



POGO PRODUCING COMPANY

September 9, 1998

New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
Attention: Mr. David R. Catanach

CERTIFIED MAIL

RE: Southeast Red Tank Prospect
Lea County, New Mexico
Application for Administrative Approval
for Downhole Commingling in the
Red Tank 24 Federal No. 1 Well
located 660' FSL and 1980' FWL
Section 24, T-22-S, R-32-E
Federal Oil and Gas Lease NM NM81633

Gentlemen:

Pogo Producing Company respectfully submits herewith its application for Administrative Approval for Downhole Commingling of the captioned well. Enclosed please find Form C-107-A with appropriate attachments.

If you have any questions, please contact the undersigned at (915) 685-8127.

Sincerely,

Elizabeth E. Moses
Consulting Landman

Enclosure

cc: New Mexico Oil Conservation Division ✓
Attn: District Supervisor
P.O. Box 1980
Hobbs, NM 88240

Bureau of Land Management
P.O. Box 27115
Santa Fe, NM 87502-0115

DISTRICT II

811 South First St., Artesia, NM 88210-2835

DISTRICT III

1000 Rio Brazos Rd. Aztec, NM 87410-1693

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

APPROVAL PROCESS:

Administrative Hearing

EXISTING WELLBORE:

YES NO

APPLICATION FOR DOWNHOLE COMMINGLING

Operator: Pogo Producing Company P.O. Box 10340 Midland, TX 79702-7340

Lease: Red Tank 24 Federal Well No. 1 Address N, Sec 24, T-22-S, R-32-E Lea Lea

OGRID NO 017891 Property Code 13274 API NO. 30-025-32326 Spacing Unit Lease Types (check 1 or more)
Federal State Land or Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	RED TANK: DELAWARE WEST 51689		RED TANK: BONE SPRING 51683
2. Top and Bottom of Pay Section (Perforations)	7330' - 8566'		8860' - 86'
3. Type of production (Oil or Gas)	OIL		OIL
4. Method of Production (Flowing or Artificial Lift)	ARTIFICIAL LIFT		ARTIFICIAL LIFT
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 300 psi	a.	a. 2500 psi SI
	b. (Original) 3218 psi	b.	b. 3637 psi
6. Oil Gravity (API) or Gas BTU Content	40.8		42.2
7. Producing or Shut-In?	PRODUCING		SHUT IN
Production Marginal? (yes or no) • If Shut-In, give date and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data • If Producing, give date and oil/gas/water rates of recent test (within 60 days)	NO		NO
	Date: 8/18/98 Rates: 30BO, 35BW, 182MCF	Date: Rates:	Date: 2/5/96 Rates: 39BO, 145BW, 120MCF
8. Fixed Percentage Allocation Formula: % for each zone (total of %'s to equal 100%)	Oil: 44% Gas: 60%	Oil: % Gas: %	Oil: 56% Gas: 40%

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.
10. Are all working, overriding, and royalty interests identical in all commingled zones? Yes No
If not, have all working, overriding, and royalty interests been notified by certified mail? Yes No
Have all offset operators been given written notice of the proposed downhole commingling? Yes No
11. Will cross-flow occur? Yes No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. Yes No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each other? Yes No
13. Will the value of production be decreased by commingling? Yes No (If Yes, attach explanation)
14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. Yes No
15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S). _____
16. ATTACHMENTS:
- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
 - Production curve for each zone for at least one year. (If not available, attach explanation.)
 - For zones with no production history, estimated production rates and supporting data.
 - Data to support allocation method or formula.
 - Notification list of all offset operators.
 - Notification list of working, overriding, and royalty interests for uncommon interest cases.
 - Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Mark Burkett TITLE: Div. Petr. Engr. Mngr. DATE: 9/10/98

TYPE OR PRINT NAME: Mark Burkett TELEPHONE NO. (915) 685-8100

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
 1000 Rio Brazos Rd., Artec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator POGO PRODUCING CO.			Lease RED TANK "24" FEDERAL		Well No. 1
Unit Letter N	Section 24	Township 22 SOUTH	Range 32 EAST	County LEA	

Actual Footage Location of Well:
 860 feet from the SOUTH line end 1980 feet from the WEST line

