



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

December 4, 1996

POST OFFICE BOX 1880
HOBBS, NEW MEXICO 88241-1880
(505) 393-8181

GOVERNOR

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

STATE LAND OFFICE
Attn: Joe Hraz
P.O. Box 1148
Santa Fe, NM 87504

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR Stevens & Tull Inc

LEASE NAME Conoco State #2-D

PROPOSED LOCATION 990/N & 990/W Sec. 16, T-20s, R-33e

PROPOSED DEPTH 3600'

NOTE: R-10432-A

Gentlemen:

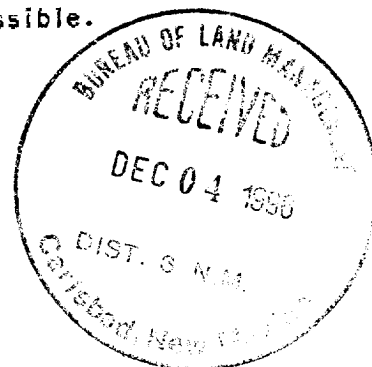
The application for permit to drill identified above has been filled with this office of the New Mexico Oil Conservation Division. Pursuant to the provisions of Oil Conservation Division Order R-111-P, please advise this office whether the location is within an established Life-of-Mine-Reserve area filed 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 1



RESPONSE:

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

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

Signed [Signature]

Date 12-12-96

Representing BLM



NOTE - PROPOSED LOCATION
IS LOCATED IN THE 1/2 MILE
BUFFER.

IMC HALIUM GAVE A WRITTEN
WAIVER FOR THIS LOCATION
SIZE ATTACHED.

IMC HOLDS POTASH LEASE

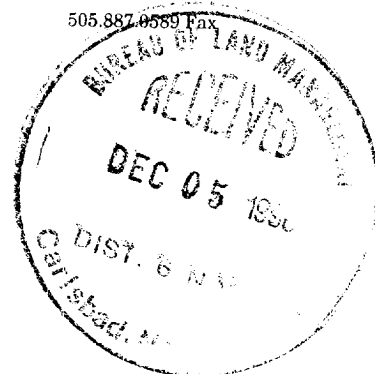


IMC Kalium

IMC Kalium Carlsbad Potash Company
P.O. Box 71
1361 Potash Mines Road
Carlsbad, New Mexico 88221-0071
505.887.2871
505.887.0589 Fax

November 22, 1996

Mr. Jerry A. Weant
Stevens & Tull, Inc.
P.O. Box 11005
Midland, TX 79702



RE: Conoco State No. 2
990' FNL & 990' FWL
T-20-S, R-33-E, NMPM
Lea county, New Mexico


Dear Mr. Weant:

IMC Kalium Carlsbad Potash Company has received your notice that Stevens & Tull intends to drill the above referenced oil well. IMC has no objection to Stevens & Tull drilling a test no deeper than the base of the Delaware at this location.

Based on the best available information, the location of this well will not interfere with the development of our potash resources. As more information becomes available, our estimates of the extent of potash resources in the area may change. Therefore, please consider the "objection offered" or "no objection offered" to a well location to be valid for one year only. If you are still considering a well location that a potash operator has or has not objected to more than one year prior, notify us again at that time so we can make the decision on information current at that time. Do not consider a "no objection offered" or an "objection offered" decision to be permanent.

IMC Kalium submits this letter in lieu of the forms requested.

Sincerely,


Peter N. Livingstone
Chief Mine Engineer

PNL/S&TNO.DOC

cc: William Lemay Dick Manus Charlie High Ed Roberson
Tim O'Brien William Calkins Don Purvis Joan Florez