



State of New Mexico
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.
COMMISSIONER

310 OLD SANTA FE TRAIL P.O. BOX 1148

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April 13, 1995

New Mexico Oil Conservation Division
P. O. Drawer DD
Artesia, New Mexico 88211

Attn: Mr. Tim Gum

Dear Mr. Gum:

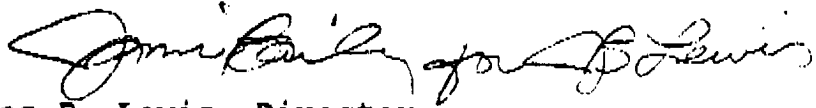
The Oil, Gas and Minerals Division of the State Land Office has approved the location of Pogo Producing Company's proposed well and is requesting that the Oil Conservation Division approve the Application for Permit to Drill for the State 2 #4. This well is located in Section 2 of Township 22 South, Range 31 East, 1780 feet from the south line and 2310 feet from the east line. This location is in the northwest quarter of the southeast quarter (NW4SE4) of the section, also known as unit letter "J." Having reviewed the location of other wells in Section 2, (UL: 1, H, I, K, N, O and P), it appears that location "J" could not be mined economically for potash due to the potash companies' self-imposed one-half mile mining buffer.

The State Land Office has also reviewed the letter from New Mexico Potash in which the potash company waives its right to oppose this well. If you have any questions, please contact our staff geologist, Joe Mraz, at (505) 827-5774.

Sincerely,

Ray Powell, M.S., D.V.M.
Commissioner of Public Lands

By:


James B. Lewis, Director
Oil, Gas & Minerals Division
(505) 827-5744

RBP/JBL/JRM

cc: Pogo Producing Company