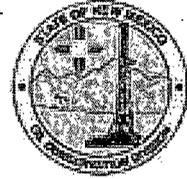


State of New Mexico
Energy, Minerals and Natural Resources Department



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: Dan Fuqua
P O Box 1148
Santa Fe, NM 87504

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

HOBBS OCD

OPERATOR COG Operating LLC

JAN 14 2013

LEASE NAME Corazon 4 State SWD #1

PROPOSED LOCATION Sect 4 21S-33E Unit B 3800 FNL 2500 FEL

RECEIVED

PROPOSED DEPTH 7250

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
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 Date 1-10-2013

Printed Signature JAMES S. RUTLEY

Representing BLM-CFD

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PROPOSED DEPTH 7250

JAN 28 2013

RECEIVED

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Very truly yours,

OIL CONSERVATION DIVISION

EL Gonzales
Supervisor, District I

Response:

The above reference location is in the LMR (2011 year)-----Yes ___ NO X

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

Signed Larry J. Refal Date 25 Jan 13

Printed Signature Larry J. Refal

Representing State Land Office