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September 23, 1998

Michael E. Stogner Oil Conservation Division 2040 South Pacheco Street Santa Fe, New Mexico 87505

Re: Division Administrative Order NSL-4120

Pogo Producing Company

Lost Tank "3" Fed. Well No. 4

Section 3, Township 22 South, Range 31 East, NMPM,

Eddy County, New Mexico

Dear Mr. Stogner:

The above order approved a location 1330 feet FNL and 330 feet FWL, based on potash restrictions. After the BLM approved that location, it then requested that the location be moved 150 feet east (1330 feet FNL and 480 feet FWL) because of a sand dune at the originally approved location. This move was requested by Barry Hunt of the BLM. As a result, Pogo Producing Company requests that the order be amended to approve the new location. As noted in the original application, there are no offset interest owners affected by the application or this request for an amended order. Please call me if you have any questions.

Very truly yours,

James Bruce

Attorney for Pogo Producing Company

ONGARD CMD : 10/26/98 08:56:52 OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOIV -EMDZ

OGRID Idn : 17891 API Well No: 30 15 30418 APD Status(A/C/P): A

Opr Name, Addr: POGO PRODUCING CO Aprvl/Cncl Date : 09-23-1998

PO BOX 10340

MIDLAND, TX 79702-7340

Prop Idn: 20943 LOST TANK 3 FEDERAL Well No: 4

U/L Sec Township Range Lot Idn North/South East/West

Surface Locn: E 3 22S 31E OCD U/L : E API County: 15 FTG 1330 F N FTG 480 F W

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) : R

Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation: 3474

State Lease No: Multiple Comp (Y/N): N

Prpsd Depth : 8150 Prpsd Frmtn : DELAWARE