

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

February 12, 2001

GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161BUREAU OF LAND MANAGEMENT
P.O. Box 1778
Carlsbad, NM 88221STATE LAND OFFICE
Attn: Joe Mraz
P.O. Box 1148
Santa Fe, NM 87504

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR Bass Enterprises Production Co.LEASE NAME Hat Mesa 32 State #3PROPOSED LOCATION (B) 32-20s-33e - 330/N & 2310/EPROPOSED DEPTH 8500'

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

Chris Williams
Supervisor, District IJmraz
2 Pm
02-12-01RESPONSE:The above-referenced location is in LMR ----- Yes ___ No XThe above-referenced location is within the buffer zone----- Yes X No ___Signed [Signature]Date 2/12/01Representing SLC