

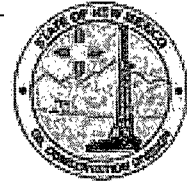
State of New Mexico  
Energy, Minerals and Natural Resources Department

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: Dan Fuqua  
P O Box 1148  
Santa Fe, NM 87504

HOBBS OCD

JAN 30 2013

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR BC Operating Inc

RECEIVED

LEASE NAME South Lynch #1H

PROPOSED LOCATION Sect 28 20S-34E Unit E 1980 FNL 160 FWL

PROPOSED DEPTH 11,100

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

*BLM YES TO RECEIVE 2013  
THREE YEAR MINE PLAN  
FROM INTERD*

EL Gonzales  
Supervisor, District I

Response:

The above reference location is in the LMR (2013 year) ----- Yes \_\_\_ NO ☒

The above reference location is within the Buffer Zone ----- Yes \_\_\_ No ☒

Signed \_\_\_\_\_ Date 1/28/2013

Printed Signature JAMES S. RUTLEY

Representing BLM - CFO

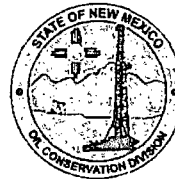
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Very truly yours,

OIL CONSERVATION DIVISION

EL Gonzales  
Supervisor, District I

Response:

The above reference location is in the LMR (2012 year)-----Yes \_\_\_ NO X

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

Signed Larry T. Rybal Date 2/7/13

Printed Signature Larry T. Rybal

Representing State Land Office