

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

MARY E. JOHNSON
GOVERNOROIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICEJENNIFER SALAS
CABINET SECRETARYDATE 4/16/97Bureau of Land Management
620 E. Greene St.
Carlsbad, N.M. 88220-6292State Land Office
P. O. Box 1148
Santa Fe, N.M. 87405Attn: Craig Cranston
885 9264Attn: Joe Mraz/Larry Kehoe
827 5766

Re: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

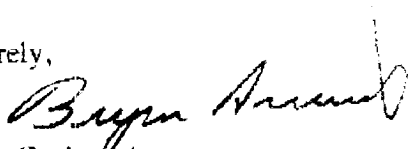
OPERATOR Arco PermianLEASE NAME Barclay State #1LOCATION: SEC. 2 TWP. 23 RGE. 31
FOOTAGE 1980 FSL / 1980 FFLPROPOSED DEPTH 8600'

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
District Geologist, District II

IN LMR

YES _____

NO *

IN BUFFER ZONE

YES *

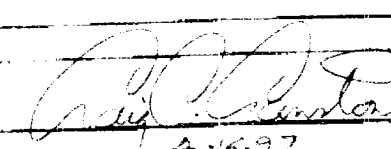
NO _____

COMMENTS:

It is in the Mine Reserve Zone of the Permian

SIGNATURE

DATE


4-16-97