

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENTGARY E. JOHNSON
GOVERNOROIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICEJENNIFER SALISBU
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 #2LOCATION: SEC. 16 TWP. 23 RGE. 29
FOOTAGE 1980 FSL & 330 FEL

PROPOSED DEPTH

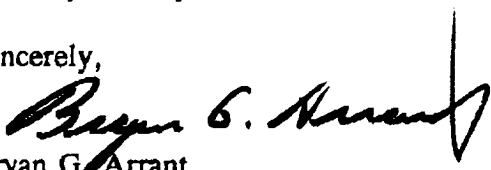
8200'

Gentleman:

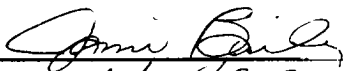
The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division. Pursuant to the provisions of Oil Conservation Division Order R-111-P, please advise this office whether or not this location is within an established Life-of-Mine-Reserve 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 IIIN LMR
IN BUFFER ZONEYES _____
YES _____NO X
NO XJRMRAZ
6-18-97

COMMENTS:

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