



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

David R. Catanach, Division Director
Oil Conservation Division



April 2, 2015

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 Corporation**

LEASE NAME: **Nectarine BSQ State Com # 1H**

PROPOSED LOCATION: **U/L K Sec 24 T21S R33E 2440 FSL 1980 FWL**

PROPOSED DEPTH: **18596' MD & 10945' 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 (2015 year) -----Yes _____ No

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

Signed

Printed Signature JAMES S. RUTLEY

Representing US · DOI · BLM · NM · CFO · SOLIDS · RUTLEY