

State of 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



July 15, 2014

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

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: BC Operating, Inc

LEASE NAME: Abe State #001H 2H

PROPOSED LOCATION: U/L A Sec 32 T21S R33E 240 FNL 360 FEL

PROPOSED DEPTH: 16198' MD & 11500' TVD

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

RESPONSE:

The above referenced location is in LMR (2014 year) ----- Yes _____ No

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

Signed

Printed Signature

Representing

US DOI - BLM - NM - CFO - SERIOS - RUTLEY

AUG 26 2014

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OIL CONSERVATION DIVISION

Paul Kautz
Hobbs District Geologist, District I

RESONSE:

The above referenced location is in LMR (243 year) -----Yes _____ No *SDW*

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

Signed *Terry Warnell*

Printed Signature Terry Warnell

Representing SLO

AUG 01 2014