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# **Pogo to buy natural gas properties for \$189 million**

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Houston-based Pogo Producing Co. has inked two deals to buy natural gas properties in the San Juan Basin for \$189 million.

The San Juan Basin, which covers a 7,500-square-mile area of Colorado and New Mexico, is one of North America's largest natural gas fields.

Through these agreements, Pogo will be acquiring an estimated 100 billion cubic feet of gas equivalent proven reserves and current production of 15 million cubic feet of natural gas per day.

Pogo will be the operator of these properties. The proven reserves have a reserves-to-production index of 18 years. Plans for these properties will involve an active 2005-2006 drilling program of about 50 wells.

"These transactions highlight our efforts to pursue value-creating domestic acquisitions," says Pogo Chairman and CEO Paul Van Wagenen. "These particular long-lived assets bolster our growing San Juan Basin presence and fit well with our strategy of acquiring North American reserves."

The first of the two acquisitions is expected to close on Sept. 1 and the second should close on Dec. 1.

Upon closing of these two transactions, Pogo will have acquired more than 150 bcfe of proven reserves for almost \$235 million to date in 2004.