		N.M. (Cons. D	ivision
(June 1990) DEPARTME	TED STATES NT OF THE INTERIOR LAND MANAGEMENT	1625 N. French D Hobbs, NM 8824	FORM APPROVED Budget Bureau No. 1004-0135
Do not use this form for proposals to dr	AND REPORTS ON WEL ill or to deepen or reentry DR PERMIT-" for such pro	LS to a different reservoir.	NM-2379 6. If Indian, Allottee or Tribe Name
SUBMIT	IN TRIPLICATE		7. If Unit or CA, Agreement Designation
 Type of Well Oil XX Well Bas Vell Other Name of Operator Pogo Producing Company 3. Address and Telephone No. P. 0. Box 10340, Midland, TX 4. Location of Well (Footage, Sec., T., R., M., or Survey De 330' FNL & 660' FWL, Section CHECK APPROPRIATE BOX(section) 	scription) 25, T22S, R32E	35-8100)	8. Well Name and No. Covington <i>P</i> . Federal #2 9. API Well No. 30-025-31850 10. Field and Pool, or Exploratory Area W. Red Tank Delaware 11. County or Parish, State Lea County, NM ROTHER DATA
TYPE OF SUBMISSION	TYPE OF ACTION		
Subsequent Report	Abandonmen Recompletion Plugging Bac		Change of Plans New Construction Non-Routine Fracturing
Final Abandonment Notice	Casing Repair Altering Casin Other Rec	r	Water Shut-Off

13. Describe Proposed or Completed Operations (Clearly state all pertinet 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 markders and zones pertinent to this work.)*

Pogo Producing Company respectfully asks permission to commingle the Bone Springs and Delaware formations in the above captioned well.

Production will be increased by producing the two formations together improving economics in the area. There will be no cross flow plus the fluids from both zones are compatible resulting in no formation damage.

See attached approved DHC a	dministrative order APPRC	OVED	- SUBJECT TO LIKE APPROVALI 12:37 BY STATE A 373
	JUN	7 2002	
14. I hereby certify that the foregoing is true and correct Signed	GARY GO PETROLEUM Title Sr. Oper	DURLEY ENGINEER Tation Tech	Hobbs
(This space for Federal or State office use) Approved by Conditions of approval, if any	Title		Date
Title 18 U.S.C. Section 1001, makes it a crime for any perso	on knowingly and willfully to make to	any department o	r agency of the United States and take the the former

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 and take, tiethious or frauduler statements or representations as to any matter within its jurisdiction.



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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Betty Rivera Cabinet Secretary

RECEIVED

Lori Wrotenbery Director Oil Conservation Division

MAY

MIDLAND

ADMINISTRATIVE ORDER DHC-3006

Pogo Producing Company 300 North Marienfeld Suite 600 Midland, Texas 79701

Attention: Mr. Terry Gant

Covington "A" Federal Well No.2 API No. 30-025-31850 Unit D, Section 25, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico Red Tank-Delaware, West (Oil – 51689), Red Tank-Bone Spring (Oil – 51683) Pools.

Dear Mr. Gant:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C.(1), each of the commingled pools shall be allowed to produce up to the top oil allowable and top casing head gas allowable applicable for that pool.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Red Tank-Delaware, West Pool	Oil-61%	Gas-58%
Red Tank-Bone Spring Pool	Oil-39%	Gas-42%

REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 17th day of May 2002.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

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LORI WROTENBERY Director

S E A L

LW/WVJ

cc: Oil Conservation Division – Hobbs Bureau of Land Management - Carlsbad

