

30-025-43909

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

Ken McQueen  
Cabinet Secretary

Matthias Sayer  
Deputy Cabinet Secretary

David R. Catanach, Division Director  
Oil Conservation Division



July 26, 2017

BUREAU OF LAND MANAGEMENT  
ATT: James S. Rutley  
620 E Greene Street  
Carlsbad, NM 88220

STATE LAND OFFICE  
ATT: Stephen Wust  
PO BOX 1148  
Santa Fe, NM 87505

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA  
OPERATOR: Amtex ENERGY, Inc  
LEASE NAME: Merchant State Unit # 503H  
PROPOSED LOCATION: U/L N Sec 26 T21S R33E 280 FSL 2250 FWL  
PROPOSED DEPTH: 22000' 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 that 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

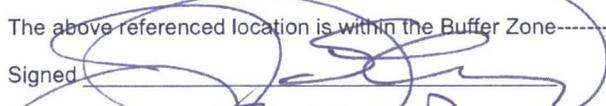
  
Paul Kautz

Hobbs District Geologist, District I

RESONSE:

The above referenced location is in LMR (2017 year) -----Yes \_\_\_\_\_ No

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

Signed   
Printed Signature JAMES S. RUTLEY  
Representing US BLM · CFD · SSZ · RUTLEY

July 26, 2017

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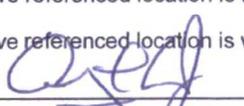
OIL CONSERVATION DIVISION

  
Paul Kautz

Hobbs District Geologist, District I

RESONSE:

The above referenced location is in LMR (2015 year) -----Yes \_\_\_\_\_ No ✓  
The above referenced location is within the Buffer Zone-----Yes \_\_\_\_\_ No ✓ *SSW*

Signed 

Printed Signature Aubrey Dunn

Representing NMSLO

## Kautz, Paul, EMNRD

---

**From:** Tate Savage <tate.savage@amtenergy.com>  
**Sent:** Thursday, July 27, 2017 4:32 PM  
**To:** Kautz, Paul, EMNRD  
**Cc:** 'Jennie Mastin'  
**Subject:** RE: Merchant State Unit # 503H  
**Attachments:** PotashlsePLAT\_forNMOCDpermitMSU503H.pdf

Paul,

Jennie and I contacted Jim Rutley at the BLM and he sent us the most up to date BLM Potash Lease layer and we plugged it into our map, which is attached. There are no Potash Leases in the BLM records or the State records within several miles of this proposed well.

Please let us know if you need anything more.

Thank you sir,

Tate F. Savage, RPL  
Business Development/Land Manager  
Amtex Energy, Inc.  
[Tate.Savage@AmtEnergy.com](mailto:Tate.Savage@AmtEnergy.com)  
Midland Office: 432-686-0847  
Mobile: 817-706-5174

**From:** Jennie Mastin [mailto:jenniemastin@amtenergy.com]  
**Sent:** Wednesday, July 26, 2017 1:56 PM  
**To:** Tate Savage <tate.savage@amtenergy.com>  
**Subject:** Fwd: Merchant State Unit # 503H

Begin forwarded message:

**From:** "Kautz, Paul, EMNRD" <[paul.kautz@state.nm.us](mailto:paul.kautz@state.nm.us)>  
**Date:** July 26, 2017 at 1:53:00 PM CDT  
**To:** Jennie Mastin <[jenniemastin@amtenergy.com](mailto:jenniemastin@amtenergy.com)>  
**Subject:** RE: Merchant State Unit # 503H

I also need it for federal leases. You need to contact the BLM also

**From:** Jennie Mastin [mailto:jenniemastin@amtenergy.com]  
**Sent:** Wednesday, July 26, 2017 11:59 AM  
**To:** Kautz, Paul, EMNRD <[paul.kautz@state.nm.us](mailto:paul.kautz@state.nm.us)>  
**Subject:** RE: Merchant State Unit # 503H

Paul,

According to the SLO shapefiles, there does not appear to be a potash lease within a one-mile radius. I have attached a plat using the SLO shapefiles for reference. Do you need anything else on this?

*Jennie J. Mastin, CPL*

Jennie J. Mastin, CPL  
Amtex Energy, Inc.  
P.O. Box 93983  
Southlake, TX 76092  
(817) 996-3738

**From:** Kautz, Paul, EMNRD [<mailto:paul.kautz@state.nm.us>]  
**Sent:** Wednesday, July 26, 2017 11:37 AM  
**To:** Jennie Mastin <[jenniemastin@amtexenergy.com](mailto:jenniemastin@amtexenergy.com)>  
**Subject:** Merchant State Unit # 503H

Hi Jennie and Stan,

The above well is located within the R-111-p area. Therefore, it will require some additional info. Also letters have been mailed to the BLM and SLO for their review.

Are there any potash leases within a 1 mile radius of this well.

