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October 9, 1992

Mr. William J. LeMay  
Director  
Oil Conservation Division  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

RECEIVED

OCT 09 1992

OIL CONSERVATION DIVISION

HAND DELIVERED

Re: Mitchell Energy Corporation  
Application for Permit to Drill  
its Comanche "10" State Well No. 1  
1980' FNL & 330' FWL  
Sec. 10, T21S, R33E  
Lea County, New Mexico

Dear Mr. LeMay:

Our firm represents Mitchell Energy Corporation who submitted an Application for Permit to Drill ("APD") on the referenced well to the OCD District Office-Hobbs for approval on June 24, 1992. The approval has been withheld pending resolution of a potash protest filed in this matter.

OK → I wish to inform you that all the potash protests have been withdrawn. I am requesting that you direct the OCD District Office-Hobbs to now approve the APD for the referenced well. In support of that request I submit:

(1) The well is located within the OCD Oil-Potash Area and is subject to the provision of Order R-111-P. The well is located on both a State of New Mexico potash lease and on a State of New Mexico oil & gas lease.

(3) Mitchell Energy Corporation filed its APD on Division form C-101 and form C-102 dated June 24, 1992. See Enclosures (1) and (2).

(4) Eddy Potash is the potash lessee for Section 17, T21S, R33E. (Lease M-873)

(4) On June 29, 1992, Eddy Potash received notification from Mitchell Energy Corporation in accordance with Order R-111-P. See Enclosure (3).

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(5) Eddy Potash failed to file its protest within 20 days of its receipt of notification.

(6) Mississippi Chemical Corporation is a potash lessee of a State of New Mexico Potash Lease (M-651) within one mile radius of the subject well location.

(7) On July 8, 1992, Mississippi Chemical Corporation received notification from Mitchell Energy Corporation in accordance with Order R-111-P. (See Enclosure (4)).

(8) On July 15, 1992, Mitchell Energy Corporation received a written protest from Mississippi Chemical Corporation signed July 13, 1992 objecting to the subject well.

(9) On October 1, 1992, Mitchell Energy Corporation again notified both Eddy Potash and Mississippi Chemical Corporation of its application with the New Mexico Oil Conservation Division for a permit to drill the subject well.

(10) On October 2, 1992, Eddy Potash signed a written waiver of objection to this application. See Enclosure (5).

(11) On October 8, 1992, Mississippi Chemical Corporation signed a written waiver of objection to this application. See Enclosure (6).

Mitchell appreciates the potash lessees waiving any protest concerning this well. We believe that Mitchell has now satisfied all requirements for approval of the APD for the subject well.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'W. Thomas Kellahin', written over a horizontal line.

W. Thomas Kellahin