

Noranda Exploration,
2136 Gulf Gate Drive
Suite 3
Sarasota, Florida 33581

noranda

Tel.: (813) 921-5711

January 22, 1980

Mr. Harvey E. Yates
Harvey E. Yates Company
P.O. Box 1933
Roswell, New Mexico 88201

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U. S. GEOLOGICAL SURVEY
HOBBS, NEW MEXICO

Dear Mr. Yates,

Thank you for sending Noranda Exploration, Inc., a copy of your application to drill an oil well in Section 19, Township 20S - Range 34E, Lea County, New Mexico. The proposed well is located within the boundaries of Noranda's Potassium Lease No. NM 029245, in an area where the Tenth Potash Zone is of economic grade and thickness.

Please be advised Noranda does not intend to protest the drilling of this well despite the possible loss of potential potash reserves. In consideration we request permission to core the Tenth Potash Zone during your drill program. We can normally core the potash bed in one core run, with little inconvenience to your drill program. All coring and standby costs would of course be done at our expense.

We further request you supply us with copies of all electric logs through the Tenth Zone. We prefer these logs be run at the slowest speed possible.

If this request meets with your approval please advise us who your drilling contractor will be so we might arrange the necessary details.

Yours truly,


Frank Condon
Project Manager

CC: J.M. Gordon
J.B. Burleson/Area Mining Supervisor,
Carlsbad, New Mexico

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OIL CONSERVATION DIV.

