



May 25, 2011

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

Attention: Mrs. Katy Keller

**Re: Magnum Pronto State Com #5H
 Township 19 South, Range 32 East
 Section 32: 330' FSL – 2260' FEL
 Lea County, New Mexico**

Dear Mrs. Keller:

COG Operating LLC is continuing its work on addressing the potential plugging and abandonment of the Livingston Ridge well along with your requested support of your HB Solar Solution Mine Project. However COG's work continues and we are proposing to drill a Bone Spring well to a depth of 10,000' at the above referenced location early in the month of June. As a result of Case #14026 and subsequent Division Order R-12927; COG is providing written notice for the above mentioned well.

Item #2 of the signed order states that "If applicant, or any other oil and gas operator, files on APD to drill a new well within Section 32, Township 19 South, Range 32 East, NMPM, in Lea County, New Mexico, the Hobbs District Office of the Division shall, if it finds such application to be approvable, including compliance with all the requirements of Ordering Paragraph No. R-111-P except for the requirement for agreement of potash lessees thereto, shall approve the same, but not before the expiration of twenty days after the oil and gas operator has delivered written notice of filing such APD to potentially affected potash lessees in compliance with Ordering Paragraph G(2) of Order No. R-111-P. "

If you would like to waive the twenty day notice period for said well please execute the waiver below and fax a copy to me at 575-748-6940. You may return a copy to us and retain a copy for your files.

Please feel free to contact me if you have any questions or need further information.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rand French".

Rand French
Regulatory Coordinator

JUN 21 2011



Intrepid Mining hereby waives the twenty day notice period to COG Operating LLC. on drilling a 10,000' Bone Spring well at the referenced location.

By: _____

Name: _____

Title: _____

Date: _____

2011-May-27 10:12 AM Intrepid Potash 303-298-7502

2/2



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

HOBBS OCD

MAY 31 2011

May 27, 2011

RECEIVED

COG Operating LLC
2208 West Main Street
Artesia, New Mexico 88210

Attention: Mr. Rand French
Regulatory Coordinator

Re: Magnum Pronto State com #5H
Township 19 South, Range 32 East
Section 32: 330' FSL - 2260' FEL
Lea County, New Mexico

Dear Mr. French:

We have considered your request, set forth in your letter dated May 25, 2011, that Intrepid Potash - New Mexico LLC ("Intrepid") waive the twenty day notice period as set forth as a result of Case #14026 and subsequent Order R-12926.

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 COG's 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

John H. Bemis
Cabinet Secretary-Designate

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

HOBBS OCD

MAY 31 2011

RECEIVED

Jami Bailey
Division Director
Oil Conservation Division



May 26, 2011

BUREAU OF LAND MANAGEMENT
ATT: Potash
620 E Greene Street
Carlsbad, NM 88240

STATE LAND OFFICE
ATT: Joe Mraz
PO BOX 1148
Santa Fe, NM 87504

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: COG Operating, LLC

LEASE NAME: Magnum Pronto 32 State Com #005H

PROPOSED LOCATION: U/L O, Sec 32, T-19S, R-32E, 330 FSL & 2260 FEL

BHL: U/L B, Sec 32, T-19S, R-32E, 330 FNL & 2260 FEL

PROPOSED DEPTH: Pilot Hole 9400', MD & TVD Lateral: 9400' TVD (13750 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 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

Larry Hill
Supervisor, District I

RESPONSE:

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

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

Signed Larry Hill

Printed Signature Larry J. Rybal

Representing State Land Office

R-111-P Exhibit 'A'
does not include
this location.

John
5-26-11



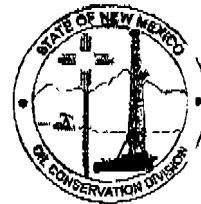
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Very truly yours,

OIL CONSERVATION DIVISION

Larry Hill
Supervisor, District I

RESONSE:

The above referenced location is in LMR (2011 year) Yes ☒ No ☐

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

Signed

Printed Signature

Representing

Oil Conservation Division * 1625 N. French Dr.*

* Hobbs, New Mexico 88240

* Phone: (575) 393-6161 * Fax (575) 393-0720* <http://www.ornrd.state.nm.us>