



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

RECEIVED

FEB 04 2005

OCD-ARTESIA

February 3, 2005

New Mexico State Land Office

310 Old Santa Fe Trail

Santa Fe, NM 87504-1148

Attn: Joe Mraz or To Whom It May Concern

30-015-33913

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: V-F Petroleum, Inc.

LEASE NAME: Sweet '16' State #1

LOCATION: SEC. 16 TOWNSHIP 20 SOUTH, RANGE 30 EAST,

Surface location: 1695' FNL & 2570' FEL

Bottom hole location: 1650' FSL & 1650' FEL

EDDY COUNTY, NM, NMPM

PROPOSED DEPTH: 12,800'

Dear Mr. Mraz or To Whom It May Concern,

The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division. Pursuit to the provisions of Oil Conservation Division Order R-111-P, please advise this office whether or not this application 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 this order.

Thank you for your assistance.

Sincerely,

Bryan G. Arrant

PES, District II Artesia NMOCD

In LMR

Yes _____

No X

In Buffer Zone

Yes X

No _____

Jm
2-2-05
10:15A

Comments:

Signature: *Bryan G. Arrant*

Date: 2/2/05