

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:~~

- 1) 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.
- 2) 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 DENY 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: Mitchell Energy Corp.

LEASE & WELL Anasazi 16 State Com # 1-G

LOCATION 1730/N + 1980/E 16-20-33 PROPOSED DEPTH 14,100

DATE APD RECEIVED 1-12-93 WAS PLAT OF AREA ATTACHED yes

WERE ALL POTASH LESSEES NOTIFIED BY CERTIFIED MAIL? yes

20-DAY WAITING PERIOD BEGINS _____ ENDS _____

WERE WAIVERS RECEIVED? yes - N m. Potash, Min Chem, Horizon Potash, BLM

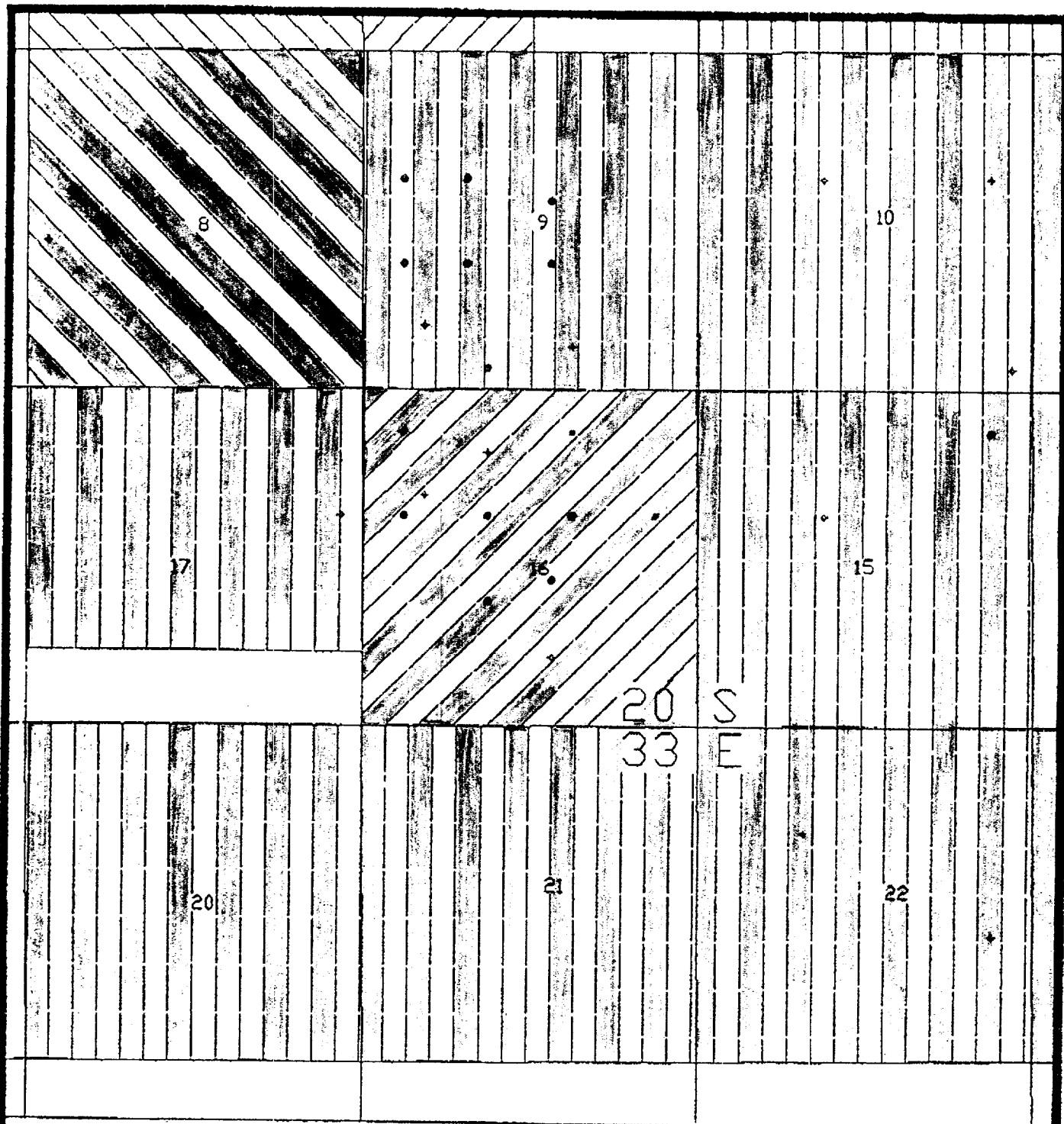
DATE SLO NOTIFIED 1-13-93 DATE REPLY RECEIVED 1-19-93





