

GUIDELINES FOR PROCESSING APD FOR WELL IN POTASH AREA -- 111-P

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: Pogo Producing Co

LEASE & WELL Tomahawk Unit #1-L,

LOCATION Sec.31, T-21s, R-33e 2011/S & 660/W PROPOSED DEPTH 9100'

DATE APD RECEIVED 8-21-95 WAS PLAT OF AREA ATTACHED Yes

WERE ALL POTASH LESSEES NOTIFIED BY CERTIFIED MAIL? Yes

20-DAY WAITING PERIOD BEGINS Yes ENDS _____

WERE WAIVERS RECEIVED? _____

DATE SLO NOTIFIED 8-21-95 DATE REPLY RECEIVED 8-22-95

DATE BLM NOTIFIED 8-21-95 DATE REPLY RECEIVED 8-22-95

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

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

DATE APD APPROVED 8/25/95 DATE APD DENIED _____



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

GOVERNOR

August 21, 1995

POST OFFICE BOX 1080
HOBBS, NEW MEXICO 88401-1080
(505) 363-6161

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

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

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR Pogo Producing Co

LEASE NAME Tomahawk Unit #1-L

PROPOSED LOCATION 2011 S & 660/W Sec.31-T-21s, R-33e

PROPOSED DEPTH 9100'

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-III-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

Aug. 22, 1995
JRM

RESPONSE:

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

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

Jami Bailey
Signed Jami Bailey, Dep. Director

Date August 22, 1995

Representing Oil, Gas & Minerals Div.
State Land Office





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

GOVERNOR

August 21, 1995

POST OFFICE BOX 1880
HOBBS, NEW MEXICO 88241-1880
(505) 383-6161

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

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

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR Pogo Producing CoLEASE NAME Tomahawk Unit #1-LPROPOSED LOCATION 2011 S & 660/W Sec.31-1-21s, R-33ePROPOSED DEPTH 9100'

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-III-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 8-22-95

Representing

BLM



POGO PRODUCING COMPANY

VIA FAX/OVERNIGHT MAIL

August 21, 1995

New Mexico Oil Conservation Division
District I Office
1000 West Broadway
Hobbs, New Mexico 88240

Attention: Mr. Jerry Sexton

Re: Tomahawk Prospect NM-619
Lea County, New Mexico
Tomahawk Unit No. 1 Well
2011' FSL & 660' FWL of Section 31,
T-21-S, R-33-E, N.M.P.M.
State Lease V-3430

Gentlemen:

In accordance with our telephone conversation, please find enclosed the following regarding Pogo's desire to drill the captioned well at the above location:

- (1) Copy of Pogo's previously filed Application for Permit to Drill (Form C-101).
- (2) Copy of Pogo's previously filed Well Location and Acreage Dedication Plat (Form C-102).
- (3) Copy of letter dated August 21, 1995 from Pogo to Eddy Potash, Inc. that has been executed by Eddy Potash, Inc., evidencing their consent to the drilling/location of the subject well.
- (4) Plat of area where the well is located (with one [1] mile radius denoted thereon), along with copies of four (4) Potash Leasehold Take-Offs prepared by Federal Abstract Company covering said Section 31 and lands within one (1) mile thereof attached to such plat, showing potash lessee ownership of such lands.

As discussed, please note the following:

- (1) The subject well's location is on State of New Mexico lands, and is not within a LMR.

New Mexico Oil Conservation Division
August 21, 1959
Page Two

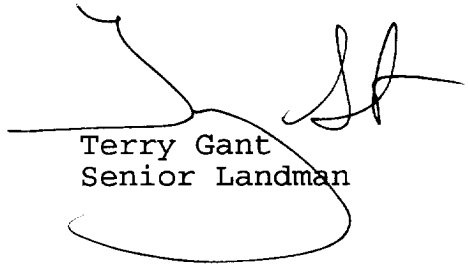
- (2) Eddy Potash, Inc. is the only potash lessee within one (1) mile of the subject well's location.
- (3) Pogo desires to commence operations on the subject well as soon as possible due to the drillsite lease's September 1, 1995 primary term expiration date.

In connection with the above, it is our belief that you have in your possession all the materials and advisements necessary to approve our permit to drill the subject well. Your prompt attention to this matter is greatly appreciated.

If you should need any other information and/or have any questions regarding this matter, please contact the undersigned.

