



OIL CONSERVATION DIVISION  
RECEIVED  
MIDLAND DIVISION  
Exploration and Production  
'92 SEP 14 AM 9 02

Conoco Inc.  
10 Desta Drive, Suite 100W  
Midland, TX 79705-4500  
(915) 686-5400

September 14, 1992

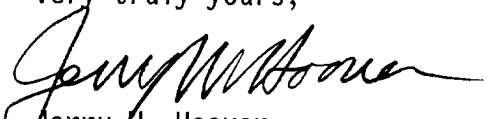
Mr. Michael Stogner  
State of New Mexico  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504-2088

Dear Mr. Stogner:

**Federal Permit to D&E Rio Grande Federal "25" No. 1 -  
Location in Order R-111-P "known potash leasing area"**

Attached is the affidavit of the Schutz Abstract Company's concerning their search for valid potash leases within a one-mile radius of the subject well. In my cover letter to the APD for this well, dated September 3, 1992, I promised to forward this affidavit to you as soon as it was available. Please add it to your copy of this APD.

Very truly yours,

  
Jerry W. Hoover  
Senior Conservation Coordinator

*Forwarded  
to [unclear]  
[unclear]*

STATE OF NEW MEXICO       §  
  §  
COUNTY OF SANTA FE       §

**AFFIDAVIT OF DOUG J. SCHUTZ**

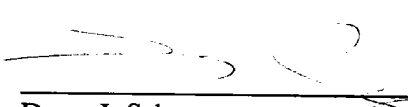
Before me, the undersigned Notary Public, came Doug J. Schutz who on his oath deposed and said:

- "1. My name is Doug J. Schutz. I am over the age of 18 and am competent to make this affidavit.
2. I am the owner of Schutz Abstract Co., Inc., P.O. Box 973, Santa Fe, New Mexico 87504-0973. I have sixteen years' experience in researching and abstracting land and mineral title in the State of New Mexico.
3. At the request of Conoco Inc., I have researched and identified all currently existing and valid potash leases within a one-mile radius of Section 25, Township 20 South, Range 33 East, Lea County, New Mexico. There is only one such lease in existence which is identified as follows:

Potash Lease M-651  
Assignment No. 7  
Covering Section 36, Township 20 South, Range 33 East  
State of New Mexico lands

4. There are no unreleased potash leases covering lands within a one-mile radius of Section 25, Township 20 South, Range 33 East other than the lease described above."

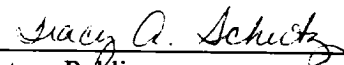
Further affiant sayeth not.

  
\_\_\_\_\_  
Doug J. Schutz

Sworn to and subscribed before me this 4<sup>th</sup> day of September 1992.

My commission expires:

2-10-93

  
\_\_\_\_\_  
Notary Public

in and for the State of New Mexico