



POGO PRODUCING COMPANY

VIA FAX (505-393-0720) / OVERNIGHT MAIL

May 21, 1997

New Mexico Oil Conservation Division
District I Office
1000 W. Broadway
Hobbs, New Mexico 88240

Attention: Ms. Donna Pitzer

Re: HMS Prospect NM-626
Lea County, New Mexico
Zebra State No. 1 Well
1650' FNL & 1650' FEL Section 16,
T-21-S, R-32-E, N.M.P.M.
State Lease V-4038

Gentlemen:

In accordance with that certain telephone conversation between Mr. Jerry Sexton and the undersigned, please find enclosed the following regarding Pogo's desire to drill the captioned well at the above location:

- (1) Notice of Intention to Drill (Form C-101), in sextuplicate.
- (2) Well Location and Acreage Dedication Plat (Form C-102), in sextuplicate.
- (3) Plat of area where the well is located (with one (1) mile radius denoted thereon), along with a copy of a Potash Leasehold Take-Off prepared by Federal Abstract Company covering said Section 16 and lands within one (1) mile thereof attached to such plat, showing potash lessee ownership of such lands.

New Mexico Oil Conservation Division
May 21, 1997
Page Two

As discussed, please note the following:

- (1) The subject well's location is on State of New Mexico lands.
- (2) There is no potash lessee within one (1) mile of the subject well's location.
- (3) Pogo desires to commence operations on the subject well as soon as possible due to the impending lease expiration (6/1/97).

In connection with the above, it is our belief that you have in your possession all the materials necessary to approve our permit to drill the subject well. Your prompt attention to this matter is greatly appreciated.

If you should need any other information and/or have any questions regarding this matter, please contact the undersigned.

Very truly yours,

POGO PRODUCING COMPANY


Terry Gant
Senior Landman

TG:lf/c:NMOCD.430

Enclosures

cc: New Mexico Oil Conservation Division (w/copies of attachments)
2040 South Pacheco
Santa Fe, New Mexico 87505
Attention: Mr. Mike Stogner

New Mexico State Land Office (w/copies of attachments)
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501
Attention: Ms. Jamie Bailey

Bureau of Land Management (w/copies of attachments)
Carlsbad District Office
620 East Greene
Carlsbad, New Mexico 88220
Attention: Mr. Gary Bowers