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

30-025-39953

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 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.
- 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-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: <u>Cimarex Energy Co of Colorado</u> LEASE & WELL <u>Sout Lush 32</u> State Com #2H
LEASE & WELL Southesh 32 State Com #24
LOCATION B- 32-195-320 PROPOSED DEPTH 13500
DATE APD RECEIVED 11 8 10 WAS PLAT OF AREA ATTACHED
WERE ALL POTASH LESSEES NOTIFIED BY CERTIFIED MAIL?
20-DAY WAITING PERIOD BEGINS ENDS
WERE WAIVERS RECEIVED? Yes from Intropid
DATE SLO NOTIFIED 1/8 /10 DATE REPLY RECEIVED
DATE BLM NOTIFIED 11/8/10 DATE REPLY RECEIVED 11/15/12
IS LOCATION INSIDE LMR OR BUFFER ZONE? YES NO
IF LOCATION INSIDE LMR OR BUFFER ZONE WAS LESSEE/LESSOR AGREEMENT FURNISHED
DATE APD APPROVED 11 / 9 10 DATE APD DENIED



Bill Richardson			STATE OF NEW M
Jim Noel Cabinet Secretary Karen W. Garcia Deputy Cabinet Secretary		Mark Fesmire Division Director Oil Conservation Division	QR CONSERVATION C
BUREAU OF LAND I ATT: Potash 620 Green Street Carlsbad, NM 88220		STATE LAND OFFICE ATT: Joe Mraz P O Box 1148 Santa Fe, NM 87504	
OPERATOR	NFOR PERMIT TO DRILL IN POTAS Cimarex Energy Co South Lusk 32 540 LOCATION B. 32.195. DEPTH 13500'	of Colorado ate Com #2	
Gentlemen:			
The employation for a small	an aluffi (alamatifi al alum de la composición de la composición de la composición de la composición de la comp		

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

Larry Hill Supervisor, District I RESPONSE: The above referenced location is in LMR (_____ year) -----Yes _____ No _____ * The above referenced location is within the Buffer Zone-----Yes _____ No _____ * Signed ______ Printed Signature ______ Representing _____

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson			THE OF NEW MERICO
Jim Noel Cabinet Secretary Karen W. Garcia Deputy Cabinet Secretary	RECEIVED NOV 1.2 2010	Mark Fesmire Division Director Oil Conservation Division	
	HOBESUCD		UNSERVATION ON
BUREAU OF LAND MAN ATT: Potash 620 Green Street Carlsbad, NM 88220	NAGEMENT	STATE LAND OFFICE ATT: Joe Mraz P O Box 1148 Santa Fe, NM 87504	
RE: APPLICATION FO	OR PERMIT TO DRILL IN PO	TASH AREA	
OPERATOR	imarev Energy C	e of Colorado	
	outh Lusk 32 5		
PROPOSED LOC	CATION B. 32 . 195	· 37e	
PROPOSED DEF	тн <u> 13500'</u>		·
Gentlemen:			
Division, Pursuant to the prov the location is within an establ	rill identified above has been filed wi visions of Oil Conservation Division C lished Life-of-Mine-Reserve are filed buffer zone established by the order	Drder R – 111 – P, please advise the with and approved by your office.	nis office whether
Thank you for your assistance	e. Please Return as soon as possible	Э.	
Very truly yours,			
OIL CONSERVATION DIVISION	N	APD OU	tsile R-111-P
		Jun	11-10-10
Larry Hill Supervisor, District I			

RESPONSE:

The above referenced location is in LMR (_____ year) -----Yes _____ No ____

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

Signed Printed Signature QM1 しして Representing

nergy, Minerals and Natural Resources Department New Mexico **Bill Richardson** Governor Received

Jim Noel Cabinet Secretary Karen W. Garcia Deputy Cabinet Secretary

NOV 1 5 2010

HOBBSUCD

Mark Fesmire **Division Director Oil Conservation Division**



BUREAU OF LAND MANAGEMENT ATT: Potash 620 Green Street Carlsbad, NM 88220

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> LEASE NAME <u>South Lusk 32 State Com</u> #2
	LEASE NAME South Lusk 32 State Com #2
	PROPOSED LOCATION B. 32. 195. 320
	PROPOSED DEPTH 13500'

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 and approved by your office. If not, please advise whether it is within the buffer zone established by the order.

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Very truly yours,

OIL CONSERVATION DIVISION

Larry Hill Supervisor, District I

RESPONSE

	RESPONSE:
	The above referenced location is in LMR (2010 ear)Yes No
	The above referenced location is within the Buffer ZoneYes No
_	Signed
	Printed Signature AMES RUTLEY
_	Representing BLM-CFD

Oil Conservation Division * 1625 N. French Dr.* * Hobbs, New Mexico 88240 * Phone: (575) 393-6161 * Fax (575) 393-0720* <u>http://www.emnrd.state.nm.us</u>