

GUIDELINES FOR PROCESSING APD FOR WELL IN POTASH AREA -- F 11-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: Comaco Inc.

LEASE & WELL Comanche & State #2-P

LOCATION Wells + 660/E PROPOSED DEPTH 8950

DATE APD RECEIVED 10-5-92 WAS PLAT OF AREA ATTACHED Yes

WERE ALL POTASH LESSEES NOTIFIED BY CERTIFIED MAIL? Yes

20-DAY WAITING PERIOD BEGINS 10-5-92 ENDS 10-24-92

WERE WAIVERS RECEIVED? Eddy Potash (yes) Man (no)

DATE SLO NOTIFIED 10-7-92 DATE REPLY RECEIVED 10-14-92

DATE BLM NOTIFIED 10-7-92 DATE REPLY RECEIVED 10-29-92

IS LOCATION INSIDE LMR OR BUFFER ZONE? YES NO

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

DATE APD APPROVED 10-29-92 DATE APD DENIED



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

October 2, 1992

BRUCE KING
GOVERNOR

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 Conoco Inc.

LEASE NAME Comanche '8' State #2

PROPOSED LOCATION 660/S & 660/E Sec. 8, T21S, R33E Lea County

PROPOSED DEPTH 8950'

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 Oct 14, 1992

Representing S.L.D.

M... E/R
EDDY PATRICK W/R



Doc...



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

RECEIVED
OCT 11 31 1992
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

October 2, 1992

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

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Attn: Ernie Szabo
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Santa Fe, NM 87504

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR Conoco Inc.
LEASE NAME Comanche '8' State #2
PROPOSED LOCATION 660/S & 660/E Sec. 8, T21S, R33E Lea County
PROPOSED DEPTH 8950'

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
Representing BLM

Date 10-16-92





Midland Division
Exploration Production

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400

October 2, 1992

Mr. Jerry Sexton
Oil Conservation Division
Hobbs District Office
P.O. Box 1980
Hobbs, NM 88241

Dear Mr. Sexton:

**State Permit to D&E Comanche State 8 No. 2
Location in Order R-111-P "known potash leasing area"**

A search of BLM and SLO records in Santa Fe pertaining to Potash Leases within a mile radius of this proposed well has been conducted, since this is the notification area required by Order R-111-P. This search determined that there are only two current potash leasees within this one mile radius. These leasees are:

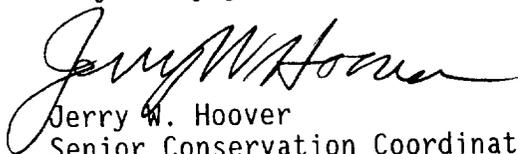
Mississippi Chemical Corp.
P.O. Box 388
Yazoo City, MS 39194

Eddy Potash Inc.
P.O. Box 31
Carlsbad, NM 88220

The locations of these potash leasees are noted on the enclosed map and copy of this APD has also been sent by registered mail to both. As soon as the returned "green" card has been received a copy will be sent to you and the other recipients of the APD.

