

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

HOBBS OCD

JUN 16 2014

RECEIVED

Jami Bailey, Division Director
Oil Conservation Division



June 6, 2014

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

STATE LAND OFFICE
ATT: Stephen Wust
PO BOX 1148
Santa Fe, NM 87505

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

OPERATOR: Yates Petroleum Corp

LEASE NAME: Cranberry BSU State Com #008H

PROPOSED LOCATION: U/L M Sec 11 T21S R33E 15 FSL 490 FWL

PROPOSED DEPTH: 15832' MD & 10998' 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 in LMR (2013 year) -----Yes _____ No *SQLW*

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

Signed *Terry Warnell*

Printed Signature Terry Warnell

Representing NMSLU

JUN 16 2014

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Paul Kautz
Hobbs District Geologist, District I

RESPONSE:

The above referenced location is in LMR 2014 year) ----- Yes _____ No

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

Signed _____

Printed Signature JAMES S. RUTLEY

Representing DOI - BLM - NM - CFO - SOLARS - RUTLEY