

MERIDIAN OIL

February 3, 1993

Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

Attn: Ms Evelyn Downs

RE: ONE MILE RADIUS POTASH AREA OF REVIEW
HAT MESA STATE WELL NO'S 1 & 2
K & N, SEC. 32, T-20-S, R-33-E
LEA COUNTY, NEW MEXICO

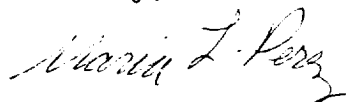
Dear Ms. Downs:

As per telephone conversation of 2-2-93 we are submitting per your request a plat showing the mile radius around each well. Also attached is a list of all the sections within each of the mile radius's showing potash lessee or unleased sections.

Enclosed is also the waiver letter from Mississippi Chemical Corporation who is the potash lessee for the section the captioned wells are on. Also, attached is copy of letters of notification to potash lessees within the mile radius and a copy of the certified return receipts.

Please call me if you require additional information.

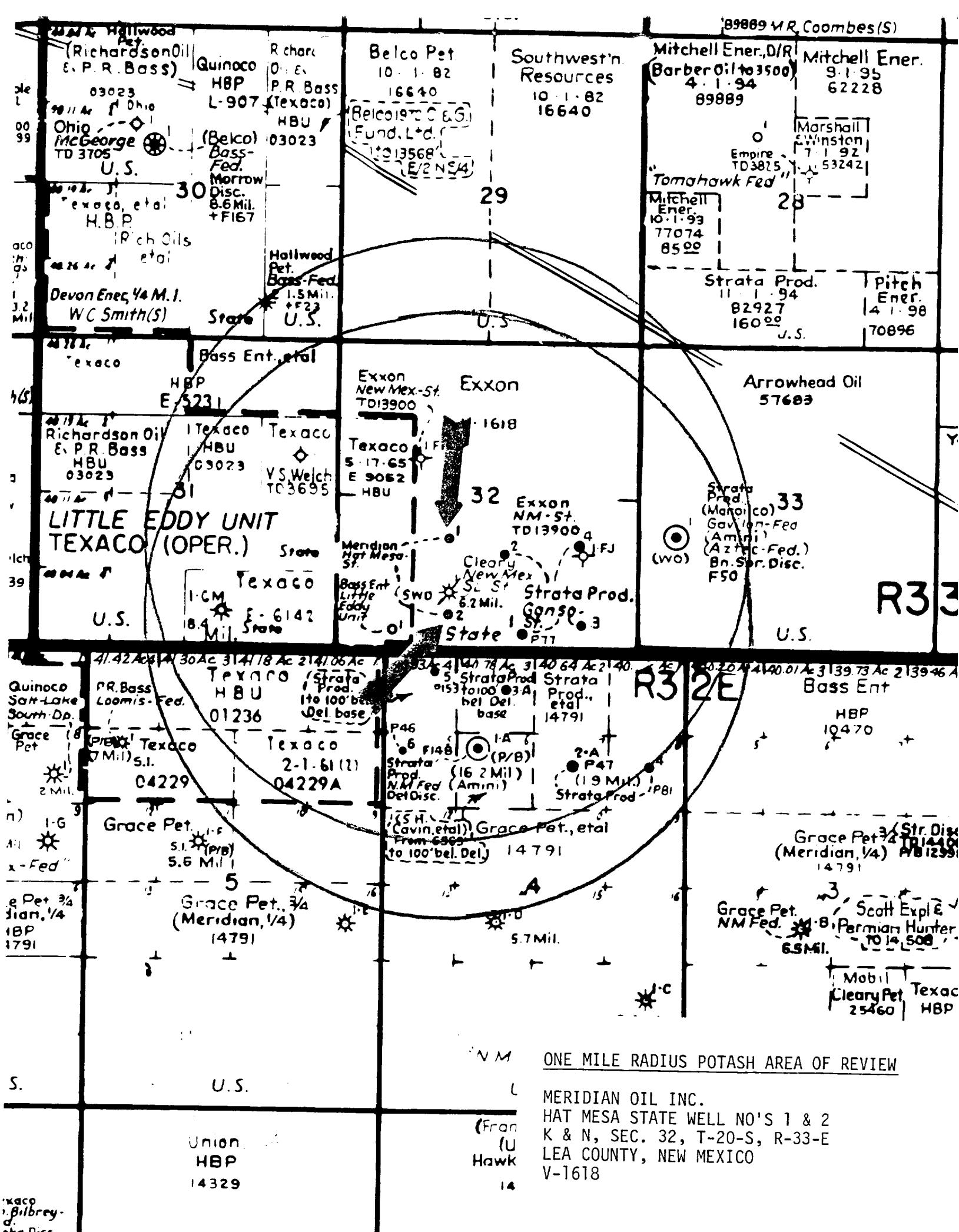
Sincerely,



Maria L. Perez
Production Asst.
(915) 688-6906

XC: Well File
Don McBee
Production Engr.
Reservoir Engr.
Land Dept.
Regulatory File
1. Connie M.
2. Maria P.

