

MAR 13 2009

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



BUREAU OF LAND MANAGEMENT
ATT: Potash
P O Box 1778
Carlsbad, NM 88221

State Land Office
ATT: Joe Mraz
P O Box 1148
Santa Fe, NM 87504

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR RKI Exploration & Production, LLC

LEASE NAME Pinnacle State #26

30.015.36482

PROPOSED LOCATION 36-22S-28E UL-1

PROPOSED DEPTH 7070'

Gentlemen:

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.

Thanks you for your assistance. Please return as soon as possible.

Very truly yours,

OIL CONSERVATION DIVISION

Jacqui Reeves
Jacqui Reeves
District II Geologist

MAR 11 AM 8 20
STATE LAND OFFICE
SANTA FE, N.M.

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 *Jim Bailey*

Date 3/11/09

Printed Signature JAM I BAILEY

Representing SLD

Jim
3-11-09

