



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

June 25, 2004
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: Chi Operating, Inc.
LEASE NAME: Shugart West Federal Com. # 1
LOCATION: SEC. 24 TOWNSHIP 18 SOUTH, RANGE 30 EAST,
2100' FNL & 2310' FWL
EDDY COUNTY, NM, NMPM
30-015-32139



PROPOSED DEPTH: 12,500'
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 <input checked="" type="checkbox"/>
In Buffer Zone	Yes _____	No <input checked="" type="checkbox"/>

Comments:

Signature: _____

Date: 6-28-04



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June 25, 2004
New Mexico State Land Office
310 Old Santa Fe Trail
P.O. Box 1148
Santa Fe, NM 87504-1148
Attn: Joe Mraz or To Whom It May Concern



RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: Chi Operating, Inc.
LEASE NAME: Shugart West Federal Com. #1
LOCATION: SEC. 24 TOWNSHIP 18 SOUTH, RANGE 30 EAST,
2100' FNL & 2310' FEL *UL: G*
EDDY COUNTY, NM, NMPM

PROPOSED DEPTH: 12,500'

Dear Joe 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 NMOCD

*Not within
R-111-P order
JRM 6/28/04*

In LMR	Yes <input type="checkbox"/>	No <input type="checkbox"/>
In Buffer Zone	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Comments:

Signature: *Bryan G. Arrant* **Date:** 6/28/04