this matter, please call Chris Williams (505) 393-6161 ext 102 or Gail MacQuesten (505) 476-3451.


Yours truly,

OIL CONSERVATION DIVISION

Chris Williams  
District I, Supervisor

CW:dm

CC: Gail @ OCD Santa Fe  
Chris @ OCD Hobbs

 The sender of this message has requested a read receipt. [Click here to send a receipt.](#)

**Mull, Donna, EMNRD**

**From:** Phillips, Dorothy, EMNRD  
**To:** Mull, Donna, EMNRD  
**Cc:**  
**Subject:** RE: Financial Assurance Requirement  
**Attachments:**

**Sent:** Mon 3/13/2006 12:58 PM

All okay.

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**From:** Mull, Donna, EMNRD  
**Sent:** Monday, March 13, 2006 9:43 AM  
**To:** Phillips, Dorothy, EMNRD  
**Cc:** Macquesten, Gail, EMNRD; Sanchez, Daniel J., EMNRD  
**Subject:** Financial Assurance Requirement

Dorothy,

These Operators have C-101, Intent to drill:

Pogo Producing Co (17891)  
Chevron USA Inc (4323)

These Operators have C-104, Request for Allowable:

Range Operating New Mexico Inc (227588)  
Apache Corp (873)  
Chevron USA Inc (4323)  
Pure Resources LP (150628)  
Chesapeake Operating Inc ( 147179)

Is their Financial Assurance Requirements OK?

Thanks Donna