

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

HOBBS OCD

John Bemis
Cabinet Secretary

MAR 06 2013

Jami Bailey
Division Director
Oil Conservation Division



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

RECEIVED

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

OPERATOR COG Operating LLC

LEASE NAME Boone 16 State #2H

PROPOSED LOCATION SHL: O Sect 16 21S-33E 190 FSL 1980 FEL

BHL: B Sect 16 21S-33E 330 FNL 1980 FEL

PROPOSED DEPTH 16274

Gentlemen:

The application for permit to drill indentified 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 X

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

Signed [Signature] Date 3/6/13

Printed Signature Jessie Hubbling

Representing BLM-CFO

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FEB 26 2013

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Very truly yours,

OIL CONSERVATION DIVISION

EL Gonzales
Supervisor, District I

Response:

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

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

Signed _____ Date 21 Feb 13

Printed Signature Lanny J Rybal

Representing State Land Office

30-025-41049



March 6, 2013

Oil Conservation Division
Cindy Herrera Murillo
1625 N. French Drive
Hobbs, NM 88240

Dear Ms. Herrera,

COG Operating LLC., has submitted an application to drill the Boone 16 State #2H. Your office has requested a letter verifying that our applications for the above mentioned wells would not impact existing potash leases. Our office has reviewed both federal and state potash leases and there is no potash leases within the 1 mile radius of our proposed locations. The closest potash leases are in Section 13 of T. 21S, R. 32E., which is over 2 miles away. I hope this addresses your requests.

Sincerely,

A handwritten signature in black ink, appearing to read "Rand French".

Rand French
Regulatory Advisor
COG OPERATING LLC
2208 W Main St
Artesia, New Mexico 88210-3720
575.748.6965
575.513.1835 Cell

