



WESTERN
AG-MINERALS
COMPANY

P. O. Box 511, Carlsbad, New Mexico 88220 • (505) 885-3175

March 21, 1993

Brad D. Burks
BK Exploration Corporation
810 South Cincinnati, Suit 110
Tulsa, Oklahoma 74119

Re: Proposed well locations in Section 24, T22S R29E
Eddy County, New Mexico

Dear Mr. Burks:

Western Ag-Minerals Company will not protest the proposed locations of the wells listed below:

Section 24, T22S R29E
Remuda Basin State

Well #2	330' FN,	330' FE
Well #3	1980' FN,	660' FE
Well #4	330' FN,	2310' FW
Well #5	1980' FN,	2310' FW
Well #6	660' FS,	1980' FE
Well #7	1980' FS,	990' FW
Well #8	660' FS,	990' FW

The listed locations will not jeopardize our Life of Mine Reserves.

Sincerely,

Ben F. Zimmerly
Sr. Engineer

BFZ/bfz

cc: R. H. Heinen

BK EXPLORATION CORPORATION

810 South Cincinnati, Suite 110

Tulsa, Oklahoma 74119

(918) 582-3855

March 1, 1994

RETURN RECEIPT MAIL

Western Ag Mineral Co.
P. O. Box 511
5516 Hobbs Highway
Carlsbad, NM 88221

RE: 7 Oil Well Drilling Proposals Within NM R-111-P Area
BK Exploration Corporation, Operator
Section 24 T-23-S R-29-E Eddy County, New Mexico
State Oil & Gas Lease E-5894-1

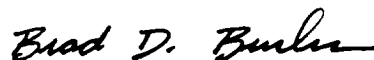
Western Ag,

Per requirements of State of New Mexico Oil Conservation Commission Rule R-111-P, Sec. G(2), BK Exploration respectfully submits for your review seven Notices of Intention to Drill. All of the seven proposed deep oil wells are located in Section 24 as referenced above.

These Notices of Intention to Drill are submitted to you based on recent information received from the New Mexico State Land Office (SLO). The SLO indicated that all of the proposed locations were more than a mile away from any of Western Ag's Life of Mine Reserves (LMR) and were therefore outside the 1/2 mile LMR buffer zone. Although it appears that these locations will not interfere with your operations, we deem it necessary to allow you to review these intents.

Please review the attached seven intents, then notify me if you have any objections or concerns. You may reach me at the letterhead address or by telephone at (918) 582-3855.

Sincerely,



Brad D. Burks
Vice-President

BDB:SS

xc: NMOCD, Santa Fe
NMOCD, Artesia
File



APR - 4 1994

March 22, 1994

Brad Burks
BK Exploration Corp.
810 South Cincinnati, Suite 110
Tulsa, OK 74119

RE: Remuda Basin State #2, 330'FNL, 330'FEL Sec.24, T23S, R29E
#3, 1980'FNL, 660'FEL Sec.24, T23S, R29E
#4, 330'FNL, 2310'FWL, Sec.24, T23S, R29E
#5, 1980'FNL, 2310'FWL, Sec.24, T23S, R29E
#6, 660'FSL, 1980'FEL, Sec.24, T23S, R29E
#7, 1980'FSL, 990'FWL, Sec.24, T23S, R29E
#8, 660'FSL, 990'FWL, Sec.24, T23S, R29E

Dear Mr. Burks:

IMC Fertilizer, Inc. has received your notification that BK Exploration Corp. intends to drill seven oil wells, Remuda Basin State #2,3,4,5,6,7 & 8. IMC has no objection to BK Exploration Corp. drilling these wells as they are outside our leases and our 1/2 mile buffer zone of our LMR.

The current LMR and the buffer zone are determined from the best available information. As more information becomes available, the LMR can change and may be modified and adjusted. This is reflected in the yearly update of the LMR. The relationship of any well location relative to the LMR can change. Therefore, please consider the "objection offered" or "no objection offered" to a well location to be valid for one year only. If you are still considering a well location that a potash operator has or has not objected to more than one year prior, notify us again at that time so we can make the decision on information current at that time. Do not consider a "no objection offered" or an "objection offered" decision to be permanent.

Sincerely,

A handwritten signature in cursive script that reads "Dan Morehouse".

Dan Morehouse
Supt. Mine Engineering

DM:tmh

cc: Dick Manus Leslie Cone
 Charlie High Tony Herrell
 Walt Thayer William Caulkins

BK EXPLORATION CORPORATION

810 South Cincinnati, Suite 110

Tulsa, Oklahoma 74119

(918) 582-3855

March 1, 1994

RETURN RECEIPT MAIL

IMC Fertilizer Inc.
P. O. Box 71
1361 Potash Mines Rd.
Carlsbad, NM 88221

RE: 7 Oil Well Drilling Proposals Within NM R-111-P Area
BK Exploration Corporation, Operator
Section 24 T-23-S R-29-E Eddy County, New Mexico
State Oil & Gas Lease E-5894-1

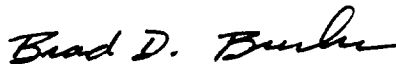
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Sincerely,



Brad D. Burks
Vice-President

BDB:SS

xc: NMOCD, Santa Fe
NMOCD, Artesia
File



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

BRUCE KING
GOVERNOR

OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

P.O. DRAWER DD
ARTESIA, NEW MEXICO 88211
(505) 748-1283

DATE 4-4-94

Bureau of Land Management
ATTN: Craig Cranston
P.O. Box 1778
Carlsbad NM 88220

State Land Office
ATTN: Joe Mraz
P.O. Box 1148
Santa Fe NM 87405

Re: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR BK EXPLORATION CORP
LEASE NAME REMUONA BASIN STATE #2
LOCATION A-24-T235-R29E; 330 FNL & 330 FEL
DEPTH 8500

Gentlemen:

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, *Mark Reddy*

IN LMR
IN BUFFER ZONE

YES _____ NO X
YES _____ NO X

JRM
4-6-94

COMMENTS: _____

Floyd O. Prando

SIGNATURE Floyd O. Prando, Director
DATE 04-06-94 Oil, Gas & Minerals
Division