

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



March 13, 2017

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: XTO Energy

LEASE NAME: Chistera 32 State # 3H

PROPOSED LOCATION: U/L A Sec 32 T20S R33E 260 FNL 500 FEL

PROPOSED DEPTH: 15774' MD & 11257' 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

RESPONSE:

The above referenced location is in LMR (2017 year) ----- Yes No

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

Signed

Printed Signature

Representing

James S. Rutley

U.S. DOI • BLM • NM • CFO • SOLID • RUTLEY

*CHISTERA APD ON AN APPROVED CLAIM
ISLAND WITHIN AN APPROVED
DEVELOPMENT AREA.*