*Waivers recd
from miss chem &
N. Mex Potash*



MERIDIAN OIL INC.
HAT MESA STATE NO. 1 & 2
K & N, SEC. 32, T-20-S, R-33-E
LEA COUNTY, NEW MEXICO

RE: ONE MILE RADIUS AREA OF REVIEW FOR POSTASH LESSEES

T-20-S, R-33-E, LEA COUNTY

SEC. 28 - FEDERAL - NOT A POTASH DESIGNATED AREA
SEC. 29 - FEDERAL - POTASH DESIGNATED AREA - UNLEASED - NOTIFY THE BLM
SEC. 30 - STATE - IS POTASH DESIGNATED AREA - NEW MEXICO POTASH CO. HAS
POTASH LEASE
SEC. 31 - STATE - IS POTASH DESIGNATED AREA - NEW MEXICO POTASH CO HAS
POTASH LEASE
SEC. 32 - STATE - IS POTASH DESIGNATED AREA - MISSISSIPPI CHEMICAL CORP.
POSTASH LEASE
SEC. 33 - FEDERAL - NOT A POTASH DESIGNATED AREA

T-21-S, R-32-E, LEA COUNTY

SEC. 3 - FEDERAL - NOT A POTASH DESIGNATED AREA
SEC. 4 - FEDERAL - NOT A POTASH DESIGNATED AREA
SEC. 5 - FEDERAL - NOT A POTASH DESIGNATED AREA EXCEPT FOR A SMALL PIECE.
NEW MEXICO POTASH CO POTASH LINE RUNS THRU THIS SEC.

POTASH INFORMATION OBTAINED FROM: ERNIE SZABO, NEW MEXICO STATE LAND
SANTA FE, NEW MEXICO
(505) 827 - 5774

CRAIG CRANSTON, BUREAU OF LAND MG.
CARLSBAD, NEW MEXICO
(505) 887 - 6544

MERIDIAN OIL

January 25, 1993

New Mexico Potash Co.
P.O. Box 610
Hobbs, NM 88240

**RE: POTASH LESSEE NOTIFICATION WITHIN A ONE MILE RADIUS
OF PROPOSED DRILLING LOCATIONS
HAT MESA STATE WELL NO.'S 1, 2, 3, 4, 5, & 10
ALL WELLS LOCATED IN SEC. 32, T20S, R33E
HAT MESA DELAWARE FIELD
LEA COUNTY, NEW MEXICO
V-1618**

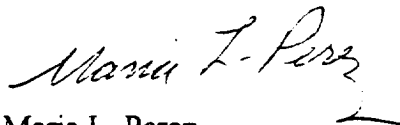
Gentlemen:

This letter serves as notification of Meridian Oil Inc.'s drill and completion package. The potash lessee of record for Sec. 32 for the captioned locations is Mississippi Chemical Corporation. You are being notified as you are the potash lessee of record within a mile radius of Sec. 32, T20S, R33E, Lea County, NM.

The following descriptions are proposed locations for each well:

- Hat Mesa State No. 1 - K, 1980' FSL & 1980' FWL, Sec. 32, T20S, R33E
- Hat Mesa State No. 2 - N, 660' FSL & 1980' FWL, Sec. 32, T20S, R33E
- Hat Mesa State No. 3 - G, 1710' FNL & 2310' FEL, Sec. 32, T20S, R33E
- Hat Mesa State No. 4 - H, 1835' FNL & 990' FEL, Sec. 32, T20S, R33E
- Hat Mesa State No. 5 - F, 2310' FNL & 2310' FWL, Sec. 32, T20S, R33E
- Hat Mesa State No. 10 - Proposed re-entry of a plugged and abandoned well - formerly Exxon's New Mexico FH State Com No. 1 - 1980' FNL & 1420' FWL of Sec. 32, T20S, R33E

Sincerely,



Maria L. Perez
Production Assistant
915-688-6906

XC: Well File
Land Dept. (2)

Don McBee
Reser. Engr.

Prod. Engr.
Regulatory

✓ 1. Connie Malik
2. Maria Perez

MERIDIAN OIL
January 25, 1993

Bureau of Land Management
P.O. Box 1778
Carlsbad, NM 88221

**RE: POTASH AREA NOTIFICATION WITHIN A ONE MILE RADIUS
OF PROPOSED DRILLING LOCATIONS
HAT MESA STATE WELL NO'S. 1, 2, 3, 4, 5, & 10
ALL WELLS ARE LOCATED IN SEC. 32, T20S, R33E
LEA COUNTY, NM
HAT MESA DELAWARE FIELD
V-1618**

Gentlemen:

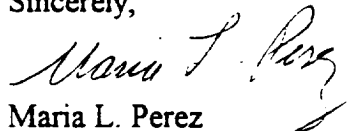
Per the telephone conversation with Mr. Craig Cranston of your office, this letter serves as notification for the captioned locations as there is a potash area within a one mile radius of Sec. 32, T20S, R33E, Lea County, NM.

