

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: Conoco Inc

LEASE & WELL Red Lodge 26 State #1-L 26-21-33

LOCATION 1980/4 + 990/w PROPOSED DEPTH 15,200'

DATE APD RECEIVED 5-27-93 WAS PLAT OF AREA ATTACHED Yes

WERE ALL POTASH LESSEES NOTIFIED BY CERTIFIED MAIL? yes Eddy Potash

20-DAY WAITING PERIOD BEGINS \_\_\_\_\_ ENDS \_\_\_\_\_

WERE WAIVERS RECEIVED? yes - Eddy Potash 6-3-93

DATE SLO NOTIFIED 5-28-93 DATE REPLY RECEIVED 6-2-93

DATE BLM NOTIFIED 5-28-93 DATE REPLY RECEIVED As by mail 6-1-93

IS LOCATION INSIDE LMR OR BUFFER ZONE? YES \_\_\_\_\_ NO ✓

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

DATE APD APPROVED 6-14-93 DATE APD DENIED \_\_\_\_\_



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

May 28, 1993

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

BRUCE KING  
GOVERNOR

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 RED LODGE 26 STATE #1

PROPOSED LOCATION 1980/S & 990/W Sec. 26, T21S, R33E

PROPOSED DEPTH 15,200' Morrow

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 Reid C. Remston

Date 6-15-93

Representing BLM





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ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

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PROPOSED LOCATION 1980/S & 990/W Sec. 26, T21S, R33E

PROPOSED DEPTH 15,200' Morrow

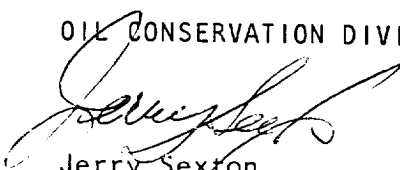
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Thank you for your assistance. Please return as soon as possible.

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 June 1, 1993

Representing S.L.O.



RECEIVED  
CO JUN 1 AM 9 43  
STATE PRICE  
SANTA MONICA

LCB HOBBS OFFICE  
JUN 04 1993



Midland Division  
Exploration Production

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

June 3, 1993

*Waiver*

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

State Permit to D&E Conoco's Red Lodge State 26 No. 1  
Located in "known potash leasing area" of Order R-111-P  
in Sec. 26, T-21S, R-33E, Lea County, New Mexico

Dear Mr. Sexton:

The attached waiver to drilling the subject well, signed by Eddy Potash Inc., was received in our office on June 2, 1993. Eddy Potash Inc. is the only potash lessee within a mile of the proposed location.

With the receipt of this waiver I would assume that you can waive the remainder of the required 20-day waiting period for objection from potash lessees and proceed with the normal processing of this drilling permit. This proposed well is on an expiring lease and Conoco is anxious to begin drilling operations on it.

If I can be of any further help please contact me at (915) 686-6548. Thank you.

Very truly yours,

  
Jerry M. Hoover  
Senior Conservation Coordinator



Midland Division  
Exploration Production

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

May 26, 1993

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

Re: Application of Conoco Inc. to drill  
the Red Lodge State 26 Well No. 1 in  
Sec. 26, T-21S, R-33E, Lea County, New Mexico

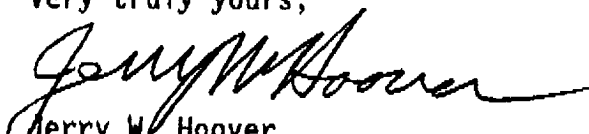
Gentlemen:

This letter is to advise you that Conoco Inc. has filed an application (copy enclosed) with the New Mexico Oil Conservation Division for the drilling of a well at the above location. This location is within the "known potash leasing area", but it is not in an LMR nor is it in a buffer zone for an LMR. This well will be drilled and completed according to the requirements of NMOCD Order No. R-111-P which regulates the drilling of wells in the "known potash leasing area".

As the assignee of potash mineral leases within one mile of the proposed well, notification by certified mail of Conoco's application is required by the New Mexico Oil Conservation Division. Should you have any questions concerning the approval of this permit, please direct them to Mr. Jerry Sexton of the NMOCD's Hobbs District Office, P.O. Box 1890, Hobbs, New Mexico, 88241, (505) 393-6161. If you simply require clarification of the information contained in the application, please contact me at (915) 686-6548.

If you have no objection to the drilling of this well, please sign the waiver provided at the bottom of this letter and return it in the enclosed addressed, postage-paid envelope.

Very truly yours,

  
Jerry W. Hoover  
Senior Conservation Coordinator

WAIVER TO OBJECTION FOR DRILLING SUBJECT WELL

APPROVED BY: Martin L. Watts DATE: 6-1-93

EDDY POTASH INC

Company Name (PRINT or TYPE)



Midland Division  
Exploration Production

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

May 25, 1993

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

State Permit to D&E Conoco's Red Lodge State 26 No. 1  
Located in "known potash leasing area" of Order R-111-P  
in Sec. 26, T-21S, R-33E, Lea County, New Mexico

Dear Mr. Sexton:

A search of records pertaining to potash leases within a mile radius of this proposed well has been conducted has yielded only one lessee which is:

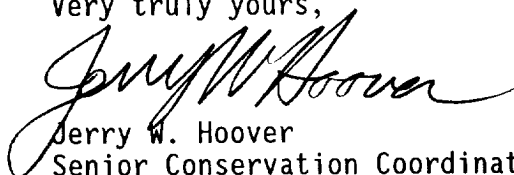
Eddy Potash Inc.  
P.O. Box 31  
Carlsbad, NM 88220

The location of their potash leases is noted on the enclosed map and a copy of this APD was sent by registered mail (as required by R-111-P) to Eddy Potash Inc. A copy of the cover letter accompanying their copy of the application is attached to this letter.