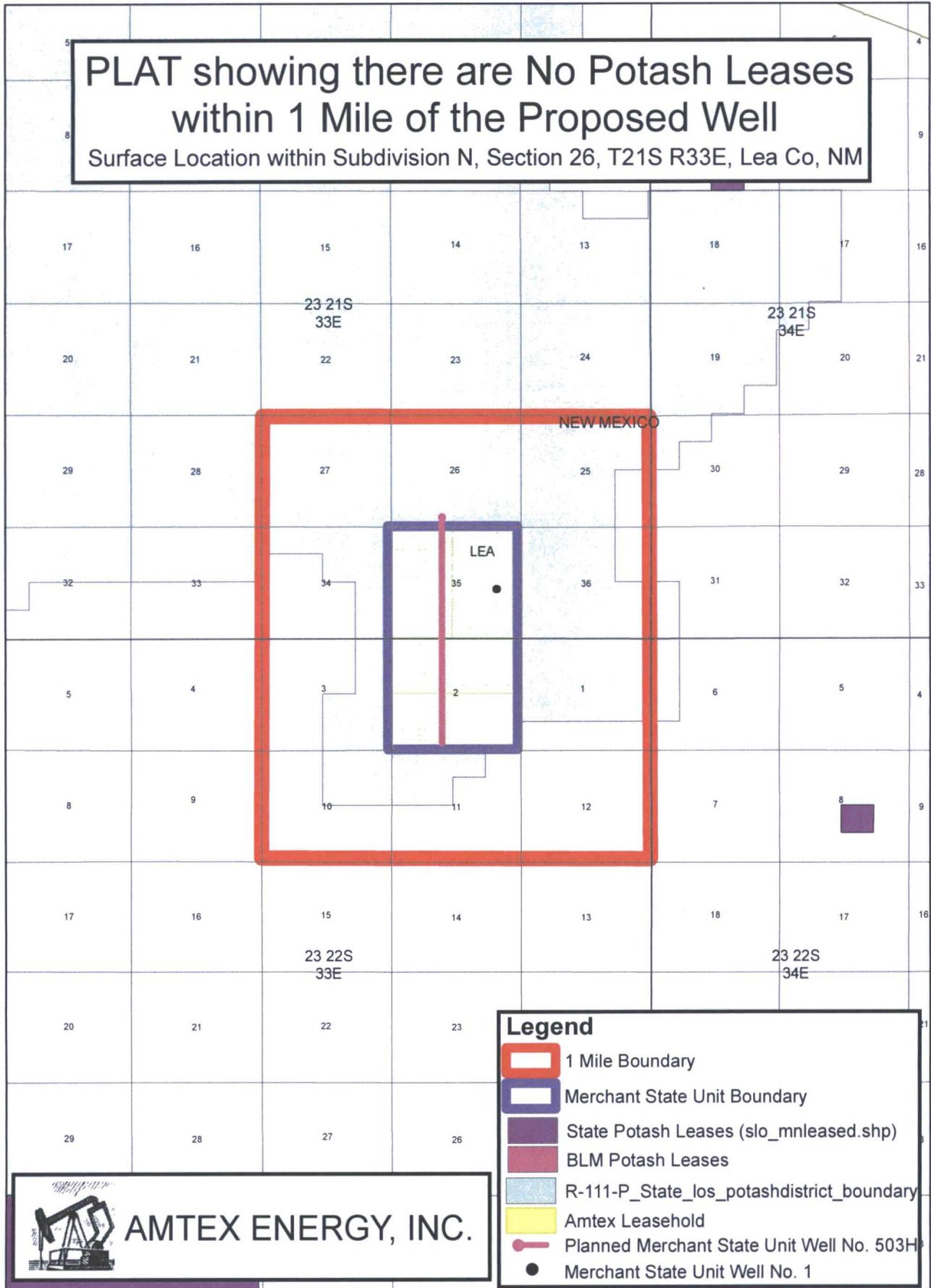
- a) If yes I need a plat showing all potash leases and lessees within the 1 mile radius.
- b) Certified receipts the lessees have been notified and provided with a copy of your proposed casing program.
- c) If there are no lessees within the 1 mile radius. I need a statement signed by a certified land man that there are no potash lessees within the 1 mile radius.

Paul Kautz  
Hobbs District Geologist  
Energy Minerals Natural Resources Dept.  
Oil Conservation Division  
1625 N. French Dr.  
Hobbs, NM 88240  
575-393-6161 ext. 104

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# PLAT showing there are No Potash Leases within 1 Mile of the Proposed Well

Surface Location within Subdivision N, Section 26, T21S R33E, Lea Co, NM



### Legend

-  1 Mile Boundary
-  Merchant State Unit Boundary
-  State Potash Leases (slo\_mnleased.shp)
-  BLM Potash Leases
-  R-111-P\_State\_los\_potashdistrict\_boundary
-  Amtex Leasehold
-  Planned Merchant State Unit Well No. 503H
-  Merchant State Unit Well No. 1



**AMTEX ENERGY, INC.**