



POGO PRODUCING COMPANY

HAND-DELIVERED

April 13, 1995

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

Attention: Mr. Walter Case

Re: S. Cabin Lake Prospect NM-560
Eddy County, New Mexico
State "2" No. 4 Well
1780' FSL & 2310' FEL of Section 2,
T-22-S, R-31-E, N.M.P.M.
State Lease LH-1523
Pogo Lease NM-4365

Gentlemen:

Reference is made to our previous correspondence regarding Pogo's desire to drill the captioned well 1980' FSL & 2310' FEL of Section 2, T-22-S, R-31-E, N.M.P.M., Eddy County, New Mexico, and recent telephone conversations between Mr. Case and the undersigned regarding same.

At your request, Pogo has agreed to move the subject well's location 200' south of the original location to 1780' FSL & 2310' FEL of said Section 2.

Pursuant to 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, a copy of the Notice of Intention to Drill (Form C-101) and a copy of the Well Location and Acreage Dedication Plat (Form C-102) for the subject well at the captioned location.

In connection with such move of the subject well's location, it is our understanding that you will evidence your consent to the

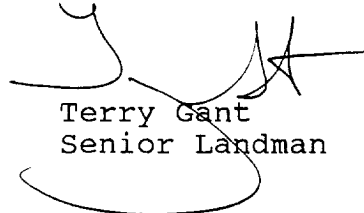
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drilling of the subject well at such new location by letter addressed to the NMOCD, with a copy being forwarded to this office.

Your prompt attention to this matter is greatly appreciated.

Very truly yours,

POGO PRODUCING COMPANY



Terry Gant
Senior Landman

TG:mjl/c:NMPotcab.let

Enclosures

cc: New Mexico Oil Conservation Division
District II Office
324 West Main Street
P. O. Drawer DD
Artesia, New Mexico 88210
Attention: Mr. Tim Gum