

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



BUREAU OF LAND MANAGEMENT
ATTN: Jim Rutley
P O Box 1778
Carlsbad, NM 88221

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

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR Cimarex Energy Co.

LEASE NAME Lynch 35 #1H

PROPOSED LOCATION Sect 35 20S-34E Unit A 290 FNL 800 FEL

PROPOSED DEPTH 3725

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-or-Mine Reserve are filed with an 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

EL Gonzales
Acting Supervisor, District I

Response:

The above reference location is in the LMR 2012 year) ----- Yes ___ NO ✓

The above reference location is within the Buffer Zone ----- Yes ___ No ✓

Signed [Signature] Date 8/30/2012

Printed Signature JAMES S. RUTLEY

Representing BLM - CFO

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OIL CONSERVATION DIVISION

EL Gonzales
Acting Supervisor, District I

Response:

The above reference location is in the LMR (____ year) 2012 Yes ____ NO X

The above reference location is within the Buffer Zone ____ Yes ____ No X

Signed Larry V. Rybal Date 12/30/12

Printed Signature Larry V. Rybal

Representing State Land Office

Cimarex Energy Co.
600 N. Marienfeld St
Suite 600
Midland, Texas 79701
PHONE 432.571.7800
FAX 432 571 7832

HOBBS OCD
OCT 16 2012
RECEIVED



October 16, 2012

Mr. Paul Kautz, Deputy Inspector
New Mexico Oil Conservation Division
1625 N. French rive
Hobbs, New Mexico 88240

RE: Application for Permit to Drill
Lynch 35 Fee, Well #1H
Sec 35, T20S-R34E
Lea County

Mr. Kautz:

Cimarex Energy Company has reviewed the area with a 1 mile radius of the subject wells and found no active potash leases.

If you need additional information in order to approve the drilling permit for this well, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tracie J Cherry".

Tracie J Cherry
Sr. Regulatory Analyst
432/620-1959