



Mosaic Potash Carlsbad Inc.  
PO Box 71  
1361 Potash Mines Road  
Carlsbad, NM 88220  
www.mosaicco.com

Tel 505-887-2871  
Fax 505-887-0589

July 5, 2005

Ken Gray, Senior Land Advisor  
Devon Energy Production Company  
20 North Broadway  
Oklahoma City, Oklahoma 73102-8260

Dear Mr. Blount:

Mosaic Potash Carlsbad Inc. does not object to the location of Devon Energy's Application to Drill the Spud 16 State #5, 2320' FSL, 660' FEL, of Section 16, Township 23 South, Range 29 East, NMPM. This location is near to an area designated as indicated ore by the BLM, and is about 2140 feet from Mosaic's LMR containing valuable potash ore. This location is 500 feet within the ½ mile buffer required by R-111-O for deep gas wells and could pose a hazard to underground mining operations in the future if the ore extends as far as expected.

As a result of discussions with Ken Gray, Sr. Land Advisor for Devon concerning this well's location, we find this to be a mutually acceptable location for this well, which I understand will test the Morrow formation. We understand this location has set the well as far to the southwest as possible, limited by a surface lake. Mosaic does believe the hazard this well poses will cause the loss of some potash reserves in the area but, in a spirit of cooperation, have agreed to not object.

Mosaic Potash Carlsbad Inc. hereby does not object to the drilling of a well at this location.

30-015-34197

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Morehouse", written over a horizontal line.

Dan Morehouse  
Mine Engineering Superintendent

cc: Don Purvis  
Charlie High

David Waugh



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June 14, 2005

James Blount, Operations Engineer Advisor  
Devon Energy Production Company  
20 North Broadway  
Oklahoma City, Oklahoma 73102-8260

RECEIVED

JUN 17 2005

OOD-ARTESIA

Dear Mr. Blount:

Mosaic Potash Carlsbad Inc. does object to the location of Devon Energy's Application to Drill the Spud 16 State #5, 2630' FSL, 330' FEL, of Section 16, Township 23 South, Range 29 East, NMPM. This location is adjacent to an area designated as indicated ore by the BLM, and is in within 1700 feet Mosaic's LMR containing valuable potash ore. This location is within the ½ mile buffer required by R-111-O for deep gas wells and would pose a hazard to underground mining operations in the future.

Drilling the well applied for by Devon constitutes a hazard to proposed mining in this area. It will expose the men and women working underground to greatly increased hazards and therefore should not be allowed. We are currently in discussions with Ken Gray, Sr. Land Advisor for Devon concerning an alternate location and look forward to finding a mutually acceptable location for this well, which I understand will test the Morrow formation.

Mosaic Potash Carlsbad Inc. hereby objects to the drilling of a well at this location.

Sincerely,

Dan Morehouse  
Mine Engineering Superintendent

cc: Don Purvis  
~~Tim Gum~~  
Joe Mraz

David Waugh  
Craig Cranston



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

Oil Conservation Division

May 30, 2005  
Bureau of Land Management  
620 East Greene St.  
Carlsbad, NM 88220-6292  
Attn: Craig Cranston or To Whom It May Concern

**RECEIVED**

**JUN 02 2005**

**ODD-ARTESIA**

**RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA**

**OPERATOR:** Devon Energy Production Company, L.P.  
**LEASE NAME:** Spud '16' State # 5  
**LOCATION:** SEC. 16 TOWNSHIP 23 SOUTH, RANGE 29 EAST,  
2630' FSL & 330' FEL (surface location)  
EDDY COUNTY, NM, NMPM

**PROPOSED DEPTH: 12747'**

Dear Craig 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	Yes _____	No <u><i>*</i></u>
In Buffer Zone	Yes <u><i>*</i></u>	No _____

**Comments:**

In This 1/2 Mile LMR Buffer Of Mascic Point  
**Signature:** *Craig O. Cranston* **Date:** 5-31-05



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Governor

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Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

Oil Conservation Division

May 30, 2005

New Mexico State Land Office

310 Old Santa Fe Trail

Santa Fe, NM 87504-1148

Attn: Joe Mraz or To Whom It May Concern

**RECEIVED**

JUN 06 2005

**OOD-ARTESIA**

**RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA**

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Thank you for your assistance.

Sincerely,

**Bryan G. Arrant**

PES, District II Artesia NMOCD

In LMR

Yes \_\_\_\_\_

No ☒

In Buffer Zone

Yes ☒

No \_\_\_\_\_

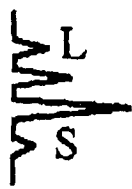
*Jan*  
5-31-05

Comments:

Signature: \_\_\_\_\_

*Jan Arrant*

Date: 5/31/05



# Laboratory Services

1331 Tasker Drive  
Hobbs, New Mexico 88240

Telephone: (505) 397-3713

FOR: Pro Well Testing & Wireline  
Attn. Merv Buecker  
P.O. Box 791  
Hobbs N.M. 88240

SAMPLE  
IDENTIFICATION: Laguna Salado South #1  
COMPANY: Santa Fe Energy  
LEASE:  
PLANT:

SAMPLE DATA: DATE SAMPLED: 02-25-91 5:30PM GAS (XX) LIQUID ( )  
ANALYSIS DATE: 02-26-91 SAMPLED BY: Merv Buecker  
PRESSURE - PSIG 640.00 ANALYSIS BY: Rolland Perry  
SAMPLE TEMP. °F 70.00  
ATMOS. TEMP. °F

REMARKS:

## COMPONENT ANALYSIS

COMPONENT	MOL PERCENT	GPM	
Oxygen (O2)			
Hydrogen Sulfide (H2S)			
Nitrogen (N2)	0.26		
Carbon Dioxide (CO2)	1.09		
Methane (C1)	96.15		
Ethane (C2)	2.06	0.548	
Propane (C3)	0.22	0.061	
I-Butane (IC4)	0.04	0.012	
N-Butane (NC4)	0.03	0.010	
I-Pentane (IC5)	0.01	0.005	
N-Pentane (NC5)	0.01	0.004	
Hexane (C6)	0.13	0.055	
Heptanes Plus (C7+)	0.00	0.000	
	100.00	0.695	
BTU/CU.FT. - DRY	1023	MOLECULAR WT	16.8614
AT 14.650 DRY	1019		
AT 14.650 WET	1002	26# GASOLINE -	0.067
AT 15.025 DRY	1046		
AT 15.025 WET	1027		
SPECIFIC GRAVITY -			
CALCULATED	0.582		
MEASURED	0.000		

*Spud 16 State #5*

*No H<sub>2</sub>S is expected to be encountered.*