



Pogo Producing Company

600 Texas Commerce Bank Building • Post Office Box 10340 • Midland, Texas 79702-7340 • 915/682-6822

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NOV 18 1991

O. C. D.
ARTESIA OFFICE

November 14, 1991

FEDERAL EXPRESS

New Mexico Oil Conservation Division
811 South First Street
Artesia, New Mexico 88211

Attention: Mr. Mike Williams

Re: Pogo State 2 Well No. 1
330' FSL and 330' FEL of
Section 2, T-22-S, R-31-E
Eddy County, New Mexico
Pogo NM-560

Gentlemen:

In accordance with our recent telephone conversations, enclosed herewith is a copy of the letter dated November 5, 1991 written by Pogo Producing Company to New Mexico Potash Corporation. As indicated in said letter, Pogo furnished New Mexico Potash Corporation with OCD Form C-102 reflecting the location of our State 2 Well No. 1 together with the Notice of Intention to Drill (Form C-101). As reflected on the second page of the subject document, New Mexico Potash Corporation executed Pogo's letter dated November 5, 1991 to signify New Mexico Potash Corporation's consent to the drilling by Pogo of the State 2 Well No. 1 at a location 330' FSL and 330' FEL of Section 2, T-22-S, R-31-E, Eddy County, New Mexico.

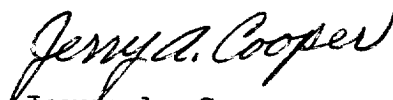
As you know, Pogo has recently submitted to the New Mexico Oil Conservation Division OCD Form C-102 reflecting the location of the proposed well and our Notice of Intention to Drill (Form C-101) for this well together with other appropriate materials relating to our permit. With the receipt of the attached waiver letter executed by the New Mexico Potash Corporation, we now believe you have in your possession all the materials necessary to approve our permit to drill the subject well.

New Mexico Oil Conservation Division
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Thank you for your assistance and cooperation. Should you need anything else from Pogo relative to this matter, please contact either myself or Mr. Richard Wright at 915/682-6822.

Yours very truly,

POGO PRODUCING COMPANY


Jerry A. Cooper
Vice President

JAC:bt

Attachment

cc: Mr. Mike Stogner w/Attachment
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

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Pogo Producing Company

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November 5, 1991

Registered Mail - Return Receipt Requested

New Mexico Potash Corporation
P. O. Box 610
Hobbs, New Mexico 88240

Attention: Mr. Walter Case

Re: Pogo's State 2 Well No. 1
330' FSL and 330' FEL of
Section 2, T-22-S, R-31-E
Eddy County, New Mexico
Pogo NM-560

Gentlemen:

Pogo Producing Company ("Pogo") has filed its Notice of Intention to Drill the above described well to test the Delaware formation, with a proposed total depth of 8500 feet subsurface. Pursuant to Paragraph 2 of Section G of Rule R-111-P of the New Mexico Oil Conservation Division, Pogo hereby submits to you, as a potash operator holding potash leases within a radius of one mile of the proposed well, OCD Form C-102, reflecting location of the proposed well, and the Notice of Intention to Drill (Form C-101) for the well.

Pogo hereby requests that you execute and return one copy of this letter to the undersigned reflecting your consent to the drilling by Pogo of its well at the above specified location. A

New Mexico Potash Corporation
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self addressed stamped envelope is enclosed for your convenience in returning the consent.

Yours very truly,

POGO PRODUCING COMPANY

Jerry A. Cooper
Jerry A. Cooper
Vice President

New Mexico Potash Company does hereby consent to the drilling by Pogo Producing Company of the above described well at the above described location.

By: *New Mexico Potash Corp*

Name: *Robert L. Larr*

Title: *Supt. J. M. Cooper*

Date: *11/11/91*