

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: Yates Petroleum Corp

LEASE & WELL Appoint APT State #1-1

LOCATION Sec.18, T-21s, R-34e 2310/S & 330/E PROPOSED DEPTH 10,000'

DATE APD RECEIVED 11/16/95 WAS PLAT OF AREA ATTACHED _____

WERE ALL POTASH LESSEES NOTIFIED BY CERTIFIED MAIL? yes

20-DAY WAITING PERIOD BEGINS _____ ENDS _____

WERE WAIVERS RECEIVED? Yes

DATE SLO NOTIFIED 11/17/95 DATE REPLY RECEIVED 11/27/95

DATE BLM NOTIFIED 11/17/95 DATE REPLY RECEIVED 11/27/95

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

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

DATE APD APPROVED 2/7/96 DATE APD DENIED _____



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GOVERNOR

November 17, 1995

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: Joe Mraz
P.O. Box 1148
Santa Fe, NM 87504

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR Yates Petroleum Corp

LEASE NAME Appoint APT State #1-1

PROPOSED LOCATION Sec.18, T-21s, R-34e 2310/S & 330/E

PROPOSED DEPTH 10000'

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

22 NOV. 95
J.R. MRAZ

RESPONSE:

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

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

Signed Larry Kehoe, Director

Date November 22, 1995

Representing NM State Land Office
Oil, Gas & Minerals Division



RECEIVED
'95 NOV 22 AM 8 39
STATE LAND OFFICE
SANTA FE, N.M.





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

GOVERNOR

November 17, 1995

POST OFFICE BOX 1000
HOBBS, NEW MEXICO 88241-1000
(505) 383-6181

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 Yates Petroleum CorpLEASE NAME Appoint APT State #1-1PROPOSED LOCATION Sec.18, T-21s, R-34e 2310/S & 330/EPROPOSED DEPTH 10000'

Gentlemen:

The application for permit to drill identified above has been filed 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 [Signature]Date 2-5-96Representing BLM

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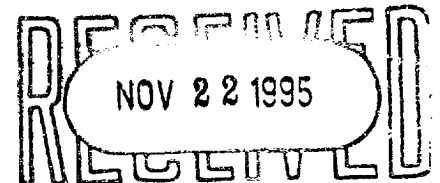
MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

November 15, 1995



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

RE: Appoint "APT" State #1
2310' FSL and 330' FEL
Sec. 18-T21S-R34E
Lea County, New Mexico

Gentlemen:

Yates Petroleum Corporation has filed an application to drill the captioned well. Enclosed is a copy of our application sent to the Oil Conservation District in Hobbs, New Mexico.

The Bureau of Land Management has advised us that Eddy Potash, Inc. has the potash lease. We respectfully request that you waive any objection you may have to this proposed well and so indicate by signing and returning this letter in the enclosed envelope.

Your favorable consideration of this request will be greatly appreciated.

Sincerely,

YATES PETROLEUM CORPORATION

Clifton R. May
Regulatory Agent

CRM/dc
Enclosure(s)

No Objections Offered

By: Thomas A. McGuire
Title: Mine Engineer
Date: 11/20/95

Objections Offered

By: _____
Title: _____
Date: _____