

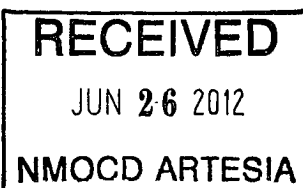


# New Mexico Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**John H. Bemis**  
Cabinet Secretary-Designate

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



**Jami Bailey**  
Division Director  
Oil Conservation Division



June 13, 2012

BUREAU OF LAND MANAGEMENT  
ATT: Potash  
620 E Greene Street  
Carlsbad, NM 88220

STATE LAND OFFICE  
ATT: Joe Mraz  
PO BOX 1148  
Santa Fe, NM 87505

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: **Cheasapeake Operating, Inc.**

LEASE NAME: **Los Medanos 36 23 30 State** 30-015-40371

PROPOSED LOCATION: **Lot D U/L D Sec 36 T23S R30E 150' FNL 660' FWL**

PROPOSED DEPTH: **14,068' MD**

2012 JUN 15 PM 8 46

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

  
Randy Dade  
Supervisor, District II

RESONSE:

The above referenced location is in LMR (2011 year) -----Yes \_\_\_\_\_ No X *DM 6-18-12*

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

Signed 

Printed Signature Larry J. Ryberg

Representing State Land Office

Oil Conservation Division \* 811 S. First St.\*

\* Artesia, New Mexico 88210

\* Phone: (575) 748-1283 \* Fax (575) 748-9720\* <http://www.emnrd.state.nm.us>