DATE BLM NOTIFIED 1-13-93 DATE REPLY RECEIVED 3-2-93

IS LOCATION INSIDE LMR OR BUFFER ZONE? YES _____ NO ✓

IF LOCATION INSIDE LMR OR BUFFER ZONE WAS LESSEE/LESSOR AGREEMENT FURNISHED _____

DATE APD APPROVED 3-2-93 DATE APD DENIED _____
waived
yes N m. Potash notified 1-11-93
Horizon did not receive notice - renotified 2-18-93
yes Horizon Resources notified 2-18-93 - Horizon responded for Noranda



-  *waiver recd*
Mississippi Chemical Inc.
-  ~~Noranda Exploration Corp.~~
Horizon Potash Corp. waiver recd
-  Unleased Federal *OK ALM*
-  New Mexico Potash Corp.
Waiver recd



MITCHELL ENERGY CORP.

POTASH LESSEES

Lea County, New Mexico

Anasazi "16" State Com. #1

T20S R33E, Section 16

RECEIVED

JAN 1 2 1993

OCD HOBBS OFFICE



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

JANUARY 12, 1993

BRUCE KING
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

BUREAU OF LAND MANAGEMENT
P.O. Box 1778
Carlsbad, NM 88221

✓ STATE LAND OFFICE
Attn: Ernie Szabo
P.O. Box 1148
Santa Fe, NM 87504

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR MITCHELL ENERGY CORPORATION

LEASE NAME ANASAZI 16 STATE Com #1 Unit G

PROPOSED LOCATION 1730/N & 1980/E 16-20-33

PROPOSED DEPTH 14,100' MORROW

Gentlemen:

The application for permit to drill identified above has been filled 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 area 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

Jerry Sexton
Supervisor, District I

RESPONSE:

The above-referenced location is in LMR ----- Yes ☐ No ☒

The above-referenced location is within the buffer zone----- Yes ☐ No ☒

Signed
Representing N.M. State Land Office

Date Jan 16, 1993



RECEIVED
JUN 15 AM 8 40
STATE LAND OFFICE
SANTA FE, N.M.

RECEIVED
JUN 15 1993
OFFICE OF THE ATTORNEY GENERAL

BRUCE KING
GOVERNOR

JANUARY 12, 1993

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-19
800-392-6181

✓ BUREAU OF LAND MANAGEMENT
P.O. Box 1778
Carlsbad, NM 88221

STATE LAND OFFICE
Attn: Ernie Szabo
P.O. Box 1148
Santa Fe, NM 87504

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA
OPERATOR MITCHELL ENERGY CORPORATION
LEASE NAME ANASAZI 16 STATE Com #1 Unit G
PROPOSED LOCATION 1730/N & 1980/E 16-20-33
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Thank you for your assistance. Please return as soon as possible.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton
Supervisor, District 1

RESPONSE:

The above-referenced location is in LMR ----- Yes ___ No X

The above-referenced location is within the buffer zone ----- Yes ___ No X

Signed Craig C. Cranston
Representing BLM

Date 3-2-93

OPTIONAL FORM 39 (7-90)

FAX TRANSMITTAL

of pages 1

To EVGLYN DOWNS

Dept./Agency

NMOCID

Fax #

505-392-0720

NSN 7540-01-317-7388

5099-107

From

CRAIG C. CRANSTON

Phone #

BLM

Fax #

505-885-9264

GENERAL SERVICES ADMINISTRATION

RUG FREE

100% Satisfaction

NOTE - THIS APD IS IN AN AREA
LEASED BY MISSISSIPPI CHEMICAL.
SECTION 16 IS IN MEASURED
ORE, BUT NOT COVERED BY
A LMR OR BUFFER ZONE

VIA CERTIFIED MAIL
Receipt No. P 771 497 535

January 11, 1993

New Mexico Potash Corporation
P.O. Box 610
Hobbs, New Mexico 88240

RE: Anasazi "16" State Com Well No. 1 ✓
Lea County, New Mexico



Gentlemen:

By this letter, Mitchell Energy Corporation notifies you that it intends to file an Application for Permit to Drill (APD) with the State of New Mexico Oil Conservation Division for the above referenced well. The proposed location is 1730 feet from the north line and 1980 feet from the east line of Section 16, Township 20 South, Range 33E (copy of APD and plat enclosed). According to our record check, this location is within a mile of your potash lease.

Please indicate below whether or not you have any objections to drilling the subject well at the proposed location, and return two copies of this letter to the undersigned. The third copy is for your files.

