



March 2, 1998

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

Attention: Mr. Ray Smith, Field Rep I

Re: Lost Tank Prospect NM-621
Lost Tank "35" State Well No. 12
Section 35, T-21-S, R-31-E
Eddy County, New Mexico

Dear Mr. Smith:

In accordance with the State of New Mexico, Energy, Minerals and Natural Resources Department Oil Conservation Commission Order R-111-P, Mississippi Potash, Inc. objects to the drilling of the proposed Lost Tank "35" State Well No. 12 by POGO Producing Company. This well is located inside the LMR of MPI.

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. Kathleen Garland
Acting Director
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505