

State of New Mexico
Energy, Minerals and Natural Resources Department

HOBBS OCD
DEC 13 2012

Susana Martinez
Governor

John Bemis
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



BUREAU OF LAND MANAGEMENT
ATTN: Jim Rutley
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 Fasken Oil & Ranch Ltd

LEASE NAME Quail 16 State Com #7H

PROPOSED LOCATION Sect 16 20S-34E Unit P 200 FSL 225 FEL

PROPOSED DEPTH 10945

Gentlemen:

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-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
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 12-14-2012

Printed Signature JAMES S. RUTLEY

Representing BLM - CFO

FEB 04 2013

State of New Mexico
Energy, Minerals and Natural Resources Department

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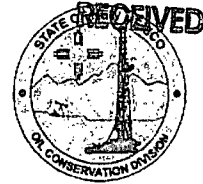
JAN 29 2013

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Very truly yours,

OIL CONSERVATION DIVISION

EL Gonzales
Supervisor, District I

Response:

The above reference location is in the LMR (2011 year)-----Yes ___ NO X

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

Signed Larry J Rybal Date 29 Jan 13

Printed Signature Larry J Rybal

Representing State Land Office