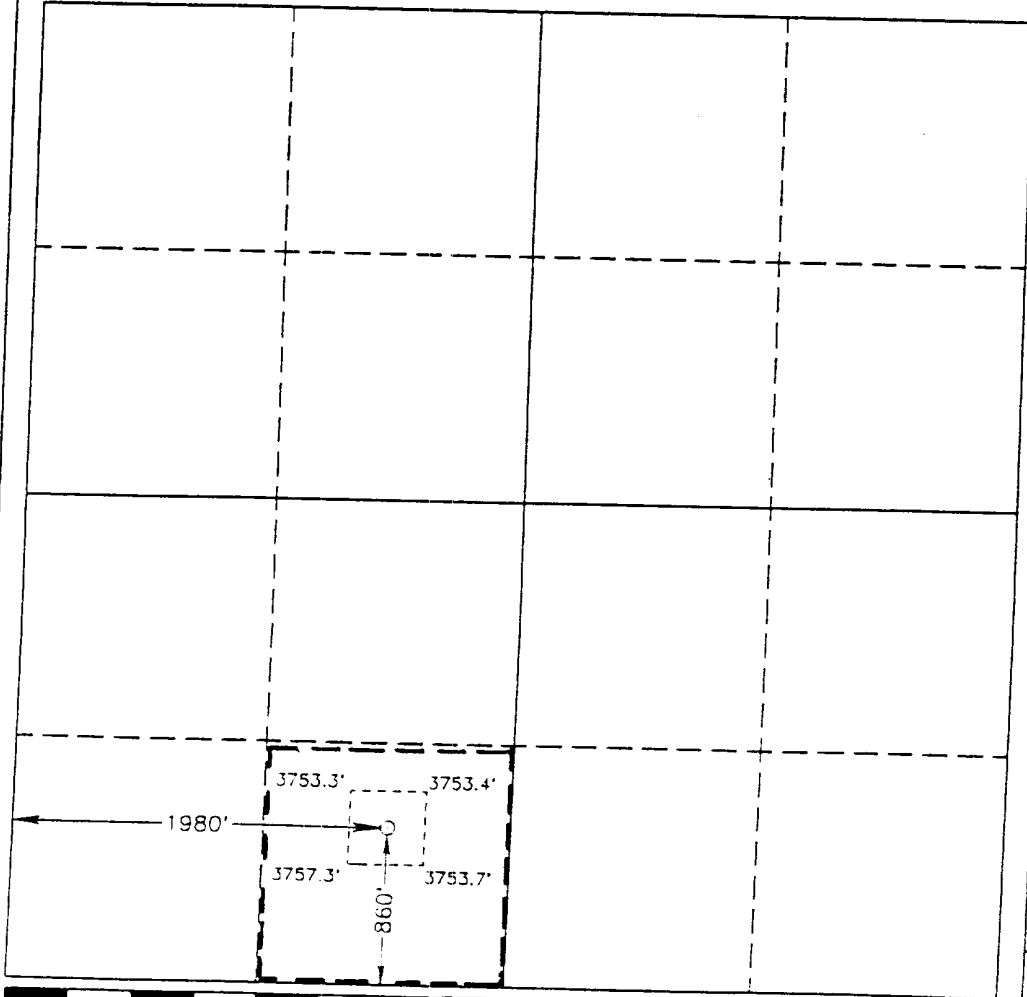
Ground Level Elev. 3755.9'	Producing Formation BONE SPRINGS	Pool UNDES. RED TANK BONE SPRINGS	Dedicated Acreage: 40 Acres
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- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

Yes No If answer is "yes" type of consolidation _____

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Richard L. Wright*
 Printed Name: Richard L. Wright
 Position: Division Operations Mgr.
 Company: POGO PRODUCING COMPANY
 Date: October 14, 1993

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: DECEMBER 23, 1992

Signature of Professional Surveyor: *[Signature]*
 Seal of Professional Surveyor: [Seal]

Certificate No. JOHN W. WEST 878
 RONALD J. EIDSON 3239
 GARY L. JONES 1977

92-11-1973

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-8

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 58240

DISTRICT II

P.O. Drawer DD, Artesia, NM 58210

DISTRICT III

1000 Rio Brazos Rd., Artesia, NM 57410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator POGO PRODUCING CO.			Lease RED TANK "24" FEDERAL		Well No. 1
Unit Letter N	Section 24	Township 22 SOUTH	Range 32 EAST	County LEA	