Very truly yours,

POGO PRODUCING COMPANY



Terry Gant
Senior Landman

TG:lf/c:NMOCD.619

Enclosures



POGO PRODUCING COMPANY

VIA FAX/CERTIFIED MAIL - RETURN RECEIPT REQUESTED

FAXED
8-21-95

(505) 885-0374

August 21, 1995

Z 296 652 374

Eddy Potash, Inc.
P. O. Box 31
Carlsbad, New Mexico 88220

Attention: Mr. Marvin Watts

Re: Tomahawk Prospect NM-619
Lea County, New Mexico
Tomahawk Unit No. 1 Well
2011' FSL & 660' FWL of Section 31,
T-21-S, R-33-E, N.M.P.M.
State Lease V-3430

Gentlemen:

Please be advised that Pogo Producing Company (Application for Permit to Drill for the above test the Bone Spring formation, with a proposed 9,100 feet subsurface.

Pursuant to Rule R-111-P of the New Mexico Oil Conservation Division, Pogo hereby submits to you, as a potash operator holding potash leases within a radius of one mile of the proposed well, a copy of the Application for Permit to Drill (Form C-101) and a copy of the Well Location and Acreage Dedication Plat (Form C-102) for the subject well.



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

PS Form 3800, March 1993

Send to	Eddy Potash, Inc.
Street and no.	P.O. Box 31
P.O., State and ZIP Code	Carlsbad NM
Postage	88220
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	8/21/95

RECEIVED

AUG 20 1985

U.S. CUSTOMS
OFFICE



POGO PRODUCING COMPANY

VIA FAX/CERTIFIED MAIL - RETURN RECEIPT REQUESTED

FAXED
8-21-95

(505) 885-0374

August 21, 1995

Eddy Potash, Inc.
P. O. Box 31
Carlsbad, New Mexico 88220

Attention: Mr. Marvin Watts

Re: Tomahawk Prospect NM-619
Lea County, New Mexico
Tomahawk Unit No. 1 Well
2011' FSL & 660' FWL of Section 31,
T-21-S, R-33-E, N.M.P.M.
State Lease V-3430

Gentlemen:

Please be advised that Pogo Producing Company ("Pogo") has filed a Application for Permit to Drill for the above described well to test the Bone Spring formation, with a proposed total depth of 9,100 feet subsurface.

Pursuant to Rule R-111-P of the New Mexico Oil Conservation Division, Pogo hereby submits to you, as a potash operator holding potash leases within a radius of one mile of the proposed well, a copy of the Application for Permit to Drill (Form C-101) and a copy of the Well Location and Acreage Dedication Plat (Form C-102) for the subject well.

RECEIVED

FEB 22 1995

J. H. HOBBS
OFFICE

Eddy Potash, Inc.
August 21, 1995
Page Two

Pogo hereby respectfully requests that you execute and send by facsimile a copy of this executed letter, along with returning one (1) executed copy of this letter to the undersigned evidencing your consent to the drilling of the subject well at the above described location. A self-addressed stamped envelope is enclosed for your convenience in returning this letter.