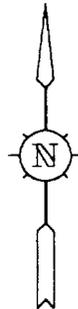
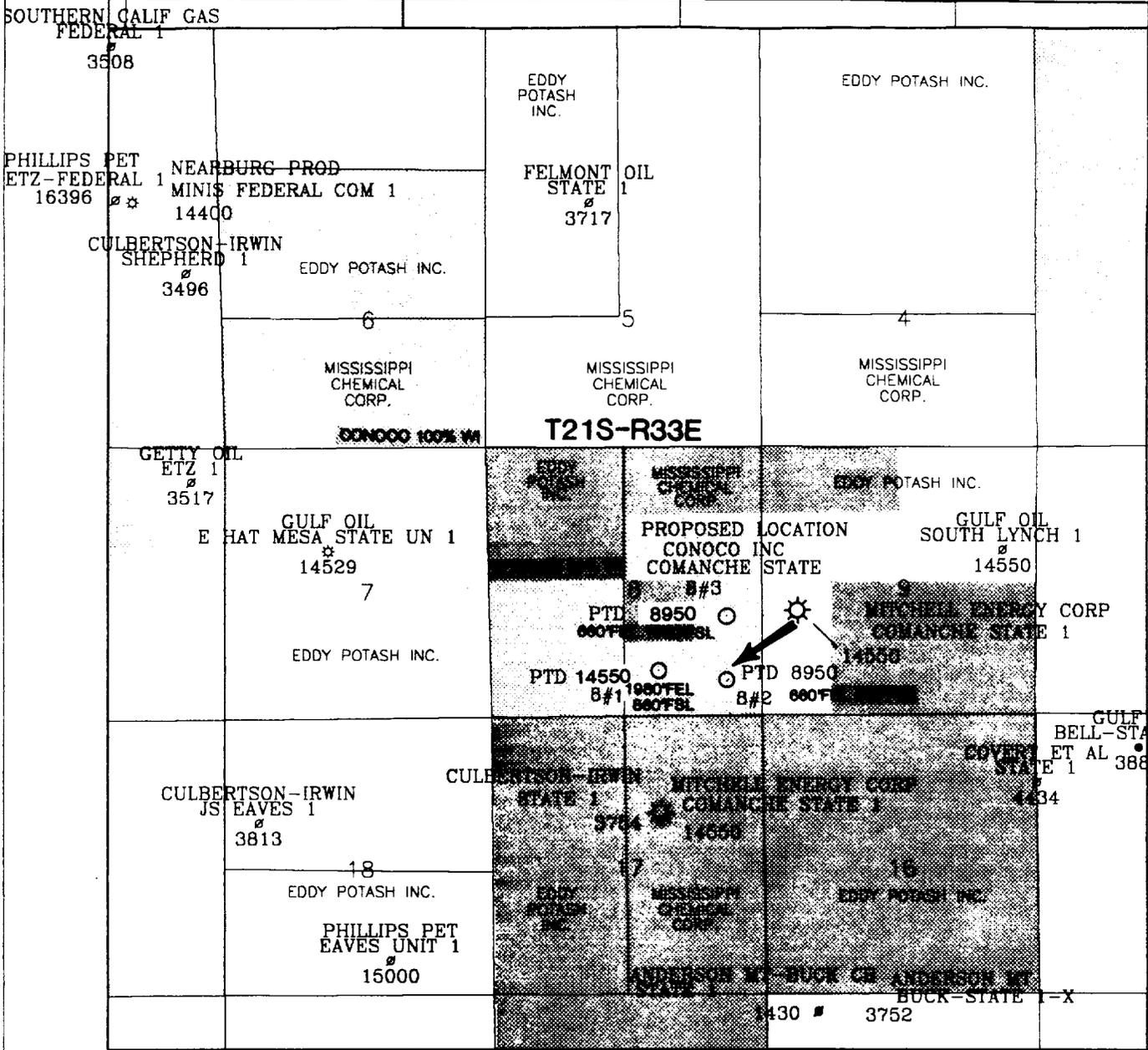
It is our assumption that if you do not receive an objection from either of the above potash leasees within 20 days of their receipt of this APD that NMOCD approval of this application may be secured. If you require any further information, please contact me at (915) 686-6548. Thank you.

Very truly yours,



Jerry W. Hoover

Senior Conservation Coordinator



CONOCO		
MIDLAND DIVISION		
PERMIT PLAT		
COMANCHE ST. 8#1, #2, & #3		
SEC 8 T21S-R33E		
LEA COUNTY, NEW MEXICO		
DATE	BY R. BALSAM	NO. 28-SEP-92



Midland Division
Exploration Production

Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500
(915) 686-5400

October 26, 1992

Mr. Jerry Sexton
Oil Conservation Office
Hobbs District Office
P.O. Box 1980
Hobbs, NM 88241

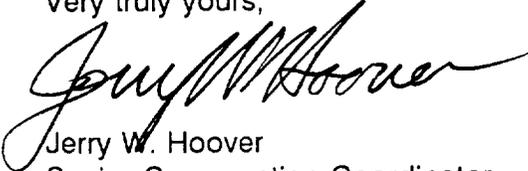
Dear Mr. Sexton:

D&E Comanche State 8 No. 1, Sec. 8, T-21S, R-33E
D&E Comanche State 8 No. 2, Sec. 8, T-21S, R-33E
D&E Comanche State 8 No. 3, Sec. 8, T-21S, R-33E

On October 2, 1992 we mailed the APD's for these three proposed wells in the "known potash leasing area" to you. The two potash lessees in the area of these wells, Eddy Potash Inc. and Mississippi Chemical Corp., were notified by registered mail of these applications on the same date. Receipts from these registered mailings are attached, showing that the Mississippi Chemical Corp. received them on October 5 and Eddy Potash, Inc. on October 7.

Also attached is a copy of a waiver from Eddy Potash, Inc. The 20-day response period for Mississippi Chemical Corp. should have expired October 25. If you have received no objections it would appear that these applications should be subject to approval. If there are any other questions or requirements concerning their approval please let me know.

Very truly yours,


Jerry W. Hoover
Senior Conservation Coordinator



EDDY POTASH, INC.

POST OFFICE BOX 31
CARLSBAD, NEW MEXICO 88220

PHONE (505) 887-2844
FAX (505) 885-0374

October 15, 1992

Mr. Jerry W. Hoover
Conoco Inc.
10 Desta Drive
Suite 100 W
Midland, TX 79705-4500

Dear Mr. Hoover:

We at Eddy Potash, Inc. have no objection to drilling of the three wells mentioned in your letter of October 2, 1992.

All these wells are to be located in Sec. 8, T21S, R33E in Eddy County, New Mexico.

Sincerely,


Marvin L. Watts
General Manager *jk*

MLW:jn

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.
- 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:

Mississippi Chem. Corp.
P.O. Box 388
Yazoo City, MS 39194

4a. Article Number

R491050215

4b. Service Type

- Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery

OCT 5 1992

5. Signature (Addressee)

6. Signature (Agent)

Robert Berkman

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

PS Form 3811, November 1990 *U.S. GPO: 1991-287-086

DOMESTIC RETURN RECEIPT

SENDER:

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3. Article Addressed to:

Mississippi Chem. Corp.
P.O. Box 388
Yazoo City, MS 39194

4a. Article Number

R491050217

4b. Service Type

- Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery

OCT 5 1992

5. Signature (Addressee)

6. Signature (Agent)

Robert Berkman

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

PS Form 3811, November 1990 *U.S. GPO: 1991-287-086

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- Restricted Delivery

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3. Article Addressed to:

Mississippi Chem. Corp.
P.O. Box 388
Yazoo City, MS 39194

4a. Article Number

R491050218

4b. Service Type

- Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery

OCT 5 1992

5. Signature (Addressee)

6. Signature (Agent)

Robert Berkman

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- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Eddy Potash Inc.
P.O. Box 31
Carlsbad, NM 88220

4a. Article Number
R491050226

4b. Service Type

Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

5. Signature (Addressee)

6. Signature (Agent)
R. S. Richards

7. Date of Delivery
MAR 20 1992

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

PS Form 3811, November 1990 *U.S. GPO: 1991-287-088 **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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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:

Eddy Potash Inc.
P.O. Box 31
Carlsbad, NM 88220

4a. Article Number
R491050220

4b. Service Type

Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

5. Signature (Addressee)

6. Signature (Agent)
R. S. Richards

7. Date of Delivery
MAR 7 1992

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

PS Form 3811, November 1990 *U.S. GPO: 1991-287-088 **DOMESTIC RETURN RECEIPT**

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- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Eddy Potash Inc.
P.O. Box 31
Carlsbad, NM 88220

4a. Article Number
R491050229

4b. Service Type

Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

5. Signature (Addressee)

6. Signature (Agent)
R. S. Richards

7. Date of Delivery
MAR 18 1992

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

PS Form 3811, November 1990 *U.S. GPO: 1991-287-088 **DOMESTIC RETURN RECEIPT**