

STATE OF NEW MEXICO  
**ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

GARY E. JOHNSON  
GOVERNOR

OIL CONSERVATION DIVISION  
ARTESIA DISTRICT OFFICE

JENNIFER SALISBURY  
CABINET SECRETARY

DATE 6 / 18 / 96

Bureau of Land Management  
620 E. Greene St.  
Carlsbad, N.M. 88220-6292

State Land Office  
P. O. Box 1148  
Santa Fe, N.M. 87405

Attn: Craig Cranston

Attn: Joe Mraz/Larry Kehoe

Re: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR Gates Petroleum Corporation

LEASE NAME Medano VA State #12

LOCATION: SEC. 16 TWP. 23 S RGE. 31 E  
FOOTAGE 1650 FNL & 2310 FEL

PROPOSED DEPTH

8200'

Gentleman:

The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division. Pursuant to the provisions of Oil Conservation Division Order R-111-P, please advise this office whether or not this location 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 the order.

Thank you for your assistance.

Sincerely,

*Bryan G. Arrant*  
Bryan G. Arrant  
District Geologist, District II

IN LMR  
IN BUFFER ZONE

YES  
YES X

NO X  
NO

J.R. MRAZ  
6-19-96  
827-5774

COMMENTS:

This location NW 4, SW 4, NE 4 is  
outside the R-111-P boundary, but  
it is within 1/4 mile of the LMR-LMR

SIGNATURE Larry Kehoe, Director, Oil, Gas & Minerals

DATE

June 19, 1996

Division