



January 30, 2001

Oil Conservation Division
811 S. 1st St.
Artesia, NM 88210

Attention: Mr. Tim Gum, Supervisor

Re: Lost Tank "35" State #3 Well
330 feet FSL & 2030 feet FWL
Lost Tank "35" State #7 Well
1650 feet FSL & 2030 feet FWL
Lost Tank "35" State #8 Well
1650 feet FSL & 610 feet FWL
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. 3, 7, and 8, 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: Ms. Lori Wrotenbery
Director
Oil Conservation Division
2040 So. Pacheco
Santa Fe, NM 87505

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

