



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

New Mexico State Office
1474 Rodeo Rd.
P.O. Box 27115
Santa Fe, New Mexico 87502-0115

IN REPLY REFER TO:
3160 (067)
NMNM-0404441

JUL 23 1996

CERTIFIED--RETURN RECEIPT REQUESTED
Z 737 765 222

Devon Energy Corporation (Nevada)
Attention: Ken Gray
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102

JUL 20 1996

RE: Todd "13C" Federal Well No. 3
NMNM-0404441
660' FNL & 1980' FWL, Sec. 13, T23S, R31E
Eddy County, New Mexico

*Cancel
7-23-96*

Dear Mr. Pepper:

The referenced gas/oil well is located in the Secretary of the Interior's Potash Area as described by 1986 Secretarial Order and was previously approved on February 7, 1994, with a one year extension approved on March 14, 1995. On January 22, 1996, Carlsbad Resource Area received a second request from Devon Energy Corporation to extend the approval for another year.

Since the original APD and first extension were approved, the status of the area with respect to potash mine plans and lease applications has changed significantly. This was discussed with your representatives, Mr. Ken Gray and Mr. Greg Nibert on April 10, 1996 in the Roswell District Office. Therefore, this APD/Extension was evaluated using all the pertinent information and data available at the time of re-submission, rather than with the data available from February, 1994. Because Part III.A. of the 1986 Secretary's Order directs the authorized officer to take into consideration the applicable rules and regulations of the Oil Conservation Division of the State Of New Mexico, due consideration was given to the designation of a new Life of Mine Reserve submittal per the State's Order R-111-P, part G(3) and part D(1).

Regrettably, your request for another one year extension to drill the well must be denied and the original approval is hereby rescinded. Drilling at the proposed location would likely interfere with future potash mining and result in undue waste of potash. In the future, it could also prove hazardous to the health and safety of potash miners.

Your copies of the application are being returned. By using the enclosed 1842-1 Form, this decision may be appealed to the Interior Board of Land Appeals in accordance with 43 CFR 3165.4.

Please contact our Carlsbad Resource Area Office Solid Minerals Staff at (505) 887-6544 should you have questions regarding alternative locations or need other assistance on matters involving potash mining.

Sincerely,

Gilbert J. Lucero

For

William C. Calkins
State Director

2 Enclosures

cc:
IMC Global Operations Inc.
Attention: Peter N. Livingstone
P.O. Box 71
1361 Potash Mines Road
Carlsbad, NM 88221-0071

New Mexico Oil Conservation Division
Drawer DD
Artesia, NM 88210

bcc:
NM (932)
NM (060, L. Cone)
NM (067, J. Florez)