State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham Governor

Sarah Cottrell Propst Cabinet Secretary Designate Adrienne Sandoval, Division Director Oil Conservation Division



Todd E. Leahy, JD, PhD Deputy Secretary

November 8, 2019

BUREAU OF LAND MANAGEMENT ATT: James S. Rutley 620 E Greene Street Carlsbad, NM 88220 STATE LAND OFFICE ATT: Niranjan Khalsa PO BOX 1148 Santa Fe, NM 87505

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: ADVANCE ENERGY PARTNERS HAT MESA, LLC

LEASE NAME: WOOL HEAD 20 STATE COM #512H

PROPOSED LOCATION: U/L P Sec 20 T21S R33E 350 FSL 858 FEL

Lat. 32.458084

Long. -103.588692

NAD83

PROPOSED DEPTH: 18832' MD

11400' 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

RESONSE:

The above referenced location is within the Buffer Zone

----Yes_____No ___

Signed_

Printed Signature

ANNIES S. RUICE

Representing BLM NM CFO SOURS RUTTE