

GUIDELINES FOR PROCESSING APD FOR WELL IN POTASH AREA -- R-111-P

BLM approves federal wells in potash area so we do not have to worry about this.

STATE & FEE LEASES

Post to map and if within the potash area outlined on map or within 1 mile of that area do the following:

- 1) Make certain operator has filed a plat of the area showing the potash lessees for the area where the well is located as well as the 1-mile radius referred to.
- 2) Make certain operator has notified all of the potash lessees by certified mail of the APD. They must send copy of delivery notice to us since 20-day waiting period starts from delivery date.

- 3) Send letter to BLM and SLO advising them of this APD and request they advise if this location is within LMR or buffer zone.

BUFFER ZONE -- shallow well is 1/4 mile of LMR  
-- deep well is 1/2 mile of LMR

- 4) If application is within LMR or buffer zone you must DENY it under R-111-P unless, there is a mutual agreement of lessor and lessees of oil & gas and potash interests. Copy of this agreement must be submitted with APD.
- 5) If application is outside LMR or buffer zone and no objection is received within 20 days from date of receipt by potash lessees of certified notice, the APD may be approved.

CHECK LIST FOR PROCESSING APD IN POTASH AREA

OPERATOR: CIMAREX ENERGY CO. OF COLORADO

LEASE & WELL: ADAMS STATE COM # 4 H

LOCATION I-6-215-33e 2710FSL 710FEL PROPOSED DEPTH 11200' <sup>KICKOFF POINT</sup>

DATE APD RECEIVED 11/07/11 WAS PLAT OF AREA ATTACHED STATEMENT NO  
POTASH LESSEES WITHIN  
1 MILE

WERE ALL POTASH LESSEES NOTIFIED BY CERTIFIED MAIL? NA

20-DAY WAITING PERIOD BEGINS \_\_\_\_\_ ENDS \_\_\_\_\_

WERE WAIVERS RECEIVED? \_\_\_\_\_

DATE SLO NOTIFIED 11/8/11 DATE REPLY RECEIVED 11/16/11

DATE BLM NOTIFIED 11/8/11 DATE REPLY RECEIVED 12/6/11

IS LOCATION INSIDE LMR OR BUFFER ZONE? YES \_\_\_\_\_ NO X KE

IF LOCATION INSIDE LMR OR BUFFER ZONE WAS LESSEE/LESSOR AGREEMENT FURNISHED \_\_\_\_\_

DATE APD APPROVED 12/7/11 DATE APD DENIED \_\_\_\_\_

20-025-40353

DEC 08 2011



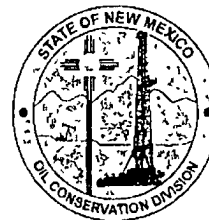
# New Mexico Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**John H Bemis**  
Cabinet Secretary-Designate

**Brett F Woods, Ph D**  
Deputy Cabinet Secretary

**Jami Bailey**  
Division Director  
Oil Conservation Division



November 8, 2011

BUREAU OF LAND MANAGEMENT  
ATT Potash  
620 E Greene Street  
Carlsbad, NM 88220

STATE LAND OFFICE  
ATT Joe Mraz  
PO BOX 1148  
Santa Fe, NM 87505

RE APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR Cimarex Energy Co of Colorado

LEASE NAME Adams State Com # 004H

PROPOSED LOCATION U/L I Sec 6 T21S R33E 2310 FSL 710 FEL

PROPOSED DEPTH Vertical hole to kickoff point 11200' Lateral 11700' TVD (18638' MD)

Gentleman

The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division Pursuant to the provisions of Oil Conservation Division Order R - 111 - P, please advise this office whether the location is within an established Life-of-Mine-Reserve are filed with and approved by your office If not, please advise whether it is within the buffer zone established by the order

Thank you for your assistance Please Return as soon as possible

Very truly yours,

OIL CONSERVATION DIVISION



Elidio Gonzalez  
Acting Supervisor, District I

RESONSE

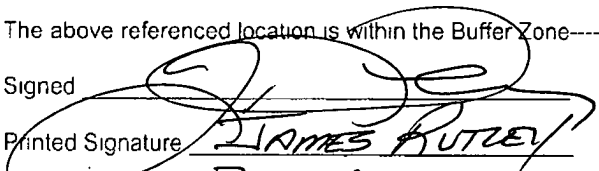
The above referenced location is in LMR (2011 year) -----Yes \_\_\_\_\_ No ☒

The above referenced location is within the Buffer Zone -----Yes \_\_\_\_\_ No ☒

Signed

Printed Signature

Representing



JAMES RUTLEY  
BLM-CFO

Oil Conservation Division \* 1625 N French Dr \*

\* Hobbs, New Mexico 88240

\* Phone (575) 393-6161 \* Fax (575) 393-0720\* <http://www.emnrd.state.nm.us>



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Deputy Cabinet Secretary

**HOBBS OGD**

**NOV 16 2011**

**RECEIVED**

**Jami Bailey**  
Division Director  
Oil Conservation Division



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OPERATOR: **Cimarex Energy Co. of Colorado**

LEASE NAME: **Adams State Com # 004H**

PROPOSED LOCATION: **U/L I Sec 6 T21S R33E 2310 FSL 710 FEL**

PROPOSED DEPTH: **Vertical hole to kickoff point 11200' Lateral 11700' TVD (18638' MD)**

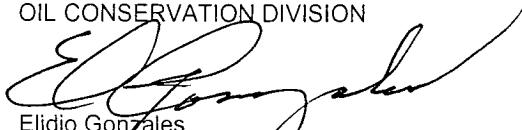
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Very truly yours,

OIL CONSERVATION DIVISION

  
Elidio Gonzales  
Acting Supervisor, District I

RESONSE:

The above referenced location is in LMR (2011 year) -----Yes \_\_\_\_\_ No X *JH*  
The above referenced location is within the Buffer Zone -----Yes \_\_\_\_\_ No X *11-15-11*

Signed *Larry Roybal*  
Printed Signature Larry Roybal by   
Representing SLO-OGMD