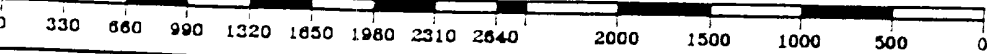
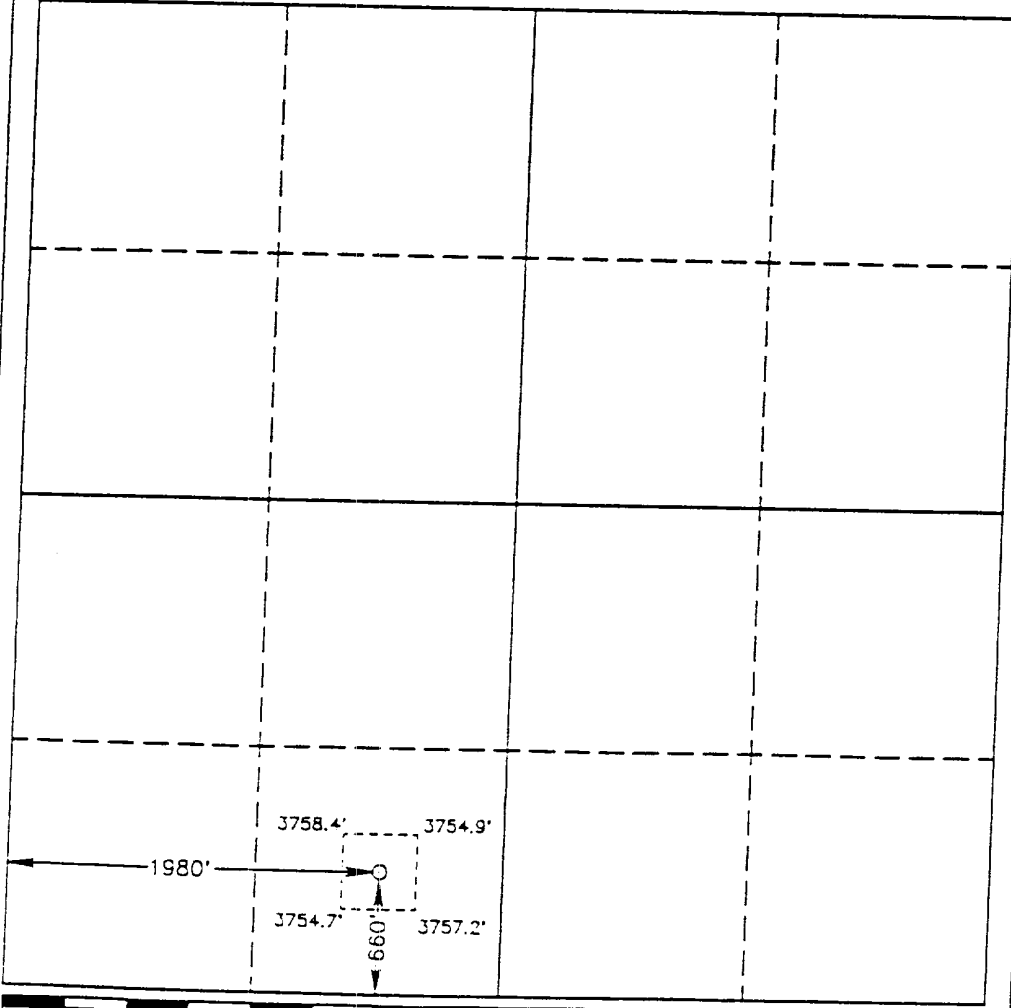
Actual Footage Location of Well:
660 feet from the SOUTH line and 1980 feet from the WEST line

Ground Level Elev. 3756.2'	Producing Formation Delaware	Pool West Red Tank Delaware	Dedicated Acreage: 40 Acres
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- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
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- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 - Yes No If answer is "yes" type of consolidation _____

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Barrett L. Smith*
 Printed Name: Barrett L. Smith
 Position: Division Operations Eng
 Company: Pogo Producing Company
 Date: 8/19/98

