State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham Governor

Sarah Cottrell Propst Cabinet Secretary Designate

Todd E. Leahy, JD, PhD Deputy Secretary

July 26, 2019

BUREAU OF LAND MANAGEMENT ATT: James S. Rutley 620 E Greene Street Carlsbad, NM 88220 Adrienne Sandoval, Division Director Oil Conservation Division



RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: ADVANCE ENERGY PARTNERS HAT MESA, LLC

LEASE NAME: WOOL HEAD 20 STATE COM #605H

PROPOSED LOCATION: U/L O Sec 20 T21S R33E 150 FSL 2046 FEL

Lat. 32.457537

Long. -103.592532

STATE LAND OFFICE

ATT: Stephen Wust

Santa Fe, NM 87505

PO BOX 1148

NAD83

PROPOSED DEPTH: 19270' MD

Gentleman:

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-111-P, please advise this office whether the location is within an established Life-of-Mine-Reserve that are 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

Hobbs District Geologist, District I

RESONSE:

The above referenced location is in-LMR (year) ------Yes_____

The above referenced location is within the Buffer Zone-----Yes

----Yes_____ No ____

Signed

Printed Signature

Representing SCM' VM CFO

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