

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
GOVERNOROIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICEJENNIFER SALISBURY
CABINET SECRETARYDATE 6/17/97Bureau of Land Management
620 E. Greene St.
Carlsbad, N.M. 88220-6292State 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 Santa Fe Energy Resources, Inc.LEASE NAME Spud "16" State #1LOCATION: SEC. 16 TWP. 23 RGE. 29
FOOTAGE 760 FSL : 330 FELPROPOSED 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
District Geologist, District II

IN LMR

YES NO X

IN BUFFER ZONE

YES NO XJR. MRAZ
6-18-97

COMMENTS:

not state surface
MISS. Pot. mineral leaseSIGNATURE DATE 6/18/97