



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

January 14, 2005  
Intrepid Mining-NM, LLC.  
P.O. Box 101  
Carlsbad, NM 88220  
Attn: Mr. Tom McGuire

**RE: POGO PRODUCING COMPANY: Lost Tank '35' State # 10, located in Unit G (1980' FNL & 1980' FEL) of Section 35, Township 21 South Range 31 East Eddy County, New Mexico. API # 30-015-32512**

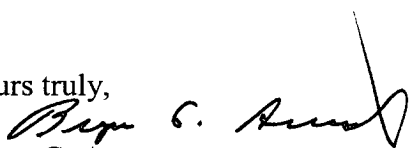
Dear Mr. McGuire,

In regards to the above well, the New Mexico Oil Conservation Division (NMOCD) needs to inform your company of a situation that occurred during the drilling of the 11" intermediate hole. As the rig was drilling at a depth of @ 1400' an unexpected 'air pocket' was encountered that unloaded the drilling mud in the well bore as the 'air' blew their drilling fluid out of the hole. As the well continued drilling, the pressure of the air column never did deplete down or equalize pressure in the drilling fluid column. Currently the operator is in the process of setting 8 5/8" casing at a depth of @ 4150'.

Pogo indicated to the NMOCD that test monitors on the well site indicated no h2s gas was encountered during this incident.

Please give our office a call if you have any questions regarding this matter.

Yours truly,

  
Bryan G. Arrant  
PES

CC: Tim Gum-District Supervisor-Artesia