



POGO PRODUCING COMPANY



VIA FAX (505) 748-9720/MAIL

November 18, 1998

New Mexico Oil Conservation Division
District II Office
811 South 1st Street
Artesia, New Mexico 88210
Attention: Mr. Tim Gum

Re: Airport Prospect
Eddy County, New Mexico
Airport "35" #1 Well
990' FSL & 990' FWL (SW/4 SW/4)
Section 35, T-22-S, R-26-E, N.M.P.M.

Gentlemen:

Reference is made to the recent telephone conversation between Mr. Tim Gum and Mr. Richard Wright and the undersigned regarding Pogo's request, pursuant to New Mexico Oil Conservation Division Rule 105.A, for approval to remove cuttings from the drilling of the captioned well and place same on the NE/4 NE/4 of Section 35, T-23-S, R-31-E, N.M.P.M., Eddy County, New Mexico, hereinafter referred to as "said lands", where Pogo is the surface owner.

As discussed, pursuant to the City of Carlsbad Drilling Permit for the Airport "35" #1 Well, Pogo is required to remove cuttings from such well.

Pogo is also requesting the New Mexico Oil Conservation Division's approval to Pogo's plan to "blade" an area located on said lands approximately 6 inches deep, place such cuttings within such "bladed" area, and then replace the bladed top soil and mix same with such cuttings. Pogo anticipates that it will be placing approximately 210 cubic yards of cuttings on said lands, which will contain approximately 220,000 ppm chlorides and traces of hydrocarbons.

As discussed, there is a producing well located on said lands, being the Pogo operated Cal-Mon #10 Well, with producing wells surrounding such 40 acre tract operated by Pogo or Devon Energy Corporation (see attached plat).

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As you are aware, and pursuant to State/Federal Regulations, common industry practice when drilling a well is for the cuttings of a well to be deposited into the drilling pit, which is lined with plastic. After drilling is completed, the contents of such pit are allowed to dry, and then the pit liner is ripped and the pit contents mixed with top soil from such surface tract and then leveled.

Since the surrounding wells, and well located on said lands, had pits reclaimed in the above manner, it is not believed that the placement of cuttings from the Airport "35" #1 Well will pose any additional threat to such surface or groundwater.

Pogo intends to spud the subject well in the next 5-7 days; therefore, your prompt attention to our request is appreciated. If you have any questions and/or wish to discuss this matter further, please contact either the undersigned or Mr. Richard L. Wright.

Yours very truly,

POGO PRODUCING COMPANY



Terry Gant
Division Landman

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Enclosure

cc: Richard L. Wright

