

# AMAX POTASH CORPORATION

A Subsidiary of AMAX INC

P. O. BOX 279 CARLSBAD, NEW MEXICO 88221-0279 (505) 885-3157

Mr. Don W. Davis, Area Landman  
Meridian Oil Inc.  
21 Desta Drive  
Midland, Texas 79705

*Lucy, Distribute to*

February 13, 1991

*xc - McGaddis  
Lee Catalano  
B Bradshaw  
D. Sledge  
D. Radar  
T. Ullr*

Re: Meridian Oil Inc.  
Benson "3", Federal #7 and Federal #9  
Sec. 3, T19S, R30E  
Eddy County, New Mexico  
NM-67985

Dear Mr. Davis:

We have reviewed the proposed locations for the above-referenced wells and made the following determination:

The Benson "3" Federal #7 well is located outside the one-quarter mile buffer zone for our operation. We would not contest this location.

The proposed location for the Benson "3" Federal #9 well falls within the one-quarter mile buffer zone. We would contest this location.

Sincerely,

*R. F. Kirby*

R. F. Kirby  
Chief Mine Engineer

RFK:ca

MEMBER POTASH INSTITUTE OF NORTH AMERICA

RECEIVED  
FEB 15 1991

BEFORE EXAMINED CATANACH OIL CONSERVATION DIVISION	
<i>Meridian</i>	EXHIBIT NO. <u>3</u>
CASE NO. <u>10247</u>	

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RESERVOIR