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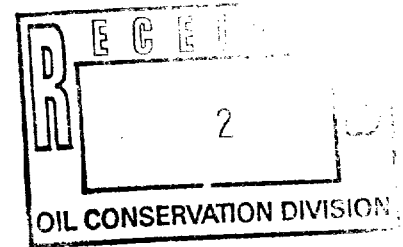
*NOT LICENSED IN NEW MEXICO

July 15, 1996

HAND DELIVERED

William J. LeMay
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

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Dear Mr. LeMay:

Pogo Producing Company ("Pogo") requests administrative approval to drill the following well without the salt protection string required by Rule D(3) of Order No. R-111-P:

Well Name: Amax "24" Federal No. 13
Location: 990' FSL and 330' FWL
Section 24-23 South-31 East
Eddy County, New Mexico

The well will be drilled to test the Cherry Canyon member of the Delaware Mountain Group. In support of its application, Pogo states:

Attached as Exhibit A is the APD for the subject well which was submitted to the Bureau of Land Management ("BLM"). Pogo requested permission from the BLM to omit the salt protection string, but the BLM notified Pogo that such approval must be obtained from the Division.

The reason for the request is that the salt protection string will cost approximately \$150,000, which adversely affects the well's economics. Moreover, drilling the well without the salt protection string will not adversely affect potash development in the area. Pogo notes that:

1. This area is heavily developed, with a number of Delaware wells already drilled in Section 24 and offsetting acreage. See land plat attached as Exhibit B.

2. The following wells have been drilled without a salt protection string:

<u>Well Name</u>	<u>Location</u>
Amax "24" Fed. No. 1	Unit E §24
Amax "24" Fed. No. 2	Unit L §24
Amax "24" Fed. No. 3	Unit D §24

The total total depth the proposed well is approximately 6700 feet, and thus is considered a "deep" well under Order No. R-111-P. However, the well will only test the Cherry Canyon member of the Delaware Mountain Group.

Note: The APD lists the well as being in the Ingle Wells-Delaware Pool. That is incorrect. The Cherry Canyon zone in the W½ §24 is in the Sand Dunes-Cherry Canyon Pool.

Notice of these applications is normally given to the potash lessee. However, an examination of the BLM's records on July 12, 1996 reflects that all of Sections 13, 14, 23, 24, 25, and 26 are unleased for potash. Thus, no notice was given to any potash operator. A copy of this letter is being sent, via certified mail, to the BLM's Carlsbad office. If the BLM has any objection, it is requested to notify the Division in writing by August 5, 1996.

Should you need any further information, please call.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
HENSLEY, L.L.P.



James Bruce

JGB/sb
cc: Bureau of Land Management
P. O. Box 1778
Carlsbad, New Mexico 88220

Enclosures