

LUNDBERG INDUSTRIES, LTD.

P. O. Box 31
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(505) 887-2844

Tom E. Donaldson
General Manager
Carlsbad and Dumas Operations

January 16, 1987

Mr. Charles E. Roybal
Acting Director
Energy and Minerals Department
P. O. Box 2088
State Land Office Building
Santa Fe, New Mexico 87501

Case No. 9069

Dear Mr. Roybal:

In behalf of Lundberg Industries Limited, I would like to comment on Case 9069(b) to be brought before the Oil Conservation Division on January 21, 1987. This case calls for the establishment of a new pool in the NE/4, Section 15, of Township 20 South, Range 29 East, Eddy County, New Mexico.

The south half of this quarter section is under a federal potash lease NM 050249A. This potash lease is in process of being transferred from Ideal Basic Industries to Lundberg Industries Limited, and it is our concern if permission is given to establish the new pool it would open the door to possible drilling activity on the portion of the section under which we control the potash leases.

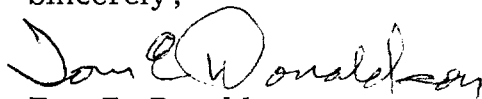
The discovery well, Williamson Federal No. 5, is located only 2,250 ft. from our open workings, and this distance is marginal with respect to the half mile guidelines now being used by the BLM. As a result, we would have to vigorously oppose any APD on the south half of the above captioned quarter section.

For your convenience and consideration I have enclosed a copy of a plat giving the locations of the Williamson Federal No. 5 well, our potash lease, and our open mine workings.

I would appreciate it if you could send me the name of a responsible person representing TXO Production Corporation with whom we can discuss this matter.

Thank you very much for your consideration in this most important issue.

Sincerely,



Tom E. Donaldson
General Manager

TED:vs

cc: Senator Marvin Watts
Mr. Francis R. Cherry, Jr.

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15 14

WILLIAMSON FED. #5



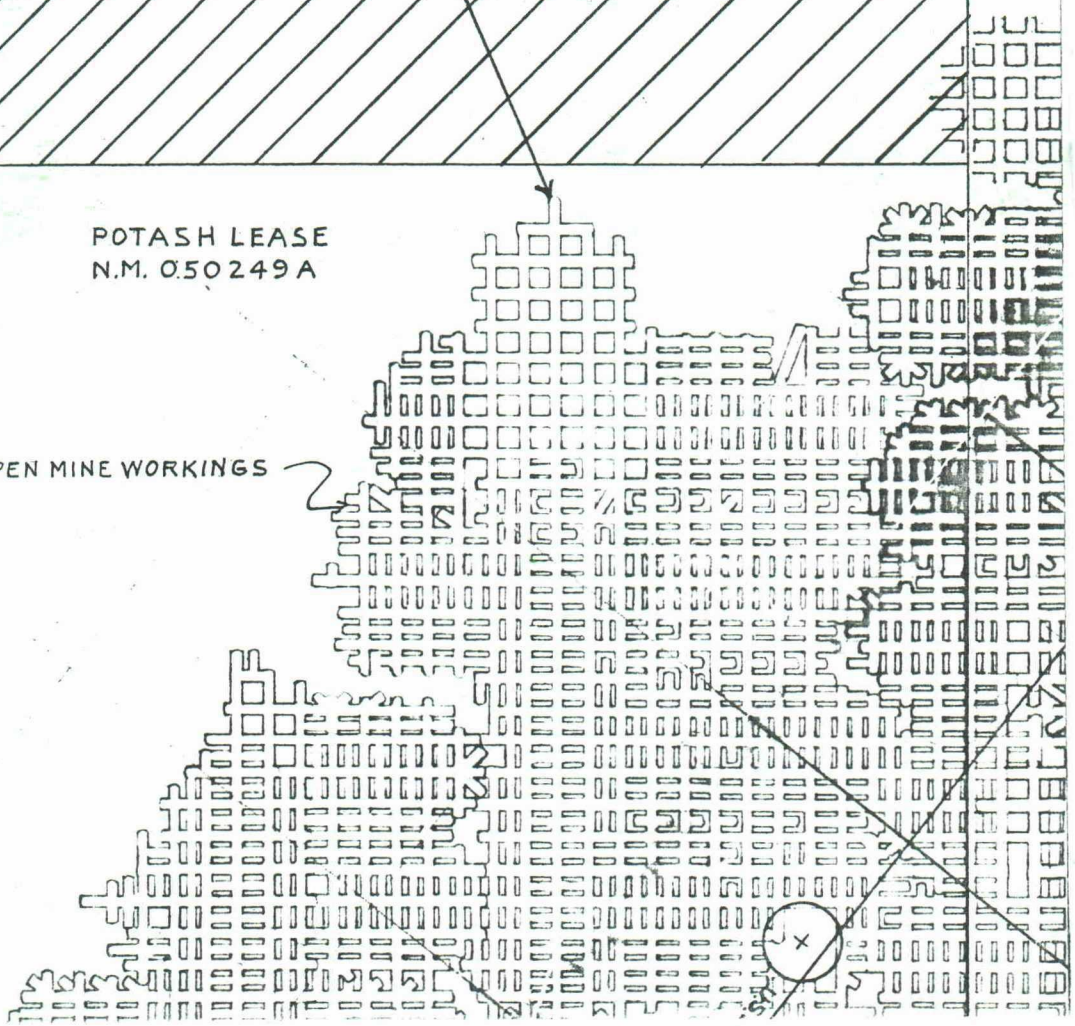
PROPOSED OIL POOL
GETTY-BONE SPRING POOL

2250'



POTASH LEASE
N.M. 050249A

OPEN MINE WORKINGS



PROPOSED OIL POOL
GETTY-BONE SPRING POOL
T20S, R29E, NMPM
SEC. 15, NE 1/4
SCALE: 1" = 500'
DATE: 1-13-87

R.N.K.