SURVEYOR CERTIFICATION

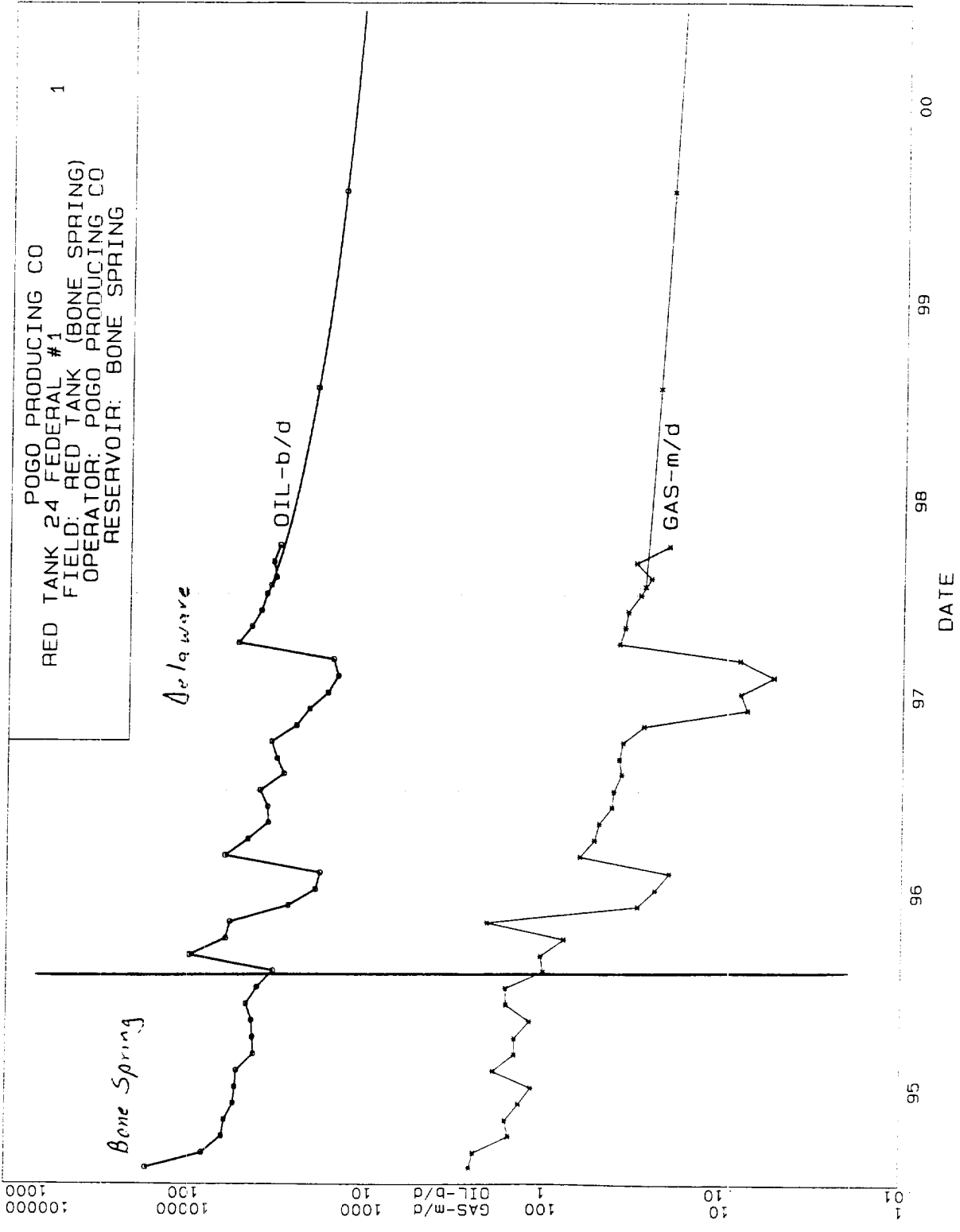
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: NOVEMBER 5, 1992
 Signature & Seal of Professional Surveyor

Gary L. Jones

Certificate No. JOHN W. WESTER 676
 RONALD J. EIDSON 3239
 GARY L. JONES 7977

92-01-1688



Pogo Producing Company, OGRID No. 017891
Application for Administrative Approval for Downhole Commingling in the
Red Tank 24 Federal No. 1 Well (Property Code 13274)
660' FSL and 1980' FWL, Section 24, T-22-S, R-32-E
Lea County, New Mexico

Offset Operator Notification:

Burlington Resources Oil & Gas Company
P.O. Box 51810
Midland, TX 79710-1810

Penwell Energy, Inc.
600 N. Marienfeld, Suite 1100
Midland, TX 79701