Joe Mraz of the New Mexico State Land Office verbally verified that the proposed location for this well is not located in an LMR nor in a buffer zone of an LMR. This well must be spudded within two months to preserve this state lease.

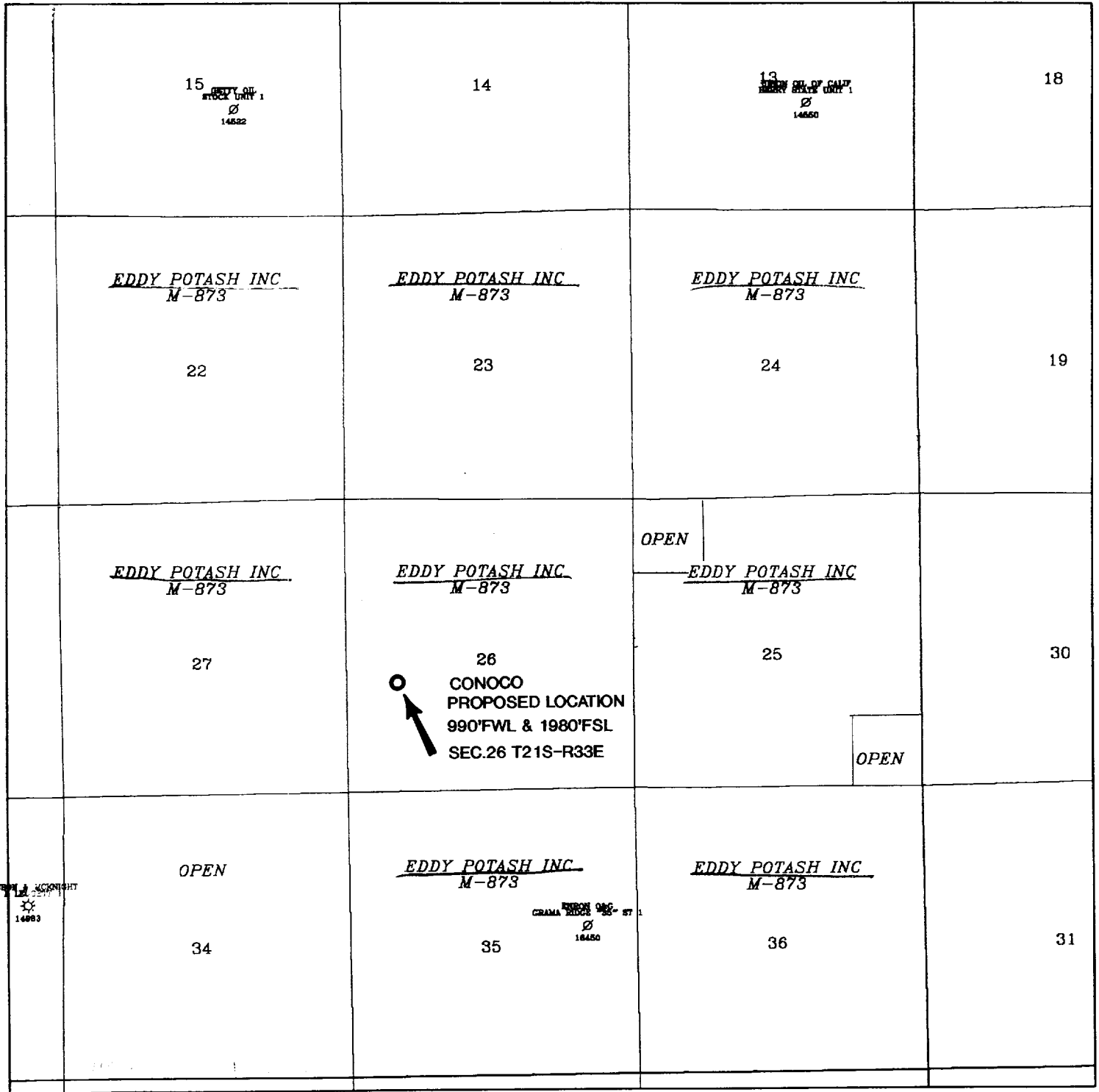
The nearest Morrow pools to this location are the Grama Ridge and Hat Mesa Morrow Pools. If you require any further information, please contact me at (915) 686-6548. Thank you.

Very truly yours,

  
Jerry W. Hoover  
Senior Conservation Coordinator

RECEIVED  
MAY 2 - 1953  
OCD HOBBS 47100

# T21S



1:24000

FEET 0 5000 FEET

MILES 0 .5 1.0 STATUTE MILES



CONOCO INC

RED LODGE STATE 26#1

POTASH PLAT  
w/ posted Morrow wells

2000.00 FT/IN R.C. BALSAM 13-MAY-83

RECEIVED

MAY 27 1993

OCD HOBBS OFFICE