

AMAX POTASH CORPORATION

A Subsidiary of AMAX INC

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

Lucy, Distribute to

February 13, 1991

*xc - Mo Saddis
Lee Catalano
B Bradshaw
D. Sledge
D. Radar
T. Ulte*

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

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

RECEIVED
FEB 15 1991
MEMBER POTASH INSTITUTE OF NORTH AMERICA

BEFORE EXAMINER GATANACH
OIL CONSERVATION DIVISION
Meridian EXHIBIT NO. 3
CASE NO. 10247

RECEIVED
FEB 19 1991
RESERVOIR