Very truly yours,

POGO PRODUCING COMPANY


Terry Gent
Senior Landman

TG:LL/c:EddyPotash.Tomahawk

Enclosures

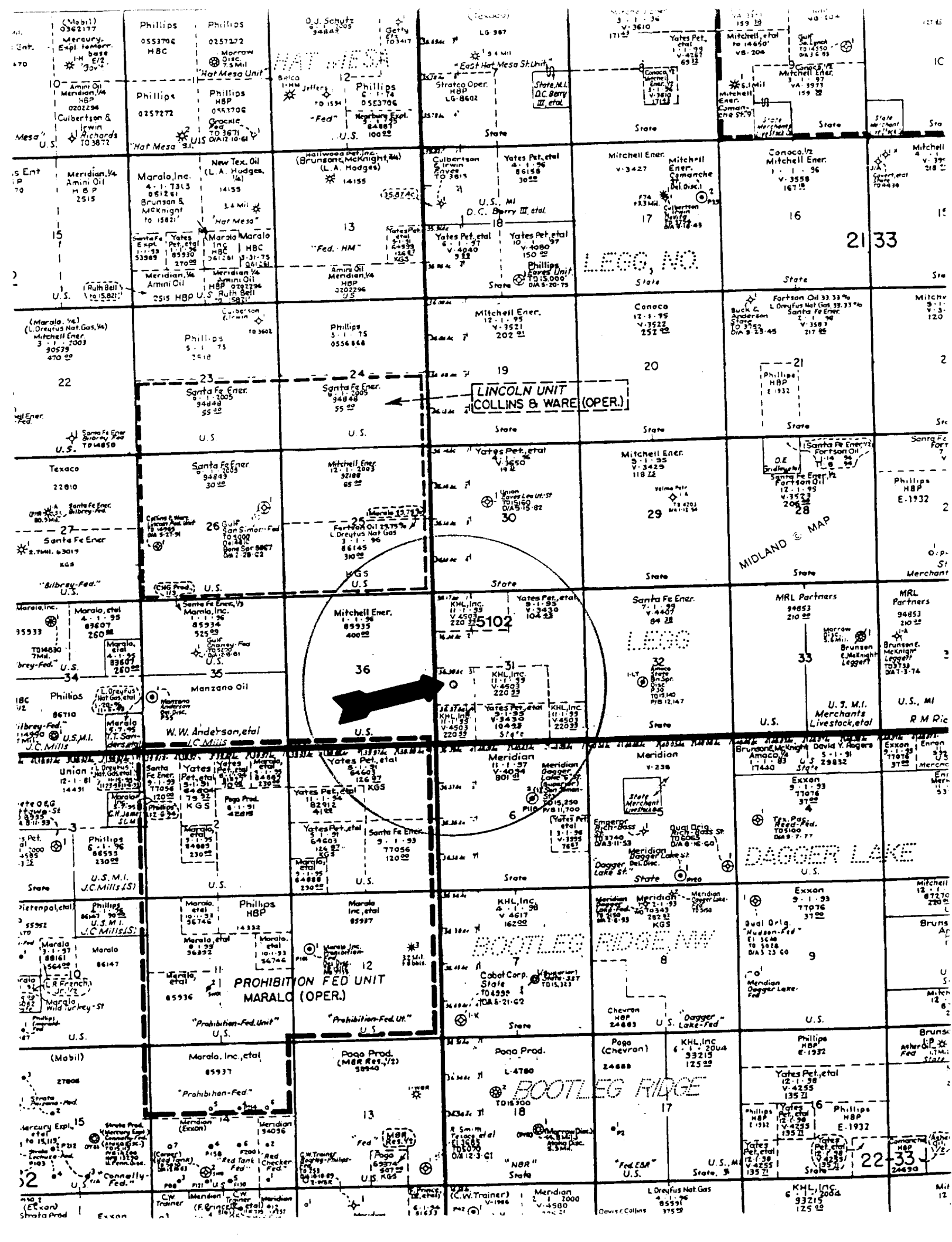
Eddy Potash, Inc. does hereby
consent to the drilling of the
subject well at the above described
location.

By: _____
Name: Sam R. Ryan
Title: Oil & Gas Operator
Date: 8/21/95

cc: New Mexico Oil Conservation Division
District I Office
P. O. Box 1980
Hobbs, New Mexico 88240
Attention: Mr. Jerry Sexton

RECEIVED

FEB 2 1995
U.S. AIR FORCE
OFFICE



RECEIVED

AUG 22 1995

W. J. HOBBS
OFFICE

FEDERAL ABSTRACT COMPANY

P. O. BOX 2228
SANTA FE, NEW MEXICO 87501

RED - STATE LAND

BLUE - FEE LAND

(✓) Open Federal Land

TWP., 21 S RGE 32 E N.M.P.M.

Lea COUNTY

DATE August 21, 1995

POTASH OWNERSHIP

6	5	4	3	2	
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25 ✓ ✓
31	32	33	34	35	36 ✓ ✓

FEDERAL ABSTRACT COMPANY

P. O. BOX 2228

SANTA FE, NEW MEXICO 87501

RED . STATE LAND

BLUE . FEE LAND

☒ Open Federal Land

TWP., 22 S RGE 32 E N.M.P.M.

