State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach, Division Director Oil Conservation Division



September 08, 2016

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: Fasken Oil & Ranch Ltd

LEASE NAME: Quail 16 State SWD # 9

PROPOSED LOCATION: U/L N Sec 16 T20S R34E 1050 FSL 2330 FWL

PROPOSED DEPTH: 16500' MD & 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:

Signed

The above referenced location is within the Buffer Zone-

No .

Printed Signature

Representing U.S-DOI-BCM - NM - GEO - SOCIAS- RUTZEY

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OIL CONSERVATION DIVISION

Paul Kautz Hobbs District Geologist, District I

RESONSE:

Signed (

Printed Signature

Representing NM state Land 95010-

Kautz, Paul, EMNRD

From:

Addison Long <addisonl@forl.com>

Sent:

Monday, September 19, 2016 10:20 AM

To:

Kautz, Paul, EMNRD

Subject:

FW: Permit for Quail "16" State No. 9 SWD

Mr, Kautz,

Please find below the e-mail our landman sent me verifying there are no potash leases around a 1 mile radius. I hope this will suffice, but If not please get back to me on what you are needing.

Thanks,

Addison Long Regulatory Analyst

Whatever you do, work at it with all your heart, as working for the Lord, not for men. Colossians 3:23



6101 Holiday Hill Road Midland, Texas 79707 (432) 687-1777

From: Linda Hicks

Sent: Monday, September 19, 2016 11:10 AM

To: Addison Long <addisonl@forl.com>

Cc: Sally Kvasnicka <sallyk@forl.com>; Jimmy Carlile <jimmyc@forl.com>

Subject: Permit for Quail "16" State No. 9 SWD

Addison,

Schutz Abstract in Santa Fe did not find any active Potash Leases in Sections 8,9,10, 15, 16, 17, 20, 21, 22 of T-20-S, R-34-E Lea County, New Mexico.

Please let me know if you need anything further.

Linda H. Hicks Landman



Linda H. Hicks Fasken Oil and Ranch, Ltd. 6101 Holiday Hill Road Midland, Texas 79707-1631 432-687-1777 432-818-0967 Direct Line 432-687-0669 Fax