

30-025-41169

State of New Mexico  
Energy, Minerals and Natural Resources Department

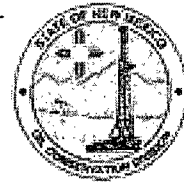
Susana Martinez  
Governor

HOBBS OCD

John Bemis  
Cabinet Secretary

MAY 07 2013

Jami Bailey  
Division Director  
Oil Conservation Division



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

RECEIVED

BUREAU OF LAND MANAGEMENT  
ATTN: Jim Rutley  
P O Box 1778  
Carlsbad, NM 88221

State Land Office  
ATTN: Stephen Wust  
P O Box 1148  
Santa Fe, NM 87504

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR BC Operating Inc.

LEASE NAME South Lynch #2H

PROPOSED LOCATION: SHL: D Sect 28 20S-34E 360 FNL 160 FWL  
BHL: A Sect 28 20S-34E 360 FNL 240 FEL

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

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 5/1/2013

Printed Signature JAMES S. RUTLEY

Representing DOE - BCM - CFO

MAY 20 2013

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Supervisor, District I

Response:

The above reference location is in the LMR (2013 year)-----Yes ~~YES~~ NO ☒ SDW

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

Signed Larry T. Royal Date 4/30/13

Printed Signature Larry T. Royal

Representing State Land Office