

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

David Martin

Cabinet Secretary

Brett F. Woods, Ph.D.

Deputy Cabinet Secretary

HOBBS OCD

JUN 16 2014

RECEIVED

Jami Bailey, Division Director
Oil Conservation Division



June 9, 2014

BUREAU OF LAND MANAGEMENT

ATT: James S. Rutley

620 E Greene Street

Carlsbad, NM 88220

STATE LAND OFFICE

ATT: Stephen Wust

PO BOX 1148

Santa Fe, NM 87505

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: COG Operating, LLC

LEASE NAME: Ben Lilly 2 State Com # 005H

PROPOSED LOCATION: U/L P Sec 2 T21S R33E 190 FSL 600 FEL

PROPOSED DEPTH: 18802' MD & 11693 TVD

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

Paul Kautz

Hobbs District Geologist, District I

RESONSE:

The above referenced location is in LMR (2013 year) -----Yes _____ No ☒ *SW*

The above referenced location is within the Buffer Zone -----Yes _____ No ☒

Signed

Printed Signature

Representing

Terry Warrnell
Terry Warrnell

NMSLO

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OIL CONSERVATION DIVISION

Paul Kautz
Hobbs District Geologist, District I

RESPONSE:

The above referenced location is in LMR (2014 year) ----- Yes ----- No ☒

The above referenced location is within the Buffer Zone ----- Yes ----- No ☒

Signed

Printed Signature

Representing

JAMES S. RUTLEY
DOT - BLM - NM - C/O. SOLID S. RUTLEY