

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
GOVERNOR

OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

JENNIFER SALIS
CABINET SECRETARY

DATE 5-20-96

Bureau of Land Management
ATTN: Craig Cranston
P.O. Box 177883-9214
Carlsbad NM 88220

State Land Office
ATTN: Joe Hraz 827 5766
P.O. Box 1148
Santa Fe NM 87405

Re: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR Gates Petroleum Corporation
LEASE NAME Annabelle 'ANB' State #1
LOCATION Sec. 32 T21S-R31E 330.5/1650 E
DEPTH 8100'

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,

Bryan Aram

IN LMR
IN BUFFER ZONE

YES NO *
YES * NO

COMMENTS: FALLS WITHIN THE 1/2 MILE BUFFER BUT OUTSIDE OF THE 1/4 MILE BUFFER
NOTE - SEE ATTACHED LETTER

SIGNATURE
DATE

Craig Cranston
5-21-96