



Intrepid Potash, Inc.
707 17th Street, Suite 4200
Denver, CO 80202
303.296.3006
303.298.7502 fax

November 25, 2013

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210-2118

Attention: Attention: Armando A. Lopez
 Chief Land Regulatory Agent

Re: Fruit Loop BUL State #1H
 200' FNL & 660' FWL, Section 29, SH
 330' FSL & 660' FWL, Section 29, BH
 Township 21 South, Range 33 East
 Lea County, New Mexico

Dear Mr. Lopez:

Per our conversation, Intrepid Potash – New Mexico LLC ("Intrepid") waives any objection to the drilling of the referenced well. Please feel free to share this waiver with the NMOCD.

By its waiver, Intrepid does not agree to or assume the risks of any release of oil or gas or other substance from the well into the environment, including into underground mine workings, arising out of or attributable to Yates' drilling, operation, plugging and abandoning of the well.

Sincerely,

Intrepid Potash-New Mexico, LLC

Martin D. Litt, Executive Vice President and General Counsel

NOV 26 2013



Intrepid Potash, Inc.
707 17th Street, Suite 4200
Denver, CO 80202
303.296.3006
303.298.7502 fax

November 8, 2013

Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210-2118

Attention: Attention: Armando A. Lopez
 Chief Land Regulatory Agent

Re: Fruit Loop BUL State #1H
 200' FNL & 660' FWL, Section 29, SH
 330' FSL & 660' FWL, Section 29, BH
 Township 21 South, Range 33 East
 Lea County, New Mexico

Dear Mr. Lopez:

We have considered your request, set forth in your letter dated November 5, 2013, that Intrepid Potash – New Mexico LLC (“Intrepid”) waive the twenty day notice period as set forth in Order No. R-111-P.

Intrepid will and hereby does waive the twenty day notice period for the referenced well. By its waiver, Intrepid does not agree to or assume the risks of any release of oil or gas or other substance from the well into the environment, including into underground mine workings, arising out of or attributable to Yates’ drilling, operation, plugging and abandoning of the well.

Sincerely,

Intrepid Potash-New Mexico, LLC

Martin D. Litt, Executive Vice President and General Counsel



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



November 18, 2013

BUREAU OF LAND MANAGEMENT
ATT: James S. Rutley
620 E Greene Street
Carlsbad, NM 88220

STATE LAND OFFICE
ATT: Dan Fuqua
PO BOX 1148
Santa Fe, NM 87505

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: **Yates Petroleum Corporation**

LEASE NAME: **Fruit Loop BUL State # 1H**

PROPOSED LOCATION: **U/L C Sec 29 T21S R33E 200 FNL 1980 FWL**

PROPOSED DEPTH: **15546' MD & TVD Lateral 11002'**

Gentleman:

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-of-Mine-Reserve that are filed with and 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

Paul Kautz
Hobbs District Geologist, District I

*THE PROJECT LIES WITHIN 1/2 MILE BUFFER
OF INTREPIA'S PENDING LEASE FRINGE MODS
OR APPROXIMATELY ~~1/2~~ 7,260 FEET EAST
OF PENDING LEASE BOUNDARY. JSR*

RESONSE:

The above referenced location is in LMR (2013 year) ----- Yes _____ No ☒

The above referenced location is within the Buffer Zone ----- Yes ☒ No _____

Signed _____

Printed Signature

Representing

JAMES S. RUTLEY
DOT - NM - CFD - SOLIDS - RUTLEY





New Mexico Energy, Minerals and Natural Resources Department

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2013 NOV 20 PM 8 07

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Thank you for your assistance. Please Return as soon as possible.

Very truly yours,

OIL CONSERVATION DIVISION

Paul Kautz
Hobbs District Geologist, District I

RESONSE:

The above referenced location is in LMR (2013 year) ----- Yes ☒ No ☒ NR

The above referenced location is within the Buffer Zone ----- 1/2 mi. ----- Yes ☒ No ☒ NR

Signed Larry J. Zakal

Printed Signature Larry J. Zakal

Representing State Land Office

