BLM approves federal wells in potash area so we do not have to worry about this.

STATE & FEE LEASES

Post to map and if within the potash area outlined on map or within 1 \min of that area do the following:

- 1) Make certain operator has filed a plat of the area showing the potash lessees for the area where the well is located as well as the 1-mile radius referred to.
- 2) Make certain operator has notified all of the potash lessees by certified mail of the APD. They must send copy of delivery notice to us since 20-day waiting period starts from delivery date.
- Send letter to BLM and SLO advising them of this APD and request they advise if this location is within LMR or buffer zone.

BUFFER ZONE -- shallow well is 1/4 mile of LMR -- deep well is 1/2 mile of LMR

- 4) If application is within LMR or buffer zone you must <u>DENY</u> it under R-III-P unless, there is a mutual agreement of lessor and lessees of oil & gas and potash interests. Copy of this agreement must be submitted with APD.
- 5) If application is outside LMR or buffer zone and no objection is received within 20 days from date of receipt by potash lessees of certified notice, the APD may be approved. 30-025-40308

CHECK LIST FOR PROCESSING APD IN POTASH AREA

OPERATOR: Cimarex Energy Co of Col	
LEASE & WELL Adams State Com #3H	
LOCATION J-6-215-33e, 2310/541980/E PROPOSED DEPTH 18636	
DATE APD RECEIVED 9/20/11 WAS PLAT OF AREA ATTACHED Yes	
WERE ALL POTASH LESSEES NOTIFIED BY CERTIFIED MAIL?	
20-DAY WAITING PERIOD BEGINS ENDS	
WERE WAIVERS RECEIVED?	
DATE SLO NOTIFIED 9/28/11 DATE REPLY RECEIVED 10/5/11	
DATE BLM NOTIFIED 9/28/11 DATE REPLY RECEIVED 10/5/11	
IS LOCATION INSIDE LMR OR BUFFER ZONE? YES NO	
IF LOCATION INSIDE LMR OR BUFFER ZONE WAS LESSEE/LESSOR AGREEMENT FURNISHED	
DATE APD APPROVED 10/06/11 DATE APD DENIED	



Susana Martinez

Governor

John H. Bemis Cabinet Secretary-Designate

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey Division Director Oil Conservation Division



HOBBS OCD

Bureau of Land Management

ATT: Craig Cranston P O Box 1778 Carlsbad, NM 88221 State Land Office ATT: Joe Mraz P O Box 1148 Santa Fe, NM 87504

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA	
OPERATOR <u>Cimarex Energy Co of Colorado</u>	OCT 0 5 2011
LEASE NAME Adams State Com #3H	RECEIVED
PROPOSED LOCATION <u>J-6-21s-33e</u> , 2310/S & 1980/E	- MEAEIAED
PROPOSED DEPTHBone Spring, 18636	
Gentlemen:	
The application for permit to drill indentified above has been filed with this office of the New Mex Pursuant to the provisions of Oil Conservation Division Order $R-111-P$, please advise this of An established Life-of-Mine-Reserve are filed with an approved by your office. If not, please a Zone established by the order.	fice whether the location is within
Thank you for your assistance. Please return as soon as possible.	
Very truly yours,	
OIL CONSERVATION DIVISION	
EL Gonzales Acting Supervisor, District I	TRing
Response:	JAM V 9-28-11
The above reference location is in the LMR 2011 year)	es No
The above reference location is within the Buffer Zone	es No <u>×</u> _
Signed Lawy Valle Date	9/28/11
Printed Signature Lanny J. Raybal	
Representing State Land OFCice	





Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

John H. Bemis Cabinet Secretary-Designate

Brett F. Woods, Ph.D. **Deputy Cabinet Secretary**

HOBBS OCD

OCT 0 5 2011

Jami Bailey Division Director Oil Conservation Division



RECEIVED

Bureau of Land Management

ATT: Craig Cranston P O Box 1778 Carlsbad, NM 88221

State Land Office ATT: Joe Mraz P O Box 1148 Santa Fe, NM 87504

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA
OPERATOR Cimarex Energy Co of Colorado
LEASE NAME Adams State Com #3H
PROPOSED LOCATION J-6-21s-33e, 2310/S & 1980/E
PROPOSED DEPTH Bone Spring, 18636
Gentlemen:
The application for permit to drill indentified 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 the location is within An established Life-of-Mine-Reserve are filed with an approved by your office. If not, please advise whether it is within the buffer Zone established by the order.
Thank you for your assistance. Please return as soon as possible.
Very truly yours,
OIL CONSERVATION DIVISION
EL Gonzales Acting Supervisor, District I
Response:
The above reference location is in the LMR Officer)Yes No
The above reference location is within the Buffer ZoneYes No
Signed Date
Printed Signature DAWESTOTZEY
Representing BLM-CFO

