

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
GOVERNOROIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICEJENNIFER SALISBURY
CABINET SECRETARYDATE 5-20-96Bureau of Land Management
ATTN: Craig Cranston
P.O. Box 1778885-9264
Carlsbad NM 88220State Land Office
ATTN: Joe Mraz 827 5766
P.O. Box 1148
Santa Fe NM 87405Re: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

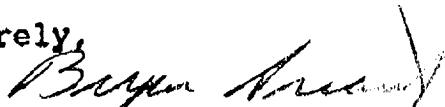
OPERATOR Gates Petroleum Corporation
 LEASE NAME Annabelle 'ANB' State #1
 LOCATION Sec. 32 T21S-R31E 330.5/1650 E
 DEPTH 8100'

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,



 IN LMR
 IN BUFFER ZONE

 YES _____ NO ✓
 YES _____ NO ✓

 John ✓
 5-20-96

COMMENTS:

"2 mile from LMR - N. max. Potash"

SIGNATURE

DATE May 29, 1996
 LARRY KEHOE, Director
 Oil, Gas & Minerals Division