Lea COUNTY

DATE August 25, 1995

6	5	4	3	2	☒	☒
7	8	9	10	11	☒	☒
18	17	16	15	14		
19	20	21	22	23		
30	29	28	27	26		
31	32	33	34	35		

FEDERAL ABSTRACT COMPANY

P. O. BOX 2228
SANTA FE, NEW MEXICO 87501

RED . STATE LAND

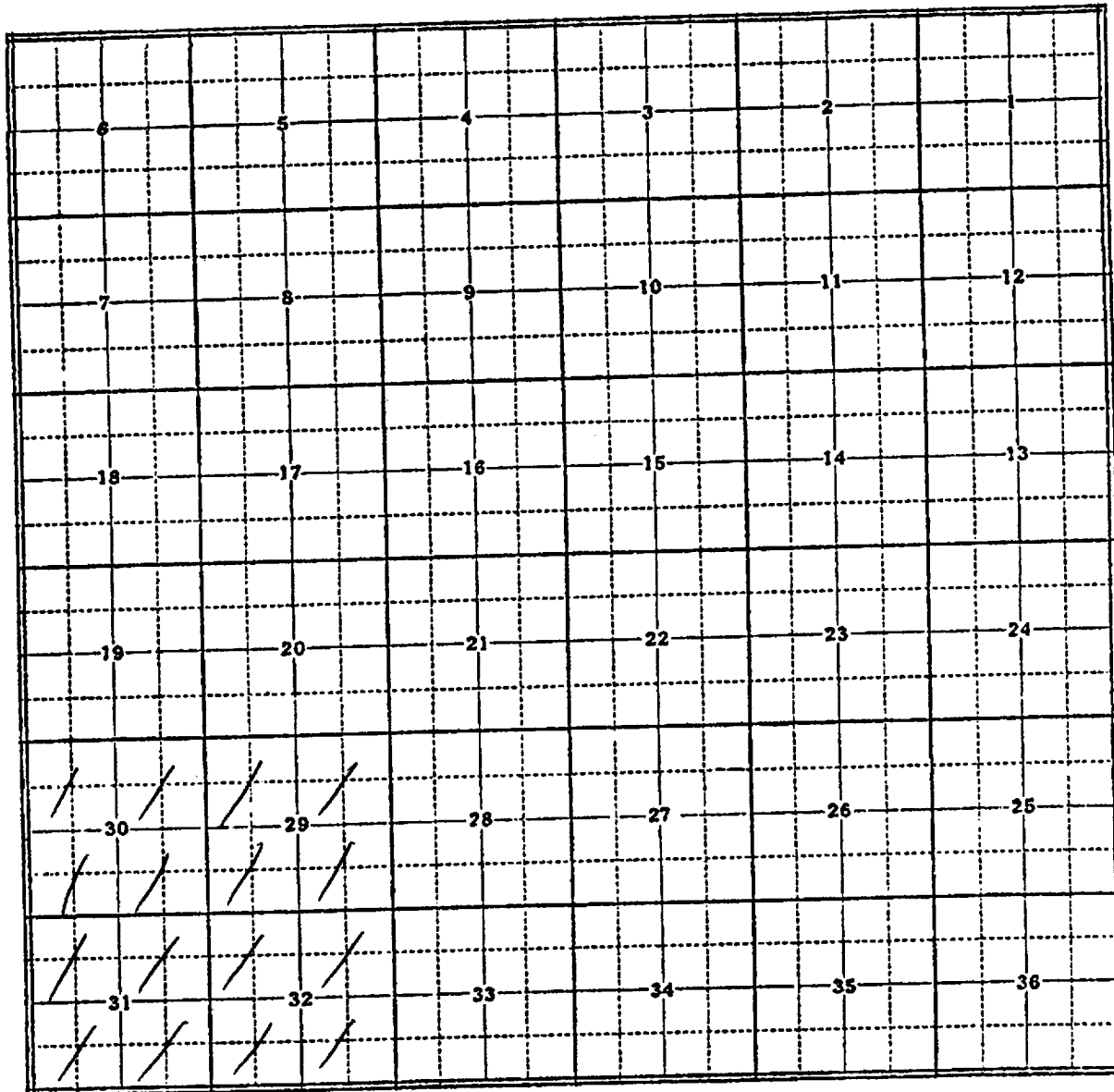
BLUE . FEE LAND

TWP.. 21 S RGE 33 E N.M.P.M.

