

MAY 31 2013

State of New Mexico  
Energy, Minerals and Natural Resources Department

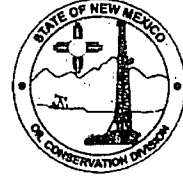
RECEIVED

Susana Martinez  
Governor

David Martin  
Cabinet Secretary Designate

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: Stephen Wust  
P O Box 1148  
Santa Fe, NM 87504

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR COG Operating LLC

LEASE NAME Ben Lilly 2 State Com #4H

PROPOSED LOCATION SHL: M Sect 2 21S-33E 330 FSL 660 FWL  
BHL: D Sect 2 21S-33E 330 FNL 660 FWL

PROPOSED DEPTH 18600

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 (2003 year)-----Yes \_\_\_ NO ☒ SDN

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

Signed Larry J. Rabal Date 5/31/13

Printed Signature Larry J. Rabal

Representing State Land Office

JUN 05 2013