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O. C. D.
OFFICE OF THE
DIRECTOR

3160(067)
NM-38463

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Rem 11/17/92

Rwm 11-25-92

for Cone
11/23/92

CERTIFIED--RETURN RECEIPT REQUESTED
P 696 486 666

Kaiser-Francis Oil Company
Attention: Milton Griffin
P.O. Box 21468
Tulsa, Oklahoma 74121-1468

RE: Pure Gold "B" Federal Well No. 3
NM-38463
660' FSL & 1650' FEL, Sec. 20, T23S, R31E
Eddy County, New Mexico

Dear Mr. Griffin:

On October 15, 1992, Kaiser-Francis Oil Company filed an Application for Permit to Drill (APD) at the above referenced location. I am pleased to approve your APD at the present location. Your copy of the APD, with attached stipulations, is enclosed.

Through our analysis of the APD, we have determined that the well site is located a sufficient distance from the ore zones that potash resources should not be impacted. This location falls 180 feet inside IMC Fertilizer's Life of Mine Reserves (LMR) 1/4 mile buffer zone. It is our policy not to approve APDs which fall in LMR buffer zones. We usually require the APD to be moved to within 150 feet of an existing well or outside the buffer zone. However, since there is a producing deep gas well between the LMR and the APD and the APD is in an area classified as subeconomic, the BLM has determined potash reserves will not be impacted by the drilling of this well.

If you need any additional information, please contact Tony Herrell in the Carlsbad Resource Area at (505) 887-6544.

Sincerely,
Larry L. Woodard
Larry L. Woodard
State Director

1 Enclosure

cc:
IMC Fertilizer
Gary Williams
P. O. Box 71
Carlsbad, NM 88220

bcc:
NM (910, L. Woodard)
NM (920, R. Smith)
NM (060, A. Lopez)
NM (060, L. Cone)
NM (067, T. Herrell)

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