Lea COUNTY

DATE August 21, 1995

STATE POTASH OWNERSHIP



1. M-873-3 Lease issued 4/24/1939, held by Production
Lessee: Eddy Potash Inc., P.O. Box 31, Carlsbad, NM 88220

FEDERAL ABSTRACT COMPANY

P. O. BOX 2208

SANTA FE, NEW MEXICO 87501

RED - STATE LAND

BLUE - FEE LAND

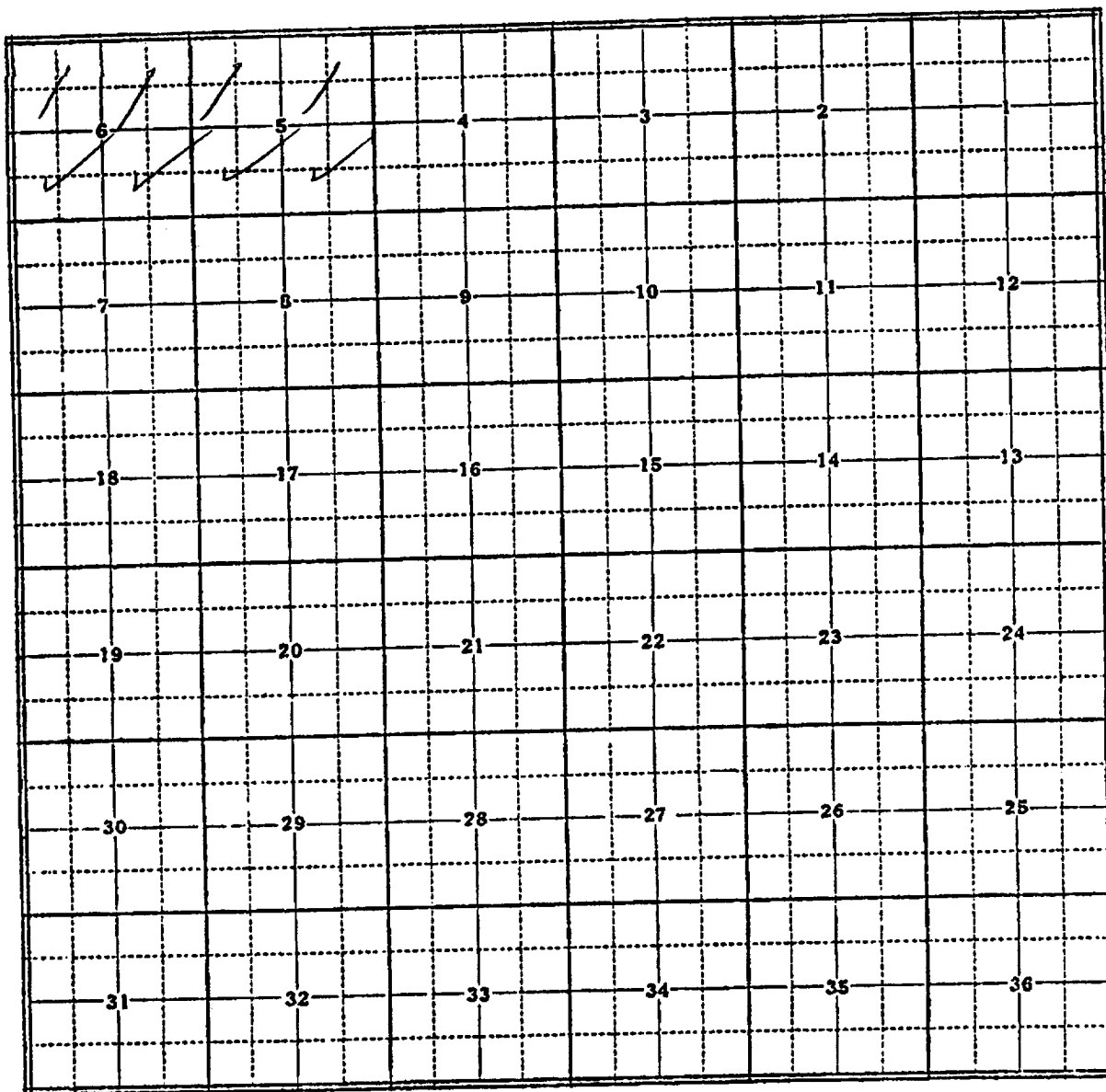
(✓) Open State Land

TWP., 22 S RGE 33 E N.M.P.M.

Lea COUNTY

DATE August 21, 1995

STATE POTASH OWNERSHIP



1. M-873-3

Eddy Potash Inc., P.O. Box 31, Carlsbad, NM 88220
Lease issued 4/34/1939, held by Production