

75
50 YEARS



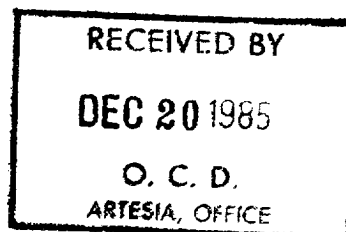
TONY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

December 17, 1985



1935 - 1985



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

W. A. Baker III
District Operations Manager
TEXACO USA
P.O. Box 728
Hobbs, NM 88240

Re: Forty Niner Ridge Unit Well
No. 3, Section 16, Township
23 South, Range 30 East,
Eddy County, New Mexico

Dear Mr. Baker:

This letter will confirm our phone conversation on December 17, 1985.

By my letter of November 27, 1985, I advised you that the permit to drill the subject well approved by the Division on November 4, 1985, was valid. The letter recited the sequence of events which led to that decision. It has now come to my attention that the notice given to the potash operators as reflected by the return receipts submitted with the application to drill did not include a copy of the application to drill as required by the rules.

As a result of this later information, I must now withdraw our approval of the application to drill and set this matter for arbitration. At this time both Texaco and potash representatives have indicated that such an arbitration meeting can be held in my office at 10:00 a.m. on Thursday, January 9, 1986. That time and date is to be confirmed not later than December 23rd. I will advise you of any variation from this schedule.

Sincerely,

R. L. STAMETS
Director

RLS/dp

cc: Les Clements ✓
J. B. Hunt, Potash Producers, Inc.
W. E. Thayer, International Mining and
Chemical Corporation

50 YEARS



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

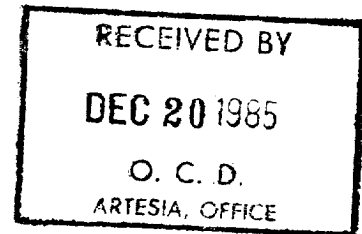


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December 17, 1985

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(505) 827-5800

Mr. W. E. Thayer
Production Manager
International Minerals
& Chemical Corporation
P.O. Box 71
Carlsbad, NM 88220



Dear Mr. Thayer:

Enclosed is a copy of a letter advising Texaco Inc. that approval of the application to drill their Forty Niner Ridge Unit Well No. 3 has been withdrawn.

The letter is self explanatory as to the reason for the withdrawal. Please note that an arbitration meeting has been set on this matter in my office at 10:00 a.m. on January 9, 1986. Unless advised otherwise by any interested party by December 23, 1985, this date is firm. All parties would be advised of a change in time for the arbitration meeting.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. L. Stamets".

R. L. STAMETS
Director

RLS/dp

Enc.

50 YEARS



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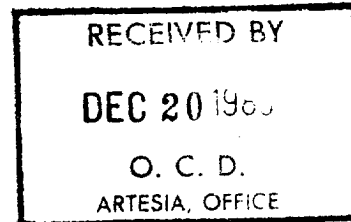
TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
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December 17, 1985

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(505) 827-5800

Mr. J. H. Hunt
Resident Manager
Potash Producers, Inc.
P.O. Box 511
Carlsbad, NM 88220



Dear Mr. Hunt:

Enclosed is a copy of a letter advising Texaco Inc. that approval of the application to drill their Forty Niner Ridge Unit Well No. 3 has been withdrawn.

The letter is self explanatory as to the reason for the withdrawal. Please note that an arbitration meeting has been set on this matter in my office at 10:00 a.m. on January 9, 1986. Unless advised otherwise by any interested party by December 23, 1985, this date is firm. All parties would be advised of a change in time for the arbitration meeting.

Sincerely,

R. L. STAMETS
Director

RLS/dp

Enc.