

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Governor

Joanna Prukop Cabinet Secretary Mark E. Fesmire, P.E.
Director
Oil Conservation Division

30-015-33913

February 3, 2005 Bureau of Land Management 620 East Greene St. Carlsbad, NM 88220-6292

Attn: Craig Cranston or To Whom It May Concern

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR:

V-F Petroleum, Inc.

LEASE NAME:

Sweet '16' State #1

LOCATION:

SEC. 16 TOWNSHIP 20 SOUTH, RANGE 30 EAST,

Surface location: 1695' FNL & 2570' FEL

Bottom hole location: 1605' FSL & 1650' FEL

EDDY COUNTY, NM, NMPM

RECEIVED

MAR 1 5 2005

OOD:ARTESIA

PROPOSED DEPTH: 12,800'

Dear Mr. Cranston or To Whom It May Concern,

The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division. Pursuit to the provisions of Oil Conservation Division Order R-111-P, please advise this office whether or not this application 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 this order.

Thank you for your assistance.

Sincerely,

Bryan G. Arrant PES, District II Artesia NMOCD

In LMR In Buffer Zone Yes *

No____

Comments:

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Oil Conservation Division * 1301 W Grand Ave * Artesia, New Mexico 88210 Phone: (505) 748-1283 * Fax (505) 748-9720 * http://www.emprd.state.nm.us