

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

GARY E. JOHNSON  
 GOVERNOR

OIL CONSERVATION DIVISION  
 ARTESIA DISTRICT OFFICE

JENNIFER SALISBURY

DATE 6 / 18 / 96

RECEIVED

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

JUL - 1 1996

OIL CON. DIV.

Attn: Craig Cranston

Attn: Joe Mraz/Larry Kehoe DIST. 2

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 ENL & 2310 FEL

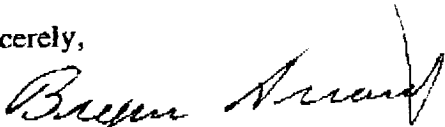
PROPOSED DEPTH 8200'

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. Arant  
 District Geologist, District II

IN LMR  
 IN BUFFER ZONE

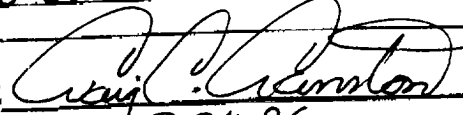
YES  
 YES \*

NO \*  
 NO

COMMENTS:

The Proposed Location Falls In The 1/2 Mile Buffer.  
It Is ~ 100' Outside Of The 1/4 Mile Buffer.

SIGNATURE  
 DATE

  
6-24-96