



September 25, 2000

Oil Conservation Division
811 S. 1st St.
Artesia, NM 88210
Attention: Mr. Tim Gum, Supervisor

Re: Lost Tank Prospect
Lost Tank "35" State Well No. 1
660 feet FSL & 660 feet FEL
Sec 35, T-21-S, R-31-E
Eddy County, New Mexico

Dear Mr. Gum:

Mississippi Potash, Inc. offers no objection to the proposed location for POGO Producing Company's Lost Tank "35" State Well No. 1, based on the Settlement Agreement between Mississippi Potash, Inc., Yates Petroleum Company, and POGO Producing Company, effective June 16, 2000.

Sincerely,

Jill Farnsworth
Chief Mine Engineer

Cc: Mr. R. Scott McDaniel
Senior Landman
POGO Producing Company
300 North Marienfeld, Suite 600
Midland, TX 79702-7340

Ms. Lori Wrotenbery
Director
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