Mr. Cranston informed us that there is a potash area in Sec. 29, T20S, R33E that is not leased. On unleased Federal lands Mr. Cranston said the Bureau of Land Management must be notified. The potash lessee for Sec. 32, T20S, R33E, where all proposed wells are located, is leased by Mississippi Chemical Corporation.

The following descriptions are the proposed locations for each well:

- Hat Mesa State No. 1 - K, 1980' FSL & 1980' FWL, Sec. 32, T20S, R33E
- Hat Mesa State No. 2 - N, 660' FSL & 1980' FWL, Sec. 32, T20S, R33E
- Hat Mesa State No. 3 - G, 1710' FNL & 2310' FEL, Sec. 32, T20S, R33E
- Hat Mesa State No. 4 - H, 1835' FNL & 990' FEL, Sec. 32, T20S, R33E
- Hat Mesa State No. 5 - F, 2310' FNL & 2310' FWL, Sec. 32, T20S, R33E
- Hat Mesa State No. 10 - Proposed re-entry of a plugged and abandoned well - formerly Exxon's New Mexico FH State Com No. 1 - 1980' FNL & 1420' FWL of Sec. 32, T20S, R33E

Sincerely,



Maria L. Perez
Production Assistant
915-688-6906

XC: Well File
Land Dept. (2)

Don McBee
Reser. Engr.

Prod. Engr.
Regulatory

1. Connie Malik
2. Maria Perez

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

New Mexico Potash Co.
P.O. Box 610
Hobbs, NM 88240

4a. Article Number

P 045 808 096

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery**5. Signature (Addressee)**

1-26-93

8. Addressee's Address (Only if requested and fee is paid)**6. Signature (Agent)**

PS Form 3811, November 1980

U.S. GPO: 1981-227-006

DOMESTIC RETURN RECEIPT

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
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Bureau of Land Management
P.O. Box 1778
Carlsbad, NM 88221

4a. Article Number

P 045 808 094

4b. Service Type

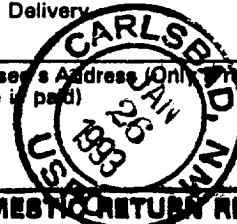
- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery**5. Signature (Addressee)****8. Addressee's Address (Only if requested and fee is paid)****6. Signature (Agent)**

PS Form 3811, November 1980

U.S. GPO: 1981-227-006

DOMESTIC RETURN RECEIPT





January 27, 1993

Ms. Maria L. Perez
Meridian Oil
PO Box 51810
Midland, Texas 79710-1810

Dear Maria,

Per our telephone conversation, I am writing you this letter to confirm that Mississippi Chemical does not plan to offer any objection to your Hat Mesa State No. 1 and No. 2 wells located in Sec. 32, T20S, R33E.

Again, I would like to voice my displeasure that these wells were drilled prior to us being notified. As I am sure you are aware, this is a serious matter. We feel that any future holes you drill in or near the potash enclave should be looked at very closely and proper notification made.

Sincerely,

MISSISSIPPI CHEMICAL CORPORATION


Randy Foote
General Manager

RF/bl



February 10, 1993

Ms. Maria L. Perez, Production Assistant
Meridian Oil Inc.
P.O. Box 51810
Midland, Texas 79710-1810

RE: Notification of Intent to Drill
New Mexico State Order R-111-P

Dear Ms. Perez:

By this letter, New Mexico Potash Corporation formally expresses no objections to the six(6) proposed well locations for Meridian Oil Inc. referenced below.

Hat Mesa State No. 1-K; 1980' FSL & 1980' FWL; Sec. 32, T20S, R33E
Hat Mesa State No. 2-N; 660' FSL & 1980' FWL; Sec. 32, T20S, R33E
Hat Mesa State No. 3-G; 1710' FNL & 2310' FEL; Sec. 32, T20S, R33E
Hat Mesa State No. 4-H; 1835' FNL & 990' FEL; Sec. 32, T20S, R33E
Hat Mesa State No. 5-F; 2310' FNL & 2310' FWL; Sec. 32, T20S, R33E
Hat Mesa State No. 10; 1980' FNL & 1420' FWL; Sec. 32, T20S, R33E
Proposed re-entry of Exxon's P&A well FH State Com No. 1

However, please note that these locations are within our current Life of Mine Reserve "LMR" as designated by New Mexico State Order R-111-P which governs the drilling of oil and gas wells within the "Known Potash Area". Due to the density of existing wells in this area no objection to the above locations will be filed. Please contact me if you have any further questions.

Sincerely,
New Mexico Potash Corporation

Tim Woomer
Chief Mine Engineer

copies: File