

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO.
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-3523
7. Lease Name or Unit Agreement Name Spessartine "28" State
8. Well No. 1
9. Pool name or Wildcat Grama Ridge (Morrow)
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3661 GR

<p>SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)</p>	
1. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	
2. Name of Operator Santa Fe Energy Resources, Inc.	
3. Address of Operator 550 W. Texas, Suite 1330; Midland, TX 79701	
4. Well Location Unit Letter 0 : 660 Feet From The South Line and 1980 Feet From The East Line Section 28 Township 21-S Range 33-E NMPM Lea County	

<p>11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data</p>	
<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/></p> <p>OTHER: Potash Information <input checked="" type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/></p> <p>CASING TEST AND CEMENT JOB <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

As per your request please find attached:

1. Plat showing Potash Lessees
2. Waiver from Potash Lessee

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE James P. "Phil" Stinson TITLE Agent for Santa Fe Energy DATE 6.14.95
TYPE OR PRINT NAME James P. "Phil" Stinson TELEPHONE NO. (915) 682-6373

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

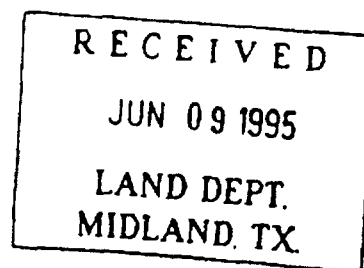
Santa Fe Energy Resources, Inc.**FAX/
CERTIFIED/RETURN RECEIPT**

June 6, 1995

Eddy Potash Company, Inc.
P.O. Box 31
Carlsbad, NM 88220

Attention: Mr. Robert Kirby

Re: T-21-S, R-33-E
Section 28: E/2
Lea County, New Mexico



Gentlemen:

Santa Fe Energy Resources, Inc. (Santa Fe) has filed an APD for a well located in the above captioned lands. The well is to be located 660' FSL and 1980' FEL of the referenced section.

Santa Fe requests that Eddy Potash Company, Inc. waive objections to the proposed location. If you are in agreement with this request, please sign one copy of this letter in the space provided below and return it to me at the address below.

If you have any questions or need additional information, please call me at 915/686-6712.

Yours very truly,

SANTA FE ENERGY RESOURCES, INC.

By: Danita R. Walker
Danita R. Walker, CPL
Landman

DRW:ms

Central Division
550 W. Texas, Suite 1330
Midland, Texas 79701
915/687-3551

June 6, 1995

Eddy Potash Company, Inc.

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AGREED TO AND ACCEPTED this 8 day of June, 1995.

EDDY POTASH COMPANY, INC.

By: Robert J. Kirby

Printed Name: ROBERT J. KIRBY

Title: Mine Manager

[illegible]