

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



December 13, 2018

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: CHANGE LOCATION FOR PERMIT TO DRILL IN POTASH AREA
OPERATOR: ADVANCE ENERGY PARTNERS HAT MESA, LLC
LEASE NAME: MERCHANT STATE UNIT #512H
PROPOSED LOCATION: U/L A Sec 35 T21S R33E 150 FNL 540 FEL
PROPOSED DEPTH: 20675'

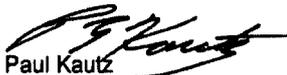
Gentleman:

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 (2016 year) ----- Yes _____ No

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

Signed _____

Printed Signature JAMES S. RUTLEY

Representing U.S. DOI, BLM, NM, CFO, SOLIDS, RUTLEY

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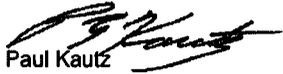
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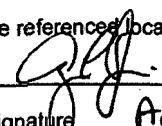
OIL CONSERVATION DIVISION


Paul Kautz

Hobbs District Geologist, District I

RESONSE:

The above referenced location is in LMR (2018 year) -----Yes _____ No 50W
The above referenced location is within the Buffer Zone -----Yes _____ No 50W

Signed  _____

Printed Signature Aubrey Duvon _____

Representing NMSLD _____