



Intrepid Potash, Inc.  
707 17<sup>th</sup> Street, Suite 4200  
Denver, CO 80202  
303.296.3006  
303.298.7502 fax

November 25, 2013

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210-2118

Attention:      Attention: Armando A. Lopez  
                         Chief Land Regulatory Agent

Re:      Fruit Loop BUL State #1H  
         200' FNL & 660' FWL, Section 29, SH  
         330' FSL & 660' FWL, Section 29, BH  
         Township 21 South, Range 33 East  
         Lea County, New Mexico

Dear Mr. Lopez:

Per our conversation, Intrepid Potash – New Mexico LLC (“Intrepid”) waives any objection to the drilling of the referenced well. Please feel free to share this waiver with the NMOCD.

By its waiver, Intrepid does not agree to or assume the risks of any release of oil or gas or other substance from the well into the environment, including into underground mine workings, arising out of or attributable to Yates’ drilling, operation, plugging and abandoning of the well.

Sincerely,

Intrepid Potash-New Mexico, LLC

A handwritten signature in black ink, appearing to read "Martin D. Litt", written over a horizontal line.

Martin D. Litt, Executive Vice President and General Counsel

NOV 26 2013



Intrepid Potash, Inc.  
707 17<sup>th</sup> Street, Suite 4200  
Denver, CO 80202  
303.296.3006  
303.298.7502 fax

November 8, 2013

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210-2118

Attention:      Attention: Armando A. Lopez  
                         Chief Land Regulatory Agent

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         330' FSL & 660' FWL, Section 29, BH  
         Township 21 South, Range 33 East  
         Lea County, New Mexico

Dear Mr. Lopez:

We have considered your request, set forth in your letter dated November 5, 2013, that Intrepid Potash – New Mexico LLC (“Intrepid”) waive the twenty day notice period as set forth in Order No. R-111-P.

Intrepid will and hereby does waive the twenty day notice period for the referenced well. By its waiver, Intrepid does not agree to or assume the risks of any release of oil or gas or other substance from the well into the environment, including into underground mine workings, arising out of or attributable to Yates’ drilling, operation, plugging and abandoning of the well.

Sincerely,

Intrepid Potash-New Mexico, LLC

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Martin D. Litt, Executive Vice President and General Counsel



# New Mexico Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary

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

**Jami Bailey**  
Division Director  
Oil Conservation Division



November 18, 2013

BUREAU OF LAND MANAGEMENT  
ATT: James S. Rutley  
620 E Greene Street  
Carlsbad, NM 88220

STATE LAND OFFICE  
ATT: Dan Fuqua  
PO BOX 1148  
Santa Fe, NM 87505

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: **Yates Petroleum Corporation**

LEASE NAME: **Fruit Loop BUL State # 1H**

PROPOSED LOCATION: **U/L C Sec 29 T21S R33E 200 FNL 1980 FWL**

PROPOSED DEPTH: **15546' MD & TVD Lateral 11002'**

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

*THE PROJECT LIES WITHIN 1/2 MILE BUFFER  
OF INTREPIA'S PENDING LEASE FRINGE MODS  
OR APPROXIMATELY ~~1/2~~ 7,260 FEET EAST  
OF PENDING LEASE BOUNDARY. JSR*

RESONSE:

The above referenced location is in LMR (2013 year) ----- Yes \_\_\_\_\_ No

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

Signed \_\_\_\_\_

Printed Signature **JAMES S. RUTLEY**

Representing **DOT-NM-CFO-SOLIDS-RUTLEY**





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2013 NOV 20 AM 8 07

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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 in LMR (2013 year) ----- Yes  No  NR

The above referenced location is within the Buffer Zone 1/2 mi. ----- Yes  No  NR

Signed Larry J. Zaykal

Printed Signature Larry J. Zaykal

Representing State Land Office

