

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 Comanche State Unit #3-V

LOCATION 660/8 + 1980/W 4-21-33 PROPOSED DEPTH 14,750'

DATE APD RECEIVED 4-20-93 WAS PLAT OF AREA ATTACHED yes

WERE ALL POTASH LESSEES NOTIFIED BY CERTIFIED MAIL? miss Chem 4-23-93 yes 2) Eddy Potash 3) BLM

20-DAY WAITING PERIOD BEGINS BLM 4-22-93 Eddy Potash 4-23-93 ENDS 5-12-93

WERE WAIVERS RECEIVED? _____

DATE SLO NOTIFIED 4-21-93 DATE REPLY RECEIVED 4-29-93

DATE BLM NOTIFIED 4-21-93 DATE REPLY RECEIVED 5-24-93

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

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

DATE APD APPROVED _____ DATE APD DENIED _____



RECEIVED

APR 22 10 12 AM '93

CART
AREA

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

BRUCE KING
GOVERNOR

April 21, 1993

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 CORP.

LEASE NAME COMANCHE STATE UNIT #3

PROPOSED LOCATION Unit V, Sec. 4, T21S, R33E (660/S & 1980/W)

PROPOSED DEPTH 14,750'

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

Date 5-13-93

Representing BLM





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

BRUCE KING
GOVERNOR

April 21, 1993

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

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P.O. Box 1778
Carlsbad, NM 88221

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Attn: Ernie Szabo
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Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton
Jerry Sexton
Supervisor, District I

*Eddy Potash is mineral
lease of record
No LMR filed for this area.*

RESPONSE:

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

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

Signed *Ernest Szabo*

Date _____

Representing SLC 4/27/93



April 27, 1993

Ms. Evelyn Downs
Oil Conservation Division
P.O. Box 1980
Hobbs, NM 88241-1980



RE: Comanche State Unit Well No. 3
Lea County, New Mexico

Dear Ms. Downs:

Enclosed for your review and file you will find copies of the signed certified cards whereby the potash lessees were notified of the drilling of the subject well.

Should you require additional information or if I can be of any further help, kindly advise.

Very truly yours,

MITCHELL ENERGY CORPORATION

A handwritten signature in cursive script, reading "George Mullen".

George Mullen
Regulatory Affairs Specialist

GM:mw
OCDltr2.gm

Enclosures

SENDER:

- Complete items 1 and/or 2 for additional service
- 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):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Mr. Randy Foote
Mississippi Chemical Corp.
1996 Potash Mine Road
Carlsbad, NM 88220

4a. Article Number

P 144 900 273

4b. Service Type

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

7. Date of Delivery

4-23-93

5. Signature (Addressee)

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, November 1990 * U.S. GPO: 1991-287-066

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.
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- The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery.

3. Article Addressed to:

Mr. Richard L. Manus
U.S. Dept. of the Interior
Bureau of Land Management
P.O. Box 1778
Carlsbad, NM 88221-1778

4a. Article Number

P 144 900 275

4b. Service Type

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

7. Date of Delivery

4-23-93

5. Signature (Addressee)

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, November 1990 * U.S. GPO: 1991-287-066

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- The Return Receipt Fee will provide you the signature of the person delivered to and the date of delivery.

