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CERTIFIED -- RETURN RECEIPT REQUESTED P 319 323 844

Pogo Producing Company Attention: Richard L. Wright P.O. Box 10340 Midland, TX 79702

RE: Sand Dunes 34 Federal Well No. 1 NM-43744 660' FNL & 660' FEL, Sec. 34, T23S, R31E Eddy County, New Mexico

Dear Mr. Wright:

On October 19, 1992, Pogo Producing Company filed an Application for Permit to Drill (APD) at the above referenced location. I am pleased to approve your APD at the present location. Your copy of the APD, with attached stipulations, is enclosed.

Through our analysis of the APD, we have determined that the well site is located a sufficient distance from the ore zones that potash resources should not be impacted.

If you need any additional information, please contact Tony Herrell in the Carlsbad Resource Area at (505) 887-6544.

Sincerely,

Larry L. Woodard

Larry L. Woodard State Director

1 Enclosure

bcc:

NM (910, L. Woodard) NM (920, R. Smith)

NM (060, A. Lopez)

NM (060, L. Cone)

NM (067, T. Herrell)

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