

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

Adrienne Sandoval, Division Director
Oil Conservation Division



July 9, 2020

BUREAU OF LAND MANAGEMENT
ATT: James S. Rutley
620 E Greene Street
Carlsbad, NM 88220

STATE LAND OFFICE
ATT: Niranjana Khalsa
PO BOX 1148
Santa Fe, NM 87505

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: ADVANCE ENERGY PARTNERS HAT MESA, LLC

LEASE NAME: MERCHANT STATE UNIT #604Y

PROPOSED LOCATION: U/L C Sec 35 T21S R33E 200 FNL 2608 FWL

Lat. 32.441991 Long. -103.543316 NAD83

PROPOSED DEPTH: 22081' MD 11950' 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

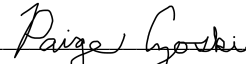

Paul Kautz

Hobbs District Geologist, District I

RESPONSE:

The above referenced location is in LMR (2020 year) -----Yes _____ No X

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

Signed  _____

Printed Signature Paige Czoski

Representing NM SLO