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:

- 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 l-mile radius referred to.
- 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 <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.

# 



## Susana Martinez

Governor

John H. Bemis Cabinet Secretary-Designate

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

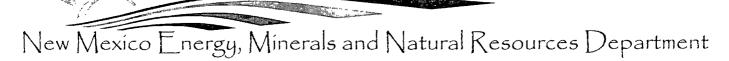


**Bureau of Land Management** 

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 Cimarex Energy Co of Colorado	
	LEASE NAME Whitherspoon 21 State Com #3h	
	PROPOSED LOCATIONB-21-21s-33e, 330/N & 1650/E	
	PROPOSED DEPTHBone Spring, TD @ 14172'	
Gentlem	nen:	
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		
Respon	se:	
The above reference location is in the LMR (2011/year)YesNo		
The above reference location is within the Buffer Zone		
Signed	Date 11-28-2011	
Printed Signature AMES TOTLED		
Representing DOM - CPO		





#### Susana Martinez

Governor

HOBBS OCD

John H. Bemis

Cabinet Secretary-Designate

OCT 1 1 2011

Jami Bailey
Division Director
Oil Conservation Division



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

RECEIVED

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Very truly yours,	
OIL CON	NSERVATION DIVISION
EL Gonz Acting S	rales upervisor, District I
Respor	nse:
The abo	ove reference location is in the LMR (year)Yes No X
The abo	ove reference location is within the Buffer ZoneYes No
Signed_	Lany VA Sal Date 10/6/11
Printed	Signature <u>Carny</u> J. Raybal
Represe	enting State Land office