If you need further information, please contact me at (713) 377-5855.

Very truly yours,

MITCHELL ENERGY CORPORATION

A handwritten signature in black ink that reads "George Mullen". The signature is fluid and cursive, with a long horizontal stroke at the end.

George Mullen
Regulatory Affairs Specialist

GM:mw
ANSZ16NM.GM

RECEIVED
MAR 10 1955
ODD HOUSE DISTRICT

Anasazi "16" State Com Well No. 1
Lea County, New Mexico
January 11, 1993
Page 2



"New Mexico Potash Corporation" has **NO OBJECTION** to this Application.

"New Mexico Potash Corporation" **INTENDS TO PROTEST** this Application.

By:

Timothy M. Womack

Title:

CHIEF MINE ENGINEER

Date:

Jan. 20, 1993

GM:mw
ANSZ16NM.GM

Enclosures

cc: Ms. Evelyn Downs OCD - Hobbs

RECEIVED

7 0 0 1993

OLD HOBBS OFFICE

VIA CERTIFIED MAIL
Receipt No. P 659 892 233

January 11, 1993

Mr. Randy Foote
Mississippi Chemical Corporation
1996 Potash Mine Road
Carlsbad, New Mexico 88220

RE: Anasazi "16" State Com Well No. 1
Lea County, New Mexico



Dear Mr. Foote:

By this letter, Mitchell Energy Corporation notifies you that it intends to file an Application for Permit to Drill (APD) with the State of New Mexico Oil Conservation Division for the above referenced well. The proposed location is 1730 feet from the north line and 1980 feet from the east line of Section 16, Township 20 South, Range 33E (copy of APD and plat enclosed). According to our record check, this location is within a mile of your potash lease.

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Very truly yours,

MITCHELL ENERGY CORPORATION

A handwritten signature in cursive script that reads "George Mullen".

George Mullen
Regulatory Affairs Specialist

GM:mw
ANSZ16NM.GM

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MAR 06 1951

UNITED STATES DEPARTMENT OF THE ARMY

Anasazi "16" State Com Well No. 1
Lea County, New Mexico
January 11, 1993
Page 2

 "Mississippi Chemical Corporation" has **NO OBJECTION** to this Application.

 "Mississippi Chemical Corporation" **INTENDS TO PROTEST** this Application.

By: Randy Folsom
Title: GEN. MGR.
Date: 2-1-93

GM:mw
ANSZ16NM.GM

Enclosures

cc: Ms. Evelyn Downs OCD - Hobbs

**HORIZON POTASH CORPORATION**

A SUBSIDIARY OF HORIZON RESOURCES CORPORATION

February 26, 1993

RECEIVED

MAR 01 1993

Mr. Mark Stephenson
Manager, Regulatory Affairs
Mitchell Energy Corporation
2001 Timberloch Place
P.O. Box 4000
The Woodlands, TX 77387-4000

PRODUCTION
REGULATORY AFFAIRS

Dear Mr. Stephenson:

Enclosed is concurrence for your drilling application on Anasazi "16" State Com Well No. 1 in Lea County, New Mexico.

In the future, please send correspondence relating to drilling applications to my attention at Horizon Potash Corporation, P. O. Box 279, Carlsbad, NM 88221, for more expeditious handling.

Horizon is acting as Noranda's agent relative to mineral interests in which you have an interest in drilling on. We look forward to working with you and arriving at mutually amiable solutions regarding the mineral resources in that area.

We're looking forward to a meeting with you or your representatives concerning our long-term plans so as to have the minimum impact on your oil drilling operations.

Very truly yours,

Ralph W. Crosser, Jr.
Vice President and General Manager

lsb
Enclosure
HP:93:019

VIA FEDERAL EXPRESS

February 18, 1993

Mr. Charles Stott
Horizon Resource Corporation
1536 Cole Blvd.
Golden, Colorado 80401

RE: Anasazi "16" State Com Well No. 1
Lea County, New Mexico



Dear Mr. Stott:

By this letter, Mitchell Energy Corporation notifies you that it intends to file an Application for Permit to Drill (APD) with the State of New Mexico Oil Conservation Division for the above referenced well. The proposed location is 1730 feet from the north line and 1980 feet from the east line of Section 16, Township 20 South, Range 33E (copy of APD and plat enclosed). According to our record check, this location is within a mile of your potash lease.

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Very truly yours,

MITCHELL ENERGY CORPORATION

George Mullen
Regulatory Affairs Specialist

GM:mw
ANSZ16NM.GM

RECEIVED
MAR 0 5 1991
ODD MOSES OFFICE