

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

HOBBS OCD

John Bemis
Cabinet Secretary

AUG 30 2012

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

RECEIVED

Jami Bailey
Division Director
Oil Conservation Division



BUREAU OF LAND MANAGEMENT
ATTN: Craig Cranston
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 Cimarex Energy Co.

LEASE NAME Lynch 35 #2H

PROPOSED LOCATION Sect 35 20S-34E Unit L 363 FNL 1650 FEL

PROPOSED DEPTH 15641

Gentlemen:

The application for permit to drill indentified 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-or-Mine Reserve are filed with an 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

EL Gonzales
Acting Supervisor, District I

Response:

The above reference location is in the LMR (2012 year)-----Yes ___ NO

The above reference location is within the Buffer Zone -----Yes ___ No

Signed Larry V. Raylan Date 7/23/12

Printed Signature Larry V. Raylan

Representing State Land office

JBM
7-20-12

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EL Gonzales
Acting Supervisor, District I

Response:

The above reference location is in the LMR 2012 year)-----Yes ___ NO

The above reference location is within the Buffer Zone ----- Yes ___ No

Signed _____ Date 8-30-2012

Printed Signature JAMES S. RUTLEY

Representing BLM - CFD

Cimarex Energy Co.
600 N. Manenfeld St
Suite 600
Midland, Texas 79701
PHONE 432 571.7800
FAX 432 571 7832



September 12, 2012

Mr. Paul Kautz, Deputy Inspector
New Mexico Oil Conservation Division
1625 N. French rive
Hobbs, New Mexico 88240

RE: Application for Permit to Drill
Lynch 35 Fee, Well #2H
Sec 35, T20S-R34E
Lea County

Mr. Kautz:

Cimarex Energy Company has reviewed the area with a 1 mile radius of the subject wells and found no active potash leases.

If you need additional information in order to approve the drilling permit for this well, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tracie J Cherry". The signature is written in dark ink and is positioned above the printed name.

Tracie J Cherry
Sr. Regulatory Analyst
432/620-1959