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.
- 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.

CHECK LIST FOR PROCESSING APD IN POTASH AREA		
OPERATOR: Limarey Energy Co of Colo.		
OPERATOR: Cimarey Energy Co of Colo. LEASE & WELL Whitherspron 21 State Com #4H		
LOCATION A-21-215-330/N \$350/E PROPOSED DEPTH 14172		
DATE APD RECEIVED 11/2/4 WAS PLAT OF AREA ATTACHED		
WERE ALL POTASH LESSEES NOTIFIED BY CERTIFIED MAIL?		
20-DAY WAITING PERIOD BEGINS ENDS		
WERE WAIVERS RECEIVED?		
DATE BLW NOTIFIED 11/2/11		
DATE BLM NOTIFIED 11/2/11 DATE REPLY RECEIVED 12/6/11		
IS LOCATION INSIDE LMR OR BUFFER ZONE? YESNONO		
IF LOCATION INSIDE LMR OR BUFFER ZONE WAS LESSEE/LESSOR AGREEMENT FURNISHED		
DATE APD APPROVED 12/7/11 DATE APD DENIED		
30-025-40356		



Susana Martinez Governor

Governor

RE:

Representing

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

APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

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

OPERATOR: Cimarex Energy Co. of Colorado	
LEASE NAME: Whitherspoon 21 State Com #4H	
PROPOSED LOCATION: <u>A-21-21s-33e, 330/N & 350/E</u>	·
PROPOSED DEPTH: 14172' Bone Spring	
Gentlemen:	
The application for permit to drill indentified above has been filed with this office Pursuant to the provisions of Oil Conservation Division Order R – 111 – P, ple An established Life-of-Mine-Reserve are filed with an approved by your office Zone established by the order.	ase advise this office 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	
Response:	
The above reference location is in the LMR ////year)	Yes No
The above reference location is within the Buffer Zone	Yes No
Signed	Date <u>//-28-28/</u> /
Driving Signature / NMFS # 1. TT FV	



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



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 NOV 3 0 2011

RECEIVED

HOBBS OCD

APPLICATION FOR PERMIT TO DRILL IN POTASH AREA RE:

OPERATOR: Cimarex Energy Co. of Colorado

LEASE NAME: Whitherspoon 21 State Com #4H_

PROPOSED LOCATION: <u>A-21-21s-33e</u>, 330/N & 350/E

PROPOSED DEPTH: 14172' Bone Spring

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

FI Gonzales Acting Supervisor, District I

Response:

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

State Land GFFice

Oil Conservation Division * 1625 N. French Dr.* * Hobbs, New Mexico 88240

