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State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen Cabinet Secretary

Matthlas Sayer

Heather Riley, Division Director Oil Conservation Division



Deputy Cabinet Secretary October 12, 2018

BUREAU OF LAND MANAGEMENT

ATT: James S. Rutley 620 E Greene Street Carlsbad, NM 88220

STATE LAND OFFICE ATT: Stephen Wust PO BOX 1148 Santa Fe. NM 87505

HOEES OF UNIN

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: ADVANCE ENERGY PARTNERS HAT MESA, LLC

LEASE NAME: MERCHANT STATE UNIT #504H

PROPOSED LOCATION: U/L B Sec 35 T21S R33E 150 FNL 1335 FEL

PROPOSED DEPTH: 21063' MD

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

Hobbs District Geologist, District I

RESONSE:

The above referenced location is in LMR (Syear) -----Yes_ The above referenced ocation is within the Buffer Zone----Signed

Printed Signature

Representing _

State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen Cabinet Secretary Heather Riley, Division Director Oil Conservation Division



Matthias Sayer Deputy Cabinet Secretary

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