



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

June 16, 2004
New Mexico State Land Office
310 Old Santa Fe Trail
Santa Fe, NM 87504-1148
Attn: Mr. Joe Mraz/ Ms. Jamie Bailey

RECEIVED
JUN 18 2004
OCD-ARTESIA

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: Yates Petroleum Corporation
LEASE NAME: Baetz "BDU" Federal #1
LOCATION: SEC. 19, TOWNSHIP 23 SOUTH, RANGE 30 EAST,
430' FSL & 2180' FEL
EDDY COUNTY, NM, NMPM

PROPOSED DEPTH: 7400'

Dear Ms. Bailey/Mr. Mraz 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 NMOC

In LMR	Yes _____	No <u>X</u>
In Buffer Zone	Yes _____	No <u>X</u>

J. M. RAZ
8:30 A
6-16-04

Comments:

Signature: _____

Date: 6/16/04