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June 13, 2018

Oil Conservation Division Energy Minerals and Natural Resources Department 1625 N. French Dr. Hobbs, New Mexico 88240

Attn: Mr. Paul Kautz

Re: Application for Merchant State Unit 506H

Unit A, Section 35-T21S-R33E Lea County, New Mexico

Dear Mr. Kautz,

I am providing answers to you questions and requests for additional information about any potash leases within 1 mile of the referenced Section 35.

This letter is to confirm there are no potash leases within 1 mile of Section 35, Township 21 South, Range 33 East, Lea County, NM.

Sincerely,

Paul J. Burdick Land Advisor

Advance Energy Partners Hat Mesa, LLC Email: PBurdick@Advanceenergypartners.com

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