

GUIDELINES FOR PROCESSING APD FOR WELL IN POTASH AREA -- R-111-P

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 mile 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.
- 3) 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 DENY it under R-111-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.

CHECK LIST FOR PROCESSING APD IN POTASH AREA

OPERATOR: Three Rivers Operating Co LLC

LEASE & WELL Lobo 26 State #2H

LOCATION E-26-21S-33E PROPOSED DEPTH 15500

DATE APD RECEIVED 10/19/11 WAS PLAT OF AREA ATTACHED \_\_\_\_\_

WERE ALL POTASH LESSEES NOTIFIED BY CERTIFIED MAIL? \_\_\_\_\_

20-DAY WAITING PERIOD BEGINS \_\_\_\_\_ ENDS \_\_\_\_\_

WERE WAIVERS RECEIVED? \_\_\_\_\_

DATE SLO NOTIFIED 10/21/11 DATE REPLY RECEIVED 10/25/11

DATE BLM NOTIFIED 10/21/11 DATE REPLY RECEIVED 12/6/11


2ND NOTIFICATION 12/6/11  
IS LOCATION INSIDE LMR OR BUFFER ZONE? YES \_\_\_\_\_ NO X

IF LOCATION INSIDE LMR OR BUFFER ZONE WAS LESSEE/LESSOR AGREEMENT FURNISHED \_\_\_\_\_

DATE APD APPROVED 12/6/11 DATE APD DENIED \_\_\_\_\_

30-025-40350

DEC 07 2011



# New Mexico Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**John H Bemis**  
Cabinet Secretary-Designate

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

**Jami Bailey**  
Division Director  
Oil Conservation Division



December 6, 2011

BUREAU OF LAND MANAGEMENT  
ATT Potash  
620 E Greene Street  
Carlsbad, NM 88220

STATE LAND OFFICE  
ATT.. Joe Mraz  
PO BOX 1148  
Santa Fe, NM 87505

RE APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR **Three Rivers Operating Co., LLC**

LEASE NAME **Lobo 26 State # 002H**

PROPOSED LOCATION **U/L E Sec 26 T21S R33E 1980 FNL 330 FWL**

PROPOSED DEPTH **Bone Spring Lateral 10000' TVD (15500' MD)**

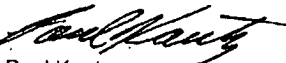
Gentleman

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 the location is within an established Life-of-Mine-Reserve are 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 Please Return as soon as possible

Very truly yours,

OIL CONSERVATION DIVISION



Paul Kautz  
Hobbs District Geologist, District I

RESONSE

The above referenced location is in LMR (2011 year) \_\_\_\_\_ Yes \_\_\_\_\_ No ☒

The above referenced location is within the Buffer Zone \_\_\_\_\_ Yes \_\_\_\_\_ No ☒

Signed \_\_\_\_\_

Printed Signature JAMES RUTLEY

Representing BLM-CFO

Oil Conservation Division \* 1625 N French Dr \*

\* Hobbs, New Mexico 88240

\* Phone (575) 393-6161 \* Fax (575) 393-0720\* <http://www.emnrd.state.nm.us>



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**Susana Martinez**  
Governor

**John H. Bemis**  
Cabinet Secretary-Designate

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

**HOBBS OCD**

**OCT 25 2011**

**RECEIVED**

**Jami Bailey**  
Division Director  
Oil Conservation Division



## 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 Three Rivers Operating Co LLC

LEASE NAME Lobo 26 State #2H

PROPOSED LOCATION E-26-21s-33e, 1980/N & 330/W

PROPOSED DEPTH Bone Springs, 15500'

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 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 (2011) year ----- Yes      No X

The above reference location is within the Buffer Zone ----- Yes      No X

Signed Larry J Rybal Date 10/24/11

Printed Signature Larry J Rybal

Representing State Land Office

*JRM*  
*10-21-11*