3. Article Addressed to:

Mr. Marvin Watts
Eddy Potash
3071 Potash Mine Road
Carlsbad, NM 88220

4a. Article Number

P 144 900 274

4b. Service Type

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

7. Date of Delivery

4-23-93

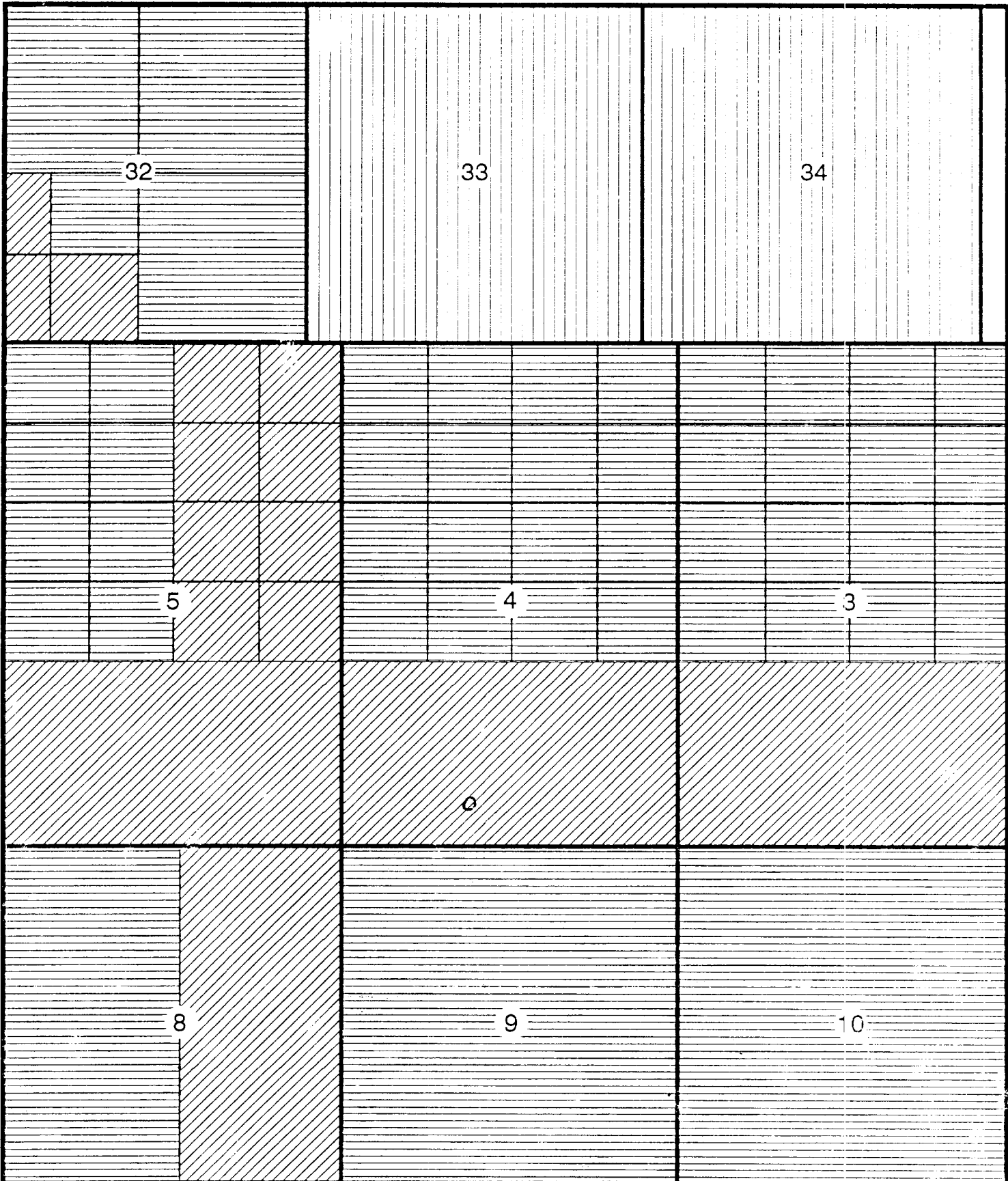
5. Signature (Addressee)

6. Signature (Agent)

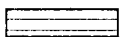
8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, November 1990 * U.S. GPO: 1991-287-066

DOMESTIC RETURN RECEIPT



UNLEASED FEDERAL



EDDY POTASH, INC.



MISSISSIPPI CHEMICAL CORP.



Mitchell Energy Corporation
P.O. BOX 4000 • THE WOODLANDS, TEXAS 77387-4000

Potash Lessees
Comanche State Unit, Well No. 3
Section 4, T-21-S - R-33-E
Lea County, New Mexico

DATE:

4-16-93

SCALE:

1"=2000'

VIA CERTIFIED MAIL
Receipt No. P 144 900 274

April 19, 1993

Mr. Marvin Watts
Eddy Potash
3071 Potash Mine Road
Carlsbad, New Mexico 88220

RE: Comanche State Unit Well No. 3
Lea County, New Mexico



Dear Mr. Watts:

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 1980 feet from the west line and 660 feet from the south line of Section 4, Township 21 South, Range 33 East (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, reading "George Mullen". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

George Mullen
Regulatory Affairs Specialist

GM:mw
CMCHSUW3.GM

Comanche State Unit Well No. 3
Lea County, New Mexico
April 19, 1993
Page 2

_____ "Eddy Potash" has **NO OBJECTION** to this Application.

_____ "Eddy Potash" **INTENDS TO PROTEST** this Application.

By: _____

Title: _____

Date: _____

GM:mw
CMCHSUW3.GM

Enclosures

cc: Ms. Evelyn Downs OCD - Hobbs

VIA CERTIFIED MAIL
Receipt No. P 144 900 273

April 19, 1993

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

RE: Comanche State Unit Well No. 3
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 1980 feet from the west line and 660 feet from the south line of Section 4, Township 21 South, Range 33 East (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
CMCHSUW3.GM

Comanche State Unit Well No. 3
Lea County, New Mexico
April 19, 1993
Page 2

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

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

By: _____

Title: _____

Date: _____

GM:mw
CMCHSUW3.GM

Enclosures

cc: Ms. Evelyn Downs OCD - Hobbs

VIA CERTIFIED MAIL
Receipt No. P 144 900 275

April 19, 1993

Mr. Richard L. Manus
Area Manager
United States Department of the Interior
Bureau of Land Management
P.O. Box 1778
Carlsbad, New Mexico 88221-1778



RE: Comanche State Unit Well No. 3
Lea County, New Mexico

Dear Mr. Manus:

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 1980 feet from the west line and 660 feet from the south line of Section 4, Township 21 South, Range 33 East (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,

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George Mullen
Regulatory Affairs Specialist

GM:mw
CMCHSUW3.GM

Comanche State Unit Well No. 3
Lea County, New Mexico
April 19, 1993
Page 2

_____ "Bureau of Land Management" has **NO OBJECTION** to this Application.

_____ "Bureau of Land Managment" **INTENDS TO PROTEST** this Application.

By: _____

Title: _____

Date: _____

GM:mw
CMCHSUW3.GM

Enclosures

cc: Ms. Evelyn Downs OCD - Hobbs