

MARTIN YATES, III  
1912-1985

FRANK W. YATES  
1936-1986

S.P. YATES  
1914-2008



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TELEPHONE (575) 748-1471

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CHIEF FINANCIAL OFFICER

JAMES S. BROWN  
CHIEF OPERATING OFFICER

February 10, 2012

Intrepid Potash-New Mexico, LLC  
Attention: Katie Keller  
707 17<sup>th</sup> Street, Suite 4200  
Denver, Colorado 80202

Re: **Southland Royalty APM State 2H**  
200' FSL & 510' FEL, Section 24, SH  
300' FNL & 660' FEL, Section 24, BH  
T19S-R29E, Eddy County, New Mexico

*APP# 30-015-39749*

**Southland Royalty APM State 4H**  
200' FSL & 2080' FWL, Section 24, SH  
330' FNL & 1980' FWL, Section 24, BH  
T19S-R29E, Eddy County, New Mexico

*APP# 30-015-39859*

**Southland Royalty APM State 3H**  
200' FSL & 1800' FEL, Section 24, SH  
330' FNL & 1980' FEL, Section 24, BH  
T19S-R29E, Eddy County, New Mexico

*APP# 30-015-39858*

**Southland Royalty APM State 5H**  
200' FSL & 500' FWL, Section 24, SH  
330' FNL & 660' FWL, Section 24, BH  
T19S-R29E, Eddy County, New Mexico

*APP# 30-015-40186*

Dear Ms. Keller,

Yates Petroleum Corporation is the operator of the State Oil & Gas Lease V-03459 covering the captioned acreage. Your company is the owner of the potash leases in this area. We respectfully request that you waive any objection you may have to this proposed well location and so indicate by signing and returning one copy of this letter. The above referenced Southland Royalty APM State wells are all inside the drilling agreement dated June 27, 2011 that Yates Petroleum Corporation has with Intrepid Potash-New Mexico, LLC.

Your favorable consideration of this request is greatly appreciated. Should you have any questions, please call me at (575) 748-4479.

Sincerely,  
YATES PETROLEUM CORPORATION

*Armando A. Lopez*

Armando A. Lopez  
Chief Land Regulatory Agent

KATHY H. PORTER  
SECRETARY

DENNIS G. KINSEY  
TREASURER

NO OBJECTION OFFERED

INTREPID POTASH-New Mexico, LLC

By: Walt D. Fitt  
Title: EVP, GC & Secretary  
Date: 2-5-13

OBJECTION OFFERED

INTREPID POTASH-New Mexico, LLC

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Intrepid Potash-New Mexico, LLC does hereby waive the twenty (20) day notice period for the referenced wells. By its waiver, Intrepid does not agree to or assume the risks of any release of oil or gas or other substance from the wells into the environment, including underground mine workings, arising out of or attributable to Yates' drilling, operation, plugging and abandonment of the wells.