



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Washington, D.C. 20240

3590 (660)

DEC 10 1993

Honorable Joe Skeen
House of Representatives
Washington, D.C. 20515

Dear Mr. Skeen:

Thank you for your letter of October 27, 1993, on behalf of your constituent, Ms. Christine Brininstool, regarding the status of a brine well drilled by Salado Brine Sales in southeast New Mexico.

The Prospecting Application and Permit (number NMNM 89909) was received in the Bureau of Land Management (BLM) Carlsbad Resource Area on May 14, 1993. The applicant requested approval to prospect for sodium for the purpose of developing a sodium brine well.

Delays in the processing of the permit application were encountered due to the relocation of the BLM Carlsbad Resource Area Office which occurred during the period of May 17, 1993, to June 2, 1993. Further difficulties were encountered during the period of June 14, 1993, to July 19, 1993, when it was necessary for the resource area minerals staff to devote full time and attention to processing a backlog of pending Applications for Permits to Drill for oil and gas.

Since that time, however, an environmental assessment has been written for the Salado Brine Sales' brine well number 2; the prospecting permit has been approved; and Salado Brine Sales has drilled and completed a sodium brine well. A preference right lease was requested by the applicant, and paperwork to initiate the process was submitted on September 30, 1993.

In order to process the application, a Preference Right Determination must be conducted. The BLM must also determine the appropriate royalty rate and bonding amount. The applicant has requested that, during this process, the BLM allow production from the lease prior to actual lease issuance. This production would be done with the applicant's assurance that the company would keep good records and pay any monies due the Federal Government upon final issuance of the lease.

For the BLM to agree to such an arrangement would not only be precedent setting, but could create problems if the preference right lease is not granted. There are a number of reasons why a sodium lease may not be allowed, depending on potential conflicts with the oil and gas leases or the adjacent landowner.

12/10/93 15:30 202 225 9599
12/10/93 16:10 202 225 4489

CONG. SKKEN
BLM CORRESPOND

004/004
0000

2

I apologize for the initial delay in processing Salado Brine Sales' application, but please be assured that the BLM is currently processing the application in a timely manner. The mineral report for the determination of a valuable deposit has already been initiated and is one of the BLM Carlsbad Resource Area's highest priorities. This report will be forwarded to the BLM New Mexico State Office for determination of royalty rate. Once a determination has been made, the BLM will be in a position to take final action on Salado Brine Sales' application.

I appreciate your interest and, if I may be of further assistance, please let me know.

Sincerely,

Jim Baca

Jim Baca
Director