

STATE & FEE LEASES

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-11-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: Meridian oil Inc.

LEASE & WELL 7/16/2013

LOCATION 1710/N & 2310/E 32-20-33 PROPOSED DEPTH 8538

DATE APD RECEIVED 1-14-93 WAS PLAT OF AREA ATTACHED NO Plat Recd 2-12-93

WERE ALL POTENTIAL LESSEES NOTIFIED BY CERTIFIED MAIL? yes

20-DAY WAITING PERIOD BEGINS 1-26-93 ENDS Feb 15 1993

WERE WAIVERS RECEIVED? mass chem (yes) N. medica Potash (yes)

DATE SLO NOTIFIED 2-16-93 DATE REPLY RECEIVED 2-22-93

DATE BLM NOTIFIED 2-16-93 DATE REPLY RECEIVED 3-1-93

IS LOCATION INSIDE 1MR CR BUFFER ZONE? YES ☒ NO ☐ 1/1

IF LOCATION INSIDE LMR OR BUFFER ZONE WAS LESSEE/LESSOR AGREEMENT FURNISHED *2/12/12* *Ch*

DATE APD APPROVED 2/24/93 DATE APD DENIED 7/27/93



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

BRUCE KING
GOVERNOR

February 16, 1993

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

BUREAU OF LAND MANAGEMENT
P.O. Box 1778
Carlsbad, NM 88221

STATE LAND OFFICE
Attn: Ernie Szabo
P.O. Box 1148
Santa Fe, NM 87504

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR MERIDIAN OIL INC.

LEASE NAME Hat Mesa State #3

PROPOSED LOCATION 1710/N & 2310/E Sec. 32, T20S, R33E

PROPOSED DEPTH 8550'

Gentlemen:

The application for permit to drill identified above has been filled 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 area 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

Jerry Sexton
Supervisor, District I

RESPONSE:

The above-referenced location is in LMR ----- Yes ☐ No ☐

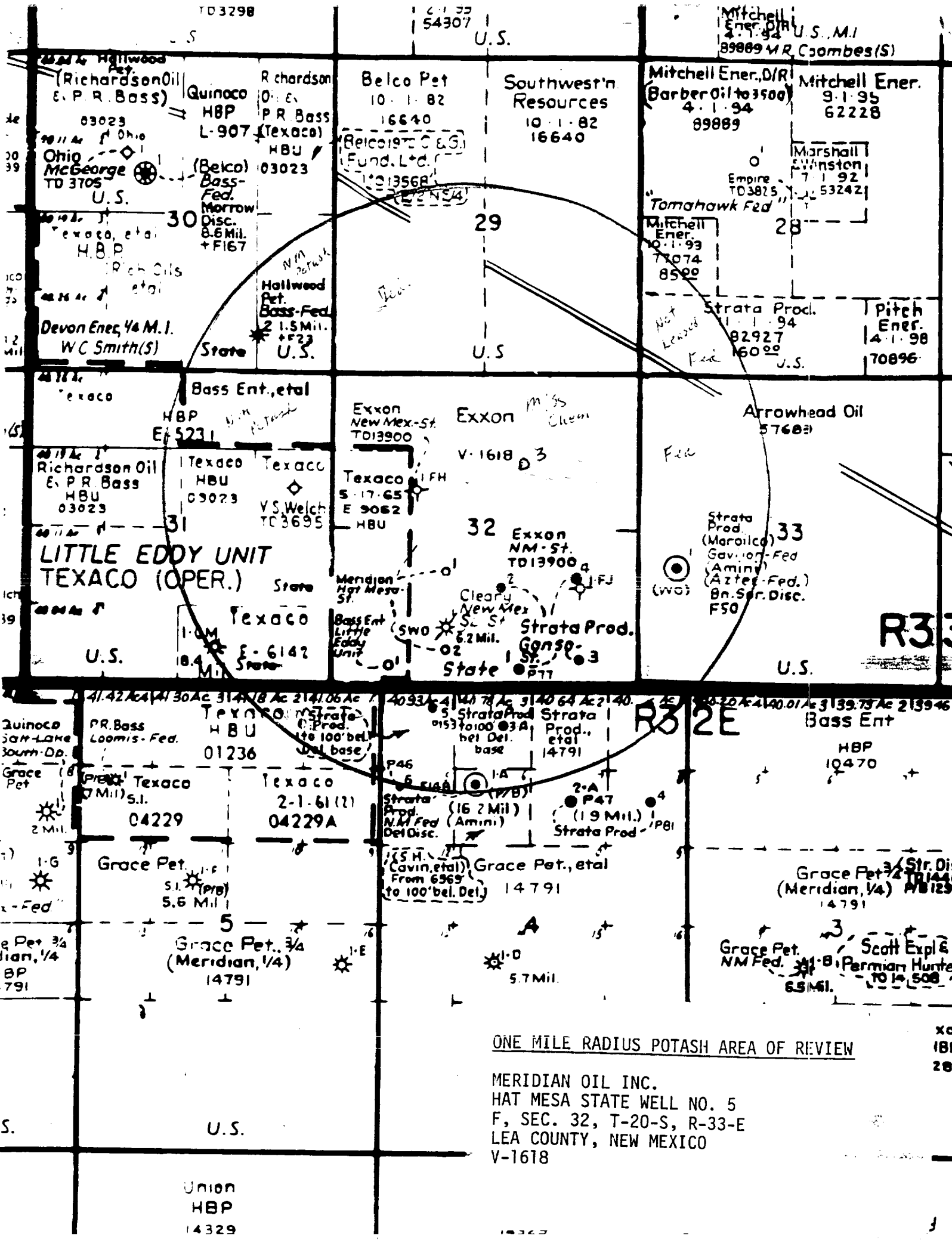
The above-referenced location is within the buffer zone----- Yes ☐ No ☐

Signed _____

Date _____

Representing _____





ONE MILE RADIUS POTASH AREA OF REVIEW

MERIDIAN OIL INC.
HAT MESA STATE WELL NO. 5
F, SEC. 32, T-20-S, R-33-E
LEA COUNTY, NEW MEXICO
V-1618

Union
HBP
14329

xac
IBP
2811

MERIDIAN OIL INC.
HAT MESA STATE NO. 5
F , SEC. 32, T-20-S, R-33-E
LEA COUNTY, NEW MEXICO

RE: ONE MILE RADIUS AREA OF REVIEW FOR POSTASH LESSEES

T-20-S, R-33-E, LEA COUNTY

SEC. 28 - FEDERAL - NOT A POTASH DESIGNATED AREA
SEC. 29 - FEDERAL - POTASH DESIGNATED AREA - UNLEASED - NOTIFY THE BLM
SEC. 30 - STATE - IS POTASH DESIGNATED AREA - NEW MEXICO POTASH CO. HAS
POTASH LEASE
SEC. 31 - STATE - IS POTASH DESIGNATED AREA - NEW MEXICO POTASH CO HAS
POTASH LEASE
SEC. 32 - STATE - IS POTASH DESIGNATED AREA - MISSISSIPPI CHEMICAL CORP.
POSTASH LEASE
SEC. 33 - FEDERAL - NOT A POTASH DESIGNATED AREA

T-21-S, R-32-E, LEA COUNTY

SEC. 3 - FEDERAL - NOT A POTASH DESIGNATED AREA
SEC. 4 - FEDERAL - NOT A POTASH DESIGNATED AREA
SEC. 5 - FEDERAL - NOT A POTASH DESIGNATED AREA EXCEPT FOR A SMALL PIECE.
NEW MEXICO POTASH CO POTASH LINE RUNS THRU THIS SEC.

POTASH INFORMATION OBTAINED FROM: ERNIE SZABO, NEW MEXICO STATE LAND
SANTA FE, NEW MEXICO
(505) 827 - 5774

CRAIG CRANSTON, BUREAU OF LAND MG.
CARLSBAD, NEW MEXICO
(505) 887 - 6544

MERIDIAN OIL

January 25, 1993

✓ New Mexico Potash Co.
P.O. Box 610
Hobbs, NM 88240

**RE: POTASH LESSEE NOTIFICATION WITHIN A ONE MILE RADIUS
OF PROPOSED DRILLING LOCATIONS
HAT MESA STATE WELL NO.'S 1, 2, 3, 4, 5, & 10
ALL WELLS LOCATED IN SEC. 32, T20S, R33E
HAT MESA DELAWARE FIELD
LEA COUNTY, NEW MEXICO
V-1618**

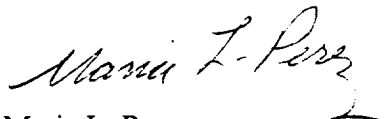
Gentlemen:

This letter serves as notification of Meridian Oil Inc.'s drill and completion package. The potash lessee of record for Sec. 32 for the captioned locations is Mississippi Chemical Corporation. You are being notified as you are the potash lessee of record within a mile radius of Sec. 32, T20S, R33E, Lea County, NM.

The following descriptions are proposed locations for each well:

- Hat Mesa State No. 1 - K, 1980' FSL & 1980' FWL, Sec. 32, T20S, R33E
- Hat Mesa State No. 2 - N, 660' FSL & 1980' FWL, Sec. 32, T20S, R33E
- Hat Mesa State No. 3 - G, 1710' FNL & 2310' FEL, Sec. 32, T20S, R33E
- Hat Mesa State No. 4 - H, 1835' FNL & 990' FEL, Sec. 32, T20S, R33E
- Hat Mesa State No. 5 - F, 2310' FNL & 2310' FWL, Sec. 32, T20S, R33E
- Hat Mesa State No. 10 - Proposed re-entry of a plugged and abandoned well - formerly Exxon's New Mexico FH State Com No. 1 - 1980' FNL & 1420' FWL of Sec. 32, T20S, R33E

Sincerely,



Maria L. Perez
Production Assistant
915-688-6906

XC: Well File
Land Dept. (2)

Don McBee
Reser. Engr.

Prod. Engr.
Regulatory

✓ 1. Connie Malik
2. Maria Perez

MERIDIAN OIL
January 25, 1993

➤ Bureau of Land Management
P.O. Box 1778
Carlsbad, NM 88221

**RE: POTASH AREA NOTIFICATION WITHIN A ONE MILE RADIUS
OF PROPOSED DRILLING LOCATIONS
HAT MESA STATE WELL NO'S. 1, 2, 3, 4, 5, & 10
ALL WELLS ARE LOCATED IN SEC. 32, T20S, R33E
LEA COUNTY, NM
HAT MESA DELAWARE FIELD
V-1618**

Gentlemen:

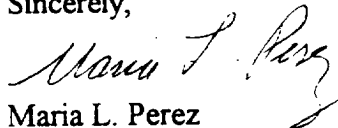
Per the telephone conversation with Mr. Craig Cranston of your office, this letter serves as notification for the captioned locations as there is a potash area within a one mile radius of Sec. 32, T20S, R33E, Lea County, NM.

Mr. Cranston informed us that there is a potash area in Sec. 29, T20S, R33E that is not leased. On unleased Federal lands Mr. Cranston said the Bureau of Land Management must be notified. The potash lessee for Sec. 32, T20S, R33E, where all proposed wells are located, is leased by Mississippi Chemical Corporation.

The following descriptions are the proposed locations for each well:

- Hat Mesa State No. 1 - K, 1980' FSL & 1980' FWL, Sec. 32, T20S, R33E
- Hat Mesa State No. 2 - N, 660' FSL & 1980' FWL, Sec. 32, T20S, R33E
- Hat Mesa State No. 3 - G, 1710' FNL & 2310' FEL, Sec. 32, T20S, R33E
- Hat Mesa State No. 4 - H, 1835' FNL & 990' FEL, Sec. 32, T20S, R33E
- Hat Mesa State No. 5 - F, 2310' FNL & 2310' FWL, Sec. 32, T20S, R33E
- Hat Mesa State No. 10 - Proposed re-entry of a plugged and abandoned well -- formerly Exxon's New Mexico FH State Com No. 1 - 1980' FNL & 1420' FWL of Sec. 32, T20S, R33E

Sincerely,



Maria L. Perez
Production Assistant
915-688-6906

XC: Well File
Land Dept. (2)

Don McBee
Reser. Engr.

Prod. Engr.
Regulatory

1. Connie Malik
2. Maria Perez

SENDER: <ul style="list-style-type: none"> • Complete items 1 and/or 2 for additional services. • Complete items 3, and 4a & b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery. 		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: New Mexico Potash Co. P.O. Box 610 Hobbs, NM 88240		4a. Article Number P 045 808 096	
		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
		7. Date of Delivery	
5. Signature (Addressee) <i>1-26-93</i>		8. Addressee's Address (Only if requested and fee is paid)	
6. Signature (Agent) <i>[Signature]</i>			
PS Form 3811, November 1990 * U.S. GPO: 1991-557-006 DOMESTIC RETURN RECEIPT			

SENDER: <ul style="list-style-type: none"> • Complete items 1 and/or 2 for additional services. • Complete items 3, and 4a & b. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery. 		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to: Bureau of Land Management P.O. Box 1778 Carlsbad, NM 88221		4a. Article Number P 045 808 094	
		4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
		7. Date of Delivery	
5. Signature (Addressee)		8. Addressee's Address (Only if requested and fee is paid)	
6. Signature (Agent) <i>[Signature]</i>			
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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

BRUCE KING
GOVERNOR

February 16, 1993

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

BUREAU OF LAND MANAGEMENT
P.O. Box 1778
Carlsbad, NM 88221

✓ STATE LAND OFFICE
Attn: Ernie Szabo
P.O. Box 1148
Santa Fe, NM 87504

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR MERIDIAN OIL INC.

LEASE NAME Hat Mesa State #3

PROPOSED LOCATION 1710/N & 2310/E Sec. 32, T20S, R33E

PROPOSED DEPTH 8550'

Gentlemen:

The application for permit to drill identified above has been filled with this office of the New Mexico Oil Conservation Division. Pursuant to the provisions of Oil Conservation Division Order R-III-P, please advise this office whether the location is within an established Life-of-Mine-Reserve area 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

Jerry Sexton
Jerry Sexton
Supervisor, District I

If NM Potash and Miss Chen approve, State will approve. Though in potash, this section has been drilled. Potash is wasted already.

RESPONSE:

The above-referenced location is in LMR ----- Yes ☐ No ☐

The above-referenced location is within the buffer zone ----- Yes ☒ No ☐

Signed *Ernie Szabo*
Representing *SLO*

Date *2/18/93*



RECEIVED
03 FEB 18 AM 8 40
STATE LAND OFFICE
SANTA FE, N.M.



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

RECEIVED
FEB 17 11 00 AM '93
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

CARLSBAD RESOURCE
AREA

February 16, 1993

BRUCE KING
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

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P.O. Box 1778
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Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton
Jerry Sexton
Supervisor, District I

RESPONSE:

The above-referenced location is in LMR - New Mexico Potash Yes * No

The above-referenced location is within the buffer zone----- Yes No

Signed Craig C. Cranston

Date 2-24-93

Representing BLM





February 9, 1993

Ms. Maria L. Perez
Meridian Oil
PO Box 51810
Midland, Texas 79710-1810

Dear Ms. Perez:

Mississippi Chemical will not offer any objection to your Hat Mesa State wells No. 3, 4, 5, and 10, located in Sec. 32, T20S, R33E.

Mississippi Chemical does expect Meridian Oil to comply with all the requirements of R-111-P when drilling these wells.

Sincerely,

MISSISSIPPI CHEMICAL CORPORATION

Randy Foote
General Manager

RF/bl

c: Ben Godwin



February 10, 1993

Ms. Maria L. Perez, Production Assistant
Meridian Oil Inc.
P.O. Box 51810
Midland, Texas 79710-1810

RE: Notification of Intent to Drill
New Mexico State Order R-111-P

Dear Ms. Perez:

By this letter, New Mexico Potash Corporation formally expresses no objections to the six(6) proposed well locations for Meridian Oil Inc. referenced below.

Hat Mesa State No. 1-K; 1980' FSL & 1980' FWL; Sec. 32, T20S, R33E
Hat Mesa State No. 2-N; 660' FSL & 1980' FWL; Sec. 32, T20S, R33E
Hat Mesa State No. 3-G; 1710' FNL & 2310' FEL; Sec. 32, T20S, R33E
Hat Mesa State No. 4-H; 1835' FNL & 990' FEL; Sec. 32, T20S, R33E
Hat Mesa State No. 5-F; 2310' FNL & 2310' FWL; Sec. 32, T20S, R33E
Hat Mesa State No. 10; 1980' FNL & 1420' FWL; Sec. 32, T20S, R33E
Proposed re-entry of Exxon's P&A well FH State Com No. 1

However, please note that these locations are within our current Life of Mine Reserve "LMR" as designated by New Mexico State Order R-111-P which governs the drilling of oil and gas wells within the "Known Potash Area". Due to the density of existing wells in this area no objection to the above locations will be filed. Please contact me if you have any further questions.

Sincerely,
New Mexico Potash Corporation

Tim Woomer
Chief Mine Engineer

copies: File

C.R.D.
Recd 2/22/93