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February 10, 2017

To: Carlsbad Field Office
Bureau of Land Management
Attn: Jim Rutley
620 E. Greene St.
Carlsbad, NM 88220
Cert No: 7013 1710 0001 7955 6742

Intrepid Potash
1996 Potash Mines Rd
Carlsbad, NM 88220
Cert No:7013 1710 0001 7955 6728

RE: Application for Permit to Drill; C-101
Chistera 32 State #1H
Chistera 32 State #2H
Chistera 32 State #3H

Dear Sir/Madam:

This is to notify you that XTO Energy, Inc. ("XTO") intends to file three (3) State drilling permits (C-101's) for wells in the Hat Mesa; Bone Spring (30213) pool on an approved drill island in the Secretary's Potash area located in Section 32, Township 20 South, Range 33 East after 20 (days) of return receipt from this letter. The wells have been spotted and will be drilled from the following locations:

1. Chistera 32 State #1H: 200'FNL & 2280'FWL, C-32-20S-33E, Lea County, NM
2. Chistera 32 State #2H: 200'FNL & 1730'FEL, B-32-20S-33E, Lea County, NM
3. Chistera 32 State #3H: 260'FNL & 500'FEL, A-32-20S-33E, Lea County, NM

Enclosed, please find the following for your reference:

1. Three (3) C-101's (unfiled) Demonstrating State APD Plans
2. Three (3) C-102's Demonstrating Planned Well Locations
3. One (1) Plat of the Approved Drill Island without Demonstrated Wells
4. One (1) Plat of the Approved Drill Island with Wells Demonstrated

If you have questions, concerns regarding these permits, please contact Stephanie Rabadue at (432-620-6714) or stephanie_rabadue@xtoenergy.com

Sincerely,

Stephanie Rabadue
Regulatory Analyst
XTO Energy, Inc

cc: Paul Kautz, District 1 Geologist, NMOCD